

8th September 2023

DATA: Halifax reported UK house prices fell 4.6% in year to August

With prices falling 1.9% in the month, they [report](#) this was the “largest monthly fall since November 2022” and “Southern England and Wales seeing most downward pressure on property prices, Scotland showing greater resilience”.

DATA: BoE published average quoted mortgage rates for August

The latest release shows a slight fall in fixed rates (5 year fix at 75% LTV was 5.52% compared to 5.72% the previous month). However, both variable and revert-to-rates (SVRs) increased. The revert-to-rate hit its highest rate (7.85%) since December 1998.

DATA: DLUHC reported a fall in planning application in Q2

The release shows the number of applications for planning permission were down 14% compared to last year while the number decided were down 12% over the same period. It also shows planning authorities “granted 8,000 residential applications, down 8% from the same quarter a year earlier”.

DATA: ONS published UK housebuilding data for Q1 2023

Unfortunately, this release presents misleading figures for housebuilding given the undercount in delivery that exists in the underlying data used to create the statistics.

DATA: ONS published Census 2021 migration statistics

Unfortunately, this is another release that is compromised by the timing of the Census and the impact of the pandemic. It should have been delayed by a year like Scotland.

POLICY: DLUHC published HHSRS review summary report

The review of the Housing Health and Safety Rating System proposes a simpler banding of the results, publishing indicative baselines, and updated guidance.

REPORT: DLUHC reported on damp and mould in the private rented sector

The findings, based on local authority provided data, suggest 3.6% of properties have category 1 damp and mould hazards. However, the report notes: “Several local authorities noted that a register or database of private landlords would help them to know where private rented sector properties are. They also reported that they often rely on tenant complaints to identify private rented sector properties, and tenants may be reluctant to complain about damp and mould due to fear of retaliatory action by landlords”.

REPORT: ONS reported on the student experience of the rising cost of living

Using interviews, the report highlights how the rising cost of living is affecting students in higher education. It shows students struggling to pay bills, cutting back on food, and working extra hours, sometimes in multiple jobs.

REPORT: Resolution Foundation updated The Living Standards Outlook

They project “zero real growth for the median non-pensioner household income in the 2024-25 election year” and warn that “around half of the mortgage cost rise is still to come, while around 90 per cent will have fed through by Q4 2024”.

REPORT: HBF published housing pipeline report for Q2 2023

This report is covered in the Chart of the Week below.

REPORT: Demos reported on home improvement’s impact on health & care

They find “a modest programme – one that would cost around a few hundred million pounds per year – could lead to health benefits of around £6bn a year”.

REPORT: TwentyCi published Homemover Pulse summary

They report a 1% increase in new listings compared to last month and a 1% fall in properties sold subject to contract over the same period.

CORPORATE: Barratt Developments published full year results

They report: “Since the start of the new financial year [1st July] our net private reservation rate per active outlet per average week for the period to 27 August 2023 was 0.42 (FY23: 0.60). This reflects both traditional seasonality but also the continued affordability challenges faced by potential homebuyers. During the period there was minimal impact from sales to the private rental sector and registered providers of social housing, which contributed 0.02 (FY23: 0.05) to the reservation rate”.

CORPORATE: Berkeley Group published trading statement

They report: “In terms of the sales market, enquiries have stayed at similar levels over the last four months, but the value of underlying private sales reservations is some 35% below last year's rate, reflecting the elevated macro-economic and political volatility. Pricing remains resilient and above our business plan levels, due to the constrained supply of both new-build and second-hand homes to the market, while cancellation rates are stable”.

Chart of the Week

The latest HBF [update](#) on homes granted planning permission in England shows the number approved during Q2 2023 was 14% lower than the previous quarter and 11% lower than the same quarter last year. This took the annual figure down to 265,223, its lowest level since 2015 (though the data is subject to revisions). This decline clearly shows the 300,000 annual housing target is beyond reach in the near term but, more importantly, highlights the impact of the weakening housing market and higher mortgage rates on the prospects for housebuilding in coming months and years. Financial market reactions to the nutrient neutrality news may have been positive but if housebuilders and developers are selling fewer homes they will not need as many with planning permission.

Planning Permissions and New Build Completions, England

Source: Glenigan via HBF/DLUHC, DLUHC

