

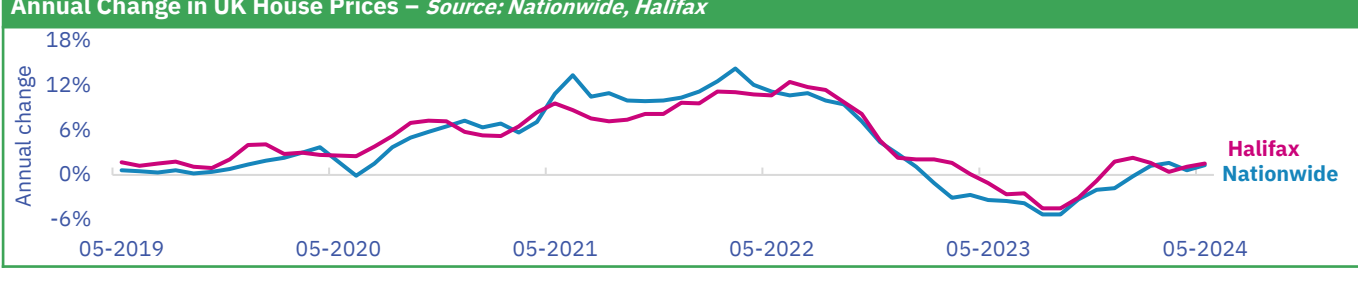
7th June 2024

**DATA: Nationwide reported UK house prices rose 1.3% in year to May 2024**

They also **reported**: “past general elections do not appear to have generated volatility in house prices or resulted in a significant change in house price trends”.

**DATA: Halifax reported UK house prices rose 1.5% in year to May 2024**

They **report** “The North West is the strongest performing nation or region in the UK, where house prices grew +3.8% on an annual basis in May” while “Eastern England recorded the largest decline in annual growth across the UK. House prices here now average £329,853, down -0.8% in May”.



**DATA(PDF): Zoopla reported UK house prices fell 0.1% in year to Apr 2024**

They report “Momentum in sales activity continues, with 13% more sales agreed” when compared to the same period last year but “There are more homes for sale than at any point in the last 8 years – up 20% year-on-year in number terms and 25% higher in value terms”. They suggest this rise in supply will “keep house price inflation in check”.

**DATA(PDF): Zoopla reported UK rents rose 6.6% in year to Apr 2024**

They report this is “the lowest rate for 30 months” as “London leads the slowdown with rents up 3.7% over last 12 months”. They also report “Rental demand is down 25% but still >2x pre-pandemic” while the “Supply of homes for rent up 18% but still 1/3 below pre-pandemic”.

**DATA: BoE reported 61,140 mortgage approvals for purchase in Apr 2024**

The **number** of approvals for house purchase was 26% higher than the same month last year but unchanged from last month’s figure. The number of approvals for remortgage was 10% lower than the same month last year.

**DATA: HMRC reported 90,430 transactions in Apr 2024**

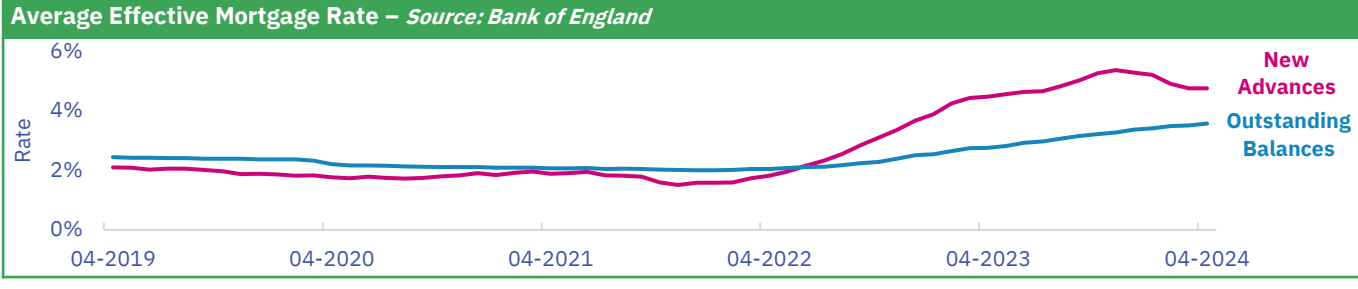
This **was** 5% higher than the previous month and 10% higher than the same month last year. However, it was still 10% below the pre-pandemic average.

**DATA: BoE reported rises in quoted fixed rates in May 2024**

Average quoted mortgage rates across 2,5 and 10 year fixed rate periods increased in May compared to the previous month. The average rate was 5.19%, 4.67%, and 4.89% respectively. The revert-to-rate (or standard variable rate) was unchanged at 7.93%.

**DATA: BoE reported no change in average mortgage rates in Apr 2024**

The average rate on new advances (both purchase and remortgage) was unchanged from the previous month at 4.76%. The average rate on outstanding balances increased slightly, from 3.51% in March to 3.58% in April.



**DATA: ONS published an update on data from short-term lets platforms**

The data, covering Airbnb, Booking.com and Expedia Group, provides information on the number of nights, guest nights, and stays in the sector. This data is being updated quarterly and should eventually provide a useful time-series on the state of this market.

**DATA: DLUHC published data on the use of EWS1 forms for flats**

The latest release shows “During the January-March 2024 quarter, an EWS1 form or equivalent was required by lenders for 9% of mortgage valuations for flats in the UK”.

**DATA: VOA published local reference rents for May 2024**

**DATA: UK Finance reported on later life mortgage lending**

They report “There were 28,840 new loans advanced to older borrowers in Q1, down 11.7 per cent year on year” and “There were 5,060 new lifetime mortgages advanced in Q1, down 30.1 per cent year on year”.

**DATA: ONS published Dataloft/PriceHubble data on renter affordability**

The data, based on the proportion of gross income spent on rent for new tenancies, increased to its highest ratio (28.2%) since the series started in January 2019.

**POLICY: Labour launch housing policies**

It is reported that Labour will make a “Freedom to Buy” mortgage guarantee scheme a permanent feature of the mortgage market while also promising to give locals “first dibs” on new build, overhaul planning, reintroduce housing targets, tax foreign buyers to pay for new planning officers, and use new CPO powers for public bodies.

**REPORT: RSH published quarterly survey for Jan-Mar 2024**

The Regulator of Social Housing reports “Expenditure on existing stock continued to increase and is at record levels. This will place pressure on providers’ cash resources and may limit their ability to manage further additional costs. In general, we have assurance that PRPs are taking action to manage their position, which for a number of providers includes the deferral of uncommitted development or arrangement of loan covenant waivers”.

**REPORT: UK Finance published Household Finance Review for Q1 2024**

They report “Mortgage borrowing in Q1 was down compared with the same period the year before, despite growth in mortgage applications at the end of 2023” and “For those who did secure a mortgage, the trend of borrowing at longer terms to reduce monthly repayments and help with affordability dipped slightly in Q1 but remained high, with 21 per cent of new first-time buyers (FTBs) extending terms over 35 years”.

**REPORT: CaCHE reported on housing subsidy’s shift from supply to demand**

The report investigates the “long-term shifting of rental housing subsidy from capital for building new homes to personal housing subsidies to help people pay for their homes”, asking why it happened and what might be done about it.

**REPORT: NEF reported on switching to social rent**

The report examines “why the next government should make the switch from shared ownership and affordable rent to social rent, alongside a series of other vital reforms to grant-making” to increase the delivery of social rented homes.

**REPORT: Create Streets reported on creating beautiful town extensions**

The report is a response to Labour’s New Towns Code and they “demonstrate how locally popular design could help to boost housing delivery in three typical scenarios”.

**REPORT: Lichfields reported on Census origin-destination data**

The report “examines how commuting flows were impacted by the Covid-19 pandemic, explores how the new 2021 data might be interpreted, and considers how the data should be used by policy-makers”.

**REPORT: Savills reported on housing supply in England**

They highlight a “poor outlook for new housing supply as planning consents dip below completions” and the “latest planning consent figures point to supply crunch”. They also **report** on the recovery in new home buyer demand in the first quarter of 2024.

**REPORT: Propertymark published Housing Insight Report for Apr 2024**

It’s difficult to draw any conclusions from the report as it mostly provides non-seasonally adjusted month comparisons.

**CORPORATE: Paragon Bank published Half year results**

They report “New mortgage lending down 36.2% at £0.65 billion (2023 H1: £1.02 billion), reflecting the much-reduced September 2023 pipeline” and “The development finance pipeline has recovered well to end the period 3.9% higher, year-on-year, at £0.67 billion (2023 H1: £0.64 billion) after a challenging 2023 H2”.

**CORPORATE: Bellway published Trading update (June)**

They report “The private reservation rate per outlet per week of 0.62 increased by 6.9% compared to the prior year equivalent (2023 – 0.58). This was delivered from a higher number of outlets, which averaged 245 in the period (2023 – 239)” and “Overall, headline pricing has remained firm, and incentives continue to be used on a targeted basis”.

**CORPORATE: The Property Franchise Group published AGM Statement**

They report “FY24 started with good momentum and that has continued to build. Our longstanding businesses have traded in line with our growth objectives. Notably, their lettings’ revenues have continued to grow at similar rates to last year, and the sales-agreed pipeline at 30 April 2024 was 20% up on the same period in FY23, signalling a much stronger sales market so far in FY24”.

## Chart of the Week

The latest ONS published data on monthly Direct Debit transaction values shows the average mortgage Direct Debit value rose to £924 in April, 10% higher than last year and 26% higher than two years ago. The failure rate for mortgage Direct Debits eased slightly in April, to 0.48% from 0.50% in January, but this was still higher than the 0.35% rate recorded in April 2022. The failure rate for mortgages was the same as for water Direct Debits but below the 1.32% failure rate for electricity and gas, and the 1.97% failure rate for loans.

