

15th September 2023

DATA: ONS estimated monthly GDP fell 0.5% in July 2023

This followed a 0.5% rise last month and GDP was unchanged over twelve months. These figures will be revised shortly as the Blue Book revisions to GDP are incorporated into the data. GDP will be higher relative to the pre-pandemic peak than previously reported.

DATA: ONS reported on the UK labour market

They report the employment rate in the three months to July was 0.5 percentage points lower than the rate in the three months to April. The unemployment rate increased 0.5 percentage points over the same period. They also report regular pay excluding bonuses increased 7.8% in the year to May/June but was only 0.6% when adjusted for inflation.

DATA: FCA published Mortgage Lenders & Administrators Return stats

The release provides a wealth of data on the mortgage market including our above linked slide deck, the FCA's commentary, and the Bank of England's commentary. See Chart of the Week for more on borrower incomes.

DATA(PDF): Hometrack published rental market index for Q3 2023

They report rents for new lets increased 10.5% over the year and "The UK rented sector remains stuck in a period of low supply and high demand".

DATA: Bank of England published Inflation Attitudes Survey

The survey results show: "Asked to give the current rate of inflation, respondents gave a median answer of 8.6%, down from 9.6% in May 2023" and "Median expectations of the rate of inflation over the coming year were 3.6%, up from 3.5% in May 2023".

DATA: Scottish Government published housebuilding stats for Q2 2023

The number of new build homes completed in the year to June was 23,346. This was an increase of 7% though the number of starts fell by 12% over the same period.

REPORT: FCA reviewed later life mortgage lending

They warned about financial promotions in the sector and the suitability of advice while reminding firms of the Consumer Duty.

REPORT: DLUHC estimated homes subject to nutrient neutrality

The research found "7.9% of new addresses created in England from 2015/16 to 2018/19 were created in areas affected by nutrient neutrality advice" and "this proportion represents an expected additional housing supply of 16,500 dwellings per year".

REPORT: Homes England reported on measuring social value

The first report in a series reports on measuring the placemaking impacts of housing-led regeneration. The headline finding was "on average, housing-led regeneration projects are likely to have a positive wider placemaking impact on the surrounding area, which can be assessed through net house price effects".

REPORT: Social Mobility Commission reported on State of the Nation

They found "a significant tightening of the link between parental home ownership and children's home ownership" and suggest "your parents' ownership of their home has become a much better predictor of whether or not you will own yours".

REPORT(PDF): RICS published August Residential Market Survey

They report "Sales activity and prices remain under pressure due to elevated mortgage rates" and "Near-term expectations point to little prospect of any turnaround in the immediate future".

REPORT: Resolution Foundation reported on Birmingham's productivity

They suggest "that the housing supply in the BUA must increase far beyond current plans and be concentrated in areas well-connected to the most productive areas of Birmingham, entailing tough choices when it comes to land use and housing density".

REPORT: NHF reported on potential impacts of the housing crisis

The report forecasts what the lack of a long term plan for housing could look like. They suggest a big increase in children living in temporary accommodation, rising social housing waiting lists, more spending on housing costs, and more homelessness.

REPORT(PDF): Create Streets reported on building homes on roads

The report suggests "Creating simpler human-scale streets could be a route to enhanced local productivity and prosperity".

REPORT: HBF reported on unspent developer contributions

Their analysis of FOI responses suggest that "local authorities could be collectively holding £2.8 billion in unused home builder contributions, with an average of £8m in Section 106 Contributions held unspent per council".

REPORT: Building Societies Association published property tracker report

The survey found the affordability of monthly mortgage repayments was the biggest barrier to property purchase. It also found "Less than one in five people think now is a good time to buy a home" and "Around one in four think house prices will fall in the next year".

REPORT: Institute for Government reported on levelling up

They report "Central government is not set up to deliver this government's promise – or Labour's plans – to reduce regional inequality".

BLOG: Bank Overground reported on the shrinking private rental sector

Their analysis shows "the UK private rental sector has likely been shrinking for at least the last two years, but less quickly than other indicators suggest".

CORPORATE: Vistry Group published half year results

They report "The Group's average weekly sales rate for the period was 0.86 (H1 22: 0.84) and excluding multi-unit transactions in Housebuilding was 0.67 (H1 22: 0.82)".

CORPORATE: Redrow published final results

They report "Reflecting the macro-economic picture and the tougher sales market, our average private reservation rate per week for the year was 0.46 compared to 0.68 in 2022" and "As expected, the sales market over the summer has been challenging. This has resulted in sales per outlet per week for the first 10 weeks of the new financial year of 0.34 (2023: 0.61)".

CORPORATE: Gleeson published year end results

They report "Economic uncertainty has continued to subdue the wider market over the summer months. Gleeson Homes' net reservation rate for the 9 weeks to 1 September 2023 was 0.43 per site per week compared with 0.54 per site per week over the comparable period last year. Cancellation rates of 0.10 per site per week were unchanged from the comparable period last year".

Chart of the Week

There are lots of different stories in this week's MLAR data release ([Digging Deeper](#)) including details on the fall in lending by purpose (big falls in buy-to-let), more floating rate lending, and an increase in mortgage arrears. However, this week's chart looks at the share of new mortgage advances and whether they were single or joint income borrowers. There's already been a gradual shift towards joint income mortgages in recent years as affordability pressures have made it increasingly difficult to buy on the basis on a single income. But that trend has increased in recent quarters. While it may partly reflect the fall in buy-to-let lending, which tends to be recorded as single income, it is also yet another variable in the house buying equation that borrowers are stretching to afford current high mortgage rates.

Gross Mortgage Advances by Single/Joint Incomes

Source: FCA MLAR – Regulated & Non-Regulated Mortgages

