

9<sup>th</sup> July 2021

## **DATA:** Halifax reported house prices rose 8.8% in the year to June 2021

House prices fell slightly compared to the previous month (-0.5%).

## **DATA:** Bank of England reported further falls in quoted mortgage rates

The average quoted two year fixed rate at 60% loan-to-value fell to a record low of 1.15% in June. Rates on higher loan-to-values are also falling but still higher than pre-pandemic.

## **DATA:** ONS reported a small rise in GDP during May

The latest monthly estimate (which is very likely to be revised) showed a 0.8% rise in GDP compared to the previous month. This left GDP 3.4% lower than January 2020.

## **DATA:** MHCLG released leasehold dwellings estimates for 2019/20

Their latest estimates suggest there are 4.6 million leasehold homes in England (19% of the total housing stock). 68% of these homes are flats while London (34%) and the North West (31%) had the highest proportions of leasehold homes.

## **REPORT:** RICS released the June edition of their Residential Market Survey

They reported “New listings becoming increasingly scarce” with a third monthly fall in new instructions. They also report “Demand and sales metrics remain positive albeit more modestly than before” and there’s no sign of house price inflation easing.

## **REPORT:** MHCLG released English Housing Survey 2019/20 reports

The reports provide a wealth of detail on various parts of the English housing market including: Home ownership, Private rented sector, Social rented sector, Well-being and neighbourhoods, Home Adaptions, Feeling safe from fire, and Energy. Our chart of the week looks at just one of the important issues highlighted by the reports: household savings.

## **POLICY:** MHCLG published the Building Safety Bill

It promises to “set out a clear pathway for the future on how residential buildings should be constructed and maintained” including a Building Safety Regulator to “oversee a new safety regime for high-rise residential homes, taking safety and cost into account and keeping residents safe”. This is essential with the English Housing Survey this week reporting that 21% of households living in high rise flats feel unsafe at home because they fear a fire may break out compared to just 5% of all households. While the Bill should help improve the safety of buildings in the future, it provides little comfort for many of the existing leaseholders facing high costs to fix the buildings that are their home.

## Chart of the Week

The English Housing Survey highlighted the precarious nature of household finances with its analysis of household savings in the year before the pandemic hit. Their survey showed that 80% of social renting and 60% of private renting households reported having no savings. While lower, it also showed that 40% of mortgaged owners and 25% of outright owners had no savings. This is concerning at the best of times but especially so given what has happened since the survey was conducted. One possible explanation for the differences across tenures is the age differences in each tenure. However, the data also showed similar trends across the tenures irrespective of the age of the household reference person.

### Household Savings by Housing Tenure

Source: MHCLG English Housing Survey, 2019/20

