

3rd August 2020

DATA: Nationwide report UK house prices rose 1.7% in July

This reverses some of the prices falls they reported in recent months with the annual change now 1.5% (previously -0.1%). See the Chart of the Week for more information.

DATA: Zoopla report UK house prices rose 2.7% in June

They also reported “year to date volume of sales agreed are 20% lower than in 2019” and they expect “sales volumes for 2020 to be 15% lower than 2019, a much improved outlook than a few months ago.” See the Chart of the Week for more information.

DATA: Bank of England mortgage approvals for house purchase rise 331% in June compared to the month before

Despite the large bounce back, mortgage approvals for house purchase are still 39% below last year’s level while mortgage approvals for remortgage are 23% below.

DATA: MHCLG report the number of Energy Performance Certificates (EPCs) on new build homes fell 49% in Q2 2020

EPCs have been a good leading indicator for total new supply (completions, conversions, change of use etc) and the latest weekly data from MHCLG shows numbers have now recovered back to normal levels.

POLICY: There were newspaper reports over the weekend that MHCLG will publish their paper on reforms to the planning system this week

We will avoid commentating until we have seen the detail.

POLICY: MHCLG announce a small extension of Help-to-Buy Equity Loan

The deadline for new homes being finished under the existing scheme has been pushed out from the end of December to the end of February but the end of March deadline for legal completion remains the same. The scheme continues as planned from April 2021 with regional price caps and restrictions to first time buyers.

REPORT: Transparency International UK report on corruption risks in major planning decisions

In their research looking at a sample of 50 councils in England, they identified five key corruption risks relating to councillors’ involvement in major planning decisions: Opaque lobbying, Bribery & excessive gifts/hospitality, conflicts of interest, abuse of the revolving door, and weak oversight. They recommend increased transparency, tighter rules and strengthened oversight of councillors conduct and engagement with developers.

Chart of the Week

The divergence in house price measures has generated debate with Nationwide reporting annual prices falls, Halifax showing monthly falls but continued price rises over the year, the ONS index suspended, and the Zoopla/Rightmove indices reporting annual house price growth. With the rebound in the latest Nationwide data, it appears the lenders’ indices have been as much a reflection of their risk management during the lockdown period as a indication of what buyers are prepared to pay. House prices look set to continue rising over the summer but the economic situation suggests future price falls are highly likely.

Annual Change in UK House Price Indices

Source: ONS, Nationwide, Rightmove, Zoopla

