

3rd March 2023

DATA: Nationwide reported UK house prices fell 0.5% in February

The [latest](#) monthly fall took the annual percentage change negative (-1.1%) and prices are now down 3.9% since August according to their seasonally adjusted index and down 6.0% according to their non seasonally adjusted index.

DATA(PDF): Zoopla reported UK house prices rose 5.3% in year to February

They also reported “Buyer demand and sales volumes are 20-50% lower than a year ago but slightly ahead of the pre-pandemic years (2017-2019)” and “Sellers having to accept an average 4.5% discount to the asking price to achieve a sale – the highest for 5 years as a buyers’ market takes hold”.

DATA: BoE reported small monthly falls in mortgage approvals in January

Mortgage approvals for house purchase and remortgage were only down 2.2% and 3.3% respectively on the previous month but were both down 46% on January 2022 levels. It’s possible this marks the trough in activity falling the post mini-budget mortgage disruption.

DATA: BoE reported another rise in effective mortgage rates

The data, on actual lending in January, showed the average rate on new advances increased to 3.89% (3.68% previously) while the average rate on outstanding balances increased to 2.55% (2.51%). Both these figures are above the rates last year (1.59% and 2.01%).

DATA: DLUHC published statutory homelessness figures for England

The data, for Q3 2022, shows a 4.4% annual increase in households “initially assessed as homeless or threatened with homelessness and owed a statutory homelessness duty”.

DATA: DLUHC published rough sleeping snapshot for England

The estimate of rough sleeping based on survey during a single night in autumn 2022 was 3,069, an increase from last year’s figure of 2,443 but still below the 2017 peak of 4,751.

DATA: ONS published subnational dwelling & household tenure estimates

The estimates cover England at local authority level. However, they have not been updated with the latest Census data (due out in the next couple of months) so may be subject to significant revision.

DATA: ONS reconciliation of mid-year population estimates with Census

The analysis finds “The 2021 rolled-forward mid-year estimates (MYE) for England and Wales are 268,500 higher than Census 2021-based MYE”. They suggest “The majority of these differences at the England and Wales levels are attributed to international migration flows over the decade”.

DATA: NHBC reported a 26% increase in new homes registered in 2022

The 26% increase took the total number of homes registered to 191,801. However, fluctuations in NHBC’s market share and a rush to register new starts ahead of regulatory changes contributed to the increase and figures for the final quarter of 2022 were similar to the previous year.

DATA: Regulator of Social Housing published quarterly survey

The survey of registered providers reports “12-month major repairs spend forecasts remain high as delayed works are reprofiled and building safety and energy efficiency works are planned. development spend forecasts decreased from previous quarter to their lowest level in two years, mainly due to economic uncertainty”.

POLICY: DLUHC on raising standards in the social housing sector

“Professional qualifications to be made mandatory for social housing managers” and “Part of the Social Housing (Regulations) Bill which will give Regulator tough new powers to hold landlords to account”.

POLICY: DLUHC launched consultation on planning fees and performance

They propose to “increase planning fees by 35% for major applications and 25% for all other applications” and “additional fees for bespoke or ‘fast track’ services”. The key its success will be dependent on if they can “build planning capacity and capability within local authorities, including challenges in recruitment and retention”.

POLICY: Scottish Government published “The Repairing Standard”

The guidance “incorporates all the elements of the standard which private landlords are required to comply with from 1 March 2024”.

POLICY: CMA launched market study of housebuilding and separate project on consumer rights for those in rented homes

The housebuilding study will focus on housing quality, land management, local authority oversight, and innovation. The refence to examining land banking prior to planning could be key to solving the debate though it will be constrained by data availability. Unfortunately, the statement of scope already includes some fairly basic errors on housebuilding data.

REPORT: Crisis reported on housing and the cost of living

The report “outlines the impact of successive freezes in housing benefit (Local Housing Allowance) on low income renters, people experiencing homelessness, and services”.

REPORT: Lichfields assess impact of changes to NPPF on new supply

The report, for the HBF and LPDF, concludes that the NPPF changes will lead to a drop in net additional supply to 156,000 per year. The full PDF is [here](#).

REPORT: HBF warn net housing supply could fall to 110,000 per year

Building on the above Lichfields work, they also include the impact of nutrient neutrality and other restrictions in an attack on Natural England’s “overzealous approach”.

REPORT: LSE reported on solutions for mortgage prisoners

The report provides costed solutions to help the estimated 200,000 borrowers stuck on closed book mortgages.

REPORT: Knight Frank published The Wealth Report

The “ultimate guide to prime property markets, global wealth distribution, the threats and opportunities for wealth, commercial property investment opportunities, philanthropy and luxury spending trends”!

ARTICLE: Economics Observatory on wealth inequality and housing

The article suggests many housing policies are “outdated and no longer achieve their aims” and new approaches are needed to reduce wealth inequalities.

CORPORATE: Rightmove published full year results

They report “Confidence returning to market with deals being agreed now only 11% below 2019” in recent weeks. They also report the slowing market led to a “notable rise” in “average revenue per advertiser” from new homes clients in the second half of the year.

CORPORATE: Unite Students published preliminary year end results

They report 99% of beds let for 2022/23 and 83% reserved for 2023/24. With rental growth of 3.5% this year, they are “Confident in achieving 6-7% rental growth” next year.

CORPORATE: Persimmon published annual results

They report “Sales rates have improved to 0.52 in the first 8 weeks of the year, in-line with industry peers yet still significantly below the equivalent period last year (0.96)” and they estimate “should current rates continue for the rest of the selling year, the Group’s current outlet network would imply 8,000-9,000 legal completions for 2023” compared to 14,868 in 2022. See Chart of the Week for costs and gross profits per plot.

CORPORATE: Taylor Wimpey published full year results

They report “The year-to-date net private sales rate (w/e 26 February 2023) is 0.62 per outlet per week (2022 equivalent period: 1.02) with the four week average running at 0.66 per outlet per week”. They also report the “cancellations rate was 17% (2022 equivalent period: 14%)” and “The level of down valuations remains low”. They also expect “assuming prevailing market conditions continue and given a challenging planning backdrop”, 2023 completions between 9,000 and 10,500 (14,154 in 2022).

Chart of the Week

Persimmon’s latest full year results allows us to update our costs and profits per plot chart. It highlights the recent increase in build costs after around a decade of tight control. While the decline in land costs will partly reflect changes in the product and location mix of their new homes, it still highlights how the listed housebuilders have managed to capture the majority of the uplift in house prices in their profit rather than land values.

Persimmon Costs & Gross Profit Per Plot
Source: Persimmon Accounts and Presentations

