

## 6<sup>th</sup> April 2020

### **DATA:** Nationwide reported house prices rose 3% in the year to March 2020

The data collection period for this month's release ended prior to the lockdown, so this may be the last one reporting price rises for a while. It will be interesting to see whether there will be sufficient numbers of new mortgage approvals to even create an index over the next couple of months.

### **NEWS:** IFS investigate which workers are most exposed to the shutdown

The analysis by IFS suggests that young people and low earners will be hit hardest by the lockdown. Some key findings include:

- “sectors that are shut down as a result of social distancing measures employed nearly a third (30%) of all employees under the age of 25 (25% of young men and 36% of young women)”
- “one third of employees in the bottom tenth of the earnings distribution work in shut down sectors, versus just 5% of those in the top 10%”

### **NEWS:** Knight Frank present their outlook for the residential market

Knight Frank's forecast for UK transactions is 734,000 this year (-38% compared to last year) and rising to 1,391,000 in 2021 (a level not seen since early 2008). UK house prices are forecast to fall 3% this year before rising 5% in 2021.

### **NEWS:** Moneyfacts report a 30% fall in the number of mortgage products available

Moneyfacts reported a total of 5,239 products available on the 11<sup>th</sup> March which had fallen to 3,654 on the 31<sup>st</sup>. Their analysis suggests that it had initially been smaller lenders withdrawing products but this has spread to larger lenders, particularly at higher loan-to-value ratios.

## Chart of the Week

Publicly available data on the housing market typically comes with large delays, which can make it difficult to understand what is happening right now in fast changing situations. Property portal activity and actual transactions have often been well correlated in the past, so search data can be useful in forecasting short-term market trends.

The chart below shows the number of searches for “Rightmove” and “Zoopla” over the last 90 days indexed against the average for January/February. The impact of the shutdown is clear with the number of searches for both portals falling by 50%. Searches for other terms/portals reflect a similar trend though are more volatile due to lower total numbers.

### Google Trends: Searches for Property Portals

Source: Google Trends

