Weekly Summary

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14th January 2022

DATA: ONS reported GDP rose 0.9% in November

The latest estimate suggests GDP in November 2021 was 0.2% higher than the pre-pandemic peak in January 2020.

DATA: Bank of England reported rises in lower LTV mortgage rates

The data on average quoted mortgage rates shows rates rising from their recent record lows at lower loan-to-value (LTV) ratios (75% and under). Average rates on higher LTVs are still falling but have returned to pre-pandemic levels.

DATA: DLUHC reported falls in housebuilding starts and completions in Q3

The leading indicators, based on building control data, show seasonally adjusted starts fell 5.1% compared to the previous quarter while completions fell 0.6%. This data should not be used for absolute levels of housebuilding but has demonstrated its value as a leading indicator.

DATA: ONS published 2020-based national population projections

The latest projections are interim projects given the uncertainty around the pandemic trends. ONS are due to publish Census-based 2021 projections next year. See our Digging Deeper report for more information on the latest projections and how they compare to previous versions.

DATA: Bank of England published Credit Conditions Survey for Q4 2021

See Chart of the Week for more detail.

POLICY: DLUHC warned developers they must pay to fix the cladding crisis

The Secretary of State has asked companies to "make financial contributions to a dedicated fund to cover the full outstanding cost to remediate unsafe cladding on 11-18 metre buildings, currently estimated to be £4 billion", "fund and undertake all necessary remediation of buildings over 11 metres that they have played a role in developing", and "provide comprehensive information on all buildings over 11 metres which have historic safety defects and which they have played a part in constructing in the last 30 years". DLUHC also released data from mortgage lenders on flat valuations that required an EWS1.

POLICY: DLUHC launched consultation on proposals to reform leasehold

The proposals, based on the Law Commission's recommendations, are intended to "make it cheaper and easier for leaseholders to buy the freeholds of their homes".

POLICY: DLUHC set to close tax loophole on second homes

Rather than simply declaring an intention to let out their second home, owners will now have to rent them out for a minimum of 70 days to qualify for business rates.

POLICY: Welsh Government announced Renting Homes (Wales) Act implementation date of 15th July

REPORT(PDF): House of Lords Built Environment Committee reported on "Meeting housing demand"

The report provides some useful recommendations but is unfortunately compromised by basic errors in data and analysis of the housing market.

REPORT: Savills published Build to Rent market update

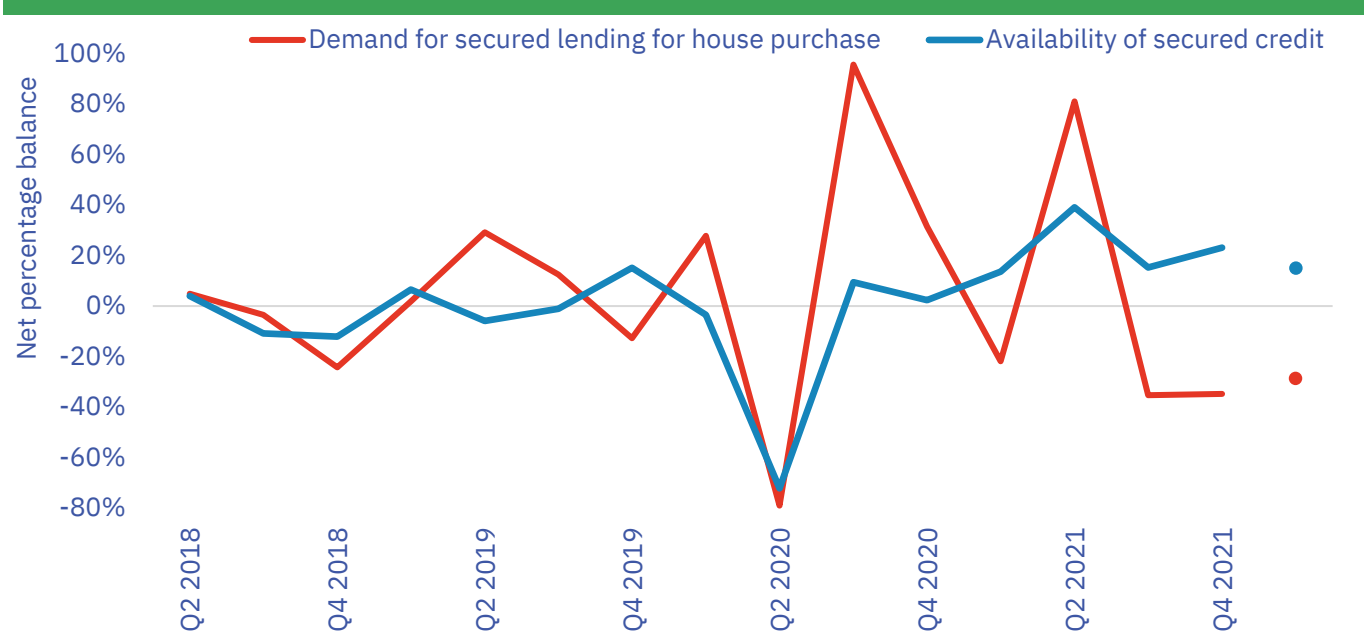
They report "More than £4 billion was invested into UK Build to Rent in 2021".

Chart of the Week

The Bank of England's Credit Conditions Survey reports lenders expect the availability of secured credit to households to continue to expand other the next three months (blue dot). This will continue the trend in expansion reported since the housing market reopened in 2020. However, lenders also report they expect the demand for secured lending for house purchase to decrease (red dot). While recent falls in demand perhaps reflect the end of the stamp duty holiday, the future fall perhaps reflects the impact of rising mortgage rates.

Availability & Demand For Secured Lending To Households

Source: Bank of England Credit Conditions Survey



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