

26<sup>th</sup> January 2024

**DATA: ONS reported SDLT receipts of £13 billion in 2023**

This figure covers both residential and commercial property and was 26% lower than the £17.5 billion collected in 2022. However, it was still 3% higher than the 2019 receipts.

**DATA: ONS published quarterly housebuilding statistics for Q3 2023**

The [headline](#) figures undercount actual housebuilding activity but are still a useful lead indicator. The seasonally adjusted index showed a sharp fall in housebuilding starts (-68%) but this followed a spike in activity the previous quarter as housebuilders rushed to avoid the costs of complying with new building regulatory standards. A more accurate assessment shows that total starts in both Q2 and Q3 2023 were 7% lower than the same period in 2022. Meanwhile housebuilding completions were 5.5% lower in Q3 2023 than the same quarter in 2022.

**DATA: DLUHC published Energy Performance Certificates for Q4 2023**

See Chart of the Week for more detail.

**POLICY: DLUHC published Statement of Levelling Up Missions**

It summarises “the government’s objectives to reduce geographical disparities” and includes information on “how the government proposes to measure progress against these objectives”. The number of first time buyers is proposed as a measure but they note that there is no public data on first time buyers by region and are in discussion with a potential source. There actually is public data on regional first time buyers numbers in the FCA’s [Product Sales Data](#) but it is less timely than the data available to members of UK Finance. Increasing the timeliness and frequency of the FCA’s PSD data would be welcome.

**POLICY: DLUHC launched consultation on public database of land controls**

Increased transparency on “contractual controls” such as options agreements would be a welcome step towards improving the efficiency of the residential development land market by ensuring that everyone involved is better informed. Any database that is published should also ensure that associated spatial data is also freely available.

**POLICY: DLUHC launched consultation on the Building Safety Levy**

This second consultation “seeks views on the design and implementation of the Building Safety Levy”.

**POLICY: Scottish Government announced transitional rent protection**

With the rent cap due to end from the first of April, the Scottish government have announced a temporary modification to the process for rent adjudication.

**REPORT: JRF published UK Poverty 2024 report**

They report “The UK is entering this election year with unacceptably high levels of poverty, appallingly high for some groups. We need a coherent plan with creative policies to end poverty in the UK”.

**REPORT: Centre for Cities published Cities Outlook 2024 report**

They report on housing affordability: “Already an issue in 2010, housing costs have significantly worsened. This is true across almost every UK city, with cities in the Greater South East where the crisis is most acute seeing the steepest rises”.

**REPORT: Housing Ombudsman called for Royal Commission for housing**

In their spotlight report, they are “calling for a Royal Commission to create a long-term plan for social housing after finding that current approaches for the sector are not working for residents with a vulnerability”.

**REPORT: Rightmove published Q4 2023 Rental Price Tracker**

They report “Average advertised rents outside of London rise to a new record of £1,280 per calendar month” with annual growth of 9.2% - the lowest rate since 2021 but still too high for many. They also report “The average number of enquiries agents are receiving for every available rental property is currently 11, which whilst still much higher than the four at this time of year in 2019, is down from 14 last year”.

**REPORT: HBF published SME State of Play report**

They report “For the fourth consecutive year, the top two major barriers to growth for SME developers are chronic delays in the planning system and under-resourced Local Authority planning departments” while “Almost three-quarters (72%) claim interest rate rises have been a major obstacle in the past year” – the third highest barrier in the survey.

**NEWS: Widespread reports of falling mortgage rates**

There have been widespread reports in recent weeks about falling mortgage rates – though few articles report the actual interest rates and only the change which isn’t particularly helpful. Rates have clearly fallen sharply as interest rate expectations have eased and swap rates have fallen but there are signs swap rates have bottomed out for the time being so this might mark the end of big falls in mortgage rates for now.

**CORPORATE: Henry Boot published Trading Update**

They report “While the housebuilding sector has seen slowing sales rates, our land business is experiencing continued demand for strategic sites with planning in premium locations”. They also report the “reservations rate improved to 0.46 homes per site per week in Q4 2023, up from 0.36 in Q4 2022” for their Stonebridge Homes brand.

**CORPORATE: Crest Nicholson published Final Results**

They report “Home completions at 2,020 (FY22: 2,734), comprising open market completions (including bulk deals) of 1,495 (FY22: 2,212) and affordable completions of 525 (FY22: 522)” and “Sales per outlet week (SPOW) of 0.52 (FY22: 0.60)”.

**CORPORATE: Watkins Jones published Full Year Results**

They report a 99.6% fall in operating profit to £0.2million with this “reflecting low levels of forward sale market activity” along with lower margins and higher site-specific costs, a “£4.6 million book loss on the sale of three PRS assets” and “impairment charge of £5.5 million on our non-core land bank and certain pipeline assets which are no longer economically viable”.

**CORPORATE: Foxtons published Year End Trading Update**

They report “Lettings is expected to remain resilient in 2024 with the business continuing to display strong recurring and non-cyclical characteristics. As lettings supply and demand dynamics have largely normalised, rents are expected to stabilise and remain at historically elevated levels, whilst improvement in the supply of available rental properties provides a good opportunity to deliver further market share growth”.

## Chart of the Week

This week DLUHC [published](#) Q4 2023 data on Energy Performance Certificates (EPCs). The number of new build EPCs has proven a useful lead indicator for net additions across England since I first noticed the relationship back in 2016. The latest data shows the total number of new build EPCs across England during 2023 was 231,000, down 8% from the 2022 total. However, analysis of the data split by simple property type is more interesting. The number of new build EPCs for flats in 2023 was 96,700 – down 4.5% on the figure for 2022. Meanwhile, the number of new build EPCs for houses was higher at 134,400 but was 11.2% lower than the total for 2022. This pattern of bigger falls for houses is not surprising given the different development models: it is much easier to stop and start the construction of houses while you are normally committed to the finish with flats – especially when they are in high rise developments – irrespective of the state of the market.

### Annual New Build Energy Performance Certificates & Net Additions

Source: DLUHC - England

