



RIO Property Group Ltd has exceeded its annual target return, posting gains of 12.30% in the first six months of 2014.

Those who have invested in this product will be more than pleased with the returns to date and even more so when they read the following article. Those not yet on board should consider that this investment looks set to continue its performance for the rest of the year. RIO Property remains in prime position as we move into the third quarter of 2014. I would forecast that the next two quarters will be very profitable. I would also go on record that I expect the annual return to exceed 17%, which is 70% more than the targeted return for the year.

The Financial Conduct Authority have introduced new rules (under the mortgage market review) designed to curtail what some see as reckless lending, i.e. banks keen to cash in on the current property boom. The rules of engagement were left deliberately vague so that banks could not get away with just ticking a few boxes anymore. Under the new legislation they must consider a wide range of criteria, such as the potential impact of future rate rises and the stability of an applicant's income.

UK house prices continue rise, up another 3.9%

The average housing price in the UK is somewhere between £172,000 (Land Registry), £184,000 (Halifax) and £186,000 (Nationwide).

House prices recorded their strongest monthly rise in more than a decade in May, jumping by 3.9% and adding almost £7,000 to the average, according to figures from Halifax, Britain's biggest mortgage lender. This being the strongest monthly increase since 2002 means that the average price now, according to Halifax is £184,464. This is still £15,000 below the 2007 peak.

As some economists proclaim their surprise at the jump, RIO Property was not at all surprised since it predicted this market to continue its up surge. Accordingly, RIO is likely to post yet another gain during the third quarter, 2014.

Recent figures will increase pressure on the Bank of England to take action to prevent price rises becoming unsustainable. Removing seasonal market highs and lows puts the average cost of a UK home at £184,464, still below its 2007 peak, a reflection of the UK property recovery which I predicted and have taken advantage of.

There has been a revival in housebuilding as I mentioned in my last report. This will likely bring supply and demand into better alignment taking some pressure off prices in the medium to longer term.

Warning: some blindly see London as the best property market in the UK. In my opinion this market is long-overdue a correction!

Sadly London is overdue for a correction. This could come sooner than many people think with the historical price/earnings ratios out of alignment. Prices would have to fall significantly to come back in line.

The International Monetary Fund (IMF) has also cited this, warning that the housing bubble is one of the biggest risks to the UK economy. Furthermore, they urged that the UK government adopt formal limits on lending and even consider scrapping the roll out of the second part of the 'Help to buy' scheme (which guarantees mortgages).

I believe that the BoE and government will be reluctant to act, each perhaps insisting that it is the responsibility of the other. Obviously neither would want to be blamed for a correction in prices just before an election.

William Gray

Additional member benefits - RIO's fit for wealth campaign.

See the link below for details from our special guest writer. This section will be continually updated.

<http://www.therioclub.com/health-wealth-and-happiness.shtml>