

## 3<sup>rd</sup> December 2021

### **DATA: Nationwide reported UK house prices rose 10% in year to November**

This was a slight increase compared to last month's figure of 9.9%.

### **DATA: Zoopla reported a 6.9% annual rise in UK house prices**

The report shows house prices rising fastest in Liverpool (10.6%) and Manchester (8.7%). They also report "The new supply of homes being listed for sale has been running 5% to 10% below typical levels seen in 2017-2019 for most of this year" but "the total stock of homes for sale is down more than 40% on the five-year average".

### **DATA: Bank of England reported a fall in mortgage approvals for purchase**

The number of mortgage approvals for house purchase fell 6.5% in October, to 67,200. That's just 1% higher than the pre-pandemic average.

### **DATA: Bank of England reported falls in gross and net mortgage lending**

The data for October reflects the ending of the stamp duty holiday the previous month with a 37% fall in gross secured lending and the net change in secure lending falling 83%.

### **DATA: DLUHC reported a fall in Help to Buy equity loan completions in Q2**

Help to Buy completions fell 30% compared to the previous quarter. However, this partly reflects the tighter criteria (first time buyers only) and seasonal effects as the total number of completions in the year to Q2 rose to 60,600, the highest annual figure recorded.

### **DATA: Homes England reported housing statistics for April to September**

They report an increase in starts and completions delivered through Homes England programmes compared to the same period in 2020. However, a more accurate comparison to the same period in 2019 shows completions were 4% lower and starts were 27% lower.

### **DATA: HM Treasury mortgage guarantee statistics suggested a slow start**

The data covers the first three months of the scheme and shows there were just 812 mortgage completions during the period. This was only 0.7% of total first time buyer completions during the period. This low figure probably reflects the amount of time it takes for a purchase to complete and the next set of data should provide a more realistic measure of the scheme's scale. However, the scheme's success should not just be measured in the number of completions it directly supports. Its more important role was to signal to lenders that the government is supporting the housing market. Therefore broader measures of high loan-to-value lending will be just as important for monitoring the scheme's success.

### **DATA: HM Treasury published Help to Buy ISA statistics for Q2**

The scheme closed to new accounts in November 2019 but existing account holders can continue to save and receive a bonus when buying a home. To date, the scheme has been used to buy 435,798 properties with most homes priced between £150k and £200k. The average bonus paid out is £1,439 which is 0.8% of the average purchase price.

### **DATA: UK Finance published Q3 data on later life mortgage lending**

It shows "There were 44,130 new later life mortgages in Q3 2021, with total lending in the quarter of £6.46 billion" and the report looks at Retirement Interest Only (RIO) mortgages.

### **REPORT: Resolution Foundation reported on the decline in youth home ownership**

The report highlights the challenges faced by young people trying to buy a home in the current housing market, particularly those with lower incomes or looking to buy alone. It finds "only 4 per cent of young non-home owning family units in 2016-18 had both the required earnings and savings to access buy the typical first-time buyer home in their region". They suggest that "if policy makers are truly serious about turning home ownership trends around, it is clear that radical action is required".

### **REPORT: CSJ reported on exposing the hidden housing crisis**

The report shows "the collapse in the supply of decent, affordable homes for people living on modest to low incomes has not just made homeownership even less attainable. It has made it harder to start and maintain healthy families, to thrive in work, and to provide an educational foundation for children" and suggests "A new vision for affordable housing is desperately needed".

### **REPORT: FCA publishes Mortgage Prisoners Review**

The review "sets out the loan and borrower characteristics of the wider population of 195,000 mortgages in closed books with inactive firms. The review includes our estimate of the number of these borrowers who can and cannot switch and the number of mortgage prisoners".

## Chart of the Week

This week, the ONS [published](#) their national balance sheet estimates, an update of their preliminary estimates published in April. They estimate the UK's total net worth at £10.7 trillion with household net worth of £11.2 trillion. At £5.9 trillion, land and property is a substantial part of households' net worth (52% in 2020) and, as the chart below shows, it increased 6.5% in 2020 thanks to higher house prices. The chart also shows that, while our physical homes are clearly important, the vast majority (73%) of households' property wealth is found in the value of the underlying land. However, this figure for the value of land should not be confused with the cost of development land as discussed in this old [blog](#).

### Households Property Net Worth

Source: ONS

