

Weekly Summary

21st September 2020

DATA: Rightmove report an annual rise in asking prices of 5% in September

This was higher than the 4.6% reported in August with annual price rises across all their market sectors and regions. See the Chart of the Week for more on their activity data.

DATA: ONS report an annual rise in house prices of 3.4% in June

This was higher than the 1.1% reported for May, though that was revised down from an initial estimate of 2.9%. Therefore it may be best to treat the latest month's data carefully.

DATA: ONS labour market data shows weak state of the jobs market

There are early signs of rising unemployment: the number of payrolled employees fell; the claimant count rose; and redundancies are rising. However, average wage measures have started rising again, but this may reflect mix issues (higher earning older workers continuing to be paid and fewer lower earning new workers starting).

DATA: ONS rental index shows continued growth in August

However, the ONS index measures all rents rather than newly paid. Analysis by Zoopla shows rents are currently falling 3% year on year in London. It could be six months before this appears in the ONS data.

REPORT: Social Mobility Commission report on “The long shadow of deprivation”

They report that “The effect of deprivation in dozens of English local authorities is now so persistent that some families face being locked into disadvantage for generations unless the right action is taken”. They add “It is not a story of north versus south or urban versus rural; this is a story of local areas side by side with vastly different outcomes for the disadvantaged”.

ANALYSIS: Bank Underground blog concludes that first time buyers are increasingly richer than their cohort peers

While not a new finding on first time buyers (FTB), it's great to see the Bank of England using their data for original research into the housing market. They also note that “slower than average income growth for younger workers have worked against FTBs” and “challenge the view that average FTB ages have got much higher”.

Chart of the Week

In today's press release, Rightmove note that national sales agreed year-to-date are just 5% below last year's level. The chart below shows the regional distribution with the East of England and South East already above. Meanwhile, the much lower numbers in Wales and Scotland may reflect their longer lockdown periods. Rightmove also state that sales agreed are “stronger for larger homes more than doubling in the largest ‘top of the ladder’ homes sector (+104 %), and growing strongly in the second stepper sector (+55%)”.

Sales Agreed Year-to-Date Vs. Same Period in 2019

Source: Rightmove

