Weekly Summary

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11th March 2022

DATA: Halifax reported annual house price rise of 10.8% in February

This was "fastest annual pace since 2007" and prices set a new record high of £278,123.

DATA: ONS estimated GDP rose 0.8% during the month of January

This took GDP to just 0.3% higher than the pre-pandemic peak in January 2020.

DATA: DLUHC reported a fall in housebuilding activity in Q4 2021

The build control-based estimates suggest housebuilding starts fell 2.6% compared to the previous quarter and completions were down 4.0% over the same period. However, starts were 20% higher than the same quarter in 2019 and completions were just 6% lower.

DATA: Bank of England published quoted mortgage rates for February

The data showed a stabilisation of mortgage rates at 95% loan-to-value (LTV) but rises in rates across all other LTVs. They are now roughly around 2018/2019 levels.

DATA: ONS published 2021 data on families and households in the UK

We would caution against reading too much into these results until they can be cross-referenced with the Census data when published.

DATA: BuiltPlace published estimates of mortgage advances by buyer type

Our latest estimates cover Q4 2021 and show a 10% fall in first-time buyers and 32% fall in home movers compared to the same quarter in 2020.

REPORT: UK Finance published Q4 2021 Household Finance Review

The report finally contains some useful data so see Chart of the Week below for more detail.

REPORT: RICS "published" Residential Market Survey

The report isn't actually on the RICS website but has been reported in the press. It should be available at the above link at some point.

REPORT: Resolution Foundation published Living Standards Outlook 2022

They warn "The UK's post-Covid economic recovery is well underway but a deep living standards downturn is just getting going" with real incomes projected to fall 2% in 2023-24

BLOG: ONS blog on improving land value estimates

BLOG: ONS blog on using VOA data to understand the housing stock

BLOG: Owen Boswarva asks if EPC data is personal data or not

NEWS: Crisis warns about the risk of eviction due to the cost of living crisis

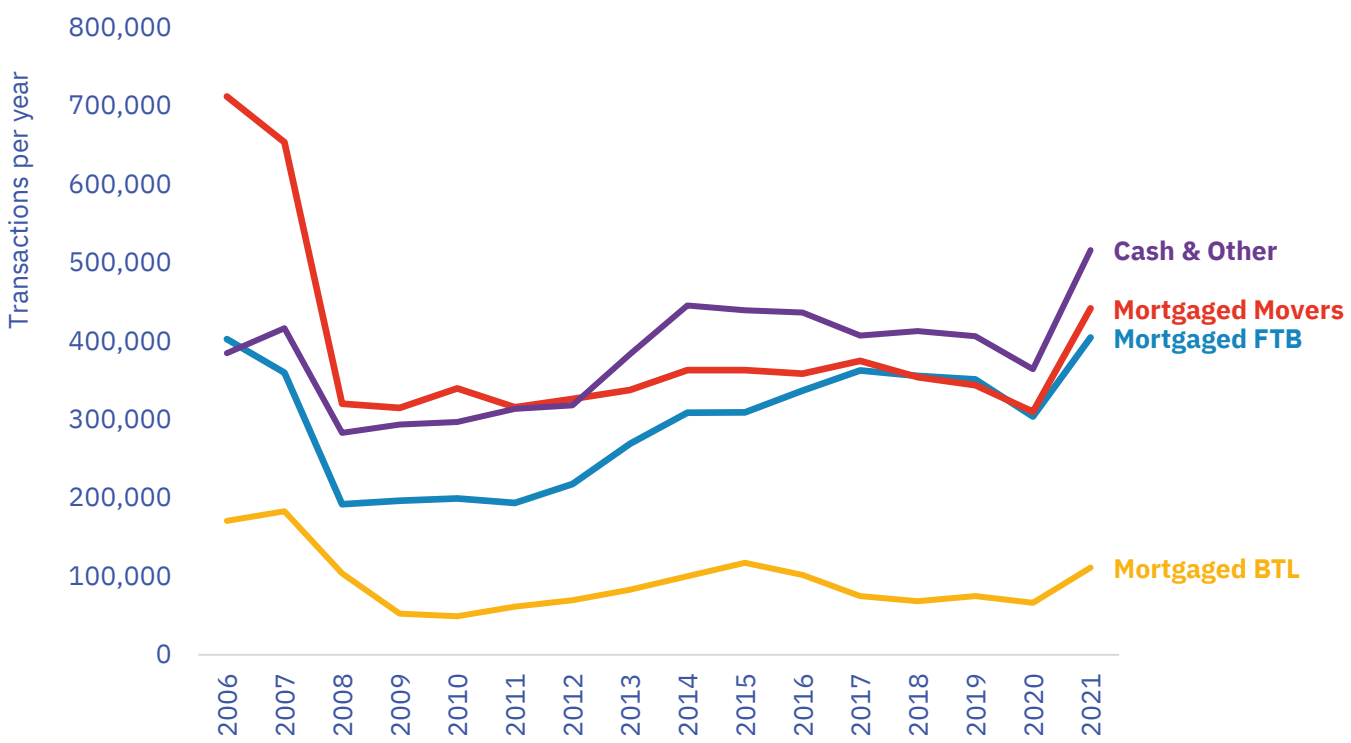
Their analysis suggests "69% of low-income private renters in England will be forced to go without food and heating at least one day per week to meet rising housing and living cost".

Chart of the Week

UK Finance published their latest Household Finance Review and it contains useful data on mortgage activity by buyer type. This data has allowed us to update our chart on buyer types over the last 15 years – see below. The chart highlights the impact of the stamp duty driven transaction boom on all buyer types during 2021, though it was mortgaged BTL (+49%) and mortgaged movers (+28%) that saw the biggest increases compared to 2019. First time buyer numbers still increased but only by 15% as they got squeezed by other buyer types. The residual "cash & other" group is largely made up of movers and investors that don't need a mortgage but also includes a number of other transaction types that might not be considered open-market sales such as transfers on divorce and CPOs. Their numbers increased by 27% compared to 2019 – and possibly their highest ever level - as investors and second home buyers made the most of the lower stamp duty rates.

Housing Market Activity by Buyer Type

Source: UK Finance, ONS, HMRC, BuiltPlace



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