

5th January 2024

DATA: Nationwide reported house prices fell 1.8% in the year to Dec 2023

See Chart of the Week for more detail.

DATA: Halifax reported house prices rose 1.7% in the year to Dec 2023

They [report](#)(PDF) “the third monthly rise in a row” and the annual % change figure turned positive for the first time since April 2023.

DATA(PDF): Zoopla reported house prices fell 1.1% in the year to Nov 2023

They report that “Market sentiment improving with new sales agreed +17% year-on-year” and “House price falls starting to moderate as sales improve”.

DATA: ONS reported house prices fell 1.2% in the year to Oct 2023

They still [report](#) these figures are subject to large revisions due to low transaction levels.

DATA: HMRC reported 80,780 residential transactions in Nov 2023

This seasonally adjusted [data](#) was 1.2% lower than the previous month and 19% lower than the pre-pandemic average.

DATA: BoE reported a rise in mortgage approvals for purchase in Nov 2023

The number of mortgage approvals for house purchase increased to 50,067 in November, a 4.6% seasonally adjusted increase on the previous month but still 24% below the pre-pandemic average.

DATA: BoE reported a rise in effective mortgage rates in Nov 2023

The average rate on new lending (purchase and remortgage) increased to 5.37%, compared to 5.27% the previous month while the average rate on outstanding balances increased to 3.28%, slightly higher than the 3.22% reported for the previous month.

DATA: VOA published local reference rents for Dec 2023

The release provides rents by Broad Rental Market Area (BRMA) and property size.

POLICY: A busy Christmas for DLUHC

It was a busy Christmas period for DLUHC with the Secretary of State’s [speech](#) at RIBA, the [long-term plan](#) for towns, commissioning an [independent review](#) of the London Plan, a [consultation](#) on greater transparency on who owns land trusts to tackle corruption, a [consultation](#) on street vote development orders, an [update](#) on nutrient neutrality, a [review](#) of the barriers to adapting historic homes for energy efficiency, and the 2022 [results](#) of the Housing Delivery Test.

REPORT: Crisis reported on the experiences and impacts of rough sleeping

They report “9 out of 10 (141) people had experienced at least one form of violence, abuse or theft whilst sleeping rough” with 51% of participants experienced being physically attacked and “86% had at least one or more mental health needs due to sleeping rough”.

REPORT: BoE reported on buy-to-let and financial stability

They report “In aggregate, lenders remain resilient to pressures on the BTL sector” but “many landlords and renters are now feeling the impact of higher BTL financing costs”.

REPORT: BoE reported on households adjusting to rising mortgage costs

They report “in addition to mortgagors responding to an increase in their mortgage costs by cutting back other spending, households who anticipate a change in mortgage payments due to their fixed term coming to an end are also taking action and reducing their spending in advance. This suggests that the aggregate reduction in spending in response to the rise in Bank Rate through this channel is faster than the speed of the increase in mortgage costs”.

REPORT: Bank Underground reported on monetary policy and private rents

Their analysis “suggests that interest rate rises decrease rental prices in the long run, but that they may initially put pressure on the rental market”.

REPORT: Propertymark published November Housing Insight Report

They report “Prospective buyer numbers continue to fall”, the “Number of sales agreed reduce, and “Tenant demand is static”.

REPORT: HBF published Q3 2023 Housing Pipeline Report

They report “At 50,316, the number of housing units granted permission in England during Q3 of 2023 was down 12% on the previous quarter and 28% lower than Q3 in 2022”.

REPORT(PDF): IMLA published “prospects for 2024 and 2025”

They forecast “a further fall in buy-to-let lending in 2024 to £27 billion before it recovers slightly in 2025 to £29 billion” and “expect arrears and possessions to continue to rise sharply in 2024 and 2025”.

REPORT: Savills reported on housebuilders and Single Family investors

They report on how single family investors can help developers maintain delivery on larger housing sites.

NEWS: Yorkshire Building Society reported on first time buyer numbers

They estimate “At 290,000, there will be 21 per cent less first-time buyers this year than in 2022, the lowest number since 2013”.

NEWS: Rightmove reported on Boxing Day statistics

They report “A new record number of sellers put their property up for sale on Rightmove on Boxing Day, a 26% increase on the previous record last year” though there’s no news on the number of price reductions.

Chart of the Week

With the final Nationwide house price index of the year [released](#), we can assess how house prices have moved across the different regions and countries of the UK since the peak of the market in Q3 2022. The chart shows two interesting trends. The first is that some regions and countries hit a house price trough in Q1 2023 and have seen prices rebound since then. The most extreme example is Northern Ireland where prices fell 5.7% but have since recovered to 0.3% above their Q3 2022 level. The regions that showed this pattern of recovery are typically the more affordable markets where higher mortgage rates were less likely to impact purchaser affordability. The one exception is London where prices are slightly above their Q1 2023 trough but haven’t recovered much since then. This regional pattern is replicated when we look at total price falls. It is regions in the south of England that have seen the biggest falls and this is no surprise given these markets were much more exposed to higher mortgage rates and the budgets of potential buyers have been hit harder.

Percentage Change in House Prices Since Q3 2022

Source: Nationwide

