

5th July 2024

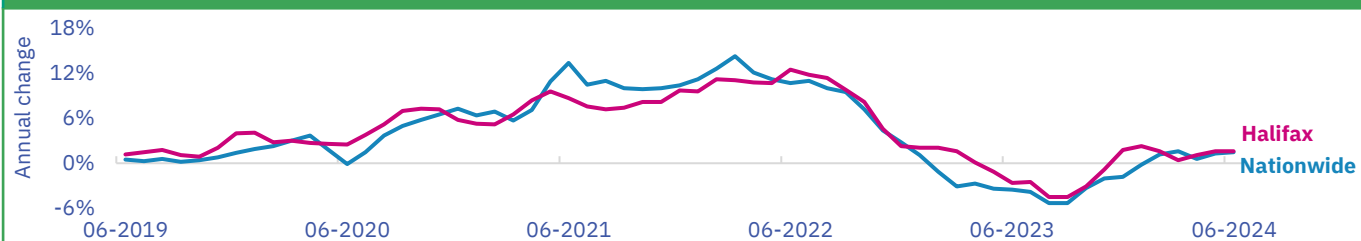
DATA: Nationwide reported UK house prices rose 1.5% in year to Jun 2024

They [report](#) “N. Ireland best performing region, with prices up 4.1% in Q2” and “East Anglia weakest performing region, with prices down 1.8% over the year”. They also report “Transactions involving a mortgage are down even more (nearly 25%), reflecting the impact of higher borrowing costs” while “the volume of cash transactions is actually around 5% above pre-pandemic levels”.

DATA: Halifax reported UK house prices rose 1.6% in year to Jun 2024

They report ([PDF](#)) “Northern Ireland recorded the strongest property price growth of any nation or region in the UK, rising by +4.0% on an annual basis in June” and “Eastern England was the only region or nation across the UK to register a decline in house prices over the last year, where they now average £328,747, down -0.9% in June on an annual basis”.

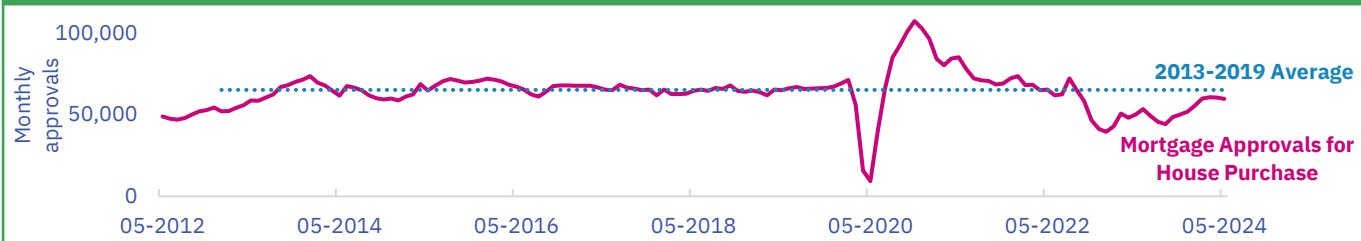
Annual Change in UK House Prices – Source: Nationwide, Halifax



DATA: BoE published mortgage approval data for May 2024

They [report](#) the seasonally adjusted number of mortgage approvals in May was 1.4% lower than the previous month but 19.2% higher than the same month last year. Mortgage approvals for house purchase have been stuck at around 60,000 per month since February, 8.5% below the 2013-2019 pre-pandemic average.

Seasonally Adjusted Mortgage Approvals For House Purchase – Source: Bank of England



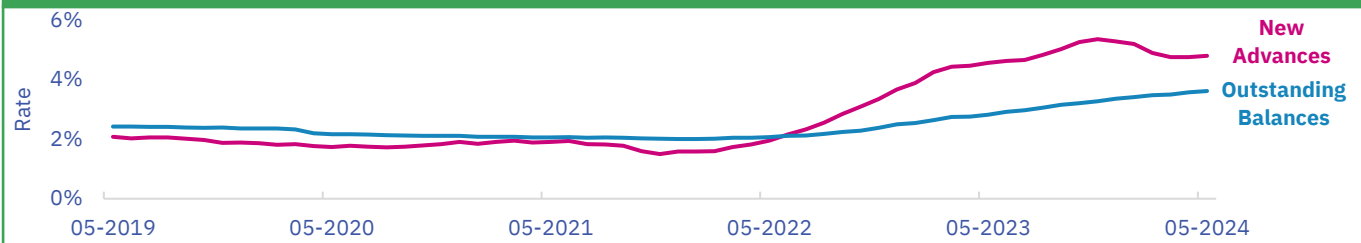
DATA: BoE published quoted mortgage rates for Jun 2024

The data on quoted mortgage rates shows average rates across different fixed rate periods and variable rates were relatively unchanged compared to the previous month. Meanwhile, the average revert-to-rate increased slightly to 7.98% (previously 7.93%).

DATA: BoE published effective mortgage rates for May 2024

The average rate data for actual mortgages (both purchase and remortgage) show the average rate on new advances increased slightly to 4.81%, up from 4.76% the previous month. The average rate on outstanding balances continued to rise slowly, reaching 3.62% the highest rate since 2010.

Average Effective Mortgage Rate – Source: Bank of England



POLICY: Labour win large majority in general election

Housing is expected to be a focus in coming weeks.

REPORT: Intergenerational Foundation reported on the housing market

Their report “investigated the severity of the housing crisis on local authority areas in England and found that children and young people are much more impacted by the housing crisis than older generations”.

REPORT: Women’s Budget Group reported on housing and gender

They report “Women’s housing situation differs from that of men, and is generally worse, in terms of affordability, ownership, safety and overcrowding” and include several recommendations including building more social housing, restoring the link between LHA and 50th percentile rents, and increasing the number of women’s refuges.

REPORT: Propertymark published Housing Insight Report for May 2024

The report provides useful charts on the state of the market but is compromised by the lack of seasonal adjustment and a focus on monthly percentage change figures.

NEWS: Knight Frank reported slower growth in the London rental market

They report “Rental value growth in prime central London (PCL) fell to 3.5% in the year to June, while the figure was 3.6% in prime outer London (POL)” which was the lowest figure for both areas since July 2021.

NEWS: Cushman Wakefield published house price forecasts

They expect house prices “to fall 0.5% in the UK and 1.5% in London in 2024”.

Chart of the Week

Alongside the mortgage approval data, the Bank of England also [publishes](#) data on gross and net lending, and repayments. This data is shown in the chart below and highlights the stagnation in net lending – with gross lending similar to repayments - since late 2022. As market activity has increased in recent months, the value of both gross lending and repayments have increased again. However, the two remain very close in value, reflecting the continued wariness of mortgage lenders in the current market.

Gross Lending, Repayments, and Net Lending – UK

Source: Bank of England

