

## 22<sup>nd</sup> January 2021

### **DATA: Rightmove report slower growth in asking prices in January**

The index had reported an annual rise of 6.6% in December but it halved to 3.3% in January. They also reported sales agreed in the first two weeks of 2021 were 9% higher than last year.

### **DATA: ONS report 7.6% annual rise in house prices in November**

This reflects the sales agreed since the market reopened reaching completion. However, there are large delays in registrations and we estimate the November index was calculated using only around 20% of the total transactions that actually occurred in the month.

### **DATA: ONS report private rents paid rose 1.4% in December**

The ONS index measures all rents paid rather than new listings so is not yet picking up the large falls seen in some markets. However, ONS released an update on their [development plan](#) for private rental prices. It suggests we should be getting local authority indices and hopefully by the end of the year.

### **DATA: HMRC report transactions were 32% higher in December 2020 when compared to December 2019**

The boom in sales agreed are now reaching completion and transactions are likely to remain high until March, when the stamp duty holiday is due to end. The total number of transactions in 2020 was just 11% lower than 2019 despite the market shutdown.

### **DATA: Bank of England release Q4 2020 Credit Conditions Survey**

The survey reported the availability of secured credit to households was unchanged but lenders expect it to increase in Q1. It also suggests availability for higher LTVs (over 75%) will continue to improve. Demand for secured lending for house purchase had risen but is expected to fall in Q1.

### **POLICY: MHCLG announce “Right to Regenerate”**

The aim is to help the public buy unused land and assets from councils and the public sector but may only help profit focussed members of the public able to pay market value.

### **POLICY: MHCLG announce new regulator for construction products**

The announcement suggests “The regulator will have strong enforcement powers including the ability to conduct its own product-testing when investigating concerns”.

### **POLICY: Homes England extend Help-to-Buy completion date to 31<sup>st</sup> March**

This is a small extension of the deadline to complete transactions from the 28<sup>th</sup> February.

### **POLICY: MHCLG Housing release 2020 Housing Delivery Test**

As the [#planoraks blog](#) shows, many of the areas failing the test and now subject to a “presumption in favour of sustainable development” are also constrained by green belts. The blog therefore suggests the consequences for failing are: “nil. Zilcho. Nada. Niente”

## Chart of the Week

Yesterday, HMRC data reported a big increase in transactions in December with the stamp duty holiday playing a large part in the rise. It may then have come as a surprise today when ONS reported a big increase in stamp duty receipts (including residential and non-residential property). The increase in transactions will have contributed to this rise in receipts but the average stamp duty payable also increased in December. This suggests there are large numbers of transactions completing that are still liable for stamp duty. They will be likely to be for homes priced at more than £500,000 or bought as investments/second homes so subject to the 3% additional rate. HMRC stamp duty statistics due out on the 3<sup>rd</sup> February should give us a better idea for who is buying during this boom.

### Monthly Stamp Duty Receipts

Source: ONS

