

14th October 2022

DATA: ONS estimated monthly GDP fell 0.3% in August

The revised data left GDP 2.0% higher than the same month last year and 0.6% below its pre-pandemic peak in January 2020.

DATA: ONS published UK labour market statistics

The release shows payrolled employees rose to a record high of 29.7 million in September while the unemployment rate fell to 3.5%, its lowest rate since February 1974. Real pay incl. bonuses fell 2.4% in the year to August while real pay excl. bonuses fell 2.9%.

POLICY: HM Treasury announced data for OBR forecast and fiscal plan

The OBR forecast and “Medium-Term Fiscal Plan” will be published on the 31st October. It is not clear at the time of writing whether the current Chancellor will be the one to deliver it.

POLICY: Scottish Parliament passed Tenant Protection Bill

The Bill “gives Ministers temporary power to cap rents for private and social tenants, as well as for student accommodation. The Bill also introduces a moratorium on evictions”.

POLICY: DLUHC launched legal action over building safety

This was the “First step in legal action taken against freeholder failing to fix building safety defects” with the owners of the tower “told to start remedial works or be forced to by the courts”.

REPORT(PDF): RICS published September residential market survey

The report warns the “Sales market continues to lose momentum amid deteriorating macro conditions”. They also report “New buyer enquiries fall for a fifth month in succession” while “Indicators on new instructions and agreed sales also remain negative”.

REPORT: BoE published Credit Conditions Survey – 2022 Q3

The survey was conducted between 30th August and 16th of September so does not reflect recent events. On the supply of credit: “Lenders reported that the availability of secured credit to households decreased in the three months to end-August 2022 (Q3). Lenders expected the availability of secured credit to decrease further over the next three months to end-November 2022”. While on demand: “Lenders reported that demand for secured lending for house purchase decreased in Q3, and was expected to decrease in Q4”.

REPORT: HBF published Housing pipeline report for Q2 2022

See Chart of the Week for more on planning permission and housebuilding.

REPORT: University of York and abrdn Financial Fairness Trust on the risks of affordable homeownership schemes

The report “looked at different affordable housing scheme and assessed their effectiveness. They warn that people living in shared ownership properties could be hit hard by rising inflation and interest rates”.

REPORT: Centre for Cities reported on regeneration and levelling up

The report suggests “the Government’s plans to deliver King’s Cross-style regeneration projects across the country must prioritise city centres and be backed by substantial public funding to maximise private investment opportunities”.

REPORT: Housing Ombudsman issued special report on Clarion

They initiated the investigation based on a case “where we found severe maladministration for the landlord’s significant failings in dealing with a complaint about leaks, repairs and a rodent infestation”. Of the 13 investigations, “Three-quarters of the findings across those cases were service failure or maladministration, including five findings of severe maladministration”.

BLOG: JRF analysed the spatial impacts of the cost of living crisis

Among the many findings, it highlighted that “Low-income Londoners are at the highest risk of experiencing hardship and deprivation” while “Low-income households in Scotland, the North and Midlands of England were more likely to be going without essentials and experiencing hardship than average”. It warns “The Government must do more to help families across the country facing an impossible autumn and winter”.

BLOG: Lichfields blogged on the death of the Standard Method

They declare the Standard Method for calculating housing need numbers is now dead and look at what its end means for housing delivery and targets.

BLOG: Zoopla blogged on what is happening to the housing market

They find “Demand for homes has fallen by a fifth since the mini budget” but “Homebuyers with cheap loans remain in the market and still want to complete on sales”. Sales agreed in the first 10 days of October were 14% lower than the same period last year.

REPORT: HBF reported on the energy bill savings in new homes

They report “On average, buyers of new homes save over £2,000 on household bills per property each year, equivalent to £173 a month. For buyers of houses, as opposed to flats the savings are even greater at £220 per month”.

NEWS: Moneyfacts reported new highs for fixed rate mortgages

They report “Today [12/10/22] the average two and five year fixed mortgage rates stand at 6.46% and 6.32% respectively. The last time both these averages were higher was in 2008, the year of the financial crash”.

Chart of the Week

The latest HBF pipeline [report](#) highlights the trends already reported in the DLUHC [planning release](#): the number of homes granted planning permission has been falling in recent quarters. We’ve previously [investigated](#) the relationship between planning permissions and housing delivery but the data has been improved since then with the number of homes granted permission reduced under the new methodology.

While the new government has been talking planning reform, the economic climate has probably undermined any potential benefit with a collapse in demand thanks to higher mortgage rates. In their trading update this week, Barratt [warned](#) about fall in reservation rates in recent weeks. Ultimately, I suspect most housebuilders would prefer a stable political and economic environment that enables them to plan for the long-term along with a better resourced and funded planning system that gives them a bit more certainty.

Planning Permissions & Housing Delivery, England

Source: DLUHC

