

Weekly Summary

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11th May 2020

DATA: Halifax reported UK house prices fell by 0.6% in April

This fall brought the annual change in house prices down to 2.7% (3.0% previously). Halifax warned that low transactions could lead to volatility in their data (a bit like their old index).

DATA: ONS temporarily suspend their UK House Price Index from April (March index still due to be published on 20th May)

The ONS index lags behind other measures as it is based on completions. We're still expecting the March index release later this month but it could then be several months before the index restarts given the time it will take for transactions to complete.

POLICY: PM announces five level Covid Alert System

Apparently we are currently level 4 and moving towards level 3 (so level 3.5?). The introduction of a framework for exiting the lockdown is welcome but the PM's Sunday evening speech raised more questions than it answered. We await the publication of the 50 page technical document later today.

NEWS: Bank of England's plausible economic scenario: 30% fall in GDP during first half of 2020 recovering to just a 14% fall across whole year

The scenario is designed to help "illustrate the nature and potential scale of the impact of the pandemic on the economy" rather than an actual forecast. However, the assumption that the economy recovers relatively rapidly in the third quarter (July-Sept) will be very dependent on the relaxation of social distancing. The Chart of the Week highlights the magnitude of this scenario relative to previous economic downturns.

NEWS: Shelter suggest "struggling private renters face £55 million a month gap in rent without more government help"

They warn that "a tidal wave of evictions could be unavoidable when the lockdown lifts".

NEWS: District Councils' Network warn "half a million on brink of homelessness due to pandemic"

Disclaimer: this was analysis we conducted for DCN looking at household groups with stretched affordability in the private rented sector prior to the pandemic hitting. We published this and other analysis on the private rented sector last week: [Digging Deeper](#).

Chart of the Week

The illustrative economic scenario published by the Bank of England would be the biggest fall in Gross Domestic Product in a calendar year since 1706 if it turns out to be correct. The ability to forecast what is going to happen let alone know what is happening at the moment will be severely hampered by available data. Normal data collection methods may not work correctly during an economic shutdown of this scale and so the data published in coming weeks and months may be volatile and subject to substantial revisions in the future.

Annual Change in Gross Domestic Product, UK

Source: Bank of England, ONS

