

3rd November 2023

DATA: Nationwide reported UK house prices fell 3.3% in year to October

They [report](#) the annual rate of falls eased from -5.3% the previous month. This partly reflects base effects and the impact of an unexpected 0.9% month-on-month increase. This monthly increase was blamed on “the fact that the supply of properties on the market is constrained” though other data suggests the number of homes available for sale is rising.

DATA(PDF): Zoopla reported house prices fell 1.1% in year to September

They report “4 in 5 housing markets are registering small annual price falls” and the stock of homes for sale is 45% higher than the same period last year and 19% higher than the five-year average. They also report “2024 is set for another year of 1m sales. This could be higher if mortgage rates fall back towards 4% sooner than expected in 2024”.

DATA: HMRC reported 85,600 residential transactions in September

The [number](#) of seasonally adjusted sales was 0.6% lower than the previous month and 17% lower than last year. Sales were 14% lower than the pre-pandemic average.

DATA: BoE reported another fall in mortgage approvals for house purchase

Their [data](#) for September showed a 5% monthly fall in the number of approvals for purchase. This was 32% lower than the same month last year and 35% lower than the pre-pandemic average. Approvals for remortgaging were 58% lower than last year as most borrowers stick with their existing mortgage provider (84% in Q2 [according](#) to UK Finance).

DATA: BoE reported the average rate on new loans hit 5.03% in September

This [was](#) the first time the average rate, covering both purchase and remortgage, was above 5% since November 2008. The average rate on outstanding balances increased to 3.16%.

DATA: HMRC published quarterly SDLT transaction statistics

See Chart of the Week for more detail on the stamp duty stats.

DATA: HMRC published Property rental income statistics: 2023

This release provides “information about unincorporated landlords that file Income Tax Self Assessment returns, their property income, and related expenses”.

DATA: ONS published Energy efficiency of housing: 2023

The analysis is based on energy performance certificates and provides “Insights on the energy efficiency, carbon dioxide emissions and central heating main fuel type for new and existing homes by property type, tenure, and property age”. Interestingly, they quality checked the EPC data against VOA data and “After we applied these quality assurance checks, 46.2% of the original EPC dataset remained”.

DATA: ONS published Changes in private rental sector behaviour

The release provides “Experimental longitudinal analysis of observed recent changes in the abundance and magnitude of private rental price changes in England and Wales”. They found “prices had risen by 10% or more for around one in five privately rented properties revisited in September 2023 in England and Wales”.

DATA: ONS published Employee earnings: 2023 (ASHE)

They report “Median weekly earnings for full-time employees was £682 in April 2023, which is a 6.2% increase over the £642 in April 2022; this is the highest growth since comparable records began in 1997”.

DATA: VOA published local reference rents by BRMA and property size

The data provides average rents by broad rental market area (BRMA) and number of bedrooms.

POLICY: BoE kept interest rates at 5.25%

The Monetary Policy Report also provides [analysis](#) on the impact of higher interest rates on demand including via the housing market. They note that while there are a large number of people on fixed rate mortgages that have not seen an increase in rates, the “aggregate reduction in consumption is likely to materialise somewhat faster than the realised increase in mortgage costs” as people cut back on spending in anticipation. They note their “NMG survey shows that just over 30% of mortgagors who are yet to reach the end of their fixed-rate loan have already spent less as a result”.

REPORT: Resolution Foundation reported on household wealth

They investigate “how wealth was distributed across the nations and regions of Britain on the eve of the pandemic, what determined those differences, and how wealth has evolved in different places since the recent rise in interest rates began”.

REPORT: DEMOS reported on delivering Net Zero

The report is the third in the series and looks at how investing in home improvement can help achieve net zero objectives.

REPORT: UK Housing Review published their autumn briefing paper

The [PDF](#) report provides a useful update on the new policy and housing market developments.

CORPORATE: Empiric Student Properties published trading update

They report “Strong rental growth underpins confident outlook and increased dividend target”. They also report “For the second year running, our accommodation is effectively full with revenue occupancy ahead of target at 99 per cent” and like-for-like rental growth of 10.5% and a larger proportion of UK students than previously: “UK students represent 50 per cent of all bookings, the balance comprising 31 per cent Chinese and 19 per cent other international”.

Chart of the Week

The latest HMRC quarterly stamp duty land tax (SDLT) [release](#) shows the number of residential transactions increased in Q3 compared to the previous two quarters but was 18% lower than the same quarter last year. Unfortunately, comparisons by price band to previous years is complicated by changes to SDLT thresholds and tax holidays. However, the data shows that the upper end of the market (£500k & above) and the investment/second home markets (via Higher Rate on Additional Dwellings transactions) have seen slightly bigger falls of around 22% compared to the same quarter last year.

Quarterly Residential Transactions by SDLT Liability & Price Band

Source: HMRC – England & Northern Ireland

