

18th June 2021

DATA: ONS reported an 8.9% annual rise in UK house prices in April

This marked a slight fall in the rate of annual change (9.9% previously) but ONS warned that there may be larger revisions than normal due to the Land Reg Lag (see Chart of the Week for more). They also reported widening regional variation with house prices rising 16.9% in the North East of England and 3.3% in London in the year to April.

DATA: Signs of recovery in latest ONS Labour Market Overview

They reported an increase of 197,000 payrolled employees in May, though the total number is still 553,000 lower than prior to the pandemic. There was a rise in the employment rate to 75.2% and fall in the unemployment rate to 4.7%. Total hours worked increased, though still lower than pre-pandemic, and the redundancy rate returned to a normal level. Average weekly earnings continue to rise though this is partly due to fewer lower-paid jobs and the annual change now compares to the start of the pandemic, when wages fell sharply.

DATA: ONS released Private Rental Market summary statistics, 2020-21

The release provides private rents for local authorities in England by number of bedrooms and various averages. The data can not be used for comparing changes in rents over time but provides a useful summary of rents at a fixed point. This data will form part of the new private rental index due to be released by ONS later this year.

NEWS: Santander released their study on first time buyers & the pandemic

The study is clearly designed for PR purposes but provides some useful insight and statistics on the challenges faced by first time buyers and how their aspirations have been affected by the pandemic. They report that “The proportion of FTBs who say raising a deposit is the biggest barrier to homeownership has risen from 30% in 2019 to 52% in 2021” and “more than four in ten (44%) first-time buyers (FTBs) delayed their plans to buy a home in 2020”.

NEWS: BSA Property Tracker survey shows “Consumer confidence in the housing market remains strong”

They reported “a growing expectation that house prices will rise” over the next year with 50% of survey respondents expecting price rises, up from 25% in December. They also report 30% of respondents think now is a good time to buy and “For the first time in nine months, raising a deposit returns as the biggest barrier to buying a property” with 59% of people citing it as an issue.

Chart of the Week

There was a lot of attention on the ONS house price index this week as they reported house prices rising slightly less rapidly than last month (8.9% vs. 9.9% previously). However, there was an important warning from the ONS about future revisions due to the continuing challenges created by the larger than normal lag in Land Registry registrations. We’ve written about this [previously](#) but the challenge this causes can be seen in the chart below. The chart shows how the annual change in Inner London flat prices has changed with each subsequent publication of the ONS index since September 2020. It shows that the lockdown period has been revised up while the period since last summer (and especially the first November release) has generally been revised downwards in this specific market. This issue will particularly affect areas with small volumes of transactions and it could be several months before we really know what happened to prices at a local level in April.

Annual Change in Inner London Flat Prices by Index Release Date

Source: ONS, HM Land Registry

