Weekly Summary

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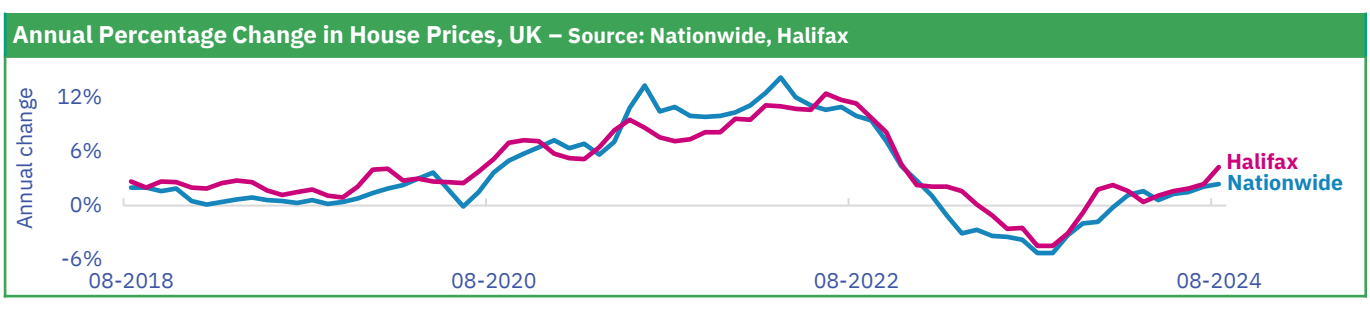
6th September 2024

DATA: Halifax reported UK house prices rose 4.3% in year to Aug 2024

They report (PDF) this was the strongest rate since November 2022 though the "Higher annual growth largely reflects the base impact of weaker prices a year ago".

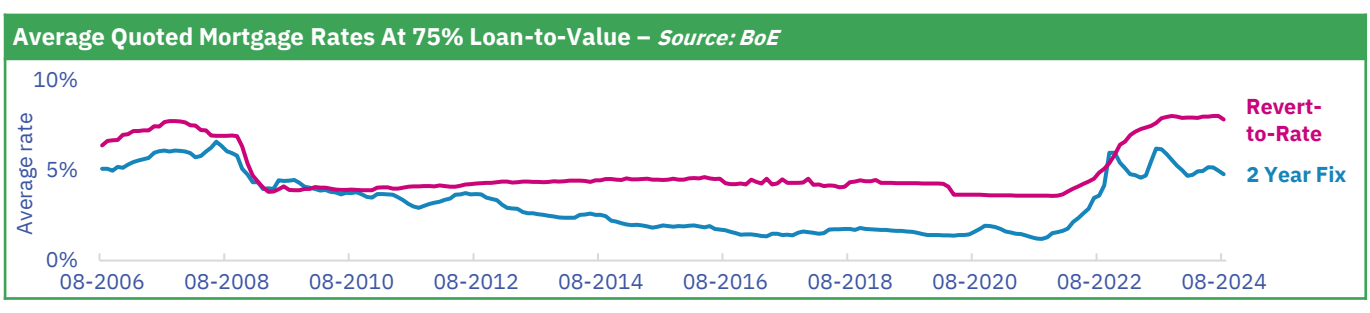
Annual Percentage Change in House Prices, UK – Source: Nationwide, Halifax



DATA: BoE published average quoted mortgage rates for Aug 2024

The latest data shows the average quoted rate for a two-year fixed rate mortgage at 75% loan-to-value ratio was 4.80%, down from 4.99% the previous month. The average revert-to-rate (or standard variable rate) fell to 7.83% from 8.03% the previous month.

Average Quoted Mortgage Rates At 75% Loan-to-Value – *Source: BoE*



DATA: ONS published Regional gross disposable household income

They report "In 2022, gross disposable household income (GDHI) in the UK grew by 6.3% when compared with 2021" and "In 2022, Westminster was the local area (ITL3) with the highest GDHI per head at £69,058, which was over three times the UK average" while "Leicester had the lowest GDHI per head at £15,075".

POLICY: HMT and DWP extended the Household Support Fund

"The £421m extension gives certainty to Local Authorities across England over the winter months – up until April 2025 – as they work to help those struggling with the cost of energy, food, and water".

POLICY: MHCLG responded to consultation on social housing allocations

In response to the previous government's consultation on how social housing is allocated, they report "Analysis of the responses to the consultation and feedback from additional engagement makes clear that the proposals would not only fail to deliver any meaningful improvements to how social housing is allocated but would likely result in a range of negative impacts".

REPORT: Grenfell Tower Inquiry published Phase 2 report

They "conclude that the fire at Grenfell Tower was the culmination of decades of failure by central government and other bodies in positions of responsibility in the construction industry to look carefully into the danger of incorporating combustible materials into the external walls of high-rise residential buildings and to act on the information available to them".

REPORT: UK Finance published Household Finance Review for Q2 2024

They report "Following continuous contraction since the start of 2023, the strength in mortgage applications seen late last year finally translated into lending growth in Q2 2024. However, forward data suggest that further growth in completions through the second half of 2024 is uncertain" and "The extent of 'rate shock' for customers reaching the end of their fixed-rate deals and looking to refinance appears to have passed its peak. Even at the height of this "rate shock", customers were refinancing at rates well below the stressed rates which their lender had previously assessed would be affordable".

REPORT: Centre For Cities reported on the return to the office

They report "the average full-time central London worker is now spending 2.7 days in the office per week" and "this puts London's return to the office behind most of its global competitors".

REPORT: TCPA reported on the planning system and flood risk

The report finds "there are three headline areas that need to be addressed to secure more flood resilient new development: the quality of evidence and data to inform planning decisions must be improved, the planning system must work harder at securing the measures necessary to make development safe from flood risk, and the regulatory system and oversight must be more robust to ensure these measures are delivered in practice".

REPORT: HBF reported on Help to Buy Wales

The report "outlines the success and impact of the Welsh Government's Help to Buy Wales equity loan scheme, ten years on from the opening of the scheme" and "calls for the scheme to be renewed after its current expiration date in March 2025, and for the maximum purchase price to be increased to reflect growing affordability pressures since the scheme began in 2014".

REPORT: HBF reported on first-time buyer deposit affordability

They report "The average first-time buyer would have to save half of their earnings for almost a decade to afford a deposit" and calls for a "new targeted homeownership scheme to boost first-time buyer deposits and give them access to new build mortgages at competitive rates".

REPORT(PDF): Southwark Council reported on the future of council housing

The report calls for "Immediate action to stabilise the HRA" which "will stem the decline in conditions, stock levels and skills and capacity" and "long-term settlements on rents, borrowing, grant and the other crucial policy levers for council housing" to help grow the stock of council homes.

REPORT: Propertymark published Housing Insight Report for Jul 2024

The report provides a wealth of data but the analysis is limited by a lack of seasonal adjustment. They report "prospective buyer registrations in the residential sales sector were up, and so too were the number of sales agreed" but "most other sales metrics remained static".

NEWS: The Equity Release Council estimated housing equity is £5.7trillion

Their simple approach suggests homeowner housing equity is at a record high of £5.7 trillion with 78% is "owned in cash with over-55s homeowners holding an average of £321,213 worth of equity in their homes").

CORPORATE: Barratt Developments published Annual Results

They report total completions for the year ended June 2024 were 18.6% lower than the previous year. The fall was 24.2% if private rented sector and other multi-unit sales are excluded. They also report "The net private reservation rate per active outlet per average week from 1 July 2024 through to 25 August 2024 was 0.58, (FY24: 0.42), including a contribution of 0.03 (FY24: 0.02) from the private rented sector and other multi-unit sales".

CORPORATE: Vistry published Half Year Results

They report "The Group's sales rate in the period averaged 1.213 (H1 23: 0.86) units, with the year on year increase reflecting both stronger demand and the transition of our business to our 100% Partnerships model" and 76% of total completions were Partner Funded. They also report "Pricing remained relatively flat with the Group using incentives of up to c. 5% of open market price to support open market sales".

CORPORATE: Berkeley Group published Trading Update

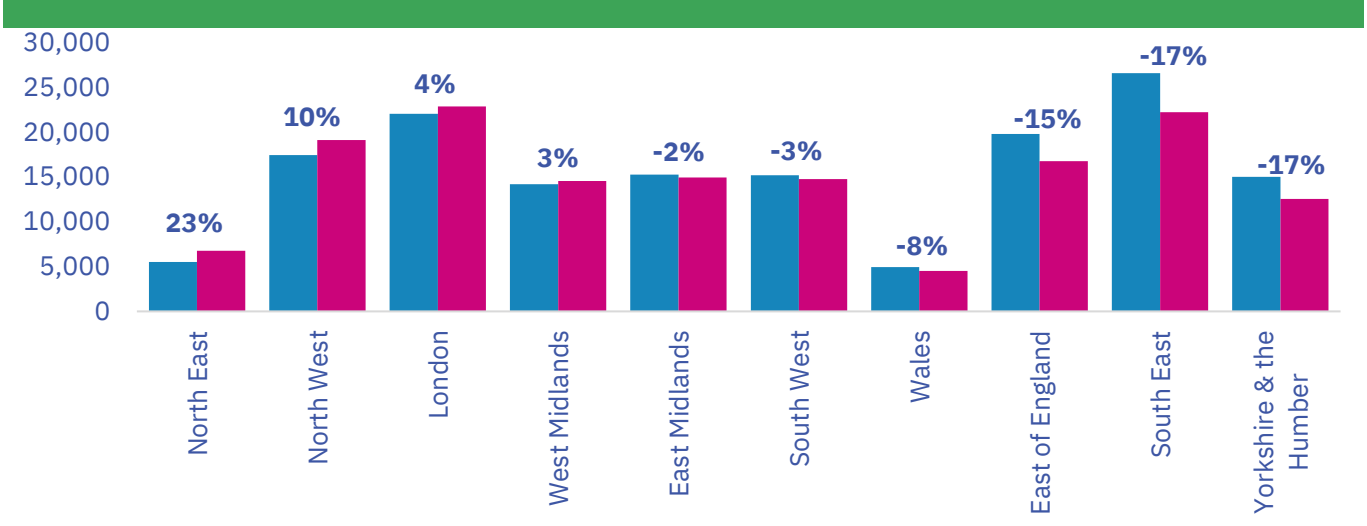
They report "Trading has been stable for Berkeley over the first four months of the year and we are on target to achieve our pre-tax earnings guidance for the full year ending 30 April 2025 of £525 million, 90% of which is already secured through exchanged sales contracts".

Chart of the Week

The latest weekly Energy Performance Certificate data from MHCLG, a useful leading indicator for net supply, highlights the regional variation of what has happened to supply in the first two-thirds of the calendar year. While the number of new build EPCs increased by 23% in the North East and 10% in the North West compared to the same period last year, the number fell 15% in the East of England and 17% in the South East and Yorkshire & the Humber. At first glance, this might appear to simply reflect the greater impact of higher mortgage rates on the south of England but both Yorkshire and London (+4%) suggest it may also reflect the type of homes being built, with flatted development harder to slow.

New Build Energy Performance Certificates In First 35 Weeks of Year

Source: MHCLG



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