

Progressive Property & Construction Daily



7 May 2024: Economics – House prices pick up again, Halifax; Strongest construction activity for 14 months, purchasing managers | Fortnight ahead

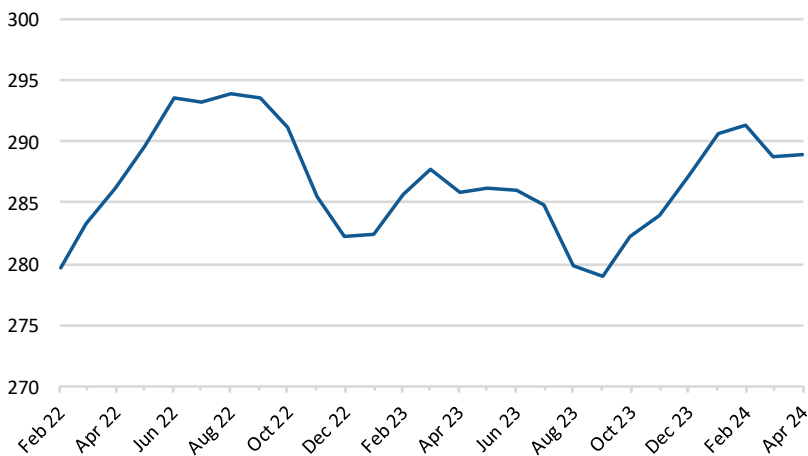
A round-up of market statements, news, economics and views from the property and construction sectors

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Economic data

House prices recovered modestly in April after an unexpected fall in March, according to the latest [Halifax House Price Index](#). Prices rose 0.1% M/M to £289.0k, according to the UK's largest mortgage lender, following a 0.9% decline the previous month; Y/Y there was a 1.1% rise, after +0.4% in March. Northern Ireland remains the strongest performing region, +3.4% Y/Y, from +4.1% in March; Wales +1.1% (+1.9%); Scotland +1.5%. The North West continues to see the strongest growth in England, +3.3%; prices predominately fell in the south of England; Eastern England recorded the biggest, -1.1%; London, +0.1%. According to the Halifax: "While borrowing costs remain more expensive than a few years ago, homebuyers are gaining confidence from a period of relative stability. Activity and demand is improving, evidenced by greater numbers of mortgage applications so far this year, while at an industry level mortgage approvals have reached their highest point in 18 months. Our recent research also found that buyers are adjusting their expectations, with first-time buyers in particular compensating for higher borrowing costs by targeting smaller properties. We see this reflected in property prices for the first few months of this year, with the value of flats rising most sharply, closing the gap on bigger properties that's existed for most of the last four years".

UK house prices, NSA (£000)



Construction output. Industry activity in in April hit the highest level since February 2023, the latest S&P Global UK Construction PMI survey reports. The monthly survey of purchasing managers recorded a headline index of 53.0 (percentage of respondents reporting a rise minus those recording a fall) in April, up from 50.2 in March, the second consecutive rise (above 50 no-change threshold). Commercial building (53.9) increased for the first time since August 2023 and was the fastest-growing area of construction activity in April. Civil engineering activity (53.6) expanded in April at the strongest pace for nine months; house building activity (47.6) declined, the steepest fall since January, with respondents noting sluggish market conditions and the impact of elevated borrowing costs. Demand for construction products and materials softened for the eighth consecutive month in April, with lower input buying partly attributed to destocking. Subcontractor availability increased but rates charged by firms increased at the strongest pace since August 2023. **Viewpoint:** An increase in land buying and pick-up in some ‘front end’ housebuilding materials, suggests the sluggish contribution to the survey from that sector may well pick up in the months – with possible rises in prices and tighter availability.

Construction Total Activity Index

sa, >50 = growth since previous month



Sources: S&P Global, CIPS.

Fortnight ahead

Construction & property: company and economic news

May

9	Balfour Beatty (BBY)	AGM
	Bank of England	Official Bank Rate (12:00)
10	Rightmove (RMV)	AGM
	ONS	GDP
14	Renew Holdings (RNWH)	HY results
15	Lords Group Trading (LORD)	FY results
	Marshalls (MSLH)	AGM
	Keller (KLR)	AGM
	Urban Logistics REIT (SHED)	Capital markets day
16	Grainger (GRI)	HY results
	Nexus Infrastructure (NEXS)	HY results
	Tritax EuroBox (EBOX)	HY results
	Eurocell (ECEL)	AGM
	Vistry Group (VTY)	AGM
	Triple Point Social Housing REIT (SOHO)	AGM
	Unite Group (UTG)	AGM
	Costain Group (COST)	AGM
	Ibstock (IBST)	AGM
	Michelmersh Brick Holdings (MBH)	AGM
	Wickes Group (WIX)	Capital markets event
17	Land Securities Group (LAND)	FY results

Sources: Public announcements, ShareCast.com, Progressive Equity Research. Most are released at 07:00 unless otherwise stated.

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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