Weekly Summary

Powered by BuiltPlace

20th September 2024

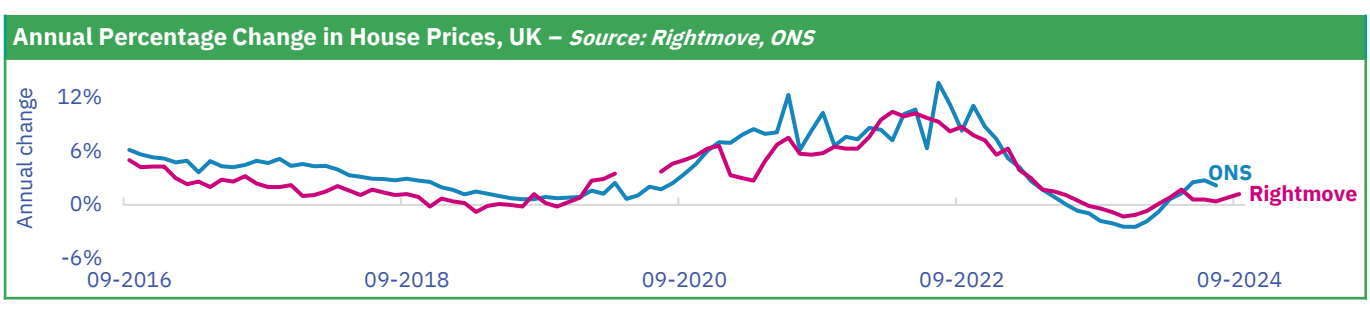
DATA: Rightmove reported asking prices rose 1.2% in year to Sep 2024

They report "The number of sales being agreed is up by 27% year on year, a strong rebound compared with last year's more subdued market as pent-up buyer demand is released" and "the number of new sellers up by 14% on this time last year" but "the average number of available homes for sale per estate agent at its highest since 2014".

DATA: HMLR reported UK house prices rose 2.2% in year to Jul 2024

This was lower than the revised 2.7% figure reported last month and they report "annual house price inflation was highest in the North East, where prices increased by 3.8% in the 12 months to July 2024" while "London was the English region with the lowest annual inflation, where prices decreased by 0.4%".

Annual Percentage Change in House Prices, UK – *Source: Rightmove, ONS*



DATA: ONS reported CPI rose by 2.2% in the year to Aug 2024

This was unchanged from the previous month.

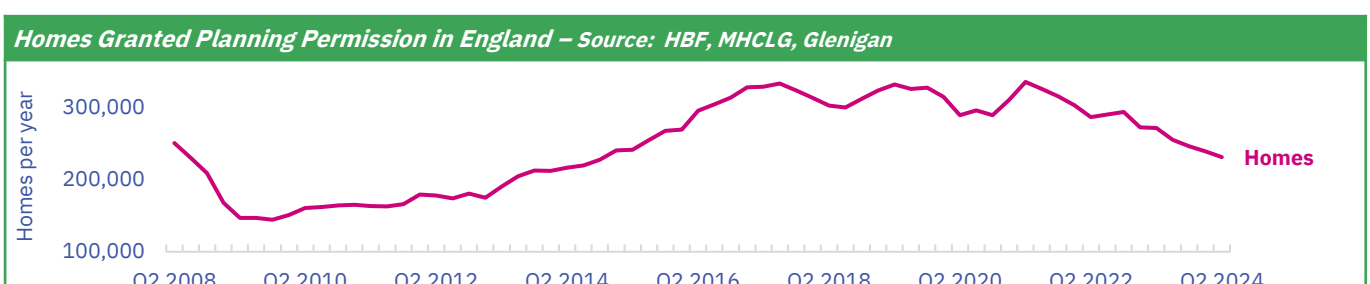
DATA: ONS reported £1.2bn in SDLT receipts in Aug 2024

Total stamp duty land tax receipts (covering both commercial and residential property) were 1.5% lower than the same month last year.

DATA: HBF published Housing Pipeline Report for Q2 2024

They report "The number of units approved during the second quarter slipped by 2% against the previous three months to total 62,103 units and was 12% lower than during the second quarter of 2023". They suggest "Whilst the speedy interventions on planning are very welcome, there are a number of determinants on housing supply levels" and "The lack of affordable mortgage availability means more support for buyers is needed".

Homes Granted Planning Permission in England – Source: HBF, MHCLG, Glenigan



DATA: Natural England published Living England 2022-2023 data

"Living England is a multi-year project which delivers a broad habitat map for the whole of England, created using satellite imagery, field data records and other geospatial data in a machine learning framework". An online map is available but you'll have to zoom in.

POLICY: BoE MPC held Bank Rate at 5%

POLICY: New Towns Taskforce held first meeting

The taskforce members were confirmed and the Terms of Reference published.

REPORT: BoE published Agents' summary of business conditions

They report "The recent cut in Bank Rate has led to improved sentiment in the secondary housing market and supported expectations of further reductions" but "Contacts tell us this has yet to be reflected in agreed sales or prices". They also report "Housebuilding activity remains very weak, and most contacts do not expect an immediate pickup" while "Rent inflation continues to moderate with most contacts now expecting it to end this year in high single digits".

REPORT: Indigo House reported on Scottish rental market reforms

They find that "The Renters' Rights Bill has the potential to be foundational to tenants' ability to live in safe and secure homes" and "The 2016 changes have not had undue negative effects on landlord perceptions or actions" but "Scottish legislation has not gone far enough in some areas, and the government must not make the same mistakes when delivering PRS reform in England".

REPORT: Warwick's CAGE Research Centre reported on planning

They report "planning refusals aren't the problem, and the attention they get is somewhat misguided". Instead, it is the shift to larger projects with "very large projects of over 500 units representing 38% of new developments" compared to just 8% 25 years ago. These large projects are more likely to be refused permission and "face far more hurdles, delays, red tape and paperwork than smaller ones".

REPORT(PDF): Zoopla published rental market report

They report "Rental inflation slows to 5.4%, the lowest for almost 3 years" and "Rental demand is cooling off a high base but is still 2x pre pandemic". They forecast "Rents expected to rise 3-4% over 2024".

REPORT: UK Finance published "Homes We Need" report

They suggest "a simpler and more rules-based planning system", help for "last time" buyers, support for the rental market and support for home ownership by "making permanent the current temporary nil-rate bands on stamp duty up to £425,000; increasing access to shared ownership schemes; and reviewing whether prudential rules introduced after the global financial crisis have made it too difficult for potential borrowers to obtain a mortgage".

REPORT: Shelter reported on the need to scrap the household benefit cap

They report "123,000 households are affected by the household benefit cap" and "The vast majority – 71 per cent - are lone parents with children". They also report "It is having a disproportionate impact on survivors of domestic abuse and on children".

REPORT: Savills reported on a CPI+1% rental settlement

They suggest "there is both the need and the capacity to increase rents at CPI+1% over the next 10 years" and "By the end of a 10 year rent settlement in 2036, general needs rents would still be at a greater discount from private rents than they were before the pandemic".

REPORT: Lichfields reported on affordable housing delivery in Wales

They suggest "the strategy to date, to deliver 20,000 low carbon social rent homes during this five year term from 2021 to 2026, has not increased affordable housing rates to the level needed to make a meaningful contribution to tackling the housing crisis".

REPORT: CaCHE reported on Scottish student housing and homelessness

They report "There is a shortage of student housing in Scotland" and recommend "Student housing must be integrated into local housing strategies, as developments like PBSA impact cities and communities and affect the wider housing system".

REPORT: CLT Network reviewed Government's Community Housing Fund

They "identified that 4,222 homes have been developed or are in the pipeline, with 913 homes already built or under construction" and "95% of funded projects have succeeded or are still making progress, with only 5% failing".

REPORT(PDF): Housing Forum on building 1.5 million new homes

They set out a roadmap on what is needed to hit the government's housebuilding target, with delivery of 450,000 homes in year five.

REPORT: CPRE published essay collection on the "Urban Edge"

The experts' essays "set out their visions of a positive future to the Green Belt".

CORPORATE: Springfield published Final Results

They report "Total completions of 878 (2023: 1,301), in line with market expectations" while "Since year end, the Group is experiencing initial signs of recovery, with reservation rates ahead of the same period last year".

CORPORATE: Henry Boot published Half-year Report

They report "There has been data during H1 showing our markets stabilising, and over the summer, when traditionally we have had a quieter period, there have been signs of a recovery in demand. As a result, we are operationally gearing up to submit more planning applications across the group over the next 12 months to take advantage of this improving situation".

CORPORATE: MJ Gleeson published Full Year Results

They report "Underlying selling prices increased by 1.5%, with changes in mix resulting in a 0.3% reduction in average selling prices to £185,700" and a "Gross profit margin on homes sold of 24.1% (2023: 27.0%)". They also report "Net reservation rates for the year, excluding multi-unit sales, up 15.8% at 0.44 per site per week (2023: 0.38)".

CORPORATE: LSL published Half Year Results

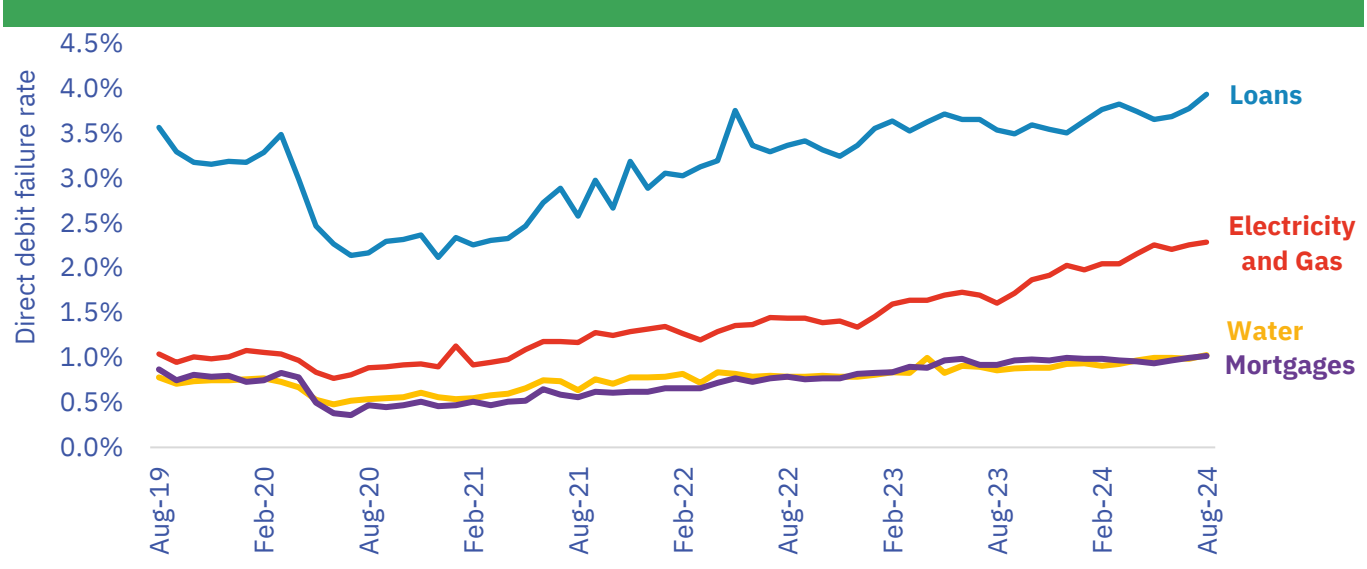
They report "The first half of the year showed a significant improvement in trading with some improvement in sentiment and, more recently, lower mortgage rates which are starting to drive more activity across our core markets. We have seen an increase in mortgage approvals which will be reflected in future housing transactions and the start of a normalisation in product mix in our mortgage business".

Chart of the Week

The latest data on direct debits published by ONS shows the average mortgage payment has risen to £950 in August 2024, up from £759 in August 2022. Despite the rise in average direct debit, the data also shows the failure rate for mortgage direct debits has stabilised around 1.0% in recent months. This is slightly higher than the 0.8% average recorded during 2019. However, the failure rate on loans and electricity and gas debits has continued to rise. The failure rate on energy bills has risen to 2.3% in August compared to an average of 1.0% across 2019. Meanwhile, the failure rate on loans has increased to 3.9% compared to 3.4% in 2019. Not shown is the failure rate on fitness facilities which is around 5%, well below the one-off peak of 19% recorded in January 2021.

Direct Debit Failure Rate, Seasonally Adjusted

Source: ONS calculations on Pay.UK and Vocalink data



BuiltPlace® is a registered trademark of Residential Analysts Ltd
37 Great Pulteney Street, Bath, Avon, United Kingdom, BA2 4DA, Company number 10502989