

21<sup>st</sup> July 2023

**DATA: Rightmove reported asking prices rose 0.5% in year to 8<sup>th</sup> July 2023**

They [report](#) “the number of sales agreed now 12% behind 2019’s more normal market” but “buyer demand remains resilient, being 3% higher than 2019” and the “number of available properties for sale is 12% lower than at this time in 2019”. They also warn about over-pricing “with properties that need a reduction in asking price being more than 10% less likely to find a buyer than those that are priced right at the outset”.

**DATA: ONS reported UK house prices rose 1.9% in the year to May 2023**

The completions-based index is the most comprehensive but has a large lag due to the length of time it takes for transactions to complete and is subject to revisions. The latest [release](#) shows annual price rises for all English regions over the last twelve months except for the East of England where prices were unchanged.

**DATA: ONS reported UK rents rose 5.1% in the year to June 2023**

The index is based on both new tenancies and existing ones so tends to lag measures of newly agreed rents. Across England, rents rose fastest in the West Midlands (5.4%) and slowest in the North East (4.4%).

**DATA: Rightmove reported asking rents rose 9.3% in year to Q2 2023**

They report: “National average asking rents outside London hit new record of £1,231 per calendar month”, 33% higher than 2019. They also report asking rents in Inner London rose 13.6% over the same period while rents in Outer London rose 13.9%.

**DATA: ONS reported £1 billion in SDLT receipts in June 2023**

The figure, covering stamp duty land tax for both residential and commercial property, was 10% higher than the previous month but 28% lower than the same month last year.

**DATA: DLUHC reported H2B equity loan completions for Q1 2023**

There were just 3,202 completions during the quarter, reflecting the end of the scheme.

**DATA: UK Finance published Largest Mortgage Lenders data for 2022**

We missed it last week but it’s a useful summary of gross and net lending by lender.

**DATA: HM Treasury published Mortgage Guarantee Scheme statistics**

The release shows there have been 37,376 completions through the scheme, representing around 0.9% of all mortgage completions during the period.

**POLICY: Renters (Reform) Bill was introduced to Parliament**

It will “deliver a fairer, more secure, and higher quality private rented sector for both tenants and landlords”. An overview of the Bill measures is available [here](#).

**POLICY: Scottish Government boosts affordable housing supply**

“Efforts to reduce the number of households living in temporary accommodation will be backed by at least £60 million to support a national acquisition plan to increase the supply of social and affordable housing”. The funding is intended to help “councils and registered social landlords to purchase properties including empty homes and private sector homes”.

**REPORT: DLUHC reported on “Living in and looking after shared buildings”**

The report “explores consumer demand for, awareness of, and understanding of different types of homeownership and management, with a particular focus on commonhold”.

**REPORT: Resolution Foundation reported on higher interest rates**

The report investigates what higher rates “mean for the size and distribution of Britain's household wealth”. They suggest “A higher-rates world would also improve housing affordability, helping young, would-be homeowners. Based on current interest rates, the house-price-to-earnings ratio could fall to around 5.6 – the lowest level seen since 2000”.

**REPORT: House of Commons Library on “What is affordable housing?”**

The report “explains how affordable housing is defined and looks at trends in housing affordability and the supply of affordable housing”.

**REPORT: Savills reported on the development land market**

They report the market “remains price sensitive with fewer land sales than last year, reflecting the wider challenges in the housing market”. Despite limitations due to lower sales volumes, they report UK greenfield land values fell 4.4% in the year to June 2023.

**REPORT: Knight Frank reported on “seniors housing market”**

They report “Seniors housing delivery picks up but falls short of demand”. They also report: “Integrated Retirement Community (IRC) schemes are now the dominant form of delivery in the UK, accounting for 58% of all new senior housing units built in 2022”.

**REPORT: Propertymark published Housing Insight Report: June 2023**

They report there was “No sign yet of fundamental change in market conditions” in June.

**CORPORATE: Watkin Jones published trading update**

They report “In the period since the interim results, market conditions have become more challenging. In particular, the recent increases in interest rates and prevailing economic uncertainty have impacted negatively on market liquidity”. They report a greater risk that transactions will not complete and are exploring the sale of “non-core assets”.

**CORPORATE: Vistry published trading update**

They report the “average weekly sales rate for the period was 0.86 (2022: 0.84), and excluding bulk sales in Housebuilding was 0.67 (2022: 0.82)”. They also note “Following the recent increase in the Bank Rate and mortgage costs we have seen a slowdown in the open market private sales rate over the past four weeks”.

## Chart of the Week

This week saw the publication of Homes England’s [annual report](#). Over the last few years, the report has contained a useful table showing the proportion of Help-to-Buy equity loans repaid by the year of issue. The latest table, for 2022/23 shows there have been 387,188 loans issued and 134,546 repaid in total. Thanks to the data we can see the repayment profile over time depending on the year the loan was issued. In the chart below we have adjusted this data to show the typical repayment profile, with many borrowers rushing to repay the loan before interest payments start in year 6. We will have to wait and see how this profile changes given higher interest rates and slower house price growth / price falls.

### Repayment of Help-to-Buy Equity Loans by Year of Issue

Source: Homes England Annual Reports

