

11th November 2022

DATA: ONS reported monthly GDP fell 0.6% in September

The latest monthly estimate [suggests](#) GDP was 0.7% lower than the pre-pandemic peak in January 2020 while the first quarterly estimate for Q3 reported a fall of 0.2%.

DATA: Halifax reported house prices fell 0.4% in November

The annual rate of change fell to 8.3% from 9.8% the previous month. They [reported](#) this was the third monthly fall out of the past four months though the index tends to be more volatile than other house price indices.

DATA: BoE reported sharp rises in quoted mortgage rates in October

Quoted average mortgage rates across all loan-to-value (LTV) ratios rose, with the 2-year fix at 75% LTV at 6.01%, up from 4.17% the previous month, and 1.29% in October last year.

DATA: UK Finance reported low rates of mortgage arrears in Q3

The [release](#) shows just 0.83% of homeowner mortgages and 0.28% of buy-to-let mortgages were in arrears of over 2.5% of the mortgage balance. They also reported 1,090 mortgage possessions during the quarter: 49% lower than the same quarter in 2019.

DATA: MoJ published mortgage & landlord possessions for Q3

The data [shows](#) mortgage possession claims and orders increased but are still below pre-pandemic levels. Meanwhile, landlord possession claims and orders are also still below pre-pandemic levels but rising much faster. There are backlogs due to the pandemic affecting this data so care should be taken when interpreting it.

DATA: DLUHC reported further falls in Help-to-Buy equity loan completions

The [data](#) for Q2 highlights the decline in completions under the scheme following the restriction to first time buyers and, more importantly, the regional price caps.

DATA: DLUHC published Council Taxbase in England: 2020

The release reports “In England there were a total of 25.2 million dwellings as of 12 September 2022, an increase of 238,000 (or 1.0%) compared with 13 September 2021”.

DATA: HMT published data on H2B ISA and mortgage guarantee scheme

The Help-to-Buy ISA data is available [here](#) while the mortgage guarantee scheme data is [here](#). Both releases cover the period up to Q2 2022.

REPORT(PDF): RICS published residential market survey for October

The report shows the “Downward trend in buyer enquiries and sales gains further traction” with new buyer enquiries falling to a net balance of -55% in October (previously -36%). It also reports “National house price growth grinds to a halt” though “Demand remains robust across the lettings market, driving rents higher”.

REPORT: CaCHE published research on landlord behaviour

The research found “Some landlords have a proactive approach towards maintaining the physical condition of their properties and exhibit financial behaviours that are highly structured and professional. However, a significant proportion of participants did not adopt these practices and a reactive approach towards maintenance is common.”

REPORT: CPS reported on removing “top-down targets” for housebuilding

They warn “There is, however, a serious danger that by weakening or eliminating the systems set up to deliver new housing, without simultaneously introducing a clear and strong set of incentives to replace them, the Government would cause the number of houses being built to fall sharply”.

REPORT: Trust for London reported on offshore buyers in London

They report “Across England and Wales, 95,000 properties registered to offshore owners are residential. Almost half of these residential properties are located in London (42,000)”.

Chart of the Week

This week Taylor Wimpey released a trading update ([PDF](#)) reporting their net private sales rate per outlet per week had fallen to 0.51 in the second half of the year to date and the cancellation rate had increased to 25%. That’s a substantial fall as the chart below shows. Further detail in the conference call ([PDF](#)) shows it has fallen to 0.43 in the last six weeks. Other housebuilders have reported similar falls with Barratt [reporting](#) their sales rate was 0.48 between August 28th and 9th October and Persimmon reporting ([PDF](#)) a sales rate of 0.60 between 1st July and 7th November. The fall in sales rate has clearly been worsened by the recent mortgage rate shock but the rises in mortgage rates prior to the mini-budget appear to have already been reducing buyers’ demand for new homes. Meanwhile, Savills published [research](#) on how well the housebuilding sector can cope with a downturn.

Taylor Wimpey Sales Rates and Cancellation Rates

Source: Taylor Wimpey annual accounts and half year presentations

