

4th May 2020

DATA: Bank of England reported mortgage approvals for house purchase fell 24% in March

This left the number 15% below the recent average due to an increase in activity in February. Next month's data will show the full impact of the lockdown.

DATA: Nationwide reported an annual price rise of 3.7% in April

A slightly surprising report of rising prices from Nationwide as "80% of cases in the April sample relate to mortgage applications that commenced prior to the lockdown".

DATA: MHCLG reported 255,000 Energy Performance Certificates on new build homes in England during 2019/20

EPC data has proven itself a reliable leading indicator for net housing supply and this result suggests the data will show net additions to the dwelling stock of around 250,000 when published in November.

NEWS: Zoopla estimate 373,000 sales are on hold due to lockdown

Zoopla estimate that completed housing sales will be 50% lower in 2020 than in 2019. That suggests total transactions in the region of 550,000 to 600,000 and the lowest annual total since records began in 1959.

NEWS: UK Finance report that lenders have granted 1.6 million payment holidays to mortgage holders

With over 1.6 million payment holidays on the 24th April, this is an increase of around 400,000 on the last reported figures of 1.2 million on the 8th April.

REPORT: Resolution Foundation analysis shows private renters are "40 per cent more likely to work in shutdown sectors than homeowners."

The report notes that "financial help for renters may be less flexible and harder to come by" while "many of those in jobs facing the severest economic risks in this crisis remain in a more precarious housing situation".

Chart of the Week

Support has grown in recent weeks for a stamp duty land tax (SDLT) holiday when the housing market resumes. SDLT is undoubtedly a stupid tax and would not be how you would set about taxing residential property. Changes in recent years have reduced the overall tax take from SDLT but with a heavier burden on higher priced and second homes.

While SDLT is a barrier to purchases and a holiday would help some potential buyers that have seen their savings eroded during the lockdown, consumer sentiment may be the bigger issue during the recovery. It is also worth noting, as the chart below shows, that SDLT is a very small component of central government's tax receipts. Once we emerge from this situation, government may be keen to generate higher tax receipts from housing and that could include a shift to taxing housing wealth rather than transactions. Our recent set of [Digging Deeper](#) slides provides more analysis of SDLT.

Central Government Current Receipts

Source: ONS

