

10th November 2023

DATA: Halifax reported UK house prices fell 3.2% in year to October 2023

They [report](#) (PDF) a 1.1% monthly increase in house prices with the annual rate easing slightly from -4.5% last month. Like Nationwide last week, they also blamed a lack of homes for sale despite other evidence showing an increase in properties listed for sale.

DATA: ONS reported GDP was unchanged in Q3 2023

They [estimate](#) monthly GDP increased 0.2% in September, but this was only just sufficient to offset the fall in GDP reported in July, leaving GDP unchanged over the quarter.

DATA: BoE reported falls in average quoted mortgaged rates in October

The average five-year fixed rate at 75% loan-to-value fell to 4.99% (previously 5.23%) while the two-year variable rate fell to 5.57% (previously 5.68%). However, the revert-to-rate increased to 8.01%, the first time it's been over 8% since December 1998.

DATA: UK Finance reported increases in mortgage arrears in Q3 2023.

Their [data](#) shows the number of homeowner mortgages in arrears of over 2.5% of their balance increased 7.4% compared to the previous quarter and accounted for 1.0% of total outstanding loans. The rate of arrears for buy-to-let mortgages was lower at 0.57% but is growing much faster. The total number of BTL mortgages in arrears of over 2.5% of their balance was 29% higher than the previous quarter and double the same quarter last year.

DATA: MoJ published mortgage and landlord possession statistics

The [release](#) covers Q3 2023 and shows an increase in both mortgage and landlord possession claims and orders in the County Courts of England and Wales. However, while the number of landlord possessions increased 11% compared to Q3 last year, the number of mortgage possessions fell 18% over the same period.

DATA: DLUHC published Council Taxbase in England: 2023

They report the total number of dwellings increased by 237,000 in the year to 11th September, though the number that were liable for council tax increased by only 187,000 over the same period. This difference is largely due to an increase in the number of dwellings that are exempt as they are occupied by students and dwellings that are exempt because they are left empty by deceased persons. The total number of dwellings that are in this final exemption category increased by 13,800 to 135,700 dwellings.

DATA: NHBC published housebuilding statistics for Q3 2023

They report new home registrations fell by 53% in Q3 2023 when compared to the same period last year and new home completions fell 15% over the same period. Unfortunately, this data is not as representative of the housebuilding market as it once was. As such, it makes it difficult to assess how much of these falls reflect changes in actual market conditions and how much might reflect NHBC's changing market share.

POLICY: The first King's Speech in over 70 years

The speech included the Leasehold and Freehold Bill and the Renters Reform Bill. The background briefing notes are available [here](#).

POLICY: DLUHC launched a short consultation on capping ground rents

"This consultation sets out a series of options for how the government could intervene to cap the ground rent leaseholders have to pay".

POLICY: Welsh Government launched Help to Stay scheme

The scheme will "provide an option for homeowners who are at serious risk of losing their home by offering a partial repayment of an existing mortgage balance via a low-cost equity loan, secured by a second charge (behind first charge lender), reducing revised mortgage repayments to a level the applicant can afford".

POLICY: Scottish Government's Council Tax premium on second homes

"Draft regulations allowing local authorities to charge up to double the full rate of Council Tax on second homes have been laid before the Scottish Parliament".

REPORT(PDF): RICS published October residential market survey

They report "Demand and sales metrics still in negative territory although slightly less so than before" and "Near-term sales expectations point to activity remaining subdued over the coming months". They also report "National house prices continue to fall, although the pace of decline appears to be levelling off".

REPORT: WPI reported on the housebuilding outlook

Their analysis suggests housebuilding starts will "fall from 221,000 to 134,000 next year, and that private sector output will halve from 144,000 to just over 70,000 in 2024". Unfortunately, it appears the modelling behind this analysis is compromised by using poor quality data that does not accurately reflect either housebuilding activity or transactions.

REPORT: The Housing Forum reported on streamlining planning

The report "sets out a roadmap for how the planning system can be improved".

REPORT: RTPI published "State of the Profession 2023"

The report looks at the UK planning profession and finds "the number of planners working in the public sector shrunk by a quarter between 2009 and 2020".

REPORT: Savills reported on the UK Build-to-Rent sector in Q3 2023

The report provides a summary of the investment market and delivery pipeline. It suggests investment remains weak but there are a record number of BTR homes under construction.

NEWS: Savills published latest house price forecasts

They predict house prices to fall 3% next year but to rise by 17.9% over the next five years.

CORPORATE: Persimmon published Q3 trading statement

They report "Average private sales per outlet per week were 0.48 in the period (Q3 2022: 0.63)" and "Over the past 5 weeks private sales rates have improved to 0.59 (2022: 0.45) showing a strong pick up since the start of October. Of this 0.08 relates to investor sales, with a series of small selective deals on targeted sites where appropriate".

CORPORATE: Taylor Wimpey published trading statement

They report "In the second half to date, our net private sales rate per outlet per week was 0.51 (2022: 0.51) with a cancellation rate of 21% (2022: 24%). Excluding the impact of bulk deals, we achieved a net private sales rate of 0.48 for the second half to date (2022: 0.50)".

CORPORATE: Redrow published AGM statement

They report "Gross private reservations per outlet per week for the period were 0.49 compared to 0.63 last year (there were no bulk sales in either period)". Although they have a high proportion of cash buyers (35%), the breakdown of chains has "caused our cancellation rate for the year to date to rise to 25% (2023: 22%) and resulted in a net weekly reservation rate of 0.36".

Chart of the Week

The latest ONS real-time indicators of economic activity [release](#) included [data](#) on direct debit failure rates. The chart below shows that, while the failure rate for mortgage payments is well below that of loans and has not seen the same rise in failure rates as electricity and gas payments, it has risen over the last two years. The mortgage failure rate fell to a low of 0.16% in June 2020 thanks to widespread support but had risen to 0.50% in October 2023. This was the highest failure rate in the period covered by the data when excluding the month of January (it appears failure rates spike across all payment types in the month following Christmas). The combination of the upwards trend and seasonal patterns provides further [evidence](#) that the country could be facing a severe hangover in the new year.

Direct Debit Failure Rate by Type of Payment

Source: Pay.UK and Vocalink via ONS

