

## 27<sup>th</sup> November 2020

### **DATA: MHCLG reports net housing supply of 243,770 homes in 2019/20**

This data for England is the most comprehensive measure of new supply but only showed a 0.8% increase compared to the previous year. It also provides the best measure of new build completions, which had increased 2.9% to 220,600. Unfortunately, it is not very timely due to the time it takes to collect the data.

### **DATA: HMRC reports an 8.1% annual rise in transactions during October**

The provisional data shows transactions rising above their recent average (2013-19) to 105,620. This marks the start of the boom in sales agreed reaching completion and transactions should rise further in coming months (subject to delays in the sales process).

### **DATA: Zoopla reports annual house price rise of 3.5% in October**

They report demand has fallen but remains 34% higher than last year and sales completed will be just 6% lower in 2020 than 2019. This suggests a large number of transactions in November and December. They also forecast year-end house price growth of 4% at the end of 2020 and 1% for 2021 with limited downside for prices and turnover.

### **POLICY: MHCLG announce buildings without cladding not subject to EWS1**

The announcement suggested that “Owners of flats in buildings without cladding will no longer need an EWS1 form to sell or re-mortgage their property”. However, there was some uncertainty about the actual impact as news reports suggested UK Finance and the Building Societies Association had not agreed to the announcement.

### **POLICY: Chancellor presents the 2020 Spending Review**

There were lots of big numbers for housing announced including a £7.1 billion National Home Building Fund and funding to tackle homelessness and rough sleeping. However, as with all these announcements, the big question is how much is new funding and it looks like much of it had already been announced.

### **REPORT: OBR release their “Economic and fiscal outlook” report**

Alongside the forecasts for the economy and public sector finances, the report also provides forecasts for the housing market. It suggests house prices will fall next year with the annual change falling to -8.3% by the end of 2021. However, it also suggests transactions will rise to 1,368,000 which was a level last seen in 2008.

## Chart of the Week

This week the Home Office released data on visa numbers and this gives us a first, albeit hazy, look at what might be happening to international student numbers. The data shows a 36% fall in the number of Tier 4 (sponsored study) visas over the last 12 months, with a table on the Home Office [website](#) reporting a 56% fall in Chinese nationals being granted Tier 4 visas over the period. Unfortunately, the Home Office have not released the breakdown by type of institution so we have estimated the impact in the chart below (dotted yellow line). Based on the previous relationship between Tier 4 visas for higher education and non-EU first year enrolments at higher education institutions, it appears last year was a record high for international student enrolments (we're still waiting on HESA data for 2019-20) but this year could be the lowest since 2008-09.

### Tier 4 Visas and Internal Student Enrolments

Source: Home Office, HESA

