

7<sup>th</sup> July 2023

## **DATA:** Halifax reported UK house prices fell 2.6% in year to June

They [report](#) “a third consecutive monthly decline” though “New build prices more resilient compared to existing homes” with new build rising 1.9% in the year while existing properties fell 3.5%. It’s just one month’s figures but this suggests the Halifax index has a heavier weighting to new build activity than we see in the actual market.

## **DATA:** Bank of England reported rises in average quoted mortgage rates

The data for June shows the average quoted mortgage rate for 5 year fixes at 75% loan-to-value rose to 4.95%, up from 4.29% the previous month. The revert-to-rate (standard variable) increased to 7.54%.

## **DATA:** HomeLet reported UK rents rose 10.4% in year to June

They report “Excluding London, the UK average is now £1,027 PCM” and “Every region has seen an annual rent increase, with Scotland showing the largest, up 15.8% since June 2022 to £940 PCM”. PCM = per calendar month.

## **DATA:** GLA updated their London Building Stock Model

The model is “a database of all the energy and carbon data collected through the Mayor’s energy programmes and policies. It provides a snapshot of all London’s buildings (both domestic and non-domestic) with information on their energy performance certificates as of 2017”. The update includes buildings as of 2023 but may not have any data attached.

## **REPORT:** London Councils on private rental sector supply in London

The report, by LSE and Savills, highlights the fall in the availability of rental properties. The report suggests “while we cannot definitively say whether London’s PRS is shrinking or not, we do know the following: Rental listings are falling and it’s problematic for all households, particularly lower income households; More rental properties are being sold by landlords, particularly at the lower end of the market; The number of homes affordable under LHA is almost non-existent”.

## **REPORT:** HBF published report on new build energy efficiency

The latest version report found “In the year to March 2023, 85% of new build homes were rated A or B for energy performance, while just 4% of existing properties reached the same standards”. However, the vast majority of those new builds were rated B rather than A.

## **REPORT:** CPS reported on improving building regulations

The briefing highlights “recent building regulations which have had a negative impact on the quality and appeal of new build properties” and “makes suggestions for how they could be improved”.

## **NEWS:** Moneyfacts reported the average 5 year fixed rate breached 6%

They report the average rate for 5 year fixed rate mortgages was 6.02% on the 5<sup>th</sup> July while the 2 year fixed rate was 6.51%. These rates are weighted by product availability rather than borrower demand so tend to be higher than the rates on actual new lending.

## **CORPORATE:** MJ Gleeson published trading update

They report “There was a significant shift in buyer demographics in the second half, with first-time buyers accounting for c. 50% of open-market reservations (FY2022: 71%), whilst over 20% of sales were to purchasers over 55 years old (FY2022: 10%)”. They also report “Reservation rates over the last 6 months improved to 0.64 net reservations per site per week against 0.62 net reservations per week over the comparable period last year”. However: “Excluding the four multi-unit sale agreements, the reservation rate was 0.44 per site per week net of 19% cancellations”.

## Chart of the Week

It was a quiet week for housing statistics this week, so we found ourselves looking at the Department for Business and Trade’s [building materials and components statistics](#). As [Noble Francis](#) points out, the data is a useful monthly proxy for house building starts. The data shows deliveries have improved since December but are still well below recent normal levels. Meanwhile, the production of bricks is higher than deliveries and so stocks are rising.

### Production, Delivery, and Stock\* of Bricks

Source: DBT \*at end of each month

