

20th January 2020

DATA: Rightmove report an increase in asking prices due to a 'Post-election bounce as optimism returns'

The Rightmove index reported asking house prices were 2.7% higher than last year. This is a big increase on recent growth rates but it remains to be seen whether this is just renewed optimism from sellers or will actually be matched by buyers in the market.

DATA: UK Finance report a fall in mortgage completions during Nov 2019

Mortgage completions by both first-time buyers and home movers fell 10% compared to November 2018 though this single month has not significantly altered the underlying trend in transactions by buyer type (see the Chart of the Week below).

NEWS: UK housing stock now worth a record £7.39 trillion after decade of gaining £750 million a day according to Savills

Savills report the value of the UK's housing stock increased by £2.7 trillion over the last decade though this analysis is typically based on current average house prices so much of the wealth is simply a number on a piece of paper. Perhaps the more telling statistic is that "46 per cent of homeowner wealth [is] in the hands of the over 65s". The unequal share of housing wealth across generations is an important issue and is likely to reappear regularly this decade.

NEWS: Two million renters in England made ill by housing worries according to Shelter

A YouGov survey commissioned by Shelter reports that 32% of private renters have been kept awake at night during the last year due to problems or worries about their housing while 45% report their housing problems or worries have made them feel stressed or anxious in the last year. The links between housing and health are incredibly important and this research suggests the private rented sector is affecting the mental health of many of its residents. We'd like to see more research on this including cross tenure comparisons.

Chart of the Week

The latest mortgage completion data from UK Finance reported a slight dip in activity during November 2019 but the trends in buyer numbers across different groups is broadly unchanged over the last couple of years. The introduction of the 3% stamp duty surcharge on additional properties in 2016 hit mortgaged buy-to-let hardest and they are now 63% below their pre-recession level. The surcharge also hit the cash only group but they are still only 5% below 2007 levels, reflecting the importance of equity in today's market. First-time buyers have taken advantage of the withdrawal of investors in many markets outside London and are now only 13% below their pre-recession peak level seen in November 2006. Meanwhile, there has been almost no change in the number of mortgaged home movers over the last ten years and they remain 53% below their 2006/07 number.

Housing Market Activity

Source: UK Finance, HMRC

