

13th May 2022

DATA: ONS reported GDP fell 0.1% in March after no growth in February

This left GDP just 0.8% higher than its January 2020 level. While these figures will inevitably be revised, the underwhelming recovery of the UK's economy following the pandemic is a concern given the challenges it faces in coming months.

DATA: BoE reported a sharp rise in quoted mortgage rates

Rates rose quickest for lower loan-to-value (LTV) ratio mortgages, with those at 60% LTV rising to their highest rate since early 2013.

DATA: DLUHC published 2021 dwelling stock estimates for England

See Chart of the Week for more detail.

DATA: DLUHC published Q4 2021 Help to Buy equity loan statistics

While the number of completions increased 22% versus the previous quarter, delivery via the scheme is still well down on the levels regularly seen under the previous version of the scheme. With the lowest number of completions in Q4 since 2014, the regional price caps and restrictions to just first time buyers are clearly limiting the number of homes delivered.

DATA: HMT published Q4 2021 mortgage guarantee scheme statistics

The release again shows relatively few mortgages completed with the scheme since it started in April – just 12,388 completions up to the end of December. This equates to just 5% of total mortgage completions, reflecting the importance of the scheme in simply existing rather than being actively used. The spatial breakdown provides some interesting patterns with large concentrations in and around Edinburgh and Glasgow – perhaps suggesting a single lender is responsible for a significant proportion of the scheme's use.

DATA: HMT published Q4 2021 Help to Buy: ISA statistics

Both the number of bonuses paid out and property completions supported by the scheme were 15% lower in Q4 2021 than the same quarter in 2019.

DATA(PDF): RICS published April Residential Market Survey

They report “New buyer enquiries edge up slightly although the picture is flatter for agreed sales” while “New instructions generally steady over the month with available stock still scarce”. Price expectations for the next three and twelve months remain strongly positive.

POLICY: Queen's Speech

Amidst debate about whether the 300,000 housebuilding target still applies, the speech included the [Levelling Up and Regeneration Bill](#) alongside the Social Housing Regulation Bill, Renters Reform Bill, and Housing Reform. The planning white paper proposals for all land to be categorised and linked to automatic “in principle” permission are unsurprisingly not being taken forward while we await more detail on street votes before drawing conclusions.

REPORT: JRF published a report on the experiences of low-income families during the second half of the pandemic

The report warns that, in the face of the cost of living crisis, there are several policy recommendations including the need to guarantee uprating benefits in line with inflation.

REPORT: Knight Frank reported on residential development land

They report greenfield land values rose 22.8% in the year to March 2022.

REPORT: Savills published survey of for-profit registered providers

They report “Growth in for-profit registered providers is constrained by the number of opportunities, not investor appetite”.

BLOG: BoE on the consumption effects of mortgage payment holidays

Their research shows that payment holidays were “effective in supporting consumption of more vulnerable households during a period of financial difficulty”. However, they also found that “households with stronger balance sheets have used the policy to boost savings instead of consumption”.

Chart of the Week

This week's [release](#) of housing stock data for England in 2021 contains no great surprises in terms of the net change (that data was published last November). But it does contain estimates on the tenure of England's housing stock in March 2021. Today's Chart of the Week shows the net change in tenure over the last thirty years with three clear periods. The first period, during the 1990s and early 2000s, was largely an expansion of owner occupation. The period from the mid 2000s through to 2015 was dominated by the growth of the private rented sector and the number of owner occupied dwellings actually fell. During the mid-2010s, housing policy became increasingly focussed on homeownership, with the majority of net housing supply ending up in the tenure in the years leading up to the pandemic. However, the last two years have seen the private rented sector return to growth as the pandemic and affordability pressures limit access to home ownership.

Net Change in England's Housing Stock by Tenure

Source: DLUHC

