

## 20<sup>th</sup> July 2020

### **DATA:** Rightmove report asking prices up 2.4% since March

Annual growth increased to 3.7% with larger rises since March for the “Top of the ladder” sector and lowest for “First-time buyers”. London was the weakest region, only rising 0.5% since March while sales agreed were “up 15% in England on last year, and in the five days after the stamp duty announcement it jumped to 35% up on the same days a year ago”.

### **DATA:** ONS reports GDP rose 1.8% in May

This was a slight improvement on April’s figure but is still 24.5% below February’s level and at a level last seen in 2002.

### **DATA:** ONS labour market presents mixed picture falls in number of paid employees but no rise in unemployment

Although there has been an increase in the number of people out of work, unemployment has not risen because they are not (yet?) looking for work. However, the number of paid employees, vacancies, hours worked all point to continued stress in the job market.

### **REPORT:** MHCLG report on land use shows just 8.3% of England is of a developed use

The report also showed that 12.4% of England is designated as Green Belt and 6.7% of that Green Belt is developed, with around half highways and roads.

### **NEWS:** OBR publish new economic scenarios

They included three scenarios with peak-to-trough price falls of -3.3%, -8.2%, and -16.4%. They also published transaction scenarios but these don’t look sensible as they have transactions peaking in Q2 2021, after the end of the stamp duty holiday.

### **NEWS:** BoE Credit Conditions Survey report decreased supply of secured credit to households in Q2 and lenders expect it to decrease further

The report also shows the demand for secured lending decreased in Q2 but was expected to increase in Q3.

### **NEWS:** Nationwide increase lending limit to 90% loan-to-value

This will go some way to countering the mortgage supply crunch but there are some suggestions that mortgage terms will be limited to just 25 years while other criteria will remain constrained.

## Chart of the Week

Last week MHCLG released data on affordable housing completions in England funded by Homes England and the GLA ([.xlsx file](#)). This data has tended to be a decent leading indicator for total affordable housing supply and it suggests the number of affordable homes completed in 2019-20 was slightly lower than last year. However, recent years have seen an increase in affordable homes completed via other funding mechanisms and so the total will be dependent on the wider housing market. That should be ok for 2019-20 but raises many questions about affordable housing delivery in 2020-21.

### Affordable Housing Completions, England

Source: MHCLG

