

## 30<sup>th</sup> September 2022

### **DATA:** Rightmove reported asking prices rose 8.7% in year to September

They [report](#) the monthly increase (0.7%) was in line with the usual September increase (their data is not seasonally adjusted). They also noted “Buyer demand is up 20% on the pre-pandemic five-year average” while “The number of homes coming to market has risen back to 2019 levels”.

### **DATA:** Nationwide reported house prices rose 9.5% in year to September

They [report](#) “annual house price growth slowed to single digits for the first time since October last year”.

### **DATA:** Zoopla reported annual house price rise of 8.2% in August

They [report](#)(PDF) “The Housing market is transitioning to a buyers’ market as higher mortgage rates are set to cut buying power by up to 28%”. They also report “New sales are holding up with no sudden drop in demand in recent weeks - but buyer interest is weaker than a year ago” while “Asking price reductions are at the highest levels since before the pandemic as sellers adjust to more price-sensitive demand”.

### **DATA:** BoE reported a sharp rise in house purchase mortgage approvals

The data for August was 16.6% higher than the previous month and 12% higher than the 2014-19 average. This may reflect buyers rushing to transact as mortgage rates rise.

### **DATA:** BoE reported another rise in effective mortgage rates in August

The average rate on new mortgage advances was 2.56%, higher than last month’s figure of 2.33% and the average on outstanding balances (2.18%).

### **DATA:** DLUHC published planning applications in England data for Q2 2022

The release shows a 17% annual fall in applications for planning permission and a 16% annual fall in the number of homes granted planning permission.

### **REPORT:** Resolution Foundation on “Blowing the budget”

Their report shows that “today’s Government is no longer fiscally conservative or courting the Red Wall” while “the focus has shifted to the South of England where the beneficiaries of these tax cuts are more likely to be living”.

### **REPORT:** LGA/Housing LIN report on “Housing our ageing population”

The report “makes a number of recommendations to government on how we can best meet the needs of people in later life”.

### **REPORT(£):** Research on “Age segregation and housing unaffordability”

Their results “provide evidence of a strong association between increasing housing unaffordability (for sales and rentals) and increasing residential age segregation (beyond other local characteristics) in urban areas”. This [Twitter thread](#) provides further detail.

### **REPORT:** Savills report on the Single Family Rental market

The “SFR” market could be one of the big beneficiaries of any housing market downturn.

### **NEWS:** MoneyFacts on mortgage products withdrawn this week

Their last update (11:31am yesterday) put the total number of residential mortgage products available at 2,340. Last Friday morning the figure was 3,961.

## Chart of the Week

Yesterday we [published](#) some estimates for which regions and countries of the UK would be worst affected by negative equity in the event of price falls. One of the key drivers is recent patterns in price growth. To illustrate this we have used the ONS house price index but shown the percentage change since June 2022 below – unlike most charts the x-axis is in reverse date order. It shows that most regions would be similarly affected by 10% price falls given recent high price growth but London was the region that would be worst affected by 20% price falls. This is shown by the London line taking much longer to fall below the -20% line – in August 2015. Meanwhile a 20% fall only takes the UK line back to around 2018/2019. However, the North East is the worst affected region if prices fall by 30%.

### Change in House Prices From June 2022 – Note x-axis goes back in time!

Source: ONS House Price Index

