

10th September 2021

DATA: Halifax reported UK house prices rose 7.1% in the year to August

The annual growth rate fell slightly from the previous month (7.6%) but prices still hit a record high.

DATA: ONS reported monthly GDP rose just 0.1% in July

This data will be revised in the future but the stagnation of GDP, still 2.4% below its January 2020 level, is a concern.

DATA: Bank of England reported record low mortgage rates for low LTVs

See Chart of the Week for more information.

DATA: MHCLG released statutory homelessness statistics for 2020-21

The data for England provides a wealth of information on homelessness though the release notes that “Many of the changes from 2019-20 can be linked to COVID-19, and the government and local authority response”.

DATA: Zoopla reported annual private rental growth of 5% outside London

They reported a “Surge in demand for rental properties in August, especially in cities”. They also reported London rents had fallen 3.8% compared to last year but “Average rents in the 12 boroughs in inner London rose by 2.3% in the three months to July”.

REPORT(pdf): RICS released August residential market survey

They reported the “Flow of fresh listings coming onto the sales market continues to deteriorate” while “Sales slip for a second month running but are expected to stabilise going forward”. It also states that “The lack of available stock on the sales market is frequently mentioned by respondents to be a key factor sustaining strong rates of house price inflation”. This week also saw the release of the independent review into RICS ([pdf](#)).

REPORT: National Audit Office released their Green Homes Grant Voucher Scheme report

The report highlights the high cost for programme management and administrative expenses (£1,000+ per home upgraded). It finds that “the rushed delivery and implementation of the scheme has significantly reduced the benefits that might have been achieved, caused frustration for homeowners and installers, and had limited impact on job creation for the longer term”.

REPORT: VoxEU on “Mortgage rates, origination fees, and the transmission of monetary policy”

The research investigated the effects of the Funding for Lending Scheme and found that lenders “actively price-discriminate across borrowers using two-part tariffs which split the origination fee from the interest rate”.

Chart of the Week

This week’s chart looks at the latest Bank of England data on average quoted mortgage rates by loan-to-value ratio and fixed rate period. The data shows quoted rates fell to their lowest ever levels for loan-to-value (LTV) ratios of 75% and less. The gap between two year and five year fixed rate periods has also narrowed with a five year fixed rate mortgage rate of 1.40% compared to 1.23% for a two year fixed rate period at 75% LTV. Average quoted rates on higher LTVs are falling fast but are still higher than prior to the pandemic.

Mortgage Rates by LTV & Fix

Source: Bank of England

