

17th March 2023

DATA: ONS published UK labour market statistics

They report the unemployment rate was still near record lows (3.7%) though the number of job vacancies is now falling from very high levels. Total wages (incl. bonuses) rose 5.7% over the last year though this was a 3.2% fall when accounting for inflation.

DATA: FCA/BoE published mortgage lending statistics Q4 2022

The latest MLAR data is summarised in the above link and in our latest [slide deck](#).

DATA: ONS published data on mortgage and rent expenditure

The user requested data provides a breakdown on rent and mortgage expenditure as a proportion of total household expenditure and disposable income.

POLICY: HM Treasury published Spring Budget 2023

The budget was very light on housing-related announcements with the exception of a call for evidence for locally led nutrient neutrality credit schemes. See LGA report below for more background on this issue. While this will be welcome for the housebuilding industry, they will be disappointed in the lack of support given their lobbying in recent weeks.

POLICY: DLUHC developer remediation contract deadline passes

The full list of who has signed and not signed is at the link above and Michael Gove has started targeting those who refuse to sign. It will be intriguing to see what happens next.

REPORT: OBR published economic and fiscal outlook – March 2023

See Chart of the Week for more detail.

REPORT: LGA reported on nutrient and water neutrality

The report contains recommendations on tackling the issues.

REPORT: TwentyCi reported on the housing market in March

Unfortunately the report tells us more about the size of different regions than what has changed (or not) in the housing market.

BLOG: NEF blogged on private renters and the cost of living

They recommended unfreezing Local Housing Allowance to help private renters.

CORPORATE: Harworth published full year results 2022

They report land sales in the second half of the year were “at prices in line with, or ahead of, June 2022 valuations”. They have also “Selected preferred investment and construction partners for development by Harworth of a single-family Build-to-Rent (‘BTR’) portfolio”.

COPORATE: Savills published preliminary results for 2022

On residential transactions, they report “Second-hand sales revenue declined by 5%” This was due to a 17% fall in number of exchanges and a 14% increase in average value. They also report “Volumes in the regional UK market declined significantly in line with our expectations, however Central London volumes remained relatively robust”.

CORPORATE: Empiric published preliminary results for 2022

They report a positive outlook for the next academic year with “Like-for-like rental growth in excess of 6% now anticipated” and are “Targeting revenue occupancy >97%”.

Chart of the Week

Alongside the Budget, the OBR published its latest [forecasts](#). Their latest prediction for house prices is a 10% peak to trough fall, slightly worse than the 9% fall predicted back in November. They state “Low consumer confidence, the squeeze on real incomes, and the expectation of mortgage rate rises to come are expected to contribute to continued falls in house prices and a reduction in housing market activity”. However, perhaps the most interesting part of their housing market forecast is not the very small change in the house price forecast but the large change in their mortgage rate forecast. At first glance, with the peak in rates falling from 5% to 4.2%, this might suggest an improvement in the house price forecast should be expected. However, this rate is the average on all outstanding balances and even the current mortgage rate forecast is severe – suggesting much higher rates on new lending that increase the average rate on outstanding balances.

Average Mortgage Rate On Outstanding Balances

Source: Bank of England, OBR

