Weekly Summary

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10th December 2021

DATA: Halifax reported annual house price growth of 8.2% in November

A 1.0% monthly rise helped keep the annual growth rate the same as the previous month.

DATA: Bank of England reported rises in quoted mortgage rates

Quoted rates on higher loan-to-value (90% & above) mortgages continued to fall but rates on lower LTV products rose sharply from their recent record lows.

DATA: ONS estimated GDP grew just 0.1% in October

The monthly estimates show GDP is still 0.7% lower than its January 2020 peak.

DATA: DLUHC released English Housing Survey 2020-21 headline report

The report contains a wealth of information on the state of the English housing market but care needs to be taken when interpreting this year's report due to issues relating to the pandemic. See Chart of the Week for more detail.

DATA: DfC(NI) published Northern Ireland Housing Statistics 2020-21

The report provides statistics on "supply, energy, social renting demand, private renting demand, owner occupier demand and household characteristics" in Northern Ireland.

REPORT: RICS reported "Dearth of new instructions hampering activity"

They report a "Lack of new listings seemingly restricting sales, despite a pick-up in buyer enquiries" and "House price growth remains firm across the UK". They also report "Solid tenant demand and a shortage of rental properties expected to drive rents higher" including in London.

REPORT: UK Finance released Q3 Household Finance Review

They report "House purchase lending dropped sharply in Q3 but remained positive, with activity strongest away from the south of England" and "Barring a full reversal in Q4, purchase activity in 2021 is likely to reach the highest level since 2007".

REPORT: NAO report on the regulation of the private renting

The report concludes "There is evidence that a concerning proportion of private renters live in unsafe or insecure conditions with limited ability to exercise their rights" and despite recent regulatory changes, "the way that private renting is regulated means that these changes are not effective in ensuring the sector is consistently fair for renters". They suggest DLUHC "will need a clear vision for what it is trying to achieve and an overarching strategy for how to address the challenges raised in this report".

REPORT: RF investigate options for taxing main residence capital gains

The report identifies £3 trillion of unearned capital gains on homes since 2000, with these gains unequally distributed. They suggest the tax system should no longer ignore this luck-based wealth and suggest capital gains tax on main residences or changes to inheritance tax could raise substantial tax revenue.

REPORT: RTPI reported on "The Location of Development"

The report investigates "the location of approved planning applications for major residential developments across England" and "seeks to explore the accessibility of these new developments to a variety of different amenities".

NEWS: Knight Frank reported "Almost 50% of global housing markets record double-digit annual price growth"

NEWS: UK Finance reported "Lenders announce moratorium on possessions over Christmas"

Chart of the Week

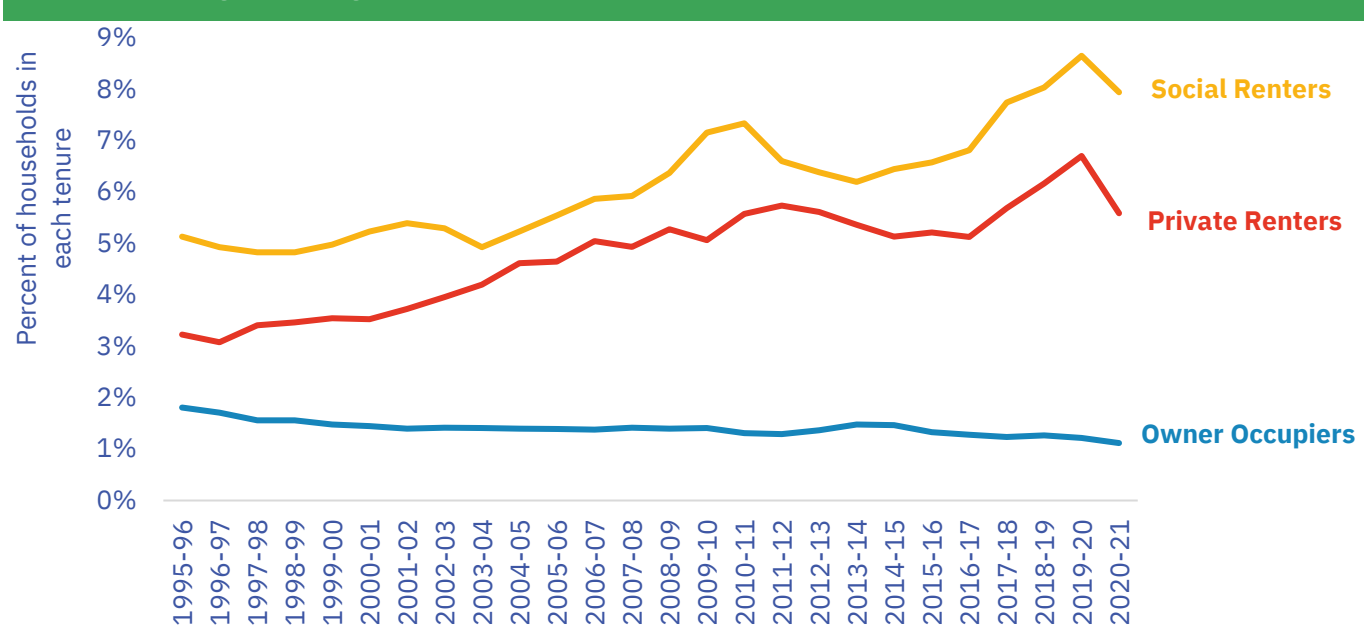
Today's Chart of the Week appears to show a dramatic decline in overcrowding during the pandemic from the latest English Housing Survey. This result is surprising and appears to contradict the findings of the Household Resilience Survey. Therefore the reason we have chosen this chart is not to highlight the trends it shows but instead highlight the challenges that DLUHC and others have faced when trying to run surveys and collect statistics during the unique circumstances of the pandemic.

The latest English Housing Survey includes several warnings. Perhaps the most important is the change in data collection methods with telephone interviews and external inspections of properties the only option in 2020-21. This has contributed to a change in the survey sample with more older people and outright owners, and fewer renters and households with children. The overall sample was also 40% smaller than normal. These changes and a constrained ability to test the changes means it could take several years to find out whether the trends highlighted in the latest English Housing Survey are meaningful or not.

It is not just the English Housing Survey that has been affected by the pandemic. Our understanding of how many people live in the UK, and where tends to diminish over time from the year of the latest published Census data. We are now at the furthest point from the 2011 Census and we still don't really know what has happened to the population since the pandemic hit. That has implications for other population and household weighted surveys. We now await the publication of the 2021 Census data for a better understanding of the housing market but even that will require careful consideration given its timing.

Overcrowding by Housing Tenure, England

Source: DLUHC English Housing Survey



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