

[Dynamics of the Long Term Housing Yield: Evidence from Natural Experiments](#)

CFM-DP2024-28

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Every month, a fraction of UK property leases are extended for another 90 years or more. We build a new dataset of thousands of these natural experiments from 2000 onwards to estimate the expected long term housing yield, y^* . Starting from a level of 5.3%, y^* starts to fall during the Great Recession, reaching a low of 2.8% in 2023. Real time data shows y^* has not risen since 2021, despite rising shorter term yields. Cross-sectional estimates show that y^* is higher in areas with more housing risk, and falls by more in areas with more inelastic housing supply.