

12<sup>th</sup> March 2021

## **DATA:** ONS reported a 2.9% monthly fall in GDP during January

A fall was expected given lockdown and resulted in GDP 9.2% lower than January last year.

## **DATA:** BoE/FCA reported Q4 2020 Mortgage Lenders & Administrator stats

Check out our Digging Deeper [slide deck](#) and Chart of the Week below for more info.

## **DATA:** BuiltPlace calculated Q4 mortgage advances by buyer type

In the absence of public data on mortgage activity by buyer type, we have calculated our own quarterly series using MLAR and regulated mortgage survey data released by ONS. The full methodology and data series is available [here](#). The data shows a strong recovery during Q4 2020 in the number of mortgage advances to both first time buyers and home movers.

## **DATA:** RICS released their February Residential Market Survey

Their release showed that “Lockdown still weighing on sales market activity somewhat, but forward looking indicators improve”. It also reported rent expectations turned positive in London though tenant demand is still slightly negative.

## **POLICY:** MHCLG announced an extension to the eviction ban

The announcement stated “Six-month notice periods and bailiff enforced eviction ban extended to 31 May to protect residential tenants”.

## **POLICY:** MHCLG release Levelling Up Fund methodology

The methodology ignores measures of deprivation and appears to be weighted towards rural areas in England given its focus on productivity and travel times.

## **NEWS:** Zoopla press release on the “most affordable areas for buyers”

The press release identifies “affordable” areas on the basis of low house price to earnings ratios and is an unfortunate reminder that in some parts of the country the housing crisis is actually an economic crisis thanks to a lack of opportunities and insecure employment.

## **NEWS:** Rightmove report surging rental searches in central London

The press release suggests rental price falls are now leading to increases in search activity.

## **NEWS:** Estate Agents revise house price forecasts

Both [Knight Frank](#) and [Savills](#) have released updated house price forecasts following the Budget last week. Knight Frank are now predicting a 5% rise in UK house prices in 2021 with a 24% rise over five years. Savills are predicting a 4% rise this year and 21% over five years. This has been a busy twelve months for forecasters with numerous revisions.

## Chart of the Week

The latest Mortgage Lenders and Administrators data from the FCA and Bank of England provides a useful summary of activity in the mortgage market. This includes the chart below showing the value of mortgages advances by purpose of loan. The impact of the lockdown in Q2 2020 is clear with advances to first time buyers and mortgaged movers falling by around 45% compared to a year earlier. However, more recent data shows a strong recovery in Q4 with first time buyer advances 18% higher than a year ago and mortgaged movers 35% higher. Meanwhile, advances to buy to let buyers didn't fall quite so far during lockdown but were still 6% lower than a year ago in Q4. With big increases in home buying activity, remortgage activity was 34% lower in Q4 2020 when compared to Q4 2019.

### Quarterly Mortgage Advances by Purpose of Loan

Source: FCA, Bank of England (not seasonally adjusted)

