

4<sup>th</sup> June 2021

## **DATA:** Nationwide reported a 10.9% annual rise in house prices in May

The highest annual growth rate since 2014 partly reflects the current market boom but also the decline in house prices reported by Nationwide during lockdown last year. If house price stay exactly the same next month, annual growth will still rise to 12.2%.

## **DATA:** BoE reported 86,900 mortgage approvals for house purchase in April

Though lower than the 100,900 reported in December, this was still 31% higher than the average seen between 2014 and 2019. Mortgage approvals for remortgaging are still 23% below their pre-pandemic average.

## **POLICY:** MHCLG launched flagship First Homes scheme

The first First Homes are apparently now available on a Keepmoat site. The picture on the MHCLG announcement matches [this](#) development on the edge of Shirebrook, in the East Midlands. With prices from £189,995 and offering 2, 3 and 4 bed houses, this is the kind of site where First Homes should easily work. It will be more interesting to see how well they work in locations where discounts bigger than 30% are required to bring house prices down below the price cap. Especially given weaker demand for flats in the current market.

## **REPORT:** UK Finance released household finance review for Q1 2021

The report provides a useful review of mortgage market activity and highlights the large amount of home mover activity, thanks in part to large amounts of equity built up in recent years. They report that “half of all mortgaged homeowners have at least 50 per cent equity in their home, and a further third have between 25 and 50 per cent”.

## **REPORT:** Lichfields released report on planning permissions

The report investigates the relationship between planning permissions and house building. As we also [suggested](#), they say Government needs “an improved system for recording permissions, their relationship to land, and their implementation”.

## **REPORT:** Knight Frank released Global House Price Index, Q1 2021

They report “the highest proportion (98%) of countries registering positive price growth on an annual basis” since they started their index in 2008. House prices are booming across the world which suggests it’s more than just the stamp duty holiday driving the UK market.

## **NEWS:** JRF warned that “400,000 renters face eviction”

Their survey suggests 5% of renters “have either been served an eviction notice or have been told they may be evicted” while 11% are worried about being evicted and 20% are worried about paying their rent over the next three months. They are calling for “a targeted package of grants to support renters in arrears”.

## Chart of the Week

This week’s chart looks at the relationship between overall homeownership and outright homeownership across English local authorities in 2019. As expected, most areas are towards the top of the chart with high rates of homeownership while only a few London boroughs and other cities have more renters than owners.

Perhaps of more interest is how areas have changed since 2012 which is indicated by the grey lines. Most areas have not moved vertically, suggesting similar overall homeownership rates. But there has been considerable movement towards the right hand side of the chart. This reflects our ageing society paying off their mortgage and becoming outright homeowners. Most local authorities now have more outright than mortgaged owners. An interactive version of the chart is available [here](#).

### Homeownership by Local Authority, 2019

Source: ONS, 2019

