

3rd February 2023

DATA: Nationwide reported UK house prices fell 0.6% in January

They [report](#) “Annual house price growth slowed to 1.1%, from 2.8% in December” with prices now a seasonally adjusted 3.2% below their peak in August.

DATA(PDF): Zoopla reported UK house prices rose 6.5% in year to Dec 2022

They report “Current buyer interest is in line with the pre-pandemic years and 10% ahead of 2019” while “There is now an average of 23 homes for sale per estate agent, up from a low of just 14 homes in early 2022”.

DATA: BoE reported a further fall in mortgage approvals for house purchase

There were 35,600 (seasonally adjusted) approvals for house purchase in December, 23% lower than the previous month and 46% below their pre-pandemic average.

DATA: BoE reported further rises in effective mortgage rates

The data covers actual lending transactions so lags the quoted mortgage rate measure. It shows the average rate on new advances in December was 3.68%, up from 3.36% the previous month. The rate on outstanding balances increased to 2.51% (previously 2.39%).

DATA: HMRC published UK Stamp Tax statistics 2021 to 2022

The release highlights the increase in stamp duty land tax collected during the period despite the stamp duty holiday. They also report there were “284,100 transactions that were eligible to pay the higher rates on additional dwellings (HRAD)” and “10,000 transactions were subject to the new Non Resident Stamp Duty Land Tax surcharge”.

DATA: Scottish Government published Homelessness Statistics

They report in the six months to 30th Sep 2022: “There were 19,066 applications for homelessness assistance. This is an increase of 6% (1,074) compared with the same six-month period in 2021 and higher than the 2019 pre-pandemic figure of 18,913”.

POLICY: DLUHC sent developers building remediation contract

They have six weeks to sign the [contract](#) while “Legislation will be brought forward in the spring giving the Secretary of State powers to prevent developers from operating freely in the housing market if they fail to sign and comply with the remediation contract”.

POLICY: BoE increased Bank Rate to 4%

The “the MPC voted by a majority of 7–2 to increase Bank Rate by 0.5 percentage point”.

REPORT: BoE published Monetary Policy Report

In their central projection: “GDP is projected to fall slightly throughout 2023 and 2024 Q1, as still-high energy prices and the path of market interest rates weigh on spending.

REPORT: Resolution Foundation published Housing Outlook Q1 2023

They find “Housing cost pressures are currently more severe than during the pandemic” and “Renters, single parents and Black and mixed-race adults are most likely to be struggling with housing costs”.

REPORT: IFS examined freezes in Local Housing Allowance

They warn the freeze means that “while some low-income families see almost no change in the share of housing costs they are required to pay, others will have to cover significantly more than they did previously”.

REPORT: Academic paper on build to rent in Greater Manchester

The paper by Goulding, Leaver, and Silver explores the growth of build to rent development and includes an interactive [map](#) of developments and global investors.

REPORT: Centre for Cities published Cities Outlook 2023

The report explores “A lost year of levelling up” and “The UK’s army of hidden unemployed people. The report also includes their City Monitor analysis though the trend for multiple pages of “testimonials” in some reports is getting tedious.

REPORT: Savills reported on London’s £5m+ housing market

They report 2022 was a record breaking year for the market with 606 transactions and £6.57bn in sales value.

REPORT: Knight Frank published Prime Central London January index

They report average prices were “flat in January, producing an annual increase of 1.2%”.

CORPORATE: Harworth published year-end trading update

They report residential land sales in the second half of 2022 were “in line with, or ahead of, June 2022 valuations”.

CORPORATE: Belvoir published trading update

They note that while there has been an improvement in activity in 2023 when compared to last quarter (Q4 2022), the time it takes to complete house sales means this is unlikely to feed through into their financial performance until the second half of 2023.

CORPORATE: Santander UK published quarterly management statement

Their base case for house prices is a 10% fall in 2023 with a peak to trough decline of 11.2%. They also include two downside scenarios with peak to trough falls of 19% and 30.7%. The weighted average of all scenarios is a 16.8% peak to trough decline.

Chart of the Week

The latest effective mortgage rate data from the Bank of England also includes the quarterly update on the distribution of new lending by floating/fixed rate and the period of the fix. The latest data covers the final quarter of 2022.

As the chart below shows, there has been a big shift towards 5 year fixed rate periods in recent years and this continued through into Q4 last year with 60% of new lending in this category. The share of lending at 2 years or less fell to 22.2% - it’s lowest since the data started in 2016. Meanwhile, the share of lending above 5 years was 5.4% though all of this was for 10 years or less. With the increase in the cost of fixed rate mortgages, floating rates increased their share but were still just 5.3% of total lending – well below historic levels.

Distribution of Fixed Rate Periods & Floating Rates on New Lending

Source: Bank of England

