

## 2<sup>nd</sup> February 2024

### **DATA:** Nationwide reported house prices fell 0.2% in year to Jan 2024

See Chart of the Week for more detail.

### **DATA:** HMRC reported 80,420 residential transactions in Dec 2023

This provisional seasonally adjusted [estimate](#) was 0.8% lower than the previous month, 18% lower than December 2022, and 19% lower than the pre-pandemic average.

### **DATA:** BoE published mortgage approval data for Dec 2023

The latest [release](#) shows there were 50,459 mortgage approvals for house purchase. This was 2.3% higher than the previous month and 26% higher than December 2022. However, it was still 24% lower than the pre-pandemic average.

### **DATA:** BoE published effective mortgage rate data for Dec 2023

The [release](#) shows the average rate on new advances – both purchase and remortgage – was 5.29%. This was lower than the 5.37% recorded the previous month and the first monthly fall since November 2021. The rate on outstanding balances increased to 3.37%.

### **DATA:** ONS published national population projections: 2021-based interim

They project the UK population will grow by 6.6 million people from 2021 to 2036. This is due to a natural change (births less deaths) of 541,000 and net international migration of 6.1 million people. The projections mark a significant shift upwards in terms of population growth, leaving them close to the 2014 based projections. Lichfields published a useful [blog](#) looking at what they might tell us about housing need.

### **DATA:** DLUHC published Social housing lettings in England: 2022/23

The release provides information on new social housing lettings and reports there was a 6% decrease in lettings from the previous financial year.

### **DATA:** HMRC published quarterly SDLT statistics for Q4 2023

The latest stamp duty land tax statistics provides information on the number of transactions by liability and price band, along with data on First Time Buyers' Relief, Higher Rates for Additional Dwellings, and the non-UK resident surcharge.

### **DATA:** VOA published Local Housing Allowance rates for 2024/25

The table includes existing LHA rates, 30<sup>th</sup> percentile rents, maximum LHA rates for 2024/25, and LHA rates for 2024/25.

### **DATA:** DLUHC reported on changes to the EPC open data service

They have made welcome improvements to the bulk download and API.

### **POLICY:** DLUHC proposed an overhaul of social housing allocation

They have [launched](#) a consultation that proposes prioritising “those who have a strong connection to the UK, their local area and those that do not disrupt communities through anti-social behaviour or terrorism offences”.

### **REPORT:** DLUHC published research on the flow of rough sleeping

The report's aim is “to gain a more detailed understanding of individuals' journeys before sleeping rough”. DLUHC also [published](#) two feasibility studies on the “Homelessness and Rough Sleeping Systems-wide evaluation and Test & Learn programme”.

### **REPORT:** BoE published Monetary Policy Report

The Bank of England's MPC voted 6-3 to maintain Bank Rate at 5.25%. They also reported “Most of the impact of tighter monetary policy on housing investment seems to have come through, while there are now clearer signs of higher interest rates affecting business investment”.

### **REPORT(PDF):** Zoopla reported house prices fell 0.8% in year to Dec 2023

They report a “Strong seasonal rebound in sales activity in first weeks of January on back of pent-up demand and sub-5% mortgage rates” with “Sales agreed up 13% year on year” and “Available homes for sale over 20% higher than a year ago”.

### **REPORT:** Money & Mental Health reported on support with mortgage costs

The report from last week “looks at the impact of rising mortgage costs, especially for people with mental health problems” and finds that “people with mental health problems are more likely to have cut back on food, energy and other essentials to keep up with mortgage payments. This group is also at greater risk of falling behind on mortgage bills compared to other homeowners”.

### **REPORT:** Savills reported on Build-to-Rent in Q4 2023

They report “2023 marked the second highest year of investment” with £4.5 billion invested, just 2% less than in 2022. They also report single family housing accounted for 42% of investment, up from 8% in 2022.

### **REPORT:** Savills reported on development land in Q4 2023

They report “When compared against the previous peak in the land market in Q3 2022, UK greenfield and urban land values have fallen by -8.7% and -9.9%, respectively”. They also report “We have already started to see a slight uptick in land buyer sentiment, with a net balance of 21% of Savills development agents reporting positive market sentiment for greenfield sites in Q4 2023, up from 7% in Q3 2023”.

### **REPORT:** Knight Frank reported on development land in Q4 2023

They report “Land prices in England were flat in the final quarter of the year, with housebuilders predicting values will stay stable in early 2024”. They also report “urban brownfield values had fallen by 20% since the most recent peak of the market in the first quarter of 2022 up to Q3 last year, with greenfield down 17% during this period”.

### **REPORT:** Knight Frank reported on “grey belt” housing capacity

They have investigated the green belt in England and “identified over 11,000 previously developed sites that comprise less than 1% of the green belt” and “All of those sites combined could only produce 100,000-200,000 new family homes”. They therefore warn that “the ‘grey belt’ will only ever be part of the solution”.

### **CORPORATE:** LSL published Full Year Trading Update

They report “As expected, subdued activity levels across the valuations market continued to impact our Surveying Division. However, there were some signs of improvement in the final months of the year”.

### **CORPORATE:** Rightmove purchased HomeViews

While there's no information about the state of the market, it is interesting to note this purchase of a company that provides reviews of new build development and Rightmove's interest in the Build-to-Rent sector.

## Chart of the Week

This week Nationwide [reported](#) that the annual change in house prices was just -0.2% thanks in part to a 0.7% seasonally adjusted monthly rise. This was reported as a “more upbeat note” but in reality just reflects the stagnation of nominal prices following the 6% fall in prices in the final quarter of 2022. Since then, and as the below chart of non-seasonally adjusted prices shows, house prices have been relatively static other than usual seasonal trends. It's quite possible than the annual percentage change will turn positive in the next couple of months but, looking ahead, the key test for where house prices will end this year will be in the spring as most growth tends to be recorded from March to June.

### Nationwide UK House Price Index

Source: Nationwide

