

## 23<sup>rd</sup> February 2024

### **DATA: Rightmove reported asking prices rose 0.1% in year to 10<sup>th</sup> Feb 2024**

They also report “Agreed sales in the first six weeks of 2024 are 16% higher than over the same period last year, and 3% higher than in the more normal market of 2019” but the average time to sell is “at its slowest since 2015, excluding the initial pandemic lockdown months of April & May 2020”.

### **DATA: ONS reported UK house prices fell 1.4% in year to Dec 2023**

They report the largest falls were in London (-4.8%), the South East (-4.6%), and the East of England (-3.8%). They also continue to warn that low transaction numbers mean future revisions may be larger than usual.

### **DATA: ONS reported monthly GDP was unchanged in year to Dec 2023**

The estimates show the monthly GDP index was the same in December 2023 as December 2022, though this data will get revised in the future.

### **DATA: ONS published UK labour market statistics**

This was the first release with the updated Labour Force Survey data and reports “The UK unemployment rate (3.8%) for those aged 16 years and over decreased in the latest quarter, returning to the rate a year ago” while “Annual growth in total earnings (including bonuses) in Great Britain was 5.8% in October to December 2023, and annual growth in employees' average regular earnings (excluding bonuses) was 6.2%”.

### **DATA: ONS reported UK private rents rose by 6.2% in year to Jan 2024**

The index is based on all rents paid and this release is the last one before the introduction of the improved methodology.

### **DATA: ONS published private rental market data for London**

The data covers 2023 and includes rents by number of bedrooms for postcode districts.

### **DATA: ONS published data on divorces in England & Wales for 2022**

They report the lowest number and rate of divorces since 1971 when the divorce reform act came into effect.

### **POLICY: DLUHC expanded affordable home loan fund**

They have increased the size of the Affordable Homes Guarantee Scheme by £3billion, taking it up to £6billion in total. The scheme helps housing providers access low cost loans funded “by a capital markets bond programme that has the benefit of a guarantee from the Department for Levelling up, Housing and Communities”.

### **POLICY: DLUHC prioritised brownfield development (again)**

They report “every council in England will be told that they will need to prioritise brownfield developments and instructed to be less bureaucratic and more flexible in applying policies that halt housebuilding on brownfield land” and, following the speedy review of the London Plan, they will introduce a “brownfield presumption” with “The bar for refusing brownfield plans will also be made much higher for those big city councils who are failing to hit their locally agreed housebuilding targets”. They have launched a consultation on the brownfield proposals and another on changes to permitted development rights.

The model for developing high density brownfield sites is very different from the volume housebuilding model on greenfield land and much more reliant on debt and off-plan sales.

### **POLICY: DLUHC introduced new rules on short-term lets**

The rules include planning permission for future short-term lets and a mandatory national register though “Homeowners can continue to let out their own main or sole home for up to 90 nights a year”.

### **REPORT: UK Finance reported on the Later Life mortgage market**

They report a 37.1% fall in the number of new loans to older borrowers in Q4 2023 compared to Q4 2022. They also report a 40.1% fall in new lifetime mortgage and a 43.3% fall in retirement interest only mortgages over the same period.

### **REPORT: Centre for Cities reported on council tax reform in Wales**

In response to the Welsh government’s consultation, they suggest “Ending the anchoring of tax rates around Band D”, “Revaluing properties annually”, and “Giving local councils responsibility for setting proportional tax rates for each council tax band in line with annual revaluations”.

### **REPORT: Lichfields reported on Welsh holiday lets and article 4 directions**

They “explore a number of assumptions regarding the impacts of second homes and short-term holiday lets in Wales” and “review the potential consequences of the introduction of Article 4 Directions for the housing market, the tourism industry and for local authorities”.

### **REPORT: Savills reported on housing supply and need in cities**

They report “Policy pitfalls preventing cities from delivering against a boosted housing need” and on the need for cooperation between cities and their surrounding authorities.

### **REPORT: Knight Frank reported on £1,000,000 property markets**

Despite falling national house prices, they report “there were 11 areas in England and Wales that crossed that particular threshold in 2023” and they are “further from central London than 18 months ago”.

### **CORPORATE: Vistry reported Build-to-Rent framework with Sigma**

The agreement with Sigma Capital Group builds on their existing partnership and will deliver 5,000 single family homes over five years for their Simple Life Homes brand.

### **CORPORATE: MJ Gleeson published half year results**

They report “we experienced margin pressures arising from increased sales incentives, extended site durations and multi-unit sales. This has been exacerbated by additional costs on a number of older sites, which were brought to light by new management teams put in place following the organisational restructuring implemented last year”. They also report “Net reservation rates were 0.50 in the 5 weeks to 9 February 2024 (5 weeks to 10 February 2023: 0.46)”.

### **CORPORATE: Springfield published interim results**

They report they are “carefully managing working capital and curtailing speculative private housing development by only commencing building homes when they are reserved” and “actively pursuing land sales to accelerate cash realisation from the Group's large land bank”. They also report “the average weekly reservation rate since mid-January 2024 being 62% higher than for the Group's financial year to that point”.

## Chart of the Week

Last week ONS published updated data on monthly direct debit values and failure rates. The release shows the average mortgage direct debit value increased to £908 in January 2024, 11% higher than January last year and 25% higher than two years ago. Meanwhile, as usual following the Christmas period, the failure rate on mortgage direct debits spiked in January 2024, hitting 0.61%. This was compared to 0.50% in January last year. However, the failure rate on mortgage direct debits is relatively low compared to other bills. The failure rate in January 2024 was highest for Fitness Facilities at 4.74%, though this was well below the peak of 17.79% in January 2021, with loans in second place at 2.35%. The largest percentage point rise in failure rates has been for Electricity and Gas bills, rising from 0.24% in January 2021 to 1.50% in January 2024.

### Monthly Mortgage Direct Debits

Source: ONS, Pay UK and Vocalink

