

26th May 2020

DATA: ONS reports large falls in employment and income

Early estimates from HMRC's PAYE data for April indicate a 1.6% fall in the number of paid employees and a 3.0% fall in median monthly pay compared to the previous month. Next month's labour market releases from ONS (16th June) will cover April and provide better information on the state of the economy.

DATA: ONS reports rising house prices in March

This was the last release of the ONS index with next month's release suspended. It shows UK house prices rising 2.1% compared to March 2019. The annual change in February was also revised up, from 1.1% to 2.0%.

POLICY: HMRC report residential transactions fell 46% in April

46,440 transactions in April was perhaps not as bad as many commentators were expecting. However, this number will reflect some completions of transactions agreed prior to the lockdown, a small number agreed during lockdown, and a number of other transactions including transfers between parties on divorce, gifts, compulsory purchase orders, or under a court order.

NEWS: Mortgage payment holiday and moratorium on involuntary repossession extended until 31st October

This news will provide welcome relief for borrowers with UK Finance reporting 1.82 million mortgage payment holidays issued as of 20th May (1 in 6 mortgages). However, there will be a cost to the delayed payments and, along with the wider economic fallout, likely dampen moves by mortgaged households in the future. There is still no positive news for renters.

NEWS: Knight Frank and other estate agents report a surge in demand

Estate agents are understandably keen to demonstrate the resurgence in housing market activity with many reporting big increases in the number of prospective buyers. However, as our [May Market Commentary](#) suggests, there are severe economic and mortgage market headwinds and so there is no guarantee that this demand will translate into actual sales.

Chart of the Week

As the immediate impact of the pandemic on the healthcare system eases, attention is inevitably turning to how we exit the lockdown. Yesterday's [announcement](#) of the timeline for retail to reopen in June is welcome but, along with other easing measures, it will be heavily dependent on the continued suppression of COVID-19 and public sentiment.

Multiple data sources, including Google mobility data below, show people and businesses locking down prior to the official announcement on the 23rd March. That suggests the success of the easing will depend on people feeling safe enough to return to normal life. Much of the recent press attention has been on people in parks, beaches, and other outside spaces but the important lines to watch in the future are the bottom three on the chart.

In related news, you can check out house prices in Barnard Castle ([PDF](#)) and 2,258 other cities, towns and villages across England and Wales on the BuiltPlace [website](#).

Google Community Mobility Reports, UK

Source: Google

