The Residual.

UK housing, read from the land up. Builders, land, rates and planning, every week.

Issue 2
Wednesday 25 November 2026
Covers news to 24 November

THE LEAD

Who's going to buy the flats?

Bournemouth, Christchurch and Poole have stopped buying flats in the numbers they used to. In the year to June, **1,746 flats** changed hands across BCP, **17% fewer** than the year before, and about the same fall against two years ago. Flats were two in five sales two years ago; now they are **under one in three**.

Prices are following. The official index puts BCP flat prices **down 4.3% on a year** (September), nearly twice the fall for all homes (2.3%). In the town centre (BH1, BH2), flat sales fell two years running: **451, then 370, then 317**.

Where did the buyers go?

For twenty years the town-centre flat had a reliable buyer: the small landlord. Since 2016 the rules have turned against them, one after another.

2016–24	**Stamp duty.** A 3% second-home surcharge; **5%** from Oct 2024.
2017–20	**Tax.** Individual landlords can no longer deduct mortgage interest (a 20% credit instead). Companies are unaffected.
2022	**Cladding.** Most flat owners are protected from the bill; landlords with more than three properties aren't, for flats they let. 49% of BCP's affected tall blocks haven't started fixes.
May 2026	**Renters' Rights Act.** "No-fault" evictions end; tenancies become rolling, with no fixed end date.
Apr 2027	**Tax again.** Rental income gets its own, higher tax rates: 22% basic in law; October's Budget says **24%** (not yet law).
Oct 2030	**Energy.** Every rented home must reach **EPC C**, up to £10,000 a property (needs Parliament's approval).

First-time buyers lost their prop too: Help to Buy closed in October 2022, after 387,195 sales.

The Land Registry agrees: flats bought by companies (the usual buy-to-let route now) and in other non-standard sales are down **a third** in two years, 380 to 255.

Our read: the buyer that made the town-centre flat scheme work, the small investor, is stepping back. Those flats now have to sell to people who'll live in them, at prices that work for them. **So who fills the gap?** Owner-occupiers, build-to-rent, or the land price: the one number that can still give.

THE RESIDUAL, REVISITED

Last week's real Bournemouth site, about 80 flats. Council viability report: District Valuer's review, Dec 2024

Sales value	£21.53m
Build cost	−£16.00m
Fees, finance, sales, levies	−£3.96m
Developer's profit	−£3.00m
Residual, 40% affordable	**−£1.43m**
Valuer's site value today	**£0.87m**

What a falling flat price does

Every **1%** off flat values takes about **£185,000** off this site's residual. At BCP's fall over the last year (4.3%), that's about **£0.8m**: the residual goes from −£1.43m to roughly **−£2.2m**.

The land has value. This scheme, as tested, doesn't pay, and the gap is getting wider.

Site not named. Our arithmetic: sales value less 1%, with the valuer's profit allowance (about 14% of sales value) falling with it; other costs held. Assumes all values move together. Rounded.

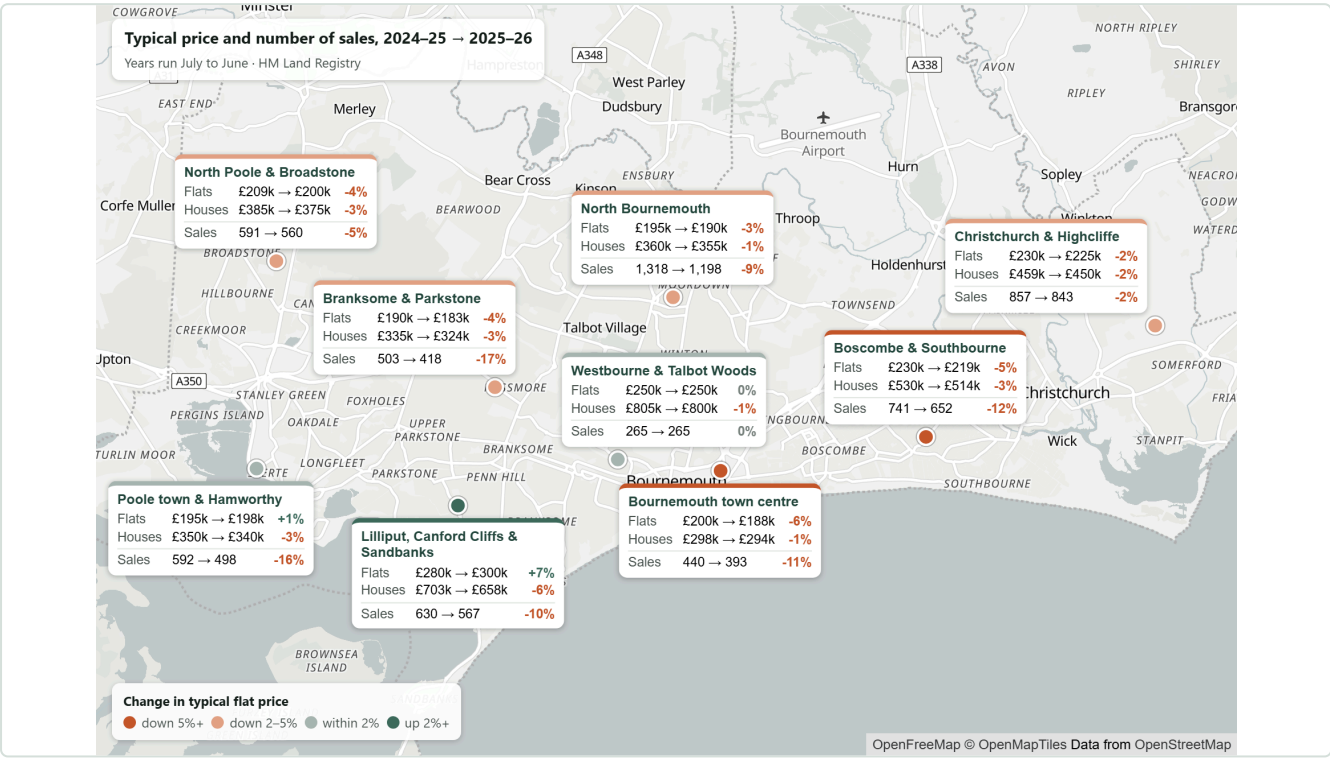
THE WEEK IN ONE LINE

Flats are where the market is weakest, and the buyer that made them work is stepping back.

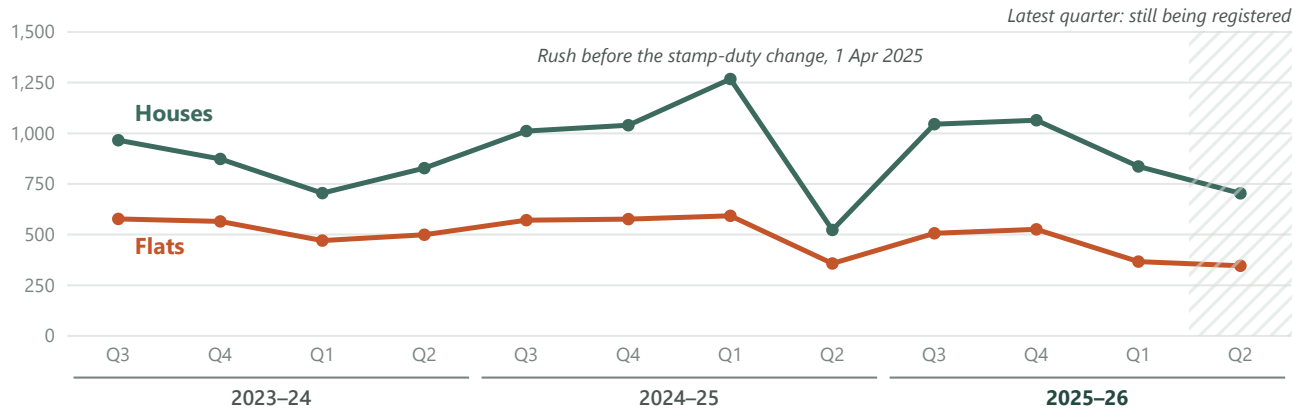
THE LOCAL MARKET

Fewer homes are selling, flats most of all

Every home sold in BCP is registered with the Land Registry. We compare **2024–25** with **2025–26**, each running July to June. In 2025–26 the typical house sold for **£387k** (from £390k), the typical flat for **£215k** (from £222k). Flat prices held or rose in **Poole town** and around **Sandbanks**, though fewer flats sold there too (208 → 130 and 322 → 269). Bournemouth's town centre and Boscombe saw the biggest flat price falls.



How many homes are selling



	2023–24	2024–25	2025–26
Flats sold	2,112	2,098	**1,746**
Houses sold	3,372	3,842	**3,649**
Flats' share of sales	39%	35%	**32%**
Flats sold, Bournemouth town centre	451	370	**317**

HM Land Registry Price Paid Data (standard sales), downloaded 23 Nov 2026; years run July to June; sales since July 2026 are still being registered and left out. 2024–25 includes the pre-April 2025 stamp-duty rush. "Typical" = median, £1k. Areas are groups of postcode districts. Contains HM Land Registry data © Crown copyright 2026 (OGL v3.0). Map © OpenFreeMap, OpenMapTiles, OpenStreetMap contributors.

THE NATIONAL PICTURE

FIVE NUMBERS THAT MATTERED

What each one measures, what it's compared with, and why it matters.

−4.3%	**BCP flat prices, a year** (official index, September) All BCP homes: −2.3%. Flats are falling about twice as fast.	WHY IT MATTERS Flats are what most of the town centre's stalled consents would build.
75%	**Odds of another rate rise in December** (Polymarket, 24 November) "No change": 24%. A rise would take Bank Rate to 4.25%.	WHY IT MATTERS The market expects mortgages to get dearer again before they get cheaper.
5.88%	**Average new mortgage rate** (Moneyfacts, 20 November) Close to the 3-year high of 5.89% at the start of the month.	WHY IT MATTERS The buyer's side of the sum. No relief yet.
−7.2%	**Inner London prices, a year** (ONS, September) The biggest annual fall since August 2009. UK as a whole: +1.2%.	WHY IT MATTERS The weakness is concentrated where flats dominate.
0.34	**Crest Nicholson's sales pace** (September–October) Private homes sold per site per week. Second half: 0.39; first half: 0.48.	WHY IT MATTERS The weakest builder reading so far this autumn.

THE CHAIN, LINK BY LINK

LINK	THE LATEST	DIRECTION
Rates	Bank Rate 4.00%. October inflation 3.6%, with core and services flat. Governor Bailey (18 Nov): policy "is not on a pre-set path".	Not yet
Materials	Marshalls' building products fell 4.1% in the four months to October on "a further slowing" in new housebuilding. Builders' merchant Grafton's GB sales fell 5.2% (1 Jul–31 Oct).	Worse
Builders	Crest Nicholson warned on 23 Nov: sales down to 0.34, a loss this year and another expected next, and write-downs on 10 sites. Its shares fell **29.6%** on the day (62.5p to 44p), about **£48m** off its stock market value.	Worse
Buyers	Mortgages near a 3-year high at 5.88%. UK prices +1.2% a year, inner London −7.2%. Rents +3.8%. Zoopla: the house–flat price gap is the widest in 30 years.	Worse
Policy	Your First Home: applications from February 2027, first sales April 2027, unchanged. Leasehold reform runs to 2028–2031.	Coming, not yet

THE PLANNING DESK

Grey belt arrives in Dorset

On **20 November** an inspector allowed outline consent for up to **49 homes** on Green Belt land off Birchdale Road, **Wimborne** (BH21), for Nightingale Land. Dorset Council's planning officers had recommended approval. Its Eastern Area committee refused it in April, saying the land wasn't grey belt and the gap between Colehill and Wimborne would be eroded.

The inspector disagreed on every test. The site makes a "limited" contribution to stopping sprawl, a "weak" one to keeping towns apart, and a "negligible" one to Wimborne's historic setting. With half the homes affordable and the infrastructure paid for, it met the government's "golden rules", so it was **not inappropriate development at all**. Dorset Council's housing land supply: **2.53 years**.

Our read: where officers say grey belt and members say no, the August rules now favour the officers. It is the first clear Dorset example we've seen.

MEANWHILE IN BCP

Fewer committee decisions. Since 31 October BCP has used the national scheme of delegation, so more major schemes are decided by officers. Quieter committee agendas are a rule change, not a slowdown.

The new Local Plan has started. Its first consultation runs to **21 December**. Submission is planned for August 2028, adoption around April 2029.

SITE OF THE WEEK

Poole Civic Centre, for sale again

The council decided to sell in October 2024, and CBRE marketed the building from February to May 2025. In July 2025 Cabinet agreed a freehold sale of the whole site to MCR Property Group for **£5.25m**, with Poole Town Council renting part of it back. The council says the deal couldn't be completed **because MCR wanted to change the terms**, and the Town Council has since chosen Poole Museum instead. So the recommendation to Cabinet on **25 November** (item 10, 10:15am, streamed live) is to re-tender the whole site as a single freehold, sold as seen, with no planning condition and the price left to the council's finance director. No date has been set for new bids; the next full Council is on 8 December. The council's own housing supply counts **120 homes** here by 2030, with no permission and, for now, no buyer.

Our read: an unconditional sale hands every planning and conversion risk to the buyer, just as town-centre flats are at their weakest. The price it fetches, against the £5.25m first agreed, will be one of the few published land values in BCP this winter.

COMPANIES, POLICY AND DATES

COMPANY NOTES

COMPANY	WHAT HAPPENED	WHY IT MATTERS
Crest Nicholson Housebuilder, South of England	Trading update, 23 Nov: 1,353 homes completed in the year to 31 Oct; sales 0.34 per site per week in Sep–Oct; an adjusted operating loss of £30–40m and a loss expected again next year; £10–15m of write-downs on 10 sites. In "constructive discussions" with lenders on its covenants and "exploring alternative sources of debt financing". Waiver runs to **30 Nov**.	*The clearest sign yet of how hard selling new homes has become.*
Marshalls Paving and building products	£544m revenue in ten months, flat like-for-like. Building products −4.1% in the last four months on "a further slowing" in new housebuilding; roofing +5.7%.	*New housebuilding is still slowing.*
Grafton Builders' merchants	GB like-for-like sales −5.2% (Jul–Oct), "subdued demand" in both repairs and new housebuilding.	*Repairs are softening too.*
Ibstock Bricks	Sold its calcined clay quarry business for £50.1m, with clay supplied back to it.	*Cash, not a sign of demand.*

POLICY WATCH

Leasehold. The Commonhold and Leasehold Reform Bill (19 Nov): ground rents capped at £250 a year (expected from 2028); new leasehold flats stopped from about 2031.

Your First Home. Settled: applications open in **February 2027**, first sales in **April 2027**. When a builder calls April a "delay", it means the first sales date, not a postponement.

THE DIARY

25 Nov	BCP Cabinet: Poole Civic Centre re-tender
30 Nov	Crest Nicholson's lender waiver expires
3 Dec	BCP Western Planning Committee
16 Dec	UK inflation for November · BCP Cabinet: Winter Gardens site plan, Hillbourne housing budget
17 Dec	Bank of England rate decision · government housing supply and planning figures (July–September)
21 Dec	BCP Local Plan consultation closes
January	Crest Nicholson's full-year results and guidance

The week in summary

If you only read one part, read this

Flats are where the market is weakest. In BCP, sales are down 17% and prices are slipping, and the buyer that made them work, the small landlord, is stepping back.

WHERE WE ARE

- **Locally:** 1,746 flats sold in BCP in the year to June (-17%), houses 3,649 (-5%). The town centre is weakest.
- **Rates:** 4.00%, with December still open. Mortgages near a 3-year high.
- **Builders:** Crest's warning and the suppliers' figures say new housebuilding is still slowing.
- **Planning:** grey belt has won its first clear appeal in Dorset, where councillors had overruled their officers.

WHAT WOULD CHANGE THE PICTURE

- Owner-occupiers stepping in for landlords at today's flat prices.
- Build-to-rent money arriving in Bournemouth.
- The Bank holding rates on 17 December.
- Consented flat schemes re-planned as houses, or land prices falling to fit.

CARRY INTO NEXT WEEK

Poole Civic Centre's re-tender (25 Nov), Crest's lender deadline (30 Nov), and the Bank on 17 December.

OVER TO YOU

What would it take for you, or your clients, to buy a town-centre flat again?

Sources: HM Land Registry (Price Paid Data, UK HPI) · ONS · Bank of England · Moneyfacts · Polymarket · Zoopla · HMRC · MHCLG (Renters' Rights Act roadmap, building safety remediation data, Help to Buy statistics, leasehold reform) · Building Safety Act 2022 guidance · company statements · Planning Inspectorate · Dorset Council · BCP Council. Local sales figures, company groups, Crest's change in value (about 257m shares, latest voting-rights notice) and the residual sensitivity are our own arithmetic. The residual box is from a District Valuer Services viability review for BCP Council (Dec 2024), published on the council's planning register. **Research and commentary, not financial advice. I hold: none of the companies named.**