

## 25<sup>th</sup> March 2022

### **DATA: Rightmove reported asking prices rose 10.4% in year to March 2022**

The non-seasonally adjusted index reported its largest ever monthly rise for the month of March since 2004 and they report “the biggest mismatch between supply and demand for this time of year ever measured by Rightmove”.

### **DATA: ONS reported 9.6% annual rise in UK house prices in January**

This was slightly lower than last month’s revised figure of 10%. Most English regions are reporting high rates of growth with London the exception at just 2.2%.

### **DATA: ONS reported high rates of consumer price inflation in February**

The annual rate of inflation for CPIH was 5.5%, CPI was 6.2%, and RPI was 8.2%.

### **DATA: HMRC reported 112,240 residential transactions in February**

The provisional data shows transactions were 13% higher than their pre-pandemic average despite being 21% lower than the same month in 2021. Comparisons to activity levels last year should be ignored due to the impact of the various stamp duty peaks and troughs.

### **DATA: ONS reported £15.3 billion in SDLT receipts during year to February**

This is the highest amount of stamp duty land tax receipts in a twelve month period and reflects the high number of buyers still paying the tax despite the holiday last year.

### **DATA: ONS published housing affordability statistics for 2021**

The data covering local authorities in England & Wales provides house price to earnings ratios. However, these figures do not reflect the financial position of actual buyers in the market as they tend to have higher incomes than average.

### **DATA: DLUHC published Q4 2021 planning applications**

The release, covering England, includes Glenigan data estimating that 317,000 homes were granted planning permission in 2021, just 3% lower than the 2019 figure of 328,000.

### **POLICY: HM Treasury published Spring Statement**

There was little news directly linked to housing but the failure to tackle the rising cost of living, especially for the lowest income households, is a major cause for concern.

### **REPORT: OBR published economic and fiscal outlook – March 2022**

They “expect demand to ease over the next year due to the fall in real incomes and a rise in interest rates, causing house price inflation to slow to around 1 per cent by late 2023. Over the medium term, house price inflation picks up a little to around 3.2 per cent a year, matching the growth in nominal incomes”.

### **REPORT: Resolution Foundation published Spring Statement analysis**

They warn “The stronger than expected recovery from the pandemic is about to be undermined by surging inflation” and “Immediate support has done little for the low- and middle- income households worst affected by the rising cost of living”.

### **REPORT(PDF): GLA reported on housing and race equality in London**

The report finds that “on average, Black Londoners and those from most other minority ethnicity groups experience worse housing conditions, less tenure security, higher rates of housing need, worse affordability and lower wealth than White Londoners. This was already the case before the onset of the Coronavirus pandemic, which is likely to have exacerbated many of these differences”.

### **REPORT: Centre for Cities mapped “30-minute city” case studies**

They are to “help to visualise the public transport connectivity challenges faced by large UK cities” when compared to other cities in western Europe.

## Chart of the Week

This week’s chart is a re-creation of Figure 5 from Resolution Foundation’s Spring Statement [analysis](#). It highlights the underwhelming performance of real wages since the financial crisis with Resolution Foundation suggesting that “By 2027, real wages are set to have grown by just £18 a week since the financial crisis”. If real wages had continued to follow their pre-financial crisis trend they would be £240 a week higher. This chart serves as a reminder that amongst the many challenges facing the housing market and the ongoing debates about whether it’s the fault of planning or interest rates, the underlying economy is weak and real wage growth has been poor. Improving the health of the economy and the opportunities it creates for people is one of the most important factors in improving the state of the housing market, not least given current forecasts for what lies ahead.

### Weekly Real Wages

Source: ONS, OBR, Resolution Foundation

