

1st July 2022

DATA: Nationwide reported UK house prices rose 10.7% in the year to June

This was another record high following 11 consecutive monthly increases.

DATA: Zoopla reported UK house prices rose 8.4% in the year to May

They reported the monthly change fell to its lowest rate since December 2019 at just 0.1%. They also suggest there are “Emerging signs of impetus in the market slowing, with activity receding from record highs” and expect annual growth to reach 3% by the end of the year.

DATA: BoE reported 66,163 mortgage approvals for house purchase in May

This was similar to last month’s figure and in line with the pre-pandemic average.

DATA: BoE reported a rise in the average effective rate on new advances

The average effective mortgage rate on new advances was 1.96% in May. That's slightly higher than the 1.91% recorded in May last year but still just below the 2.08% on outstanding balances. This figure looks likely to rise rapidly in coming months.

DATA: ONS published first major outputs from the 2021 Census

The release shows the usual resident population of England & Wales on the 21st March 2021 was 59,597,300 people, an increase of 6.3% over the previous ten years. The Census is a fantastic resource but it took place during a national lockdown in the middle of a global pandemic. This makes it very difficult to assess which results were longer-term trends (including the impact of Brexit) and which were short-term reactions to the pandemic. It probably should have been delayed till 2022 like the Scottish Census. Among others, the [GLA](#) and [Lichfields](#) have published analysis on the release.

DATA: FCA published Mortgage Product Sales Data for 2021

See Chart of the Week for more detail.

DATA: ONS published data on average prices by number of bedrooms

POLICY: Review into short-term tourist accommodation launched

The consultation on developing a tourist accommodation registration scheme will run for twelve weeks and is available [here](#).

POLICY: DLUHC warns freeholders as Building Safety Act comes into force

In a [letter](#) to building owners and managing agents, Michael Gove warns “it will become an offence to attempt to pass on costs for relevant work to qualifying leaseholders”.

REPORT: JRF reported on the hardships faced by low-income households

It finds “Low-income families have fallen behind on payments by an average of £1,600” and are being forced to choose between going without the essentials or getting into debt.

NEWS: Knight Frank revised their 2022 house price forecast

Their forecast has been revised up from 5% to 8% as “Supply is rebuilding more gradually than anticipated”.

Chart of the Week

This week the FCA published their latest mortgage [product sales data](#). Although very backwards looking (it covers the period up to Q4 2021), the data provides a useful breakdown on important trends in mortgage lending – including regional data. We’ve published a Digging Deeper [slide deck](#) covering the data in more detail but this week’s chart looks at first time buyer mortgage sales at high loan-to-value (LTV) ratios.

The chart highlights the collapse in very high LTV (over 90%) lending during the financial crisis followed by the partial recovery in 2014 thanks to the introduction of the Help to Buy mortgage guarantee scheme. Lending volumes then fell during the market lockdown. Unlike the lower LTV market which quickly recovered when the market reopened, those at higher LTVs (over 85%) remained suppressed thanks to the credit crunch affecting both their availability and cost. However, first time buyer numbers were buoyant during this period as the fall in buyers using very high LTVs was more than compensated for by an increase in those borrowing between 75% and 85% of their purchase price. The higher LTV market then started to recover following the re-introduction of the mortgage guarantee scheme.

First Time Buyer Mortgage Product Sales At High Loan-to-Value Ratios

Source: FCA Product Sales Data

