

13th January 2020

DATA: Halifax reported that UK house prices rose 4.0% during 2019

This was almost double the 2.1% reported in November and does not match other indices. The Halifax launched a new methodology for calculating their index last year but we're still not yet convinced by its accuracy so it continues to be a [Bronze rated data source](#).

DATA: UK GDP grew by 0.1% in the three months to November 2019

The monthly estimates of GDP are more volatile than the quarterly data but there's a clear slowdown during 2019. It remains to be seen whether there will be a post election bounce or if concerns over Brexit and the global economy weigh down on the economy in 2020.

POLICY: Law Commission publish report on valuation in enfranchisement

The new report on leasehold reform looking at the options to reduce the price payable will raise some concern for the real estate industry and some hope for leasehold home owners. However, until we see which options are picked, we won't know the likely impact.

NEWS: Families forced to give up food shopping to cover rent, says Crisis

The household benefit cap and freeze in local housing allowance (LHA) continues to cause massive financial hardship for many people. Recent academic research ([PDF](#)) suggests that the reductions to LHA in 2011 have led to a "significant increase in: evictions; individual bankruptcies; property crimes; share of households living in insecure temporary accommodation; statutory homelessness and actual rough sleeping" while the "fiscal savings of the cut are much smaller than anticipated".

Chart of the Week

The Law Commission's new report on leasehold reform is mentioned above but there's already been a significant change in the new build market. The chart below shows the number of new build leasehold houses sold (yellow bars) and what proportion of new build houses were leasehold (red line). The number and percentage of leasehold houses grew rapidly from 2013 but they peaked in early 2017 following the publication of the Government's [housing white paper](#) that promised "to promote fairness and transparency for the growing number of leaseholders". They have now collapsed and just 1.8% of new build houses are leasehold compared to 15.7% in early 2017. Meanwhile, the majority of new build flats are sold as leasehold.

Leasehold New Build Houses

Source: HM Land Registry Price Paid Data

