

4th November 2022

DATA: Nationwide reported house prices rose 7.2% in the year to October

This was slower than the previous month's figure of 9.5% thanks to a 0.9% monthly fall – "the first such fall since July 2021 and the largest since June 2020".

DATA: Zoopla reported an 8.1% annual rise in house prices in August

They report a 33% drop in buyer demand following the mini-budget and state the "More likely outcome is a fall in mortgage rates towards 4% and a modest decline in house prices of up to 5% over 2023 with 1m sales".

DATA: Bank of England published effective mortgage rate data

The data shows, the average rate on new lending was 2.85% in September, higher than last month's figure of 2.56% and the average on outstanding balances of 2.25%.

DATA: Bank of England reported a fall in mortgage approvals

The 10% monthly fall in mortgage approvals for house purchase reversed last month's bounce and left the total (66,789) just 1% higher than the pre-pandemic average.

DATA: DLUHC published new build EPC data for Q3 2022

The number of Energy Performance Certificates on new build properties is a good leading indicator for net housing supply. The total for England in the year to Q3 was 246,200.

DATA: DLUHC published land use in England statistics for 2022

The data reports "8.7% of land in England is of developed use" and "5.0% of land within areas at high to medium risk of flooding from rivers and the sea is of developed use (after accounting for flood defences)".

Alongside these statistics, they also [published](#) land use change statistics. They report "54% of new residential addresses were created on previously developed land" while "3% of new residential addresses were created within areas at high and medium risk of flooding from rivers and the sea (after accounting for flood defences)".

DATA: HMRC published quarterly Stamp Duty Land Tax (SDLT) receipts

The Q3 2022 data shows the biggest % increase in transactions compared to Q3 2019 was for the top-end of the market - double the number of £2 million plus properties selling. At 2,000 sales, this was a record for this price band (published data rounded to nearest 100).

DATA: Regulator of Social Housing published stock summary data

They report "4.4m units of social stock owned by RPs" (RPs: registered providers) and "83% of social stock is general needs". They also report "England general needs (social rent) average weekly net rents increased by 1.6% between 2021 and 2022".

DATA: ONS published multiple Census releases

The releases include unrounded data, household & resident characteristics, international migration, [interactive maps](#), and the raw data available to download from [Nomis](#).

DATA: ONS published 2022 employee earnings data (ASHE)

The data shows "Median weekly pay for full-time employees was £640 in April 2022, which is a 5.0% increase over the £610 in 2021" though in real terms this was a 2.6% fall.

DATA: ONS reported on the energy efficiency of housing in 2022

The report shows "Flats and maisonettes were the most energy-efficient property type in both England and Wales" while "Social rented dwellings had the highest median energy efficiency score across all property tenures".

DATA: ONS published UK National Accounts, The Blue Book: 2022

POLICY: Rishi Sunak becomes Prime Minister

Michael Gove returns as Secretary of State for Levelling Up, Housing and Communities.

POLICY: Bank of England increased Bank Rate to 3%

Their projections suggest the UK economy is "expected to be in recession for a prolonged period and CPI inflation remains elevated at over 10% in the near term"

REPORT(PDF): UK Housing Review published Autumn Briefing Paper

The paper includes multiple articles investigating how UK housing has changed since the spring. There is an interesting article on first time buyer numbers covered in more detail in the Chart of the Week below.

REPORT: LHC Committee reported on Exempt Accommodation

They report "Exempt accommodation—that is, accommodation exempt from locally set caps on housing benefit—is an important component of supported housing" and find "There are many good providers, but in the worst instances the system involves the exploitation of vulnerable people who should be receiving support, while unscrupulous providers make excessive profits by capitalising on loopholes".

REPORT: Mayhew Review report on retirement living was published

Among other recommendations it suggests "an accelerated programme of retirement housing construction with up to 50,000 new units a year".

REPORT: The Smith Institute reported on temporary accommodation

The report "examines statutory homelessness and temporary accommodation (TA) in London and Greater Manchester" and finds it at "crisis point".

REPORT: GLA published Housing in London 2022 report

The report summarises "key patterns and trends across a wide range of topics relevant to housing in the capital".

REPORT: FCA reported on their review of borrowers in financial difficulty

The report presents the findings from their review of "firms' treatment of borrowers in financial difficulty after the pandemic". It found: "Firms could do more to encourage customers to engage, particularly when payment issues start to arise", "Ineffective discussions can lead to unfair, inappropriate and/or unsustainable forbearance arrangements", "Inadequate signposting and communication of the availability of independent, not-for-profit debt advice and the benefits this might have", and "Fees and charges may be applied to customer accounts inappropriately and this, along with unpaid interest accruing, may result in escalating balances".

REPORT: UK Finance reported on achieving a Net Zero housing stock

The report "proposes radical action to achieve a Net Zero housing stock". They recommend "Prioritise public funding to retrofit social housing" and "Provide government grants to vulnerable populations" alongside amending SDLT and EPCs.

REPORT: HBF on additional levies and regulations in housebuilding

The report highlights the additional costs facing housebuilders and appears to be an appeal for more demand side subsidies given the current economic headwinds.

NEWS: Estate agents updated house price forecasts

[JLL](#) and [Savills](#) have updated their house price forecasts for next year. JLL argue the market is "set for a correction, not a crash" with prices falling 6% in 2023 while Savills predict a 10% fall next year but faster growth later – need to keep that five-year growth positive!

Chart of the Week

In the latest UK Housing Review [briefing](#), Bob Pannell published some fascinating analysis suggesting that headline first time buyer (FTB) numbers may not be as high as widely thought. We've known that historic data on FTBs may not be representative thanks to the presence of "returners" – older, wealthier buyers returning to the market – with data for 2000-05 especially compromised. However, there's little understanding of how they've inflated FTB numbers in the current market – until now. We've replicated his analysis comparing headline FTB numbers with the actual numbers claiming FTB relief from SDLT below. The benefit of the relief data is it has a "rigorous and narrow" definition of FTBs. It shows around 25% of FTBs immediately prior to the pandemic did not claim relief but this figure has increased to around 40% in the last couple of years. While there may be some other explanations such as FTBs buying above £500k and sub-market sales, this result would go some way to explaining the robust FTB numbers in recent years and the ease with which they dealt with the credit crunch that hit high loan-to-value mortgages in 2020/21.

