Weekly Summary

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13th June 2025

DATA: ONS estimated monthly GDP rose 0.9% in year to Apr 2025

This was slightly lower than the 1.1% reported last month and "The largest negative contribution in the services sector in April 2025 came from the professional, scientific and technical activities subsector where output fell by 2.4% in the month". They report this was mainly driven by legal services following the end of the Stamp Duty holiday. GDP was 3.8% above the pre-pandemic peak of January 2020 but this data will be revised in the future.

Index of Monthly GDP – *Source: ONS*

DATA: ONS published UK labour market overview

They report "The early estimate of payrolled employees for May 2025 decreased by 109,000 (0.4%) on the month and decreased by 274,000 (0.9%) on the year to 30.2 million" and "Annual growth in employees' average regular earnings excluding bonuses in Great Britain was 5.2% in February to April 2025".

DATA: ONS published construction output stats for Apr 2025

They report "Monthly construction output is estimated to have grown by 0.9% in April 2025; this is the third consecutive period of positive growth, following an increase of 0.5% in March 2025".

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 29.1% in May 2025. This was down from 29.6% the previous month and 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: Zoopla reported private rents rose 2.8% in year to Apr 2025

They report "The 4-year surge in rents for new tenancies has ended as demand cools and affordability constraints increase" and "Rents are on track for a 3-4% increase over 2025".

DATA: FCA/BoE published MLAR lending data for Q1 2025

The FCA and BoE publish commentary on the release and BuiltPlace publishes a slide deck. See Chart of the Week for more detail on lending by loan-to-value ratio.

DATA: ONS published first-time buyer sales by local authority for 2024

This release updates the release of data from 2006 to 2023 earlier this year.

DATA: UK Finance published later life mortgage lending for Q1 2025

They report "There were 38,510 new loans advanced to older borrowers in Q1, up 33.5 per cent year on year. The value of this lending was £6.1bn, which was up 42.6 per cent compared with the same quarter a year previously".

DATA: FCA published Mortgage Charter uptake data for Apr 2025

They report "In the latest 3 month period (February to April 2025) around 341,000 mortgages locked into a new deal up to 6 months ahead of maturity; this compares to around 280,000 mortgages in the previous 3 month period (November 2024 to January". They also report "Between July 2023 and April 2025, the monthly payments on around 257,000 mortgages were reduced as people switched to temporarily paying interest-only or extended their mortgage term. This is around 2.9% of regulated mortgage contracts".

DATA: HBF published Housing Pipeline Report for Q1 2025

The latest release, originally published on the 5th but updated on the 9th June, shows the number of homes granted permission across England in Q1 2025 was 45,521. This was 21% lower than the same quarter last year and the annual total for 2024/25 was 233,695.

DATA: ONS published a summary of homelessness statistics across the UK

The release provides "A summary of trends in homelessness statistics across the four UK countries and the cross-UK comparability of the data". They report "The number of households assessed as homeless and owed settled accommodation from their local authority are at the highest levels recorded in at least the last six years in England, Scotland, and Wales".

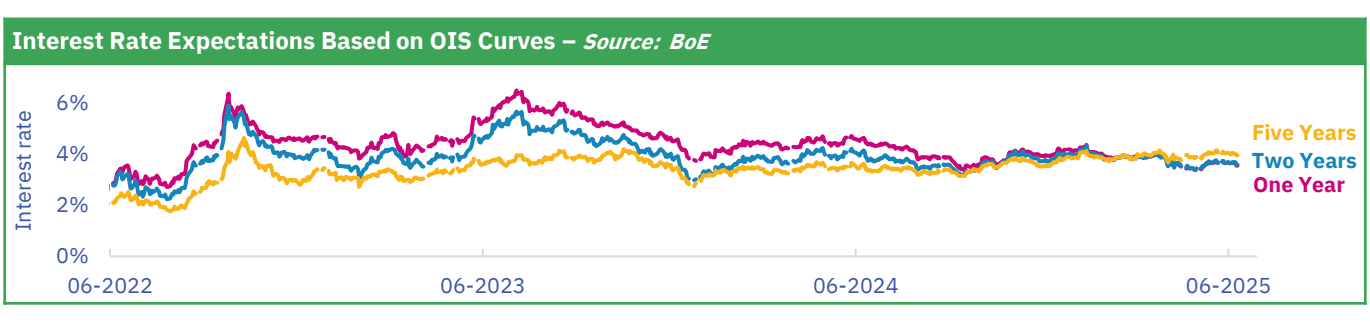
DATA: BoE published Inflation Attitudes Survey for May 2025

They report that when "Asked to give the current rate of inflation, respondents gave a median answer of 4.7%, down from 4.9% in February 2025".

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 3.56% on the 11th Jun compared to 3.64% on the 4th Jun.

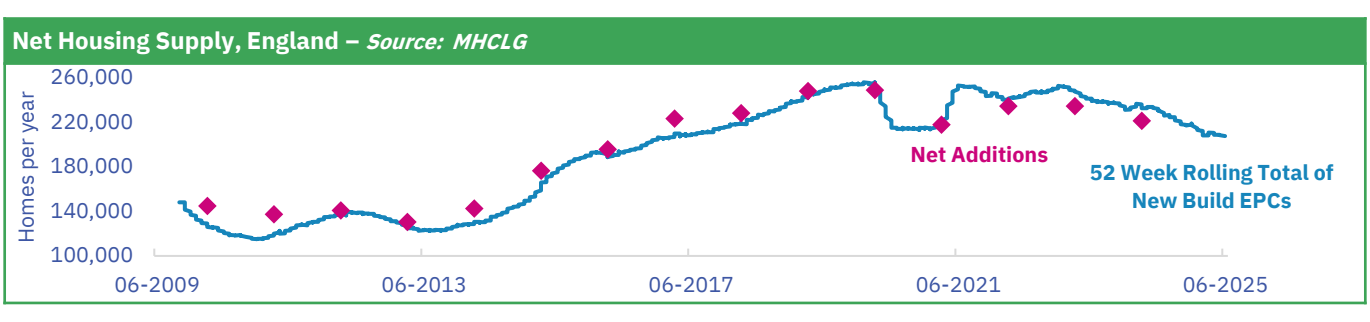
Interest Rate Expectations Based on OIS Curves – *Source: BoE*



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 207,475 for the week commencing 2nd Jun, down from 208,193 the previous week. This is the lowest number since April 2017.

Net Housing Supply, England – *Source: MHCLG*



POLICY: Chancellor presented the Spending Review 2025

On housing, the Chancellor announced: "£39 billion for a successor to the Affordable Homes Programme over 10 years from 2026-27 to 2035-36. Spending will reach £4 billion per year in 2029-30 and rise in line with inflation subsequently", "a 10-year social housing rent settlement from 2026 at Consumer Price Index + 1%, alongside a consultation to follow shortly on how to implement social rent convergence", "£2.5 billion of low-interest loans over the SR for social housing providers to further boost their capacity to invest in new development", "over £1 billion of new investment between 2026-27 and 2029-30 to accelerate the remediation of social housing, by giving social housing providers equal access to government funding as private building owners", "additional private investment to further boost house building by confirming £4.8 billion in financial transactions from 26-27 to 29-30. This additional capacity will be managed by Homes England in a manner consistent with the government's Financial Transactions Control Framework", "Investing in infrastructure and land remediation to deliver new housing schemes in partnership with the private sector", "£950 million of investment for the fourth round of the Local Authority Housing Fund", and "£100 million, including from the Transformation Fund, for early interventions to prevent homelessness".

POLICY: Government will repeal the Vagrancy Act 1824 by spring 2026

This will "ensure rough sleeping is no longer a criminal offence".

REPORT: Scottish Gov published Housing Investment Taskforce report

The report "makes a number of recommendations to increase investment across the social, affordable and private housing sectors including: Attracting other funds, in addition to public money, for affordable housing. Creating conditions to support more shared home ownership, Supporting a more entrepreneurial approach from public bodies."

REPORT(PDF): RICS published residential market survey for May 2025

They report "Sales market momentum remains relatively soft, although sentiment on the near-term outlook turns less downbeat" with "Buyer demand and agreed sales still struggling for momentum" and "House prices largely flat at the headline level".

REPORT: JRF published Poverty in Wales 2025 report

They report "There has been little progress in reducing poverty in Wales over the past 20 years, with poverty rates consistently hovering around 21–22%" and "In 2020–23, nearly half a million people in Wales lived in deep poverty, with 310,000 in very deep poverty. Poverty has intensified over time, with the proportion of people in very deep poverty rising from 33% in 1994–97 to 47% in 2020–23".

REPORT: Fabians reported on improving living standards

The report "shows how the government can make people better off in these highly challenging circumstances" and sets out "how policies can be prioritised, coordinated and communicated in practice".

REPORT: Radix reported on Unblocking the Housing Ecosystem

The report "seeks to shine a torch on where the constraints fall most heavily, identify the most pressing issues 'blocking' the system and offer new solutions to help government and industry deliver their shared agenda of building new homes" and offers nine solutions.

CORPORATE: Bellway published Trading Update

They report "The private reservation rate per outlet per week, excluding bulk sales, of 0.61 was in line with the prior year equivalent (2024 - 0.61). The private reservation rate including bulk sales increased by 8.1% to 0.67 (2024 - 0.62)". They also report "We have been encouraged by the good levels of customer demand in the period and the Group is fully sold for the current financial year. Volume output is now expected to be between 8,600 and 8,700 homes (31 July 2024 - 7,654 homes) and, in line with previous guidance, the underlying operating margin is expected to approach 11.0%3 (31 July 2024 - 10.0%)".

CORPORATE: Crest Nicholson published Half-Year Report

They report "HY25 open market sales per outlet week at 0.53 (HY24: 0.47) with significant improvement in sales rate since mid January (0.61) as the early benefits of improved sales execution are realised". They also report "Overall, we are not experiencing any meaningful build cost inflationary pressures, either on the labour or material side and we continue to reinforce operational disciplines to reduce abortive costs. Planning reforms continue to move slowly but positively. As such, we anticipate further stabilisation in the trading environment in the second half of the year".

Chart of the Week

The latest FCA/BoE MLAR data shows a recovery in lending in Q1 2025, thanks to the rush to complete before the Stamp Duty holiday ended. The total value of gross regulated mortgage advances in Q1 2025 was 51% higher than the same quarter the previous year. However, this figure varies by loan-to-value (LTV) ratio. The value of gross advances for those with an LTV of 75% or less was only 30% higher than last year while the value of lending at an LTV of more than 90% to 95% was 97% higher. It was also the highest value of lending (in nominal terms) for this category of LTVs since Q2 2008. However, the same can't be said of the highest LTV category: over 95%. Gross advances in this category were up 54% compared to a year earlier but were still 89% lower than Q2 2008, compared to just 3% lower for the 90 to 95% LTV category.

Quarterly Gross Regulated Mortgage Advances by Loan-to-Value Ratio

Source: FCA MLAR (nominal values)

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