

Housing market outlook

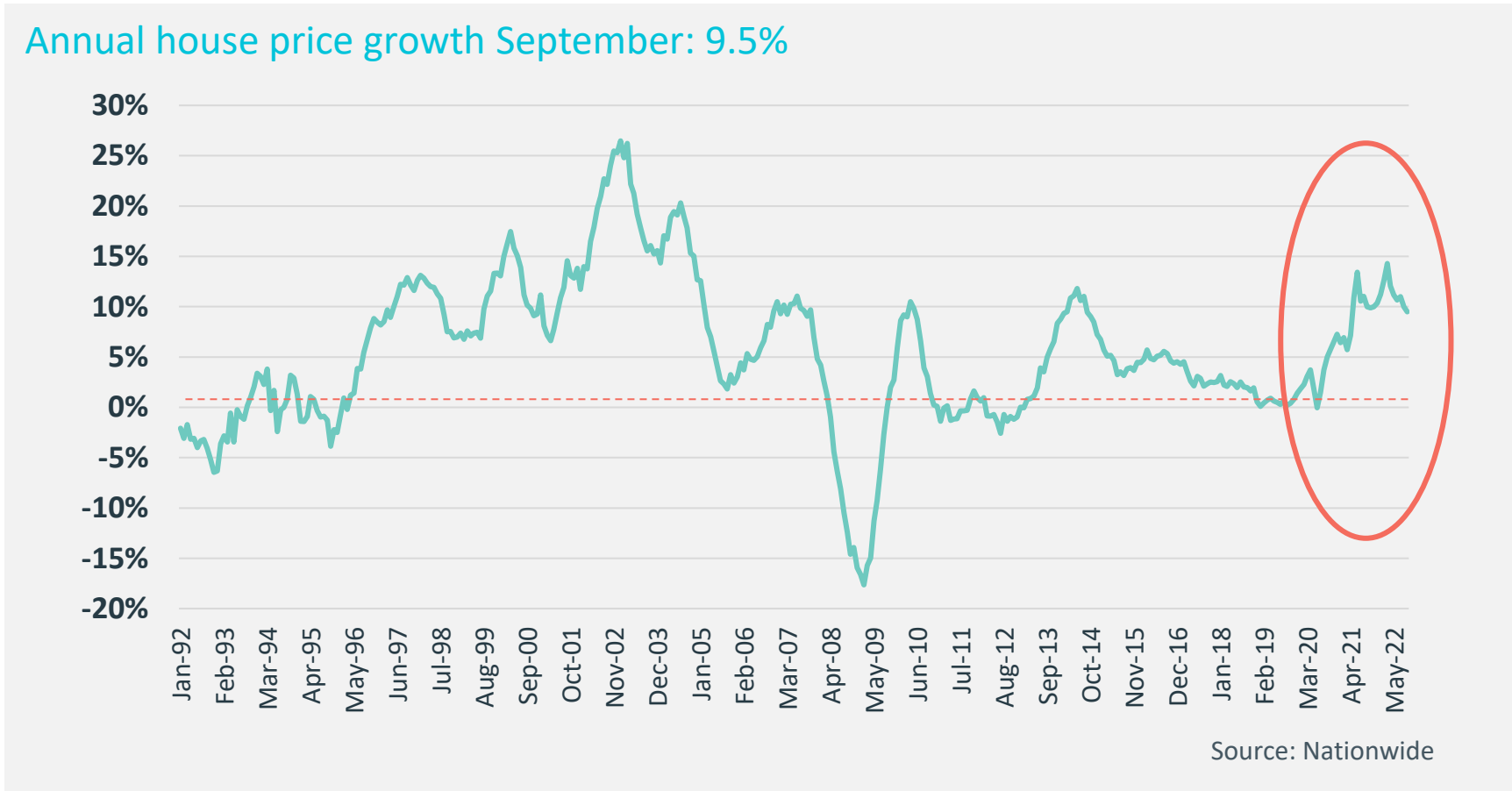
Gráinne Gilmore
Director of research & insight



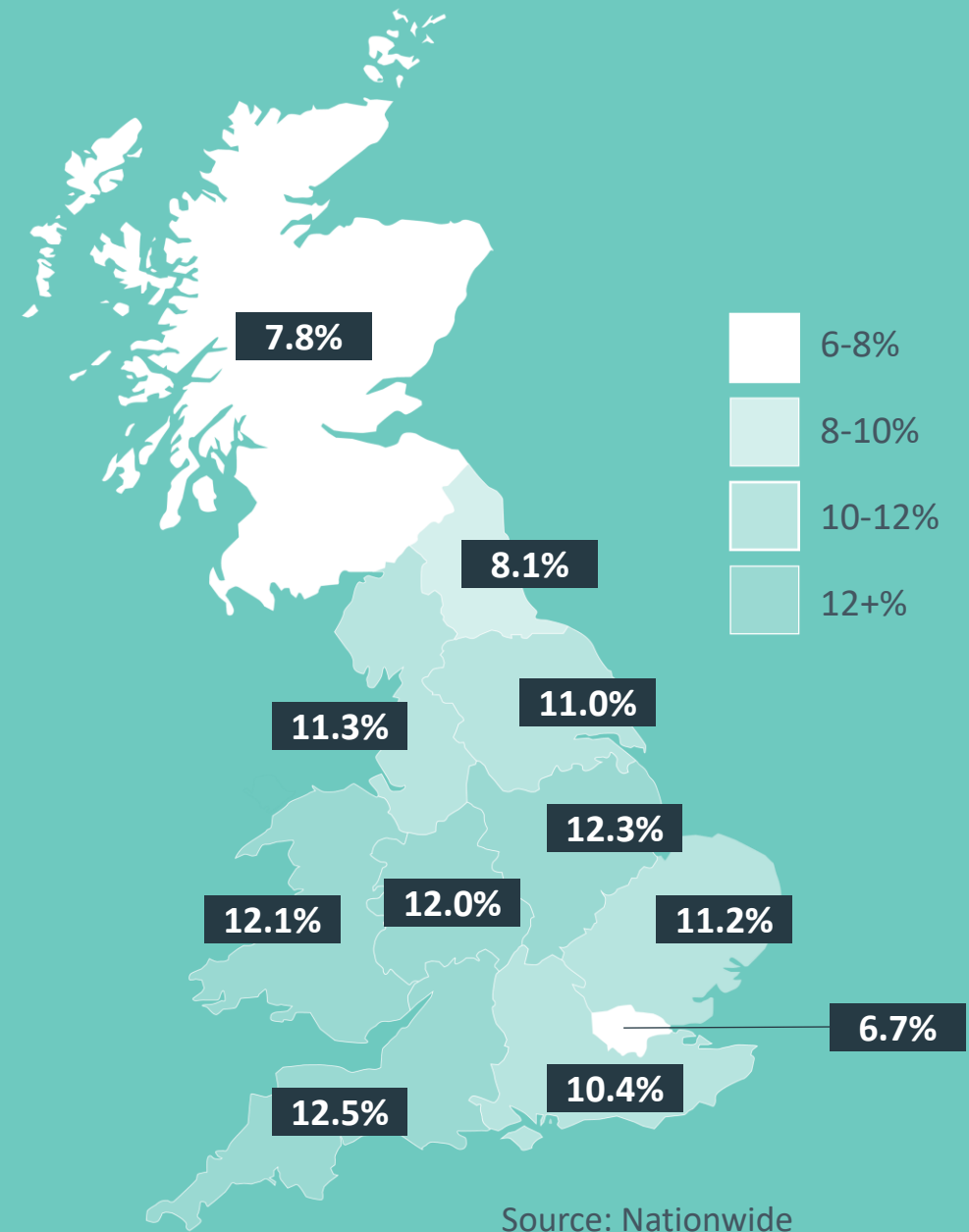
- Market trends
- Changing landscape
- Outlook



House Price growth



Regional price growth Q3 2022



Inflation rising: Stories from Summer

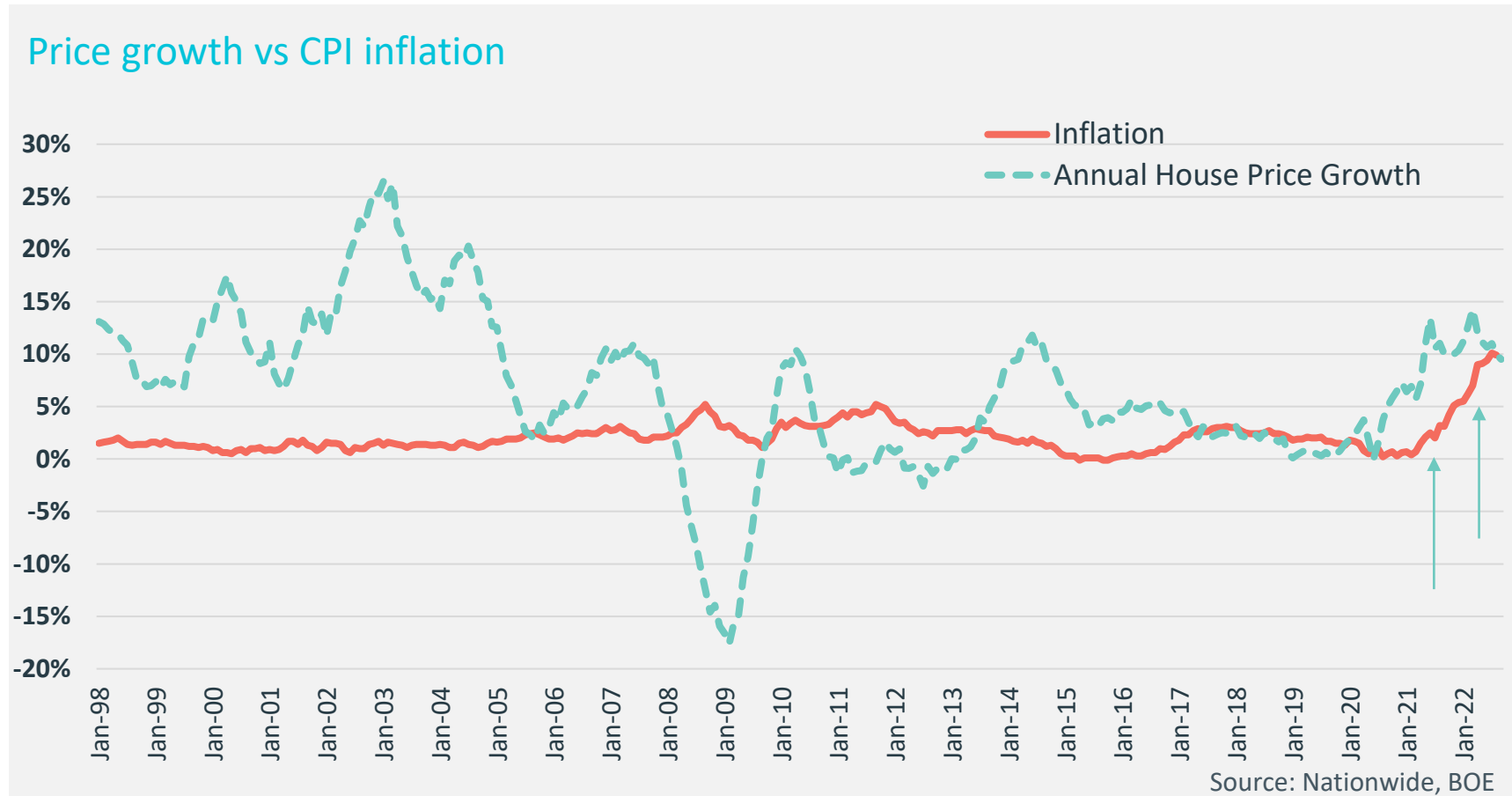
DAVID SMITH | COMMENT

David Smith: The Bank's in a tight spot, meaning the only way is up for interest rates

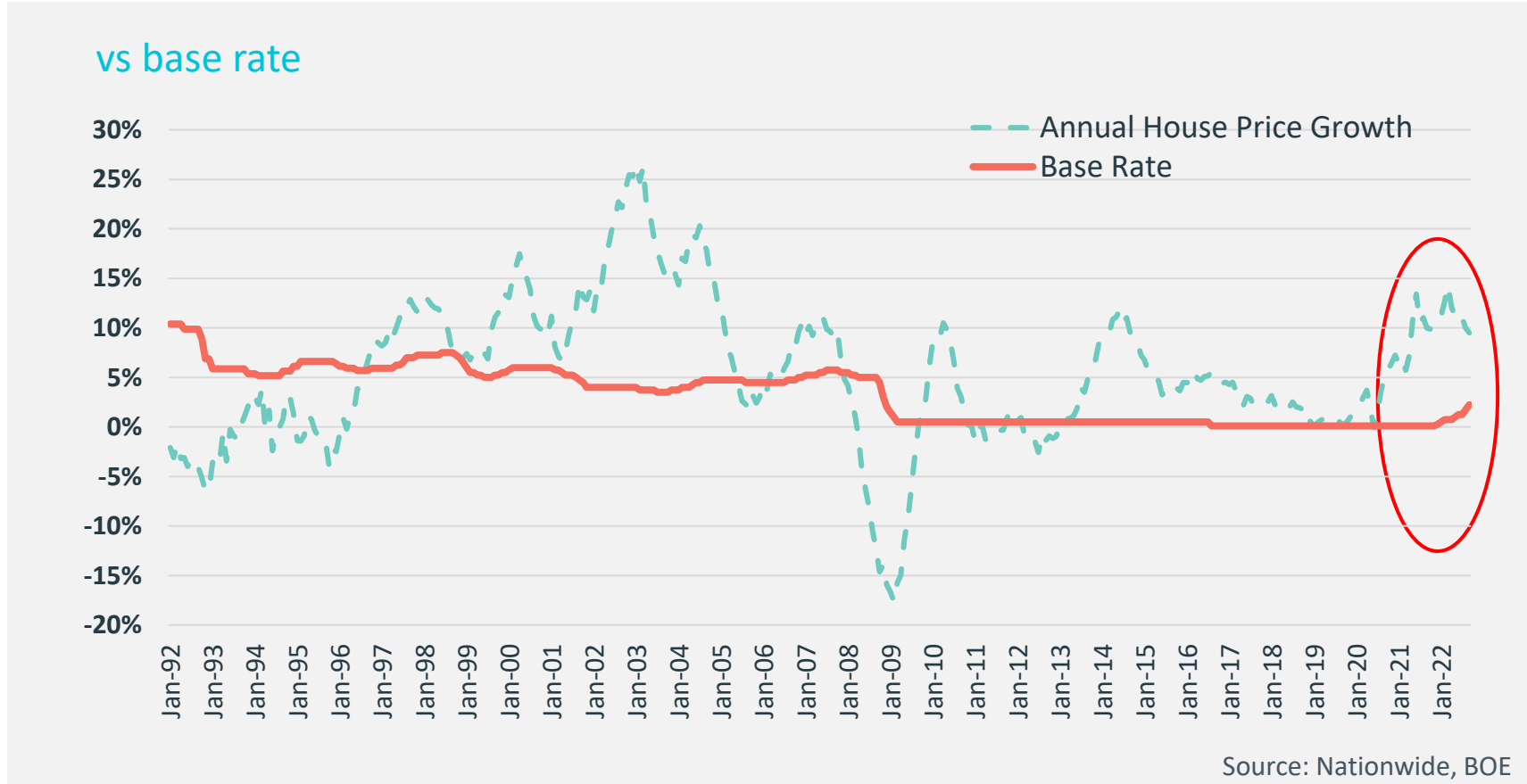
Central bank chiefs call end to era of low rates and moderate inflation

ECB, Fed and BoE heads warn of painful shift after 'massive geopolitical shock' of Ukraine war and pandemic

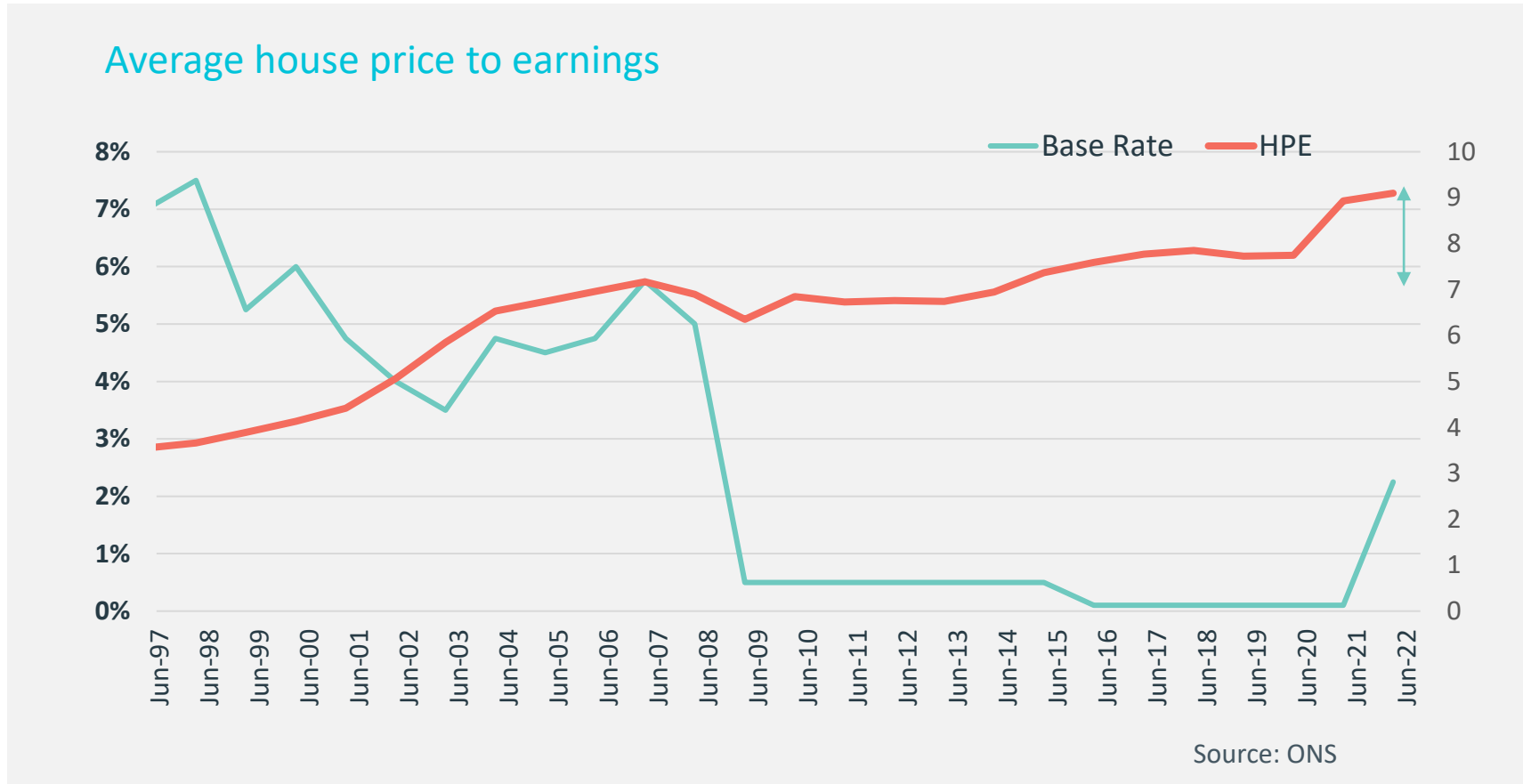
Inflation rising 2



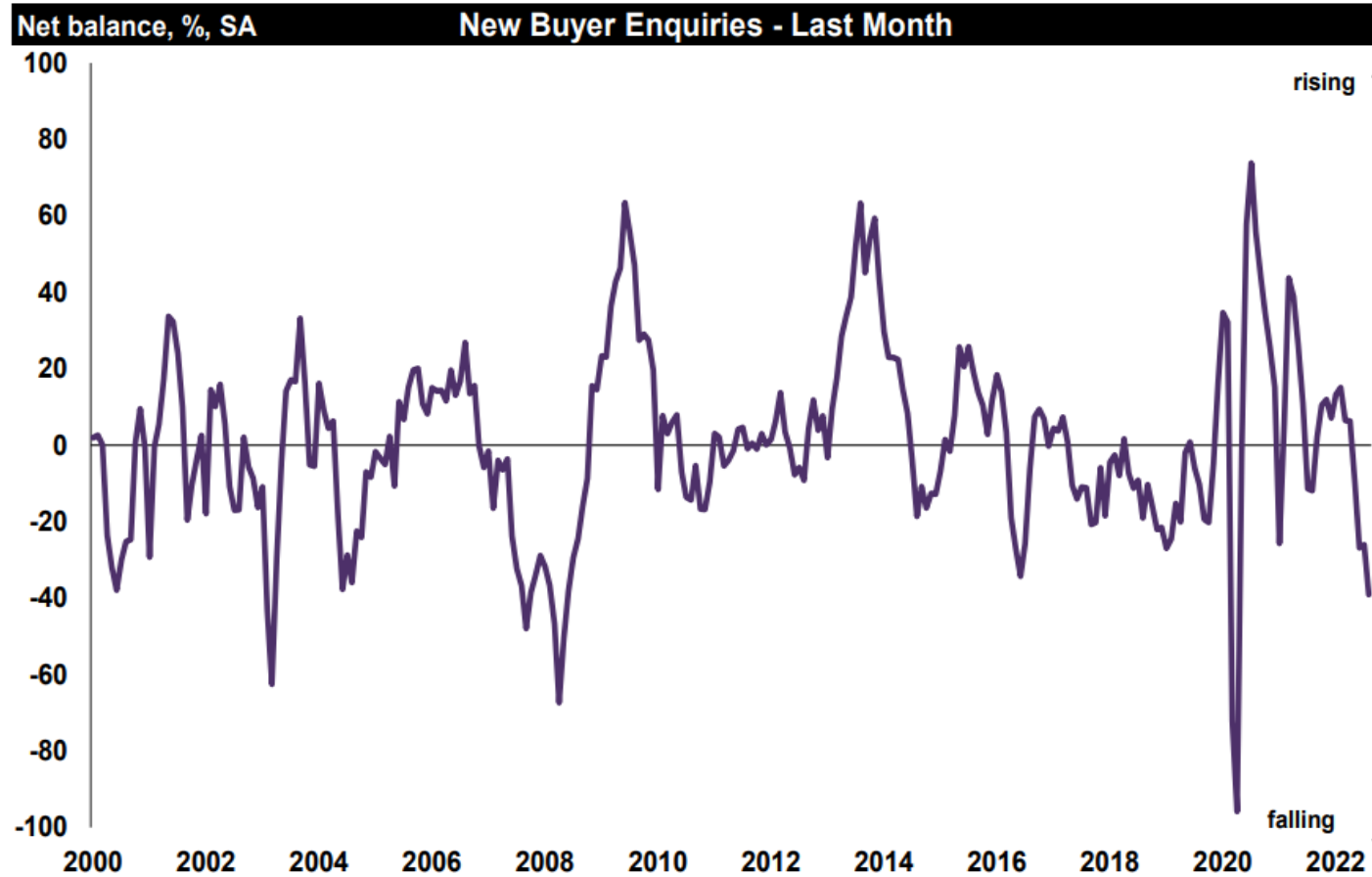
Base rate rising



Housing affordability

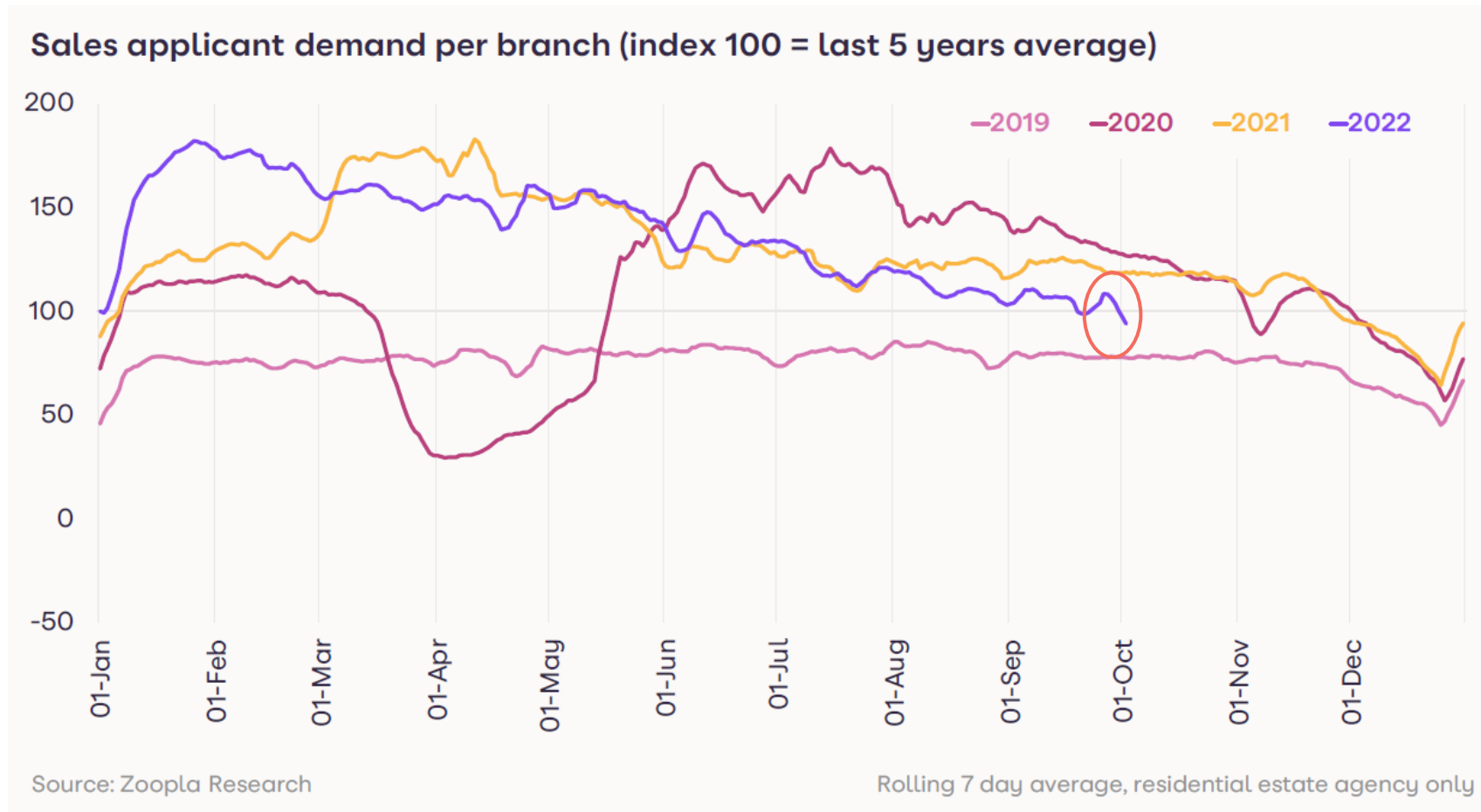


Buyer demand easing

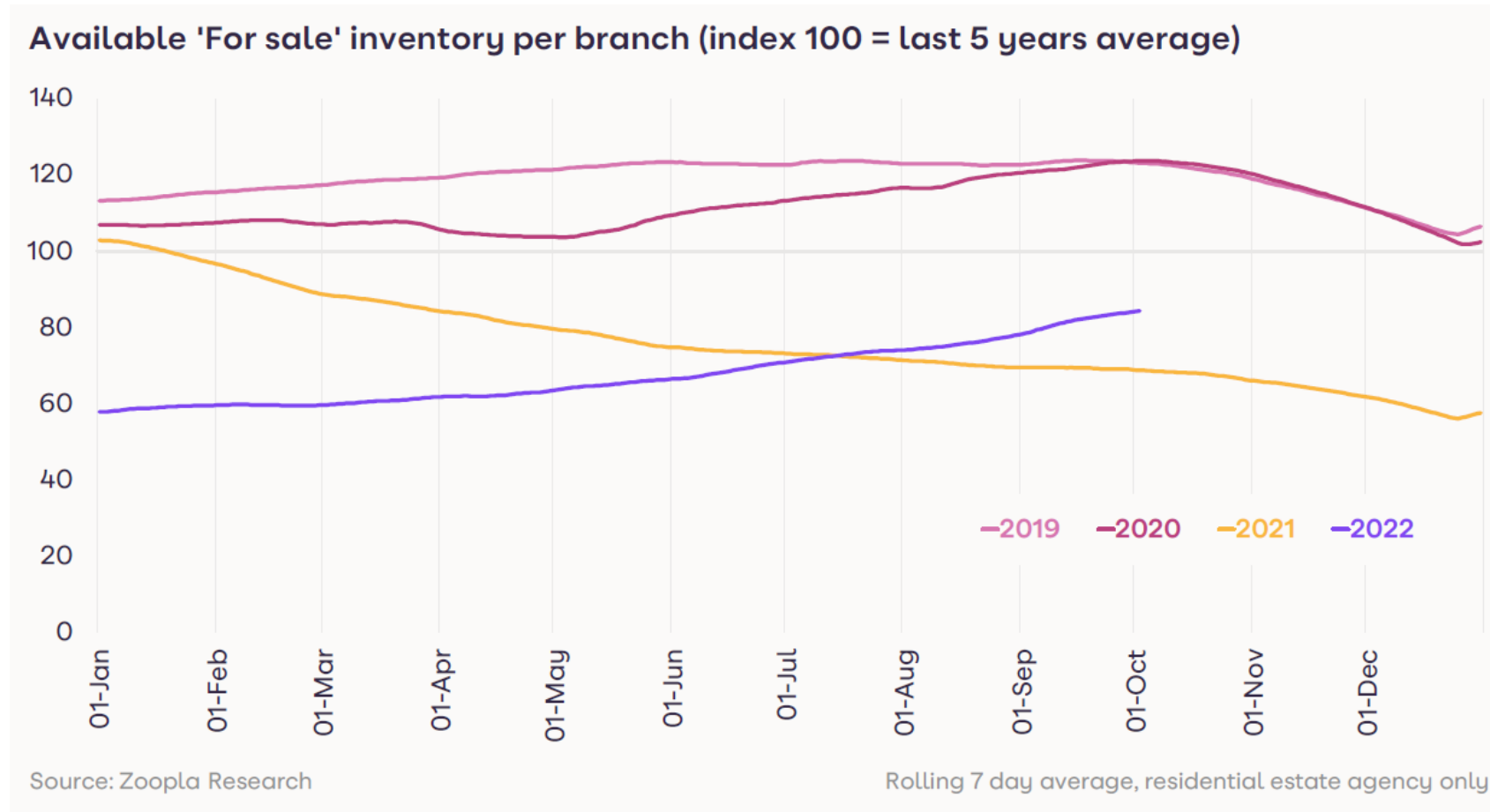


Source: RICS

Buyer demand: down from record highs

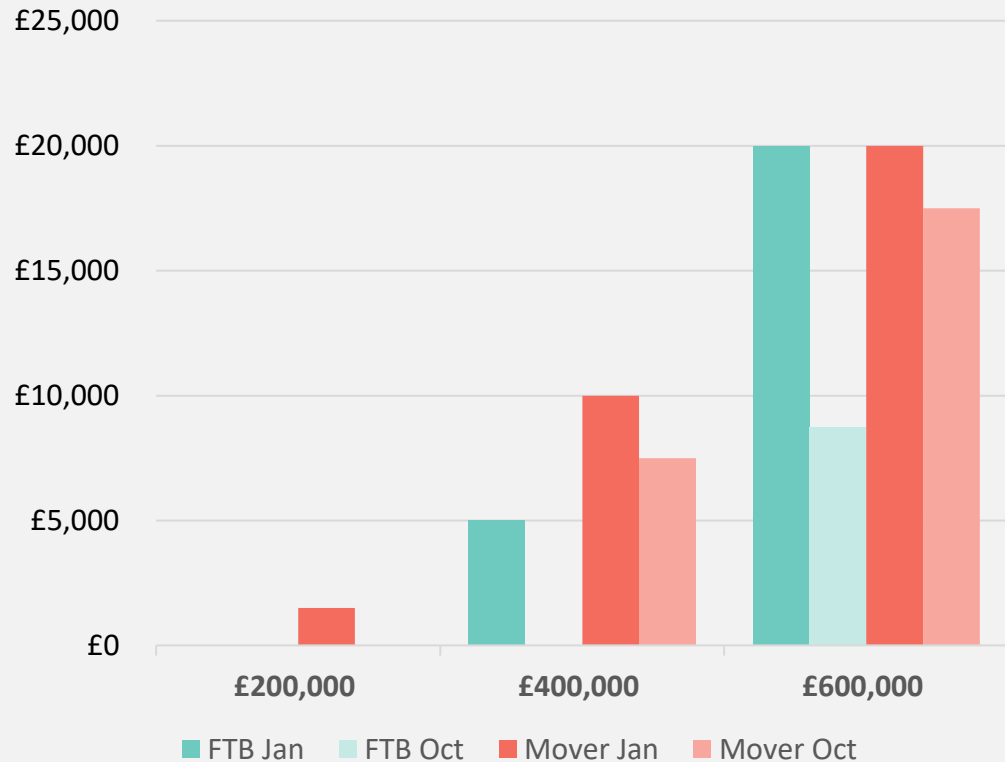


Supply still strained, but rising



Impact of changing policy.. and money market reaction

Stamp duty changes

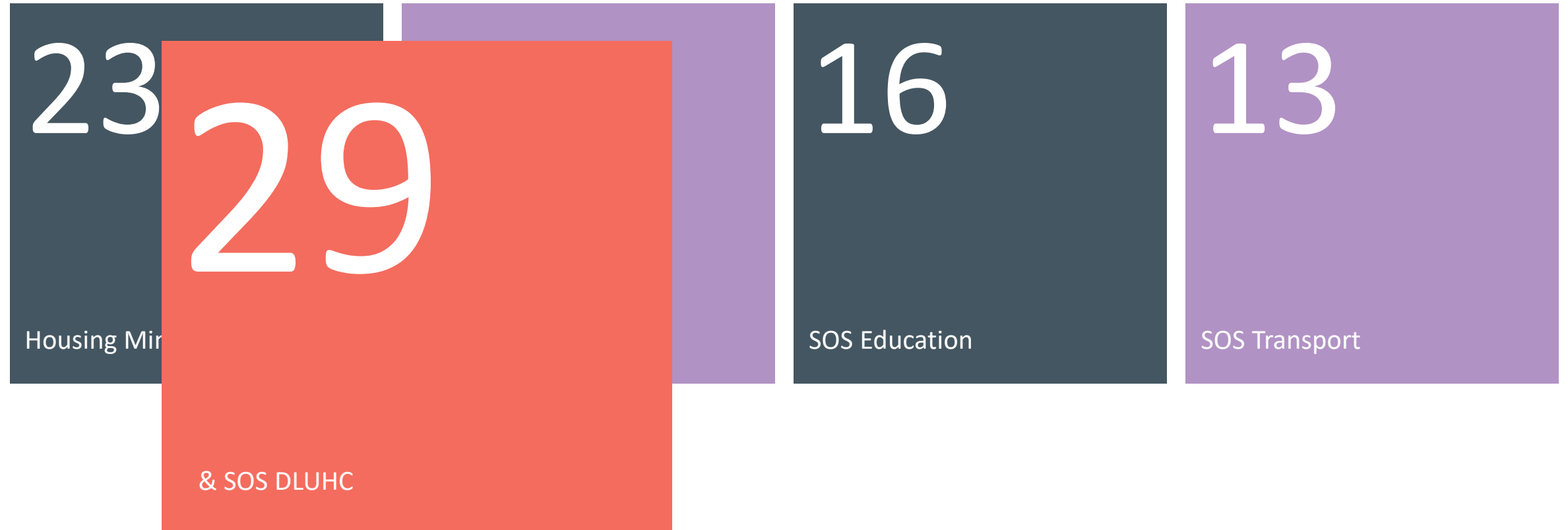


Mortgage payment changes



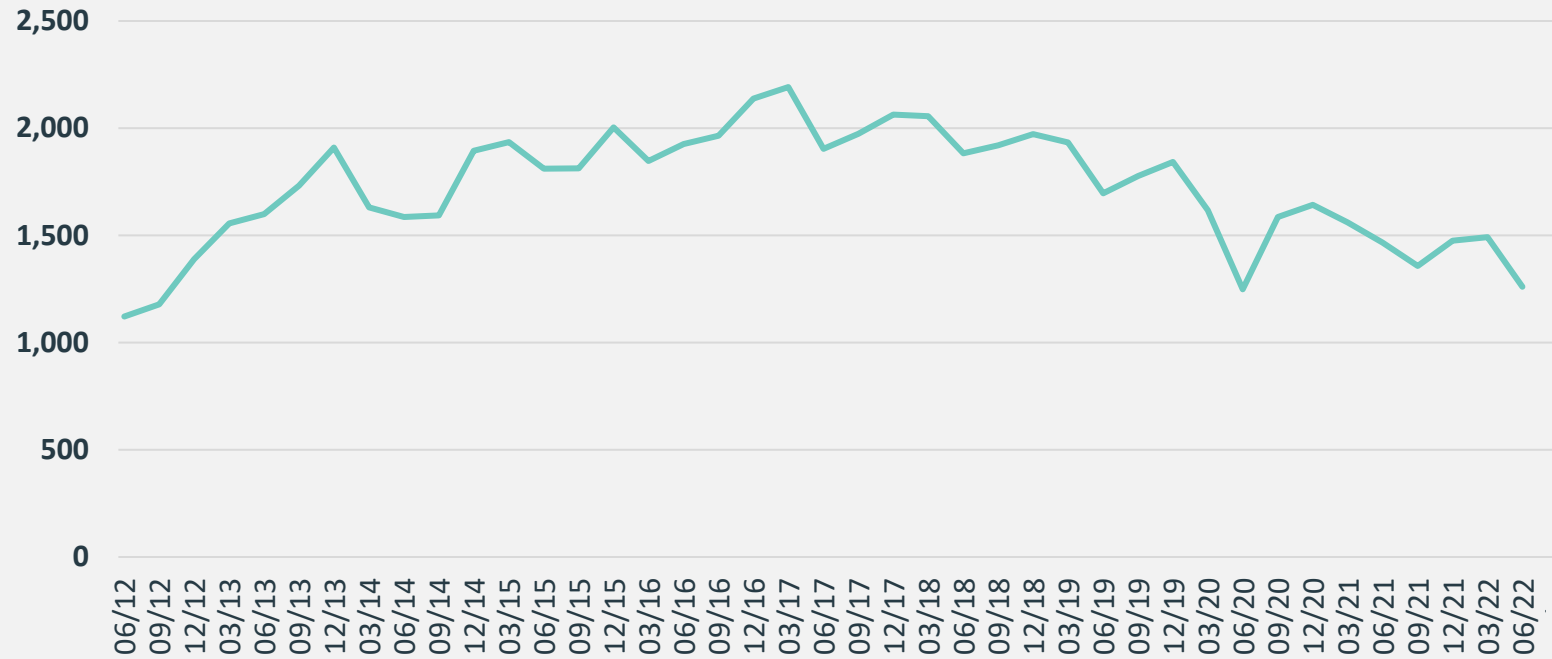
Policy landscape

Housing Ministers since 1997



Planning

Major planning decisions granted (10+), England



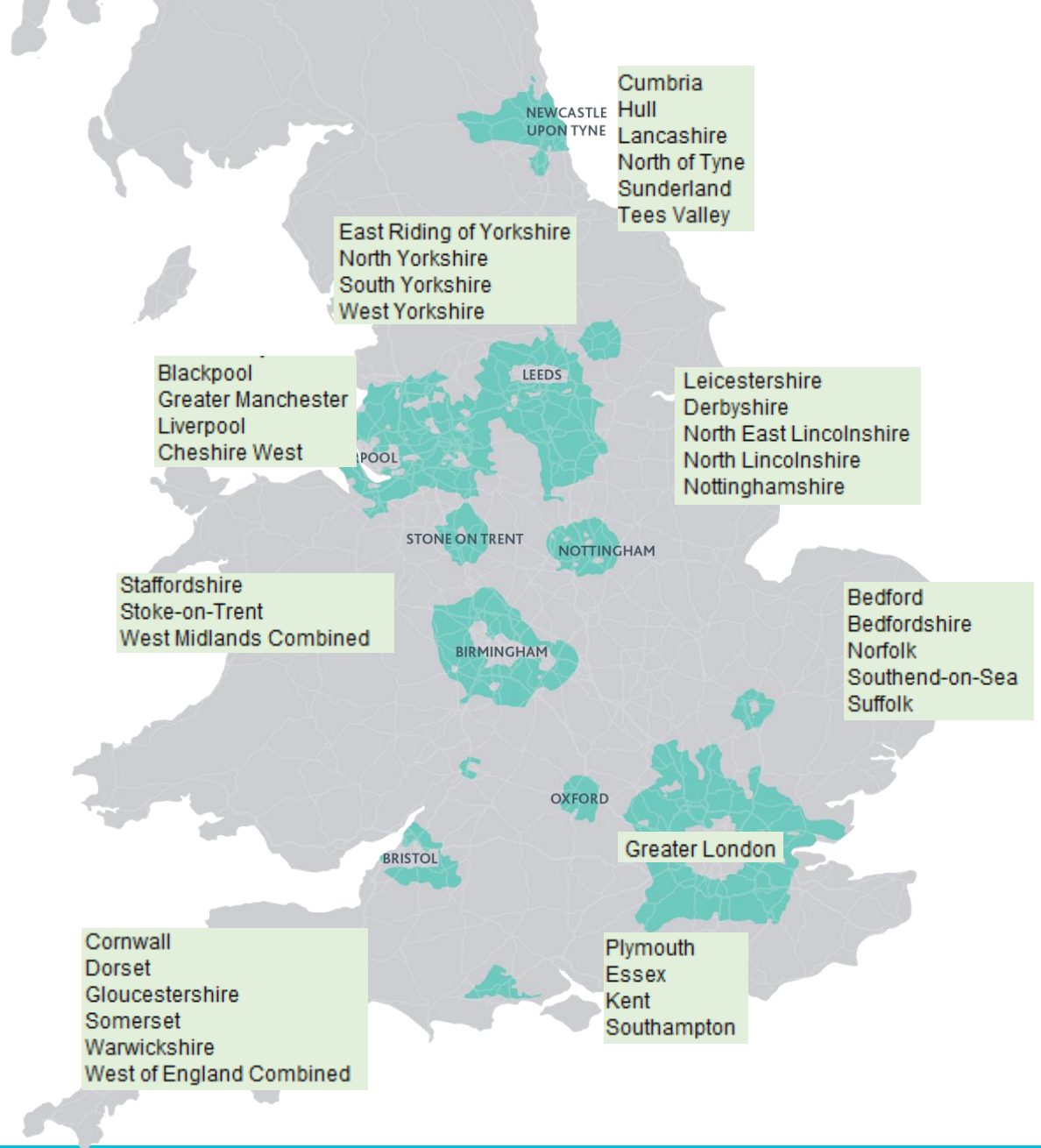
Source: ONS

Some of the fall – larger schemes,
Reflective of difficulties, planning offices, overlapping rules local and national – new legislation has to address
Completions 170k, Starts 180k – encouraging given landscape – uncertainty around policy on land supply/housing need

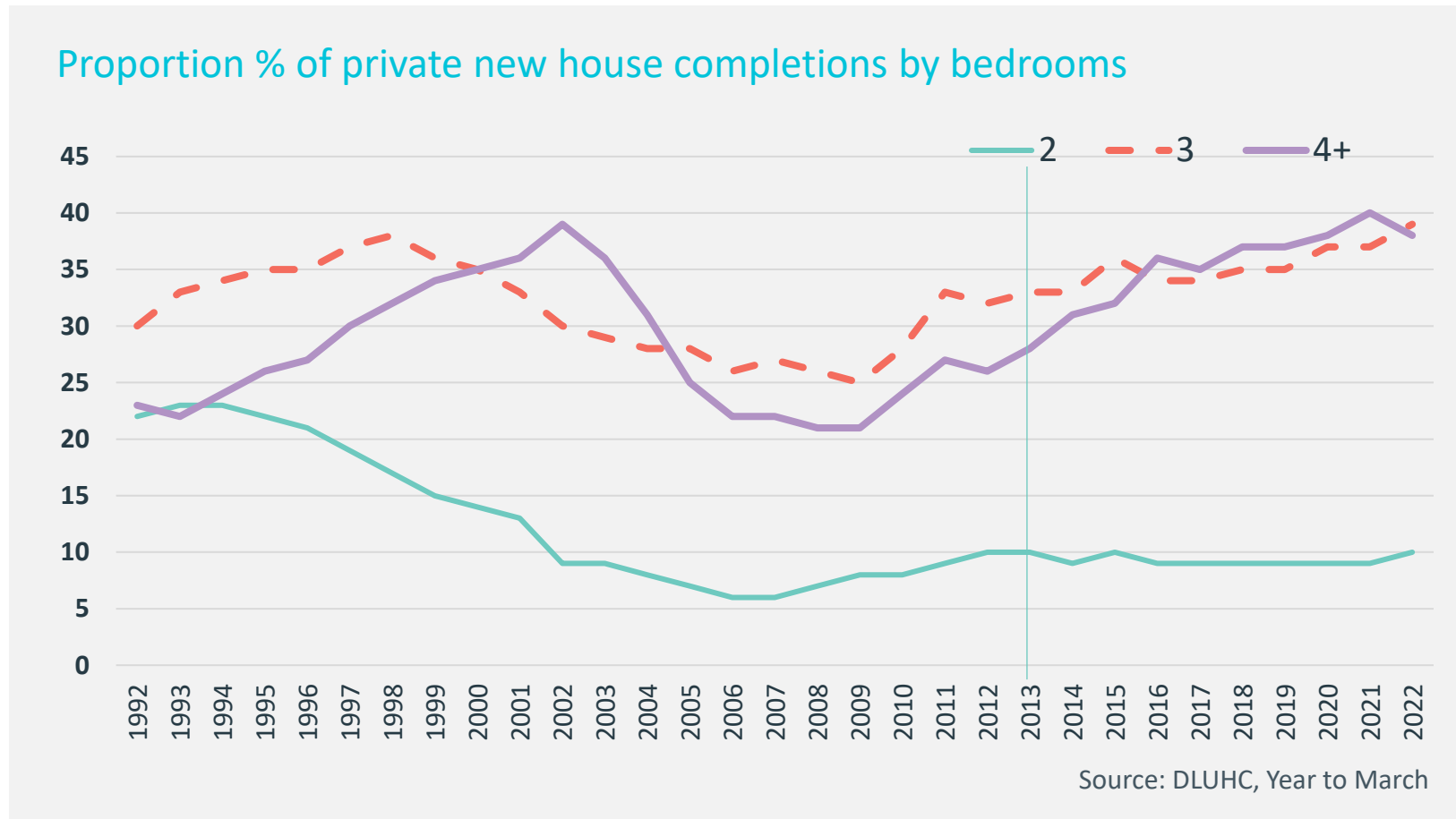
Investment Zones

“Investment Zones aim to drive growth and **unlock housing**”

Going for Growth, September 2022



Mix of new house completions



Market factors for new homes: differentiators

Space

Post-Covid: Design and layout,
outside space

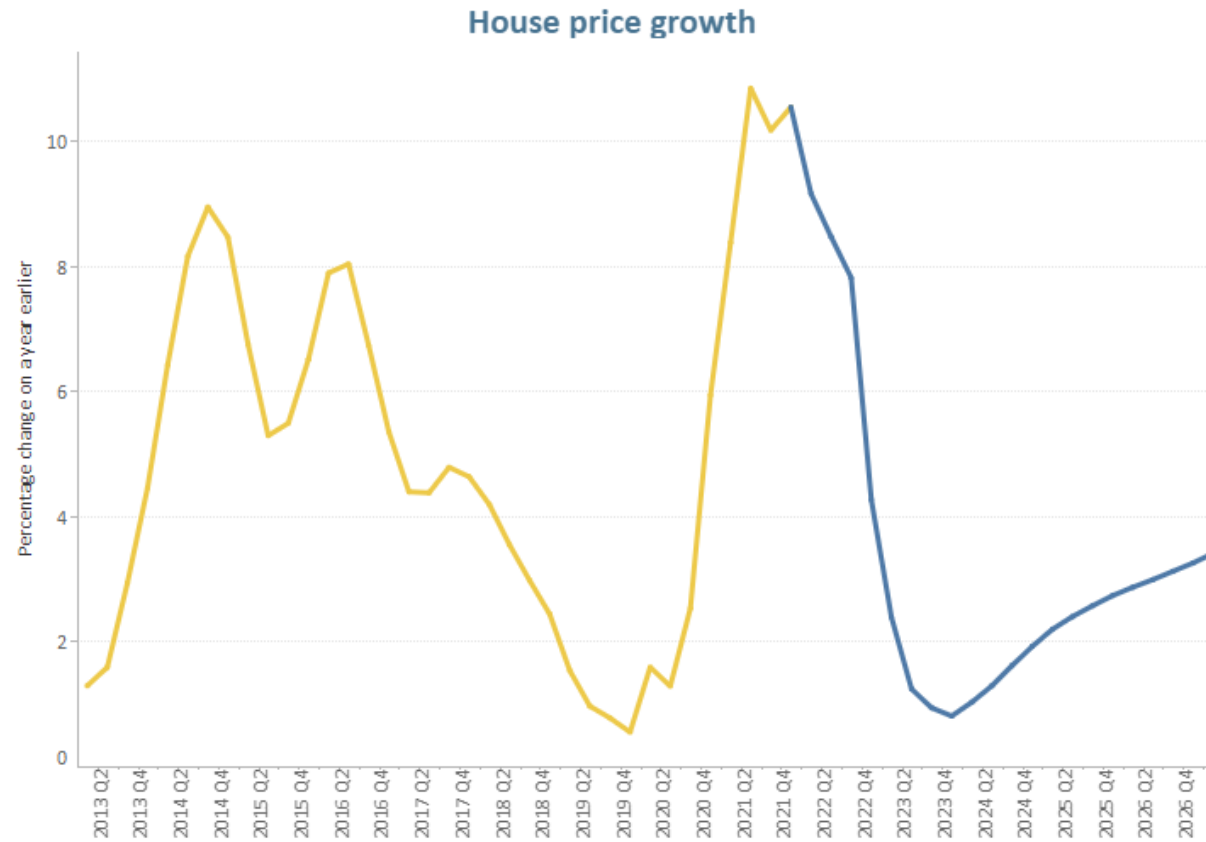
Energy

Energy Crisis: energy efficiency
advantage

Finance

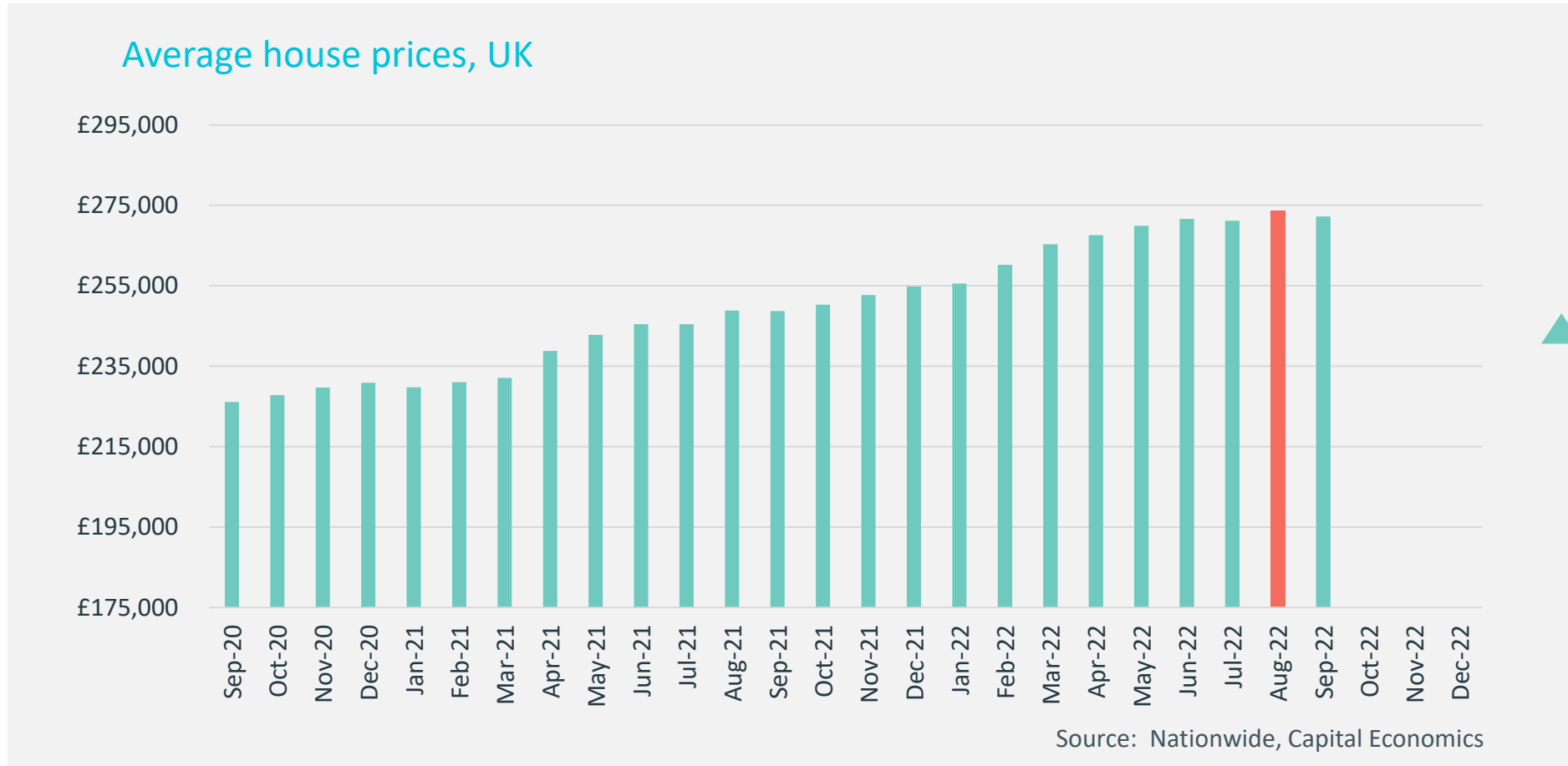
Affordability: Stamp duty –
Deposit Unlock, First Homes

What next for house prices?

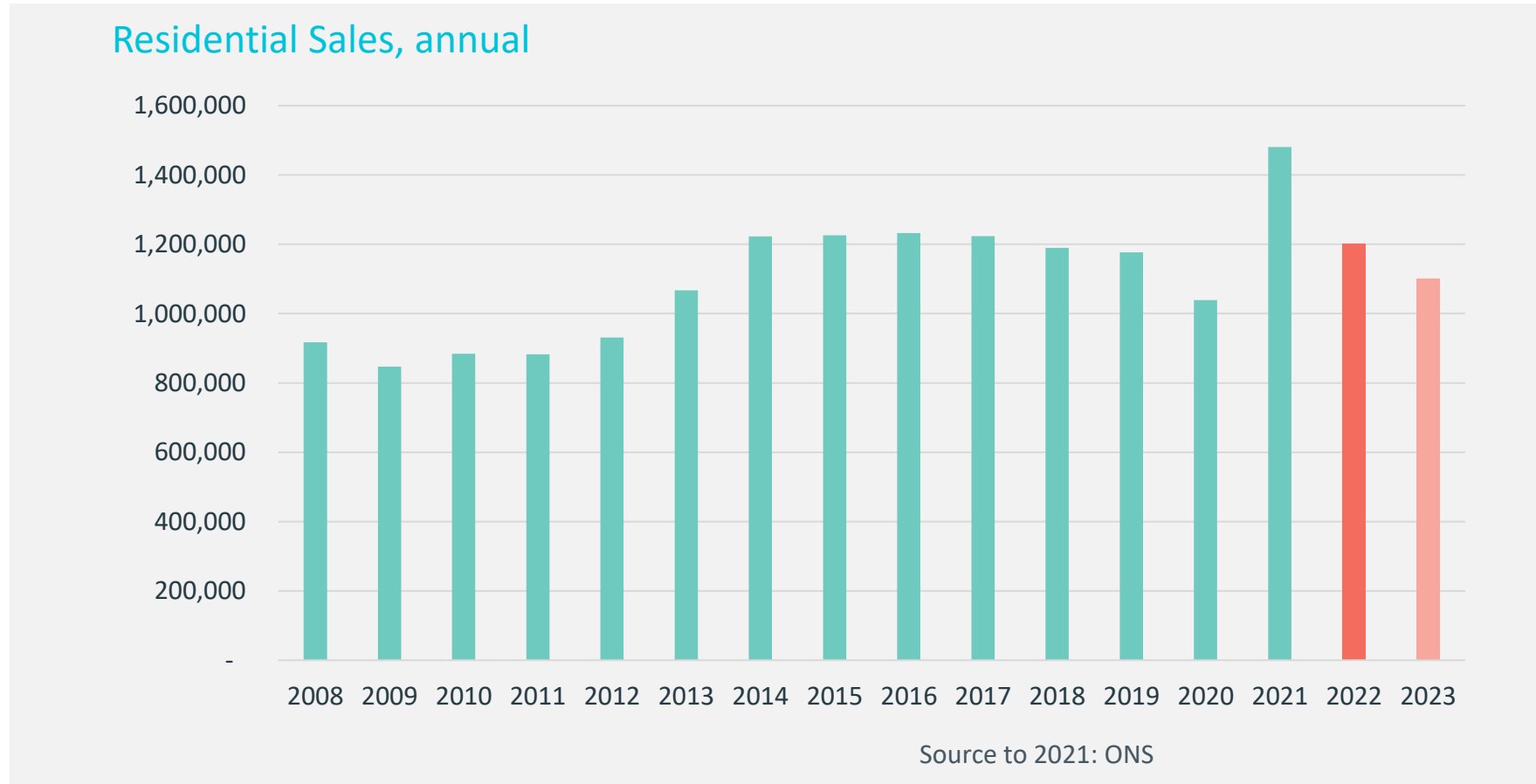


OBR forecast in April 2022

What does this mean for prices?



Housing Transactions



- Market headwinds
- Policy uncertainty
- Differentiator

