

6th January 2020

DATA: Nationwide reported UK house prices rose by 1.4% during 2019

This was higher annual growth than in recent months though in-line with our projections. The lower growth rates seen last year were due to a fall in house prices in December 2018.

DATA: Bank of England reported that mortgage approvals for house purchase increased by 1.4% in November 2019

Combining Bank of England and UK Finance data on mortgage approvals for house purchase show the high street banks have increased their market share in 2019. They accounted for 64% of approvals in the 11 months to November 2019, up from 60% in 2018.

POLICY: Housing Secretary pledges new funding to crackdown on criminal landlords

The £4.3million pledged by the Housing Secretary for cracking down on criminal landlords and lettings agents is welcome but only equates to 90p per private rented dwelling.

NEWS: First-time buyers to top 350,000 for second year running according to Yorkshire Building Society

Yorkshire Building Society won the PR competition to announce the number of first-time buyers in 2019 despite the data only being available up to October. That said, the number has been fairly static in recent months so this looks a reasonable estimate.

NEWS: Britain's best value commuter hotspots revealed according to Zoopla

This is the latest in a long series of research comparing the cost of a commuter season ticket and the cost of housing. While interesting, this kind of analysis can never account for the complexities of real-world decisions about where to live which will require balancing many other factors including where your partner works, schools, friends, and family. The rise in working from home and part-time commuting may also complicate the decision.

Chart of the Week

Mortgage rates on higher loan-to-value (LTV) mortgages have fallen sharply since their return to the market. This has made it much cheaper to take out large mortgages but there are some signs they've reached a floor in 2019. Meanwhile, the cap on mortgages above 4.5x income limit their usefulness in more expensive housing markets like London. Despite the recent falls, rates on 95% LTV mortgages are still much more expensive, around double the rate of an equivalent 75% LTV mortgage.

Mortgage Rates by Loan-to-Value & Fixed Rate Period

Source: Bank of England

