

# Weekly Summary

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## 12<sup>th</sup> October 2020

### **DATA:** ONS report a 2.1% monthly rise in GDP during August

This was lower than expected by many with GDP still 9.2% below February's level.

### **DATA:** Halifax report a 7.3% annual rise in UK house prices in September

A 1.6% monthly rise during September increased annual growth from the 5.2% reported in August to 7.3%. That's the highest rate since June 2016.

### **DATA:** ONS report a 2.3% annual rise in UK house prices in July

This data lags the mortgage approval indices as it is based on completions. We will have to wait several months to see if the current high house price growth reported in other indices feeds through to the ONS index. Also worth noting is that, in recent months, the ONS has been revising downwards the first reported price growth figure in subsequent releases.

### **DATA:** BoE report continued increases in mortgage rates during September

See Chart of the Week for more information.

### **REPORT:** RICS report "Housing market activity continues to advance at a strong pace"

They report "Survey metrics on demand, sales and instructions remain firmly positive" and "House price growth accelerating right across the UK". The London rental market is the one weak market with falling tenant demand and negative expectations for rents.

### **REPORT:** UK Housing Review 2020 released

The full report is available to purchase but several of the commentary chapters are available to read for free [here](#) and all the data tables are available [here](#).

### **REPORT:** GLA launch Housing in London 2020

The report contains a wealth of fascinating data and analysis on the state of London's housing.

### **REPORT:** Shelter publish "Building Our Way Out

The report suggests that investing in new social rented housing could help boost the economy, preserve capacity in the housebuilding industry, and help solve the "housing emergency". The current government appear fixated on homeownership and it appears unlikely they would take this approach unless they absolutely have to.

## Chart of the Week

The latest Bank of England data on available mortgage rates showed another increase in average rates in September as concerns about the prospects for the economy and housing market continue. The cost and limited availability ([as reported in this FT article](#)) of higher loan-to-value mortgages are the most visible signs of the ongoing credit crunch. However, they are not the only effects of lenders' risk aversion with any cause for concern (e.g. self-employed, in the furlough scheme, or use of payment holidays) reasons to avoid lending.

### Two Year Fixed Mortgage Rates by Loan-to-Value Ratio

Source: Bank of England

