Weekly Summary

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7th May 2021

DATA: Bank of England reported a 5% monthly fall in approvals for house purchase in March

Despite the monthly fall, approvals for house purchase were 45% higher than the same month last year. Approvals for remortgage are 18% lower than the same month last year.

DATA: Bank of England reported record high net secured lending in March

Net secured lending was 122% higher than last year. See chart of the Week for more.

DATA: ONS released subnational housing tenure estimates, England: 2019

The estimates include data on the number and proportion of households and dwellings by local authority across England. The data covers years from 2012 to 2019.

POLICY: Government plans to publish Levelling Up White Paper

The paper is due later this year.

REPORT: Bank of England released Monetary Policy Report, May 2021

The report warns that "There is uncertainty around the evolution of the pandemic and how people respond". Given the increase in household savings during the pandemic, they report "Spending could recover more rapidly if households with accumulated savings choose to run them down by more" but there is a warning about the inequality in who has saved with older/higher income households tending to spend less of any extra savings.

REPORT: Nationwide/The Mortgage Works released Rental Market Review

They report that the private rental market is "in retreat pre-pandemic after a long period of expansion" and the "Post-pandemic rental market outlook clouded by economic uncertainty and shifts in housing preferences".

REPORT: Resolution Foundation released Housing Outlook Q2 2021

The report includes analysis showing "House prices have risen faster in less populated areas of the UK than denser areas over the Covid-19 period".

REPORT: Savills reported on the issue of carbon in property

The report explores policy requirements, investor priorities, and occupier attitudes to real estate in a low carbon economy with a warning that some property could become "stranded assets" if they fail to adapt.

CONFERENCE: UK Finance hosted Mortgage Conference 2021

We usually avoid linking to content that requires details to read or view but the recordings are currently free for non-members and useful for insight on lenders' views of the market.

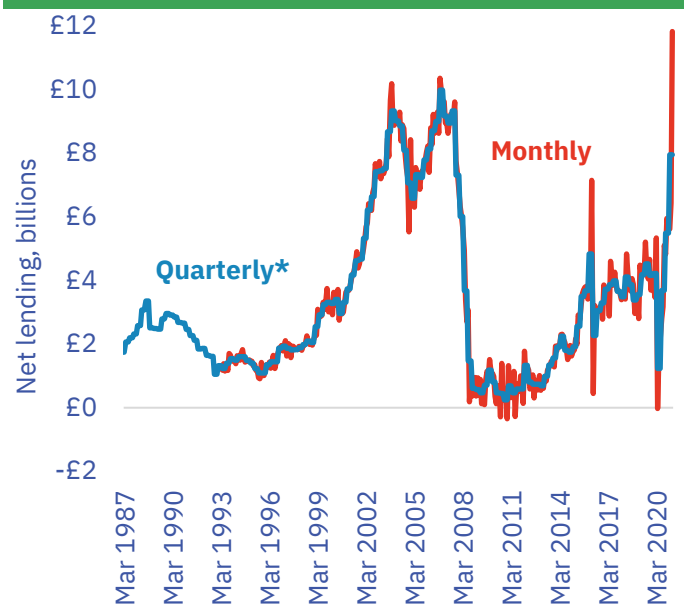
Chart of the Week

Net secured lending increased by nearly £12 billion in March 2021, the highest level since the Bank of England data began and, given inflation and the evolution of the mortgage market, probably the highest ever. The large increase reflected the substantial number of transactions completing in March as they sought to beat the now extended stamp duty holiday deadline.

While eye-catching and more than making up for the subdued lending during lockdown last year, all our attention is on what will happen to activity and lending next. There are continued reports of high numbers of sales agreed and higher than normal levels of mortgage approvals but a lack of homes for sale is limiting activity in some areas and it's still not clear whether this is a temporary boom, one-off adjustment, or new normal.

Net Change in Secured Lending

*Source: Bank of England (*monthly average in quarter)*



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