Weekly Summary

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14th March 2025

DATA: ONS estimated monthly GDP rose 1.0% in year to Jan 2025

The latest estimate reported a 0.1% monthly fall in January "mainly caused by a fall in the production sector". GDP has risen 3.0% in the five years since the pre-pandemic peak in January 2020 – an annualised rise of 0.6% per annum.

Index of Monthly GDP – *Source: ONS*

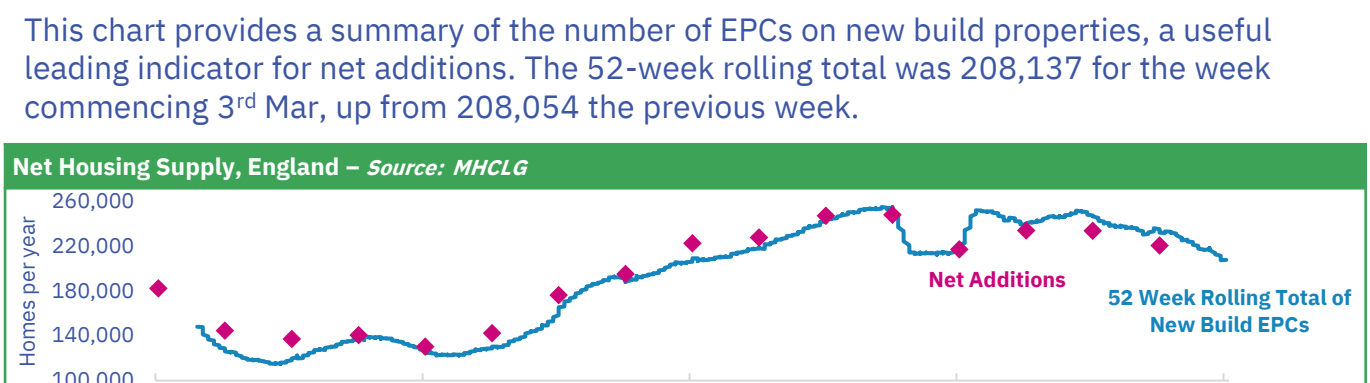
DATA: ONS published Construction Output for Jan 2025

They report "Monthly construction output is estimated to have fallen by 0.2% in volume terms in January 2025" and "This decrease in monthly output came solely from a fall in new work (0.7%) as repair and maintenance grew by 0.4%". They also report "Anecdotal evidence from survey returns noted adverse weather, including heavy rain, snow and storms as having a negative effect on output".

DATA: ONS published Dataloft rental affordability data for Feb 2025

The latest release shows the average rental spend as a percentage of gross income was 29.0% in Feb 2025. This was unchanged from the previous month but lower than the peak of 30.0% recorded in September 2024.

Percentage of Gross Income Spent on Rent for New Tenancies – Source: Dataloft via ONS



DATA: BoE/FCA published Mortgage Lenders and Administrators Return

The latest release of mortgage data covers the final quarter of 2024. You can choose between the BoE's key findings, the FCA's commentary or our Digging Deeper slide deck.

DATA: FCA published Mortgage Charter uptake data

They report "In the latest 3-month period (November 2024 to January 2025) around 280,000 mortgages locked into a new deal up to 6 months ahead of maturity" and "Between July 2023 and January 2025, the monthly payments on around 236,000 mortgages were reduced as people switched to temporarily paying interest-only or extended their mortgage term". They report this is "around 2.7% of regulated mortgage contracts".

DATA: GLA updated their London Building Stock Model

It "provides energy efficiency data for all London homes" including "information on EPC ratings, heating systems, insulation levels and building fabric". There's an interactive map.

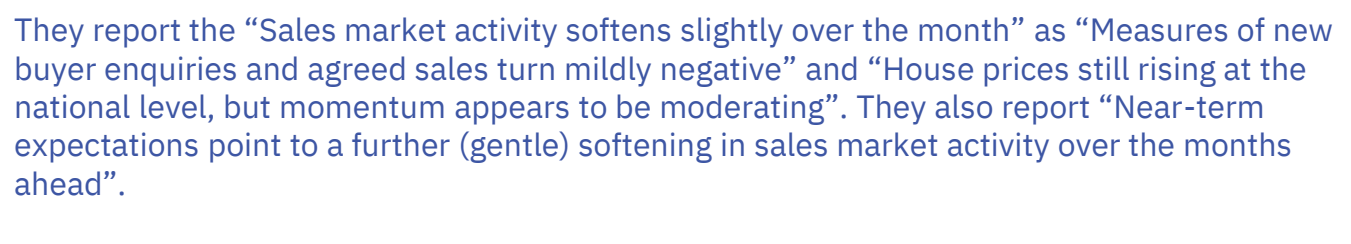
DATA: BoE published Inflation Attitudes Survey

They report when "Asked about expected inflation in the twelve months after that, respondents gave a median answer of 3.2%, up from 2.8% in November 2024".

DATA: Financial Market Expectations For BoE's Bank Rate

The chart provides a summary for the expected future level of Bank Rate based on daily data. The One Year figure was 3.92% on the 12th Mar compared to 3.96% on the 5th Mar.

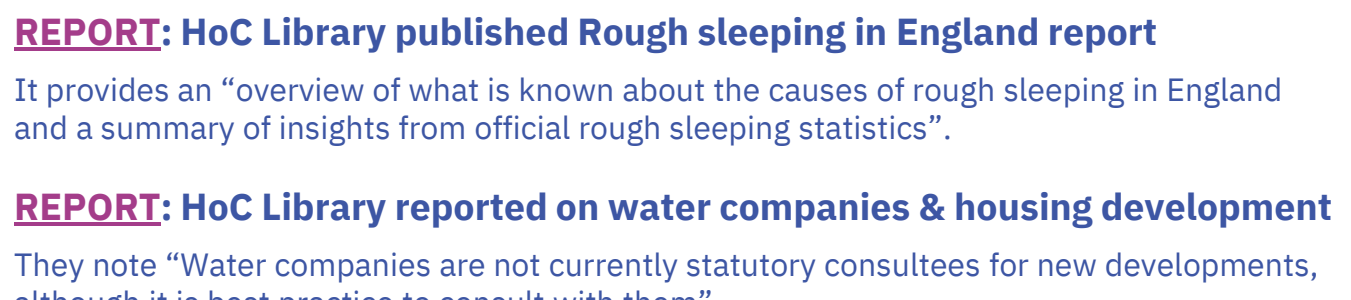
Interest Rate Expectations Based on OIS Curves – *Source: BoE*



DATA: New Build Energy Performance Certificates, England

This chart provides a summary of the number of EPCs on new build properties, a useful leading indicator for net additions. The 52-week rolling total was 208,137 for the week commencing 3rd Mar, up from 208,054 the previous week.

Net Housing Supply, England – *Source: MHCLG*



POLICY: Prime Minister spoke about reform of the state

The speech promises "fundamental reform of the British state" with "Less regulation" and "More building". However, the PM's example of an office conversion in Bingley – one that appears designed to sell to overseas investors - was a poor, lazy, and misleading example.

POLICY: MHCLG introduced The Planning and Infrastructure Bill

The Bill's five objectives are: "Delivering a faster and more certain consenting process for critical infrastructure", "Introducing a more strategic approach to nature recovery", "Improving certainty and decision-making in the planning system", "Unlocking land and securing public value for large scale investment", and "Introducing effective new mechanisms for cross-boundary strategic planning".

POLICY: FCA set out how it will support home ownership

Its plans include "Reminding firms of the flexibility provided in our interest rate stress testing rule", "an Open Finance Sprint to explore how smart data can enhance mortgage products and services", consulting on "proposals to make it easier for consumers to remortgage with a new lender, reduce their overall cost of borrowing through term reductions and discuss their options with a firm outside a regulated advice process", and will "launch a public discussion on the future of the mortgage market" in June.

REPORT: RICS published market survey for Feb 2025

They report the "Sales market activity softens slightly over the month" as "Measures of new buyer enquiries and agreed sales turn mildly negative" and "House prices still rising at the national level, but momentum appears to be moderating". They also report "Near-term expectations point to a further (gentle) softening in sales market activity over the months ahead".

REPORT: GLA published London Housing Market Report

They report "Growth in average private rents across all tenancies remains very high, but rents for new tenancies are stagnating or even falling" and "Housing completions in 2024 were 1.6% higher than in 2023, the second lowest completion rate in the 2020s".

REPORT: HoC Library published Rough sleeping in England report

It provides an "overview of what is known about the causes of rough sleeping in England and a summary of insights from official rough sleeping statistics".

REPORT: HoC Library reported on water companies & housing development

They note "Water companies are not currently statutory consultees for new developments, although it is best practice to consult with them".

REPORT: Regulator of Social Housing published Value for Money report

They report "Reinvestment into existing stock and acquisition or development of new homes increased to £14.6bn from £12.5bn in the previous year – the highest level recorded since the Value for Money metrics were introduced in 2018" and "The median headline cost per property rose by 12% to £5,136 – the highest level recorded".

REPORT: Planning Portal published Market Insight Report for Feb 2025

They report "Householder applications continued to climb, rising 2% year-on-year and seeing a 13% surge from January. Larger Home Extensions also saw steady growth, up 9% (+98 applications). Full applications followed a similar pattern, increasing 12% month-on-month, though they dipped slightly compared to February 2024 (-2%, or 137 fewer applications)".

REPORT: Propertymark published Housing Insight Report for Jan 2025

They report "Sales volumes increased" and "The latest data demonstrates a 20% increase of that reported in January 2024; plus, the average number of new prospective buyers registered per member branch increased to 87 in January 2025". The lack of seasonal adjustment limits the usefulness of the analysis in this report.

CORPORATE: Persimmon published Full Year Results

They report "We entered 2025 with an improved forward order book and have continued to add to it since the start of the year. In the first nine weeks of 2025, our net private sales rate per outlet per week was 0.67, up 14% compared to the same period last year (2024: 0.59). Combined with a 3% increase in the private average selling price to £288,542 (2024: £279,282), our current private forward order book is £1.15bn, 27% higher year on year (2024: £0.90bn)."

CORPORATE: Savills published Final Results

They report "UK Residential markets were aided by interest rate cuts through the year, however sentiment was affected by fiscal changes introduced in the post-election budget".

CORPORATE: Empiric Student Property published Preliminary Results

They report "Like for like rental growth of 10.5% and 7.0% achieved for academic years 2023/24 and 2024/25, respectively" with a "Record re-booker rate of 23% for academic year 2024/25 (2023/24: 22%) and "97% occupancy achieved for academic year 2024/25 (2023/24: 99%)".

CORPORATE: Berkeley Group published Trading Statement

They report "Enquiries are at a consistently good level, and we have seen the modest improvement in sales reservations that we noted at the time of the interim results continue through this trading period with sales rates ahead of those achieved last year".

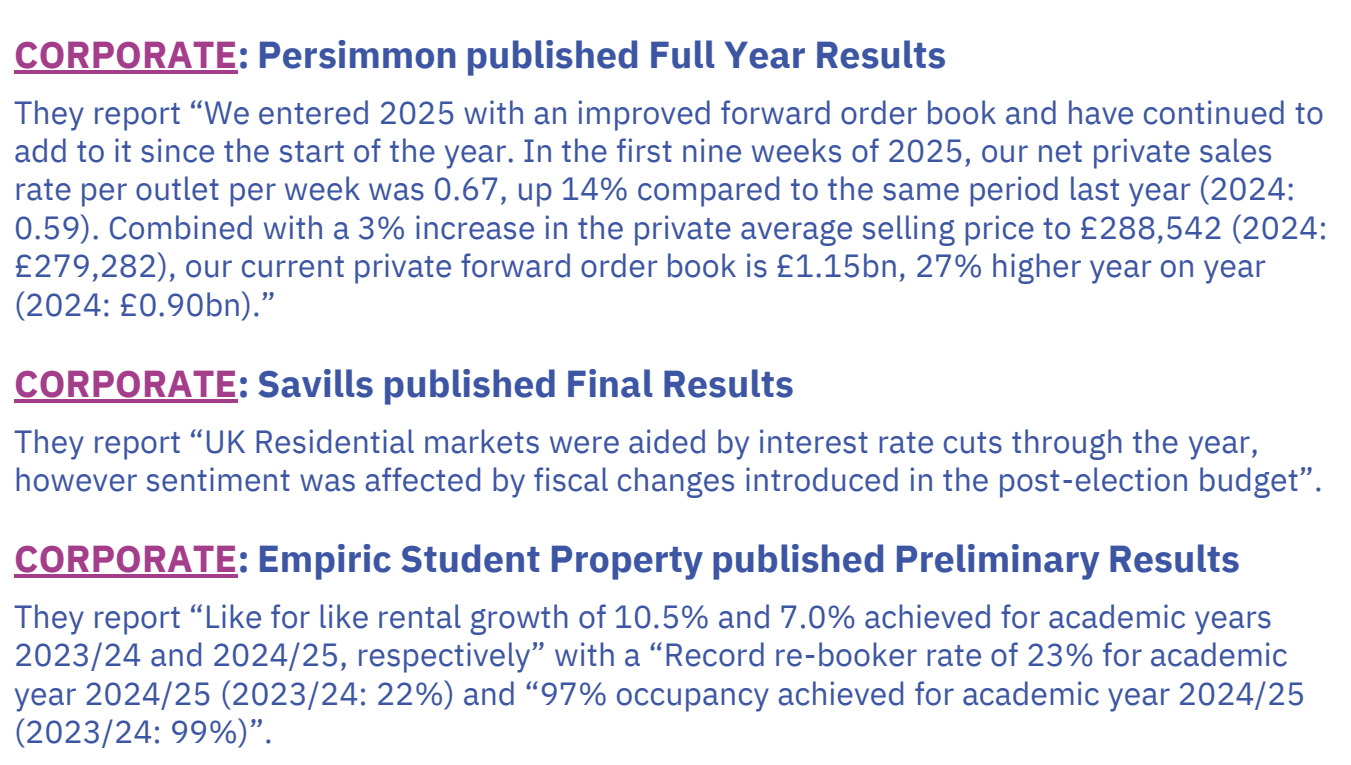
Chart of the Week

Earlier this week, Zoopla reported that first-time buyer mortgage repayments were 19% lower than rents across the UK. Based on a 30-year mortgage term and an 80% loan-to-value ratio, they report the average monthly mortgage would be £1,038 across GB compared to a rent of £1,284. As their data shows (pink bars below), the cost of a mortgage is much less in the North of England while in the South it is similar or possibly higher.

As Zoopla note, this analysis is based on needing a sizeable deposit equal to 20% of the house price. If we make the same calculations using a 90% loan-to-value ratio and an appropriately higher mortgage rate (blue bars) then we can see the cost of a mortgage and rent in the North of England is broadly similar. However, the cost of a 90% loan-to-value mortgage is well above the typical rent across the South of England, highlighting the need for a large deposit and probably also a high income to overcome lending limits in the South.

Comparison of First-Time Buyer Mortgage Payments and Rents

Source: Zoopla and BuiltPlace



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