

# Progressive Property & Construction Daily



4 January 2024: Economics: Housing transactions rise for second month, Bank of England; 'Boxing Day bounce' positive for New Year outlook, Rightmove

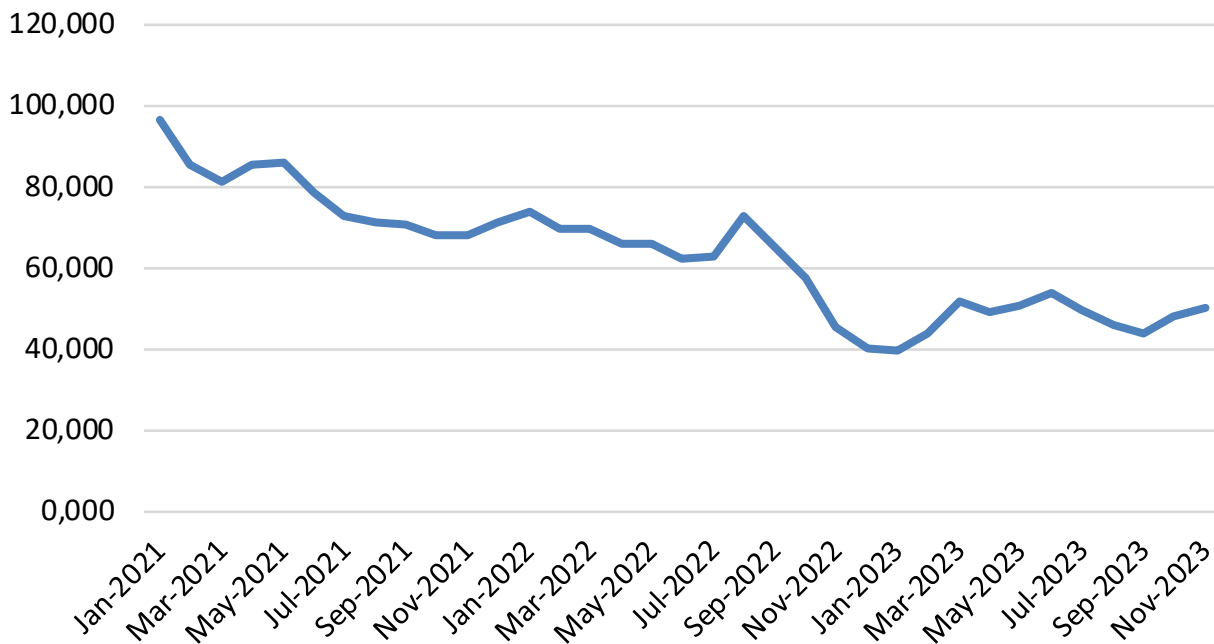
A round-up of market statements, news, economics and views from the property and construction sectors

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## Economic data

**Mortgage approvals.** Net mortgage approvals for house purchase rose for the second month in a row, to 50,100 in November, from 47,900 in October and 43,700 in September, a 15% seasonally-adjusted cumulative increase, according to the latest Money and Credit report from the [Bank of England](#). Net approvals for remortgaging increased from 24,000 in October to 27,000 in November. The 'effective' interest rate on newly drawn mortgages rose by 9 basis points to 5.34%. **Viewpoint:** More evidence of my contention that private sales market activity turned the corner in October, apparently supported by Rightmove's Boxing Day data (below).

## Approvals for house purchase, seasonally-adjusted (number)



**Housing market activity.** Rightmove has reported a record number of sellers coming to the market on Boxing Day and almost as big a Y/Y rise in buyers on the day that many housing market insiders see as a key barometer of activity in the year ahead. The UK's biggest property portal has reported a 26% increase in the number of sellers putting their property up for sale on the site on Boxing Day. Meanwhile, the number of buyers contacting estate agents about homes for sale jumped was 17% higher than the same day in 2022. Overall visits to the Rightmove platform were 8% higher. According to Rightmove: "The scale of this year's Boxing Day bounce is an early positive sign that buyers and sellers are taking action, likely including some movers who had put their plans on hold last year. Whilst it is early days, it will be key to monitor activity as it ramps up through the end of winter and into spring, particularly to track whether sellers are pricing attractively enough to agree a sale with a buyer quickly, given buyers now have more choice to consider than last year and are still very price sensitive". **Viewpoint:** Since the advent of property portals, Boxing Day activity has often proved to be a reliable pointer to the likely direction of the spring market. For the biggest portal of all to register big rises in both buyers and sellers bodes well – and it's worth noting that 2023 actually got off on a strong footing after the temporary carnage of the mini-Budget the previous September (albeit before the Bank of England's latest series of rates tightening) – so this is not against a backdrop of 'weak comparatives'. The big Y/Y rise in sellers as well as buyers should be a direct benefit for estate agents (since this provides greater liquidity and, potentially, fewer 'fall-throughs' and shorter transaction times, thus, better margins and quicker payments). There could also be an indirect benefit for housebuilders selling new homes to owners of existing ones.

*Prices are as at the previous day's close. Where quoted, net debt is pre-IFRS16 (excluding leases) unless otherwise stated.*

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