

10th May 2024

DATA: ONS estimated monthly GDP rose 0.7% in the year to Mar 2024

An estimated 0.4% increase on the previous month resulted in 0.6% growth across the first quarter of 2024 and the end of the technical recession recorded in the second half of 2023.

DATA: Halifax reported house prices rose 1.1% in the year to Apr 2024

They report(PDF) an increase in the annual rate of change from 0.4% in the previous month and “Annual price falls are predominately found in the south of England, as the ‘North-South’ divide across English regions is sustained”.

DATA: BoE reported unchanged quoted mortgage rates in Apr 2024

They report the average two year fix at 75% loan-to-value increased slightly to 5.00% (prev. 4.97%) while the five year fix at the same loan-to-value decreased to 4.52% (prev. 4.53%). The average variable rate and revert-to-rate were unchanged at 5.69% and 7.92%.

DATA: UK Finance published arrears and possessions data for Q1 2024

See Chart of the Week for more detail.

DATA: ONS published Families and households in the UK: 2023

They report “There were an estimated 28.4 million households in the UK in 2023” and “The average household size was 2.36 residents per household, similar to the size in 2013”.

DATA: DLUHC published Leasehold dwellings, 2022 to 2023

They report “In 2022-23, there were an estimated 4.77 million leasehold dwellings in England. This equates to 19% of the English housing stock. Of these, 2.65 million dwellings (56%) were in the owner occupied sector and 1.82 million (38%) were privately owned and let in the private rented sector”.

POLICY: BoE voted 7-2 to maintain Bank Rate at 5.25%

REPORT: BoE published Monetary Policy Report, May 2024

They report “Higher incomes and improved sentiment among households are also likely to be supportive of the housing market” and “the housing market has shown further signs of recovery”.

REPORT: LUHC Committee reported on the social housing sector

They report the sector is “under serious financial pressure, although it remains resilient for the time being”. They also report “In order to deal with the financial headwinds, social housing providers have cut the amount they plan to spend on building new social homes” and the report “raises issues with the costs of maintaining social housing and the different financial risks faced by registered providers, as well as related issues”.

REPORT(PDF): RICS published Residential Market Survey for Apr 2024

They report “Recent recovery in buyer demand stalls somewhat with a flatter picture cited this month”. They also report “National house prices remain stable, with twelve-month projections still in expansionary territory” and “New listings coming onto the market continue to rise”.

REPORT: NEF reported on Reforming Right to Buy

Their analysis of FOI requests shows that “40.8% of homes sold under right to buy are now being let on the private market”. The report has “a package of reforms underpinned by a suite of powers that should be devolved from Westminster to local government”.

REPORT: NLA published London Tall Buildings Survey, 2024

They report “For residential towers across the capital, the momentum has slowed considerably. In 2024 the fall in the housing market, higher interest rates and high construction costs have served to dampen both demand and viability. The demand for second staircases to improve safety has also slowed the pace of development. But demand for new student accommodation is bucking this trend and driving demand for tall buildings”

REPORT: Lichfields reported on local plans post Dec 2023 NPPF

Their comparison of 15 local plans shows “six have cut their housing targets by more than 100 homes per year; a seventh has cut it by more than 100 homes a year. None are proposing a material increase on their previous emerging targets”.

REPORT: Savills published their housing completion forecasts

They report “Housing delivery in England is set to fall to its lowest level for a decade. A combination of lower demand from new homes buyers and reduced capacity to deliver affordable housing, alongside a dramatic collapse in the number of planning consents, will lead to much lower volumes of housebuilding from 2024/5. We think new housebuilding could average 170,000 per year during the second half of the 2020s and there are no current policy proposals that look likely to turn the tide”.

REPORT: Localis reported their analysis of local regeneration policy

They report “Urban development and regeneration are crucial to solving our ongoing and increasingly urgent housing crisis” and “Local authorities can be the hinge around which regeneration actors revolve, particularly in the case of large-scale and innovative schemes for urban development”.

REPORT: ASI reported May 4th as “cost of rent day”

They report “every penny that, on average, renters earned before tax for working before and including May 4th went to their landlord”. However, the analysis is based on overall median earnings and so does not reflect the rental affordability for actual private renters.

NEWS: Savills published revised house price forecasts

They report “Falls in the cost of debt and an improving economic outlook have created more capacity for house price growth” and “now expect UK house prices to rise by 2.5% this year”.

CORPORATE: Rightmove published Trading Statement

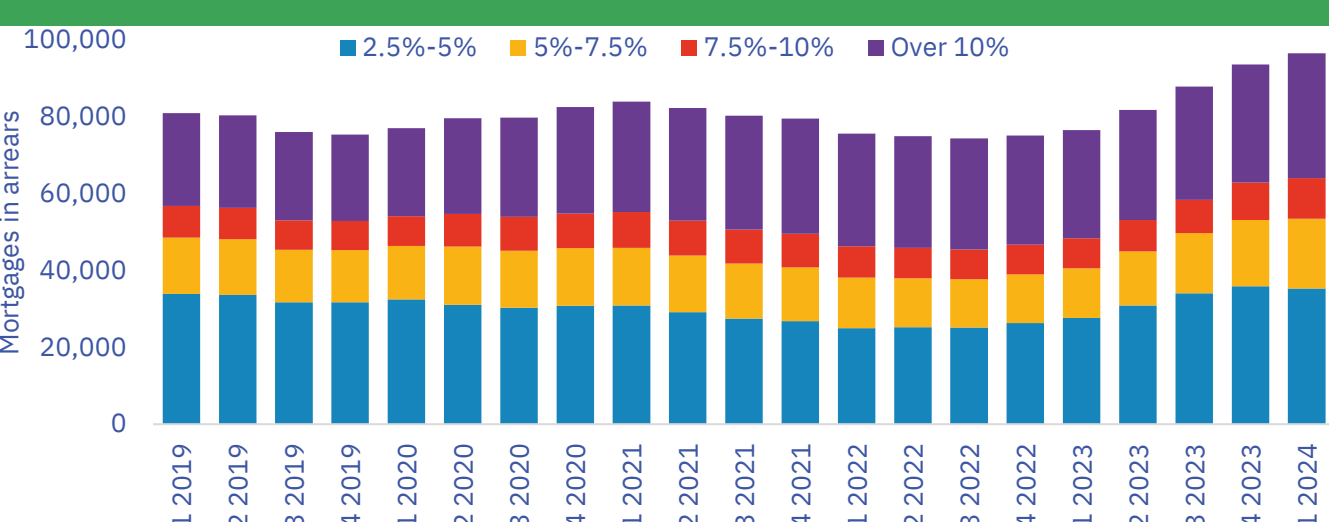
They report “Sales agreed between January and April 2024 are 17% higher than the same period last year” and “Customer numbers expected to grow by up to +2% on 2023, versus previous guidance of a slight decrease”.

Chart of the Week

This week, UK Finance published data on the number of mortgage arrears in Q1 2024. The data shows a small quarterly rise (3.1%) in the number of homeowner mortgages in arrears as the number of those in arrears of 2.5%-5% of their balance fell slightly (-1.7%). Meanwhile, the number of buy-to-let mortgages in arrears was unchanged on the previous quarter as the number in arrears of 2.5%-5% of their balance fell by 10.7%. However, the total number of buy-to-let mortgages in arrears was nearly double last year’s figure (+93%).

Homeowner Mortgages in Arrears by Percentage of Balance

Source: UK Finance



Buy-to-Let Mortgages in Arrears by Percentage of Balance

Source: UK Finance

