

14th September 2020

DATA: ONS reported a 6.6% monthly increase in GDP during July

However GDP was still 11.8% below February's level and the same level as April 2013.

DATA: RICS report the "Sales market continues to show strong momentum with house price inflation now accelerating sharply"

The survey also reports continued rises in enquiries, new instructions, and sales agreed. However, London's recovery appears to be weaker on some indicators with its lettings market especially weak due to rising supply and falling rents.

DATA: Bank of England & FCA release Q2 2020 MLAR statistics

The Mortgage Lenders and Administrators Return statistics provide a useful summary of mortgage market conditions. For more information check out the link above or Chart of the Week below.

DATA: MHCLG release Green Belt statistics for England

The release shows 1,615,800 hectares was designated Green Belt at March 2020. That's around 12.4% of England's land area and a 0.2% decrease on last year.

POLICY: MHCLG launch £12.2 billion Affordable Homes Programme

It runs from 2021 to 2026 and includes £700 million from the current programme. Government states that "around half of the new homes will be available for affordable home ownership" and a "Right to Shared Ownership will be available on the vast majority of rented homes delivered through the new programme". It was accompanied by the announcement of a new model for Shared Ownership including reducing the initial share to 10% from 25%, allowing the purchase of 1% instalments, and a 10 year period where the landlord covers repair and maintenance costs.

POLICY: MHCLG announce that "Emergency legislation has increased notice periods to 6 months until at least the end of March 2021"

This will help many renters at threat of eviction but the government's approach continues to be piecemeal and lacking in longer-term clarity for both landlords and tenants.

NEWS: UCL report "shows potential influence of longer-term funding on affordable housing supply"

The research shows "the Government's stop-start approach to grant funding has inevitably contributed to a more cautious approach by housing associations when it comes to building their development pipelines and limited the number of affordable homes they have been able to deliver". The report suggests a long term approach with the duration of the funding programme doubled to ten years.

Chart of the Week

We will have to wait for the next quarter's release to investigate what was happening in the mortgage market during the summer boom. In the meantime, last week's data provides some interesting information including that in Q2 2020 the value of advances for most purchasers was 45% below Q2 last year but buy-to-let purchases was only down 27%.

Quarterly Advances by the Purpose of the Loan

Source: MLAR - Bank of England & FCA

