

28th July 2023

DATA(PDF): Zoopla reported house prices rose 0.6% in year to June 2023

They report “Modest annual price falls of up to -2.2% concentrated in southern England and markets with an average price over £300,000” and “Higher mortgage rates have reduced demand by 18% in last 2 months”.

DATA: HMRC reported 85,900 residential transactions in June 2023

See Chart of the Week for more detail.

DATA: DLUHC published Energy Performance Certificates for Q2 2023

The number of EPCs on new build properties is a useful leading indicator for net housing supply. The latest data shows the number of new build EPCs fell 13.5% in Q2 2023 compared to the same quarter in 2022 and the total number in the year to Q2 was 239,306.

DATA: NHBC published new homes statistics for Q2 2023

They report a 42% fall in the number of new homes registered in Q2 2023 compared to the same quarter last year. However, there was a spike in registrations in Q2 last year as builders rushed to beat the introduction of new building regulations. The data was 11% lower than the figure for Q2 2019. Please note this data undercounts actual delivery.

DATA: DLUHC published statutory homelessness data for Q1 2023

There was a 5.7% annual increase in the number of households initially assessed as homeless or threatened with homelessness and owed a statutory homelessness duty and the number of households in temporary accommodation increased 10% to 104,510.

DATA: ONS published Housing Purchase Affordability, UK: 2022

The release provides ratios of house prices to annual disposable household incomes, by decile, for countries of the UK and regions of England.

POLICY: Government launch “Long-term plan for housing”

They announced plans “for regeneration, inner-city densification and housing delivery across England, with transformational plans to supply beautiful, safe, decent homes in places with high-growth potential in partnership with local communities”.

REPORT: UCL reported on Local Authority Direct Provision of Housing

Their survey shows “increased housing activity across most local authorities despite challenges such as inflationary costs” and “Many councils are using their own land and buildings for housing development”.

REPORT: Citizens Advice reported on negative budgets by housing tenure

They report: “Over half (56%) of the mortgage holders we help with debt issues are now in a negative budget – up from 33% in 2019 – higher than both private and social renters”.

REPORT: FCA published Financial Lives survey

The survey found “found 7.4 million people unsuccessfully attempted to contact one or more of their financial services providers in the 12 months before May 2022, with the most vulnerable in society most likely to struggle with this”.

BLOG: Bank Underground blogged on the Bank of Mum and Dad

The analysis shows “Those who have had help from their parents put down a deposit twice as large, bought bigger first homes, and had smaller mortgage payments than those who did not”.

REPORT(PDF): IMLAR published Market Briefing: June 2023

Amongst other data, they report on the buy-to-let market: “In the year to April, there was a 47% decline in the average monthly number of house purchase loans advanced compared to 2022 and a 41% decline in remortgages”. They also report for buy-to-let lending in April: “Total gross lending of £1.9 billion was below any single month during the pandemic and the lowest monthly total since 2013”.

REPORT: Savills published Build to Rent Market Update for Q2 2023

They report: “The second quarter of 2023 saw a marked improvement in the amount of capital invested into UK Build to Rent (BtR). This resulted in the highest Q2 on record”.

CORPORATE: Unite Students published interim results

They report: “Record reservations of 98% for 2023/24 and rental growth of around 7% (2022/23: 92% and 3.5%)” and “Growing demand from university partners, accounting for 54% of beds for 2023/24 (2022/23: 52%)”.

CORPORATE: PRS REIT published Q4 update

They report: “Rent collection for the period was 99% and total occupancy at the end of the quarter was at 97%” and “Total arrears at 30 June 2023 remained low at £0.6m (30 June 2022: £0.6m). Like-for-like rental growth over the year has risen to 7.5% on stabilised sites, from 5.7% at the end of the third quarter. Affordability (average rent as a proportion of gross household income) remains very strong at 25%”.

CORPORATE: Foxtons published interim results

They report for lettings: “Little change expected to the ongoing supply and demand imbalance, which will continue to underpin rents. Rent increases are expected to moderate through H2” and “In Sales, we are exchanging deals in our under-offer pipeline, and consequently expect our Q3 exchanges to outpace the levels seen in H1 2023. The wider sales market continues to remain challenging, primarily driven by higher inflation levels and associated interest rates, which will continue to impact market exchange volumes through H2 2023”.

CORPORATE: Rightmove published half-year report

They report stable membership numbers, up 1% since the start of the year and the “time on site” averaged 1.4 billion minutes per month, down from 1.5 billion in 2022 but higher than the 1.1 billion in 2019. They also report a market share of 86%.

Chart of the Week

Estimates for the number of residential transactions bounced back in June, as the impact of the Truss turmoil receded, and the higher numbers of sales agreed in the spring began to reach completion. As the chart below shows, the fallout from last autumn has taken a while to feed through to transactions thanks to the longer time it now takes sales to complete. The non-seasonally adjusted data for June shows the number of transactions was 10% below last year’s level and similar to the lower end of the range recorded prior to the pandemic. However, sales are likely to fall later in the year thanks to high mortgage rates.

Residential Transactions by Month and Year, England

Source: HMRC – not seasonally adjusted

