

27<sup>th</sup> January 2023

**DATA: HMRC reported 102,000 transactions in December**

The figure was 2.6% lower than the previous month but 2.7% higher than the pre-pandemic average. It will take time (2-4 months) for lower approvals/sales agreed to filter through.

**DATA: ONS reported a fall in stamp duty receipts in December**

The figure for residential and commercial property was 18% lower than December 2021 – though that was the highest recorded month. November 2022 marked the peak in annual receipts, with £17.9bn collected in the 12 month period. It fell to £17.5bn in December.

**DATA: DLUHC reported 252,500 new build EPCs in 2022**

The data is a useful leading indicator for net supply. It shows the number of Energy Performance Certificates for new build houses was 12.6% higher in Q4 2022 than the same quarter in the previous year while the figure for flats was just 2.6% higher.

**DATA: ONS published comparison of private rental growth measures**

The release compares the ONS rental index – based on all tenancies – with measures based on new listings and new lets.

**DATA: ONS published household income data for 2021/22**

It reports the inflation adjusted median household disposable income fell 0.6% in 2021/22 compared to the previous year while the measure for the “poorest fifth of the population” fell by 3.8%. Meanwhile, the figure for the “richest fifth of people” increased by 1.6%.

**DATA: DLUHC published data on social housing sales and demolitions**

The release for England shows there were 25,000 sales of social housing in 2021/22 and 2,800 demolitions. Experimental statistics suggest, when other losses and new supply is factored in, the net supply of “affordable housing for rent” in 2021/22 was 11,200 homes.

**DATA: Rightmove reported rents rose 9.7% in 2022**

The latest rental index report record asking rents outside London (£1,172 p.m.) and inside London (£2,480 p.m.). They report competition is starting to ease as more properties are coming to the market but the lack of homes to available to rent is still significant.

**DATA: Scottish Government published Quarterly Housing Statistics**

The release provides a summary of housebuilding statistics for Scotland.

**POLICY: Competition and Markets Authority letter to Gove**

The letter says they “will prioritise work towards the launch of a market study into the homebuilding sector, following discussion by the CMA Board in January”.

**REPORT: JRF published UK Poverty 2023 report**

The report finds “13.4 million people were living in poverty in 2020/21” but warns “Living standards are likely to have fallen since the latest official data covering 2020/21”. It also suggests “Housing costs are a major factor in determining whether people are pulled into poverty” with 32% of private renters and 42% of social renters in poverty.

**REPORT: CPS reported on “The Case for Housebuilding”**

Any merits of the arguments in this report are compromised by a sloppy approach to evidence gathering, unsourced charts, and apparent cherry-picking of statistics. This included copying an image of our chart unacknowledged in the original version of the report.

**REPORT: DEMOS reported on “A New Age of Inheritance”**

The report highlights the role of residential property to the rising value of inheritances and warns about the “divide between the inheritance ‘will-haves’ and ‘won’t-haves’”.

**BLOG: Bank of England published Overground/Underground Blogs**

A flurry of blogs from the Bank investigate “[How UK housing preferences shifted during the pandemic](#)”, “[How does household financial resilience compare to the early 1990s recession?](#)”, and “[How are the rising cost of living and interest rates affecting households’ ability to pay their mortgage?](#)”.

**REPORT: TwentyCi published End of Year Summary**

They report the number of sales agreed was 14.3% lower in 2022 than the year before while the number of new instructions was 4.7% higher.

**REPORT: Savills reported on development land values**

They report a “significant” slowdown in sales of sites and UK greenfield land values fell 2.2% in the final quarter of 2022.

**NEWS: Halifax reported on first time buyers in 2022**

See Chart of the Week for more.

**CORPORATE: Henry Boot published trading statement**

They report pre-sales for land and houses are “encouraging” while the planning environment has become more difficult.

**CORPORATE: Watkins Jones published full year results 2022**

They report interest in forward sales is recovering but expect actual forward sales to return in the second half of the year. They also report gross margins for build-to-rent and student accommodation are being squeezed by the increased cost of borrowing.

**CORPORATE: Inland Homes published trading update**

They warn about market confidence and property valuations being adversely affected and have sold a portfolio of strategic land (mostly greenbelt) given the political environment.

**CORPORATE: Foxtons published year end trading update**

They expect the first half of 2023 will be challenging thanks to a subdued sales market.

**CORPORATE: Paragon published trading update**

They report BTL mortgage completions are expected to be lower in their second quarter due to the impact of the mini budget on new business flows.

## Chart of the Week

The latest [press release](#) from Halifax reported the number of mortgaged first time buyers fell 11% in 2022 compared to the previous year. However, as our chart below shows, this was still in line with their peak numbers immediately prior to the financial crisis in 2006.

The chart also highlights the relative divergence in first time buyer numbers since 2014 across regions. Changes to stamp duty (both relief for first time buyers and higher rates for additional properties) helped shift buying power towards first time buyers and away from investors. This worked across most of the country except the most expensive areas such as London where affordability was too stretched for first time buyers to replace the investor buyers. More recently, the post-pandemic market has boosted numbers in the capital but many will have been dependent on very low mortgage rates which will affect this year.

**Mortgage First Time Buyer Activity, London Versus The Rest Of The UK**

Source: FCA Product Sales Data, Halifax estimates for 2022 based on UK Finance data

