

Article

# Coronavirus and housing indicators in England and Wales

Recent housing indicators during the coronavirus (COVID-19) period. This article brings together a number of statistics that provide insights on housing, including property transactions, mortgage approvals and Energy Performance Certificates.

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# 1 . Main points

- Various data sources suggest that changes to the housing market in England and Wales primarily happened in April 2020, coinciding with the first full month of the lockdown.
- There was a large decrease in the number of Energy Performance Certificate lodgements in April 2020 followed by rises in May and June across England and Wales.
- Residential property transactions (based on Stamp Duty Land Tax records) in England, for April and May 2020, were around half that shown for the same months in 2019.
- Residential Land Transaction Tax transactions in Wales fell in April and remained low in May 2020.
- The number of property transactions currently recorded by HM Land Registry for February and March 2020 is lower than in 2019 in both England and Wales, but this is likely because of delays in recording.
- The number of mortgage approvals for house purchase in the UK fell sharply in April 2020 and continued to fall in May.

## 2 . Introduction

This article brings together the latest official statistics and published data on housing indicators in England and Wales, focusing on housing transactions data. By looking across a range of sources a more comprehensive picture of housing can be developed than by looking at a single data source in isolation.

These data sources have been brought together to help understand trends in housing indicators during the coronavirus (COVID-19) pandemic. There are many more official statistics published across the UK on a range of housing topics, which are not included here. These can be found from individual government department or devolved administration websites, the GOV.UK [statistics release calendar](#) or the [UK Housing and Planning Statistics Landscape](#). There are also other datasets and statistics produced by non-governmental sources such as estate agents, house builders or charities, but these were not considered for this article.

Each of the data sources used in this article have their own strengths and weaknesses and as with most data sources there is a potential trade-off between timeliness and quality.

In terms of understanding the impact of the coronavirus, initial government guidance was issued on 26 March 2020 requesting delays to property moves and restrictions on viewings. This has since been updated in [England](#) and [Wales](#), with the period following 26 March 2020 generally referred to as "lockdown". The majority of the statistics presented show both the period before lockdown began and the following months.

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## 3 . Recorded residential property transactions

When someone sells a residential property in England and Wales, the change in ownership is registered with [HM Land Registry](#) and recorded in its "[Price Paid Data](#)".

The number of residential property transactions recorded by HM Land Registry (HMLR) in its Price Paid Data was notably lower in February and March 2020 compared with both January 2020 and the same period in 2019.

We present an analysis of the currently available data, however, it must be noted that there is a delay between when a residential property is sold and when this is registered in the property transactions data. This means that transactions for the most recent months will be revised upwards in future data releases. This is a normal feature of this data source, however, the delay and size of revisions may be increased because of the pandemic.

The amount of time taken to register the sale varies, but typically ranges between two weeks and two months (longer for new builds). This is following receipt of the application from conveyancers after completion, which is also subject to varying delay.

Looking at the most recent months' data, a reduction of recorded property transactions in England and Wales may comprise of either:

- normal registration delay
- possible additional registration delay because of the coronavirus (COVID-19) (either delays in transactions data sent to or processed by HM Land Registry)
- a reduction in housing activity because of the coronavirus

#### **More about coronavirus**

- Find the latest on [coronavirus \(COVID-19\) in the UK](#).
- All ONS analysis, summarised in our [coronavirus roundup](#).
- View [all coronavirus data](#).
- Find out how we are [working safely during the pandemic](#).

## **England**

Figure 1 shows recorded property transactions for 2019 and January to March 2020, as released on 26 June 2020, for England.

Residential property transactions decreased by around 13% in February 2020, falling from 49,100 in January to 42,800. This is also around 12,600 lower compared with February 2019.

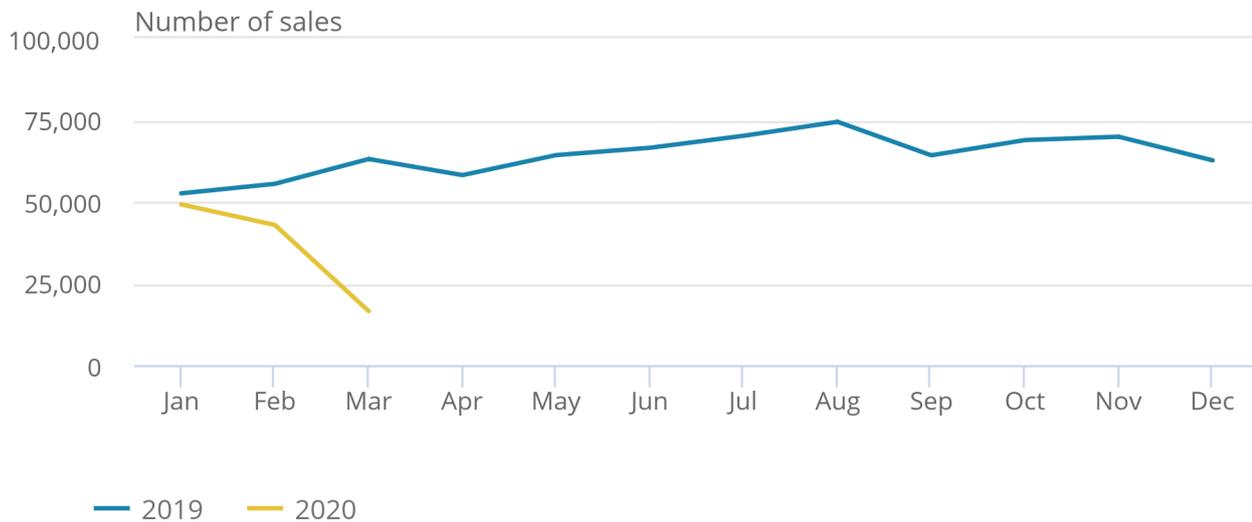
Transactions for March 2020 were around 16,500, although, as set out previously, we would expect this number to increase as more properties are registered.

**Figure 1: There has been a fall in recorded property transactions in February and March 2020 in England, but this is likely because of delays in recording**

Registered property transactions by month, 2019 and 2020, England

Figure 1: There has been a fall in recorded property transactions in February and March 2020 in England, but this is likely because of delays in recording

Registered property transactions by month, 2019 and 2020, England



Source: HM Land Registry – Price Paid Data

Notes:

1. Price Paid Data are Category A (Standard), which includes single residential properties sold for full market value.
2. Data are provisional and are revised upwards each month, with the largest revisions for the most recent months as more transactions are registered.
3. Data published on 26 June 2020.
4. Available data for April and May 2020 have not been included. These data are incomplete due to the impact of COVID-19 on HM Land Registry operations and is currently unlikely to be a true indicator of market activity.

In general, the percentage drop in the number of residential property transactions for English regions closely follows that for England as a whole during this period with the overall change from January to March similar across all regions. The exception was London, where the initial percentage fall of 9.8% in January 2020 was around half that of England (20.8%).

As mentioned earlier there is a delay between when someone sells a residential property and when this is registered in the property transactions data. This means that transactions for the most recent months will be revised upwards in future.

Table 1: Number of registered property transactions for English regions, January 2020 to March 2020

	January 2020	February 2020	March 2020	January to March (% change)
North East	2,328	1,960	739	-68.3
North West	6,628	5,817	2,160	-67.4
Yorkshire and The Humber	5,184	4,314	1,626	-68.6
East Midlands	4,408	4,012	1,502	-65.9
West Midlands	5,018	4,258	1,617	-67.8
East of England	5,840	5,206	2,003	-65.7
London	5,403	4,589	1,817	-66.4
South East	8,495	7,573	2,958	-65.2
South West	5,839	5,118	2,057	-64.8
England total	49,143	42,847	16,479	-66.5

Source: HM Land Registry – Price Paid Data

#### Notes

1. Price Paid Data are Category A (Standard) which includes single residential properties sold for full market value. [Back to table](#)
2. Data are provisional and are revised upwards each month, with the largest revisions for the most recent months as more transactions are registered. [Back to table](#)
3. Data published on 26 June 2020. [Back to table](#)
4. Available data for April and May 2020 have not been included. These data are incomplete due to the impact of COVID-19 on HM Land Registry operations and is currently unlikely to be a true indicator of market activity. [Back to table](#)

## Wales

Figure 2 shows recorded property transactions for 2019 and January to March 2020, as released on 26 June 2020, for Wales.

Registered property transactions decreased by around 12% in February 2020, falling from 2,800 in January to 2,500. This was around 600 lower than for February 2019.

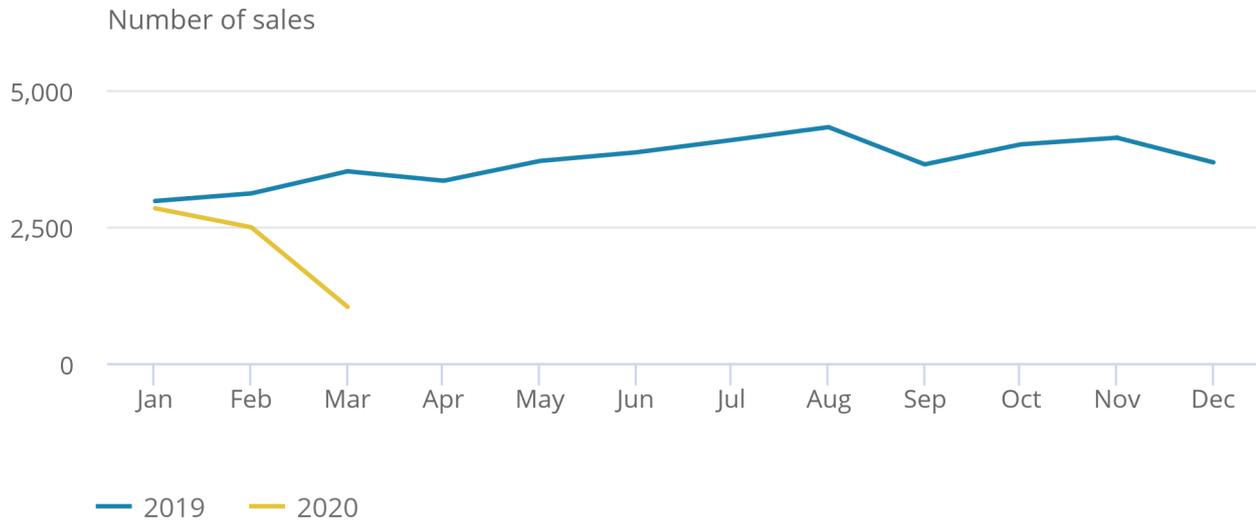
Transactions for March 2020 only number around 1,000, although, as set out earlier, we would expect this number to increase as more properties are registered.

**Figure 2: There has been a fall in recorded residential property transactions in February and March 2020 in Wales, but this is likely because of delays in recording**

Registered property transactions by month, 2019 and 2020, Wales

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Registered property transactions by month, 2019 and 2020, Wales



Source: HM Land Registry – Price Paid Data

Notes:

1. Price Paid Data are Category A (Standard), which includes single residential properties sold for full market value.
2. Data are provisional and are revised upwards each month, with the largest revisions for the most recent months as more transactions are registered.
3. Data published on 26 June 2020.
4. Available data for April and May 2020 have not been included. These data are incomplete due to the impact of COVID-19 on HM Land Registry operations and is currently unlikely to be a true indicator of market activity.

Given the delay between when someone sells a residential property and when this is registered in the property transactions data the remainder of this article looks at alternative data which is more timely and can give an indication of housing transactions.

## 4 . Stamp Duty Land Tax and Land Transaction Tax

[Stamp Duty Land Tax](#) in England and [Land Transaction Tax](#) in Wales are paid when a property or land is bought over a certain price. These statistics can be used as a timelier housing indicator as data up to May 2020 were published in June.

### England

The [residential and non-residential Stamp Duty Land Tax \(SDLT\) transactions](#) statistics for England are published by HM Revenue and Customs and shown in Figure 3.

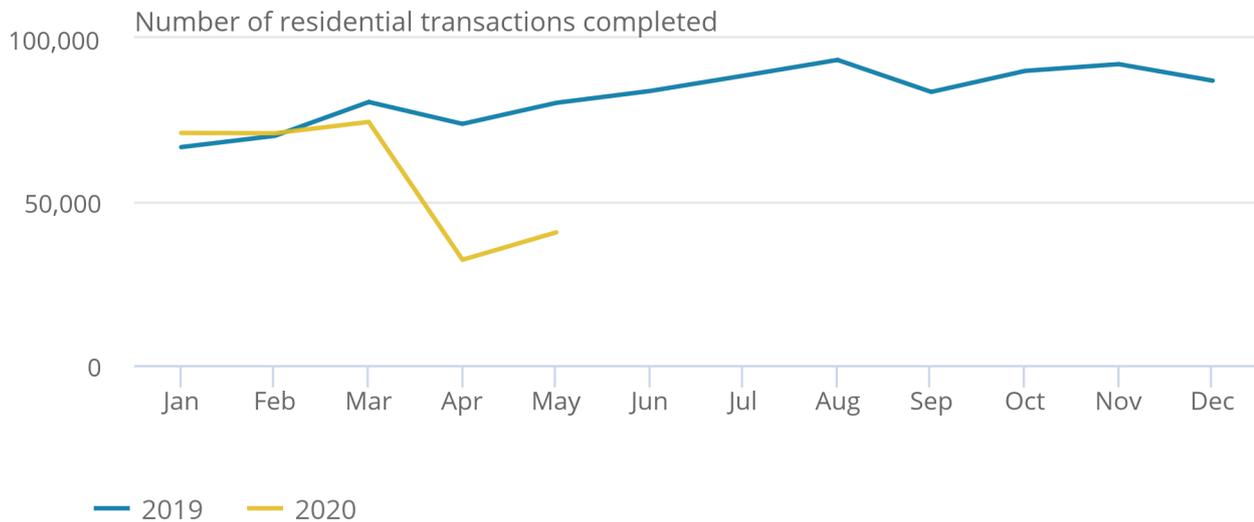
The data show that residential transactions in England between January and March 2020 were at a similar level to the previous year. But in April 2020 and May 2020, they fell to around half that shown in the same period in 2019.

**Figure 3: Residential property transactions completed in England, for April and May 2020, were around half that shown for the same months in 2019**

Residential property transactions completed by month, 2019 and 2020, England

Figure 3: Residential property transactions completed in England, for April and May 2020, were around half that shown for the same months in 2019

Residential property transactions completed by month, 2019 and 2020, England



Source: HM Revenue and Customs

Notes:

1. Residential property transaction completions of £40,000 or above.
2. Data are provisional and are expected to be revised. Data as published on 23 June 2020.
3. Further notes are available in the [published HMRC statistics](#).

## Wales

In Wales, statistics on the [number of property transactions subject to the Land Transaction Tax \(LTT\)](#) are published by the Welsh Revenue Authority and shown in Figure 4.

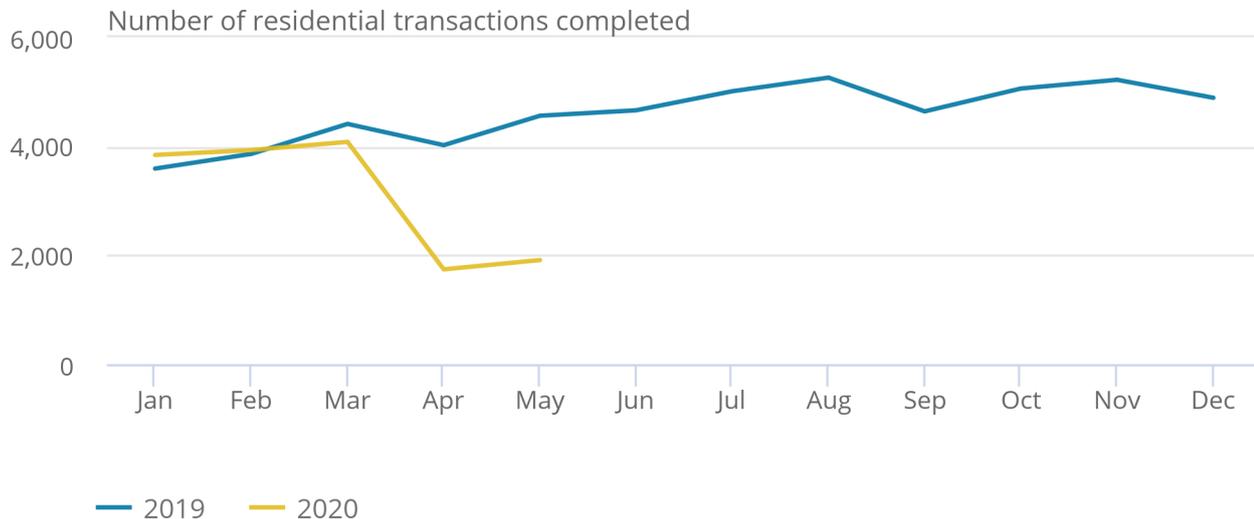
These data show residential property transactions, which were completed in April and May 2020, were less than half those recorded for the same months in the previous year.

## Figure 4: Residential property transactions completed in Wales fell in April 2020 and remained low in May

Residential property transactions completed by month, 2019 and 2020, Wales

### Figure 4: Residential property transactions completed in Wales fell in April 2020 and remained low in May

Residential property transactions completed by month, 2019 and 2020, Wales



Source: Welsh Revenue Authority - Land Transaction Tax returns

#### Notes:

1. Transactions of residential property completed with a value of £40,000 or more.
2. Data for May 2020 are provisional. Data for February to April 2020 have routinely been revised and all data are subject to revision in future. Data as published on 19 June 2020.
3. Further notes are available in the [published Welsh Revenue Authority statistics](#).

From the date that a transaction is completed, the taxpayer (or their agent) have 30 days to submit the Land Transaction Tax return to the Welsh Revenue Authority.

The Welsh Revenue Authority also publish [data by week on Land Transaction Tax](#). This is published on a different basis than the monthly data. To show an up-to-date position on weekly levels of transactions, the weekly data are based on the date of submission rather than the date that the transaction was carried out. However, the monthly data on transactions completed in Wales should instead be used if comparing with data from other countries of the UK.

## 5 . Energy Performance Certificates (EPC)

An Energy Performance Certificate (EPC) contains information on the energy efficiency of a property and is a requirement when a property is built, sold or rented in England and Wales. The data are published daily and as such, they can be used as a timely indicator for the number of transactions. EPCs are also required for existing properties that are converted or have changed use.

Figure 5 shows the number of EPC lodgements from the [EPC register website](#) (for England and Wales) for the last 12 months, for new and existing dwellings. Lodgement data are released daily, the monthly data shown were as at 1 July 2020.

There was a nearly 80% decrease in the total number of EPC lodgements in April 2020 compared with the previous month. Lodged EPCs for existing properties fell from around 112,000 in March to 24,000 in April and for new properties from 23,000 to 5,500. This was followed by an increase in EPC lodgements in May 2020 to nearly 50,000 for existing dwellings and 8,000 for new dwellings, but were still much lower than for March 2020. Figures for June returned to levels similar to those seen in January to March 2020.

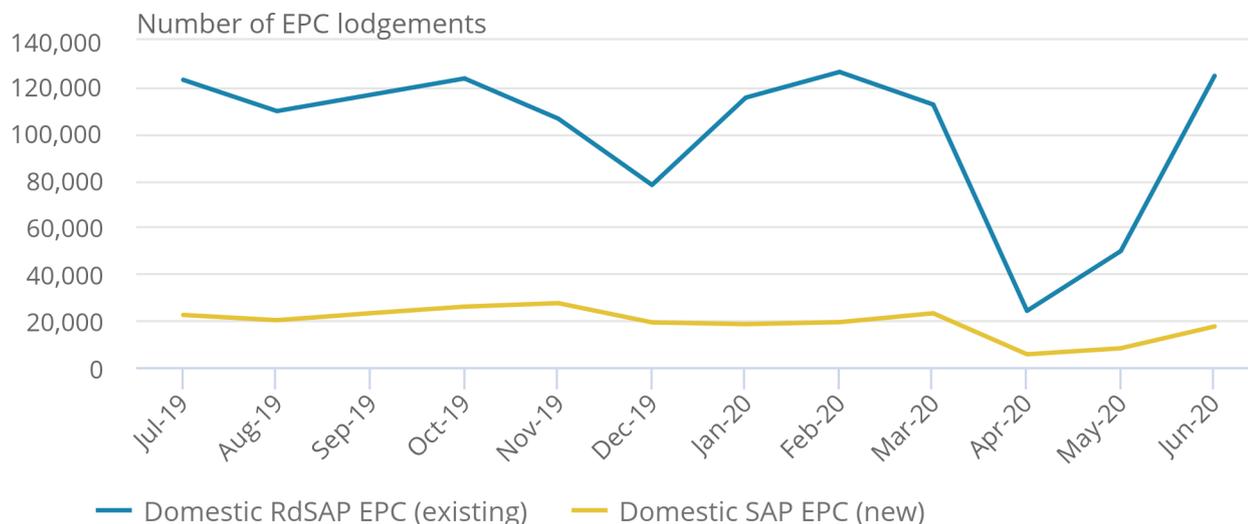
The fall in the number of EPCs generated and lodged during April and May coincides with the government guidance issued on 26 March 2020 requesting delays to property moves and restrictions on viewings. An EPC requires an energy assessor to physically visit a property to conduct the assessment. In addition, a reduction to construction would contribute to the delay in EPC assessments of new dwellings.

**Figure 5: There was a large decrease in the number of Energy Performance Certificates (EPCs) lodgements in April 2020 followed by increases in May and June**

EPC lodgements by month, England and Wales, July 2019 to June 2020

**Figure 5: There was a large decrease in the number of Energy Performance Certificates (EPCs) lodgements in April 2020 followed by increases in May and June**

EPC lodgements by month, England and Wales, July 2019 to June 2020



Source: Ministry of Housing, Communities and Local Government (MHCLG) Domestic - Energy Performance Certificate Register

**Notes:**

1. Data published 1 July 2020.
2. Further notes are available on the [EPC lodgement statistics webpage](#).

## 6 . Mortgage lending

Many people who look to buy a property will do so whilst taking out a mortgage, a loan secured on their dwelling.

As part of the Bank of England's monthly [Money and Credit statistical release](#) the number of approvals of loans secured on dwellings (mortgages) are published.

The number of mortgage approvals for house purchases in the UK fell sharply in April 2020, to 15,900, around 80% below the February level. Approvals for remortgage (which include remortgaging with a different lender only) have fallen by less, to 34,100, 34% lower than in February.

Unlike the Stamp Duty and Energy Performance Certificate (EPC) statistics discussed earlier, the number of mortgage approvals continued to fall in May 2020. The number of mortgage approvals for house purchase fell to a new series low in May, of 9,300. This was almost 90% below the February level and around a third of their trough during the financial crisis in 2008.

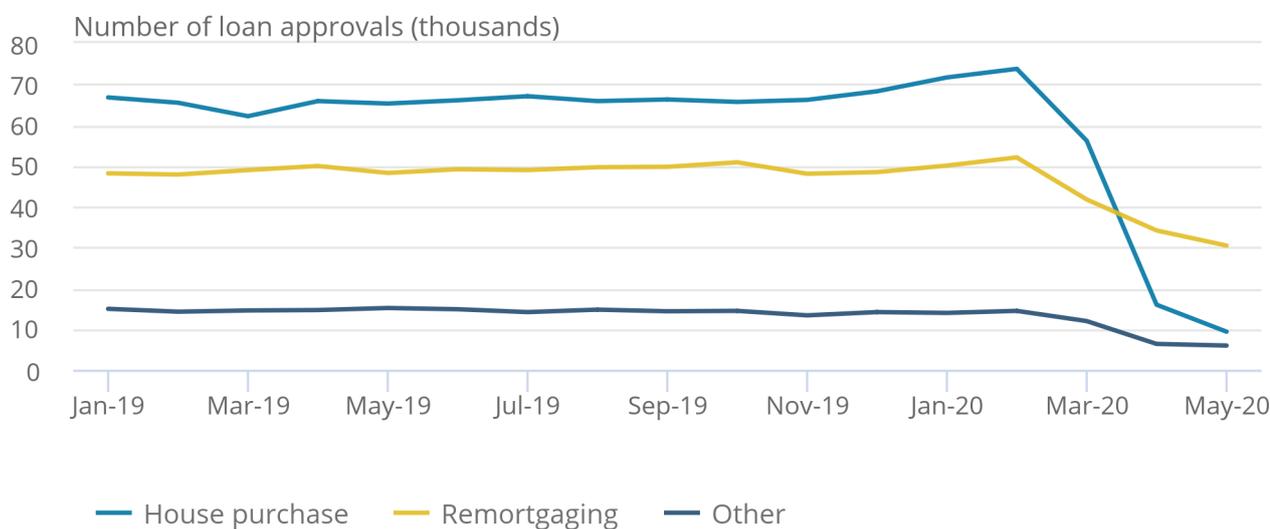
Approvals for remortgage have also fallen, to 30,400 in May 2020; this fall was a little less sharp and they are 42% lower than in February.

**Figure 6: There was a large decrease in the number of approvals for mortgages for the UK in April 2020**

Approvals of loans secured on dwellings by month, UK, January 2019 to May 2020

Figure 6: There was a large decrease in the number of approvals for mortgages for the UK in April 2020

Approvals of loans secured on dwellings by month, UK, January 2019 to May 2020



Source: Bank of England

Notes:

1. Data published on 29 June 2020.
2. Seasonally adjusted.
3. Further notes are available in the [original release](#) on the Bank of England website.

## 7 . Summary

Bringing together a number of different statistics from a range of producers can be helpful to see across the whole landscape and corroborate a story. Looking at the timely data sources available, they suggest that there was little change in housing transactions up to March 2020, with a fall in April, coinciding with the first full month of the lockdown. This was largely followed by a small increase in May. Only one dataset, Energy Performance Certificate (EPC) data, currently has June data available and this suggests a recovery to levels similar to January to March. However, it will take some time to see whether this recovery is evident in the other sources.

Each data source shows a slightly different pattern, but on face value, the Land Registry transaction data do not currently present the same picture as the other data sources. While Land Registry data on the number of recorded property transactions may be the gold standard legal count of transactions, the complexities around the recording and registering of the data means that it can be delayed.

Therefore, when looking at the patterns in transactions from March 2020 onwards, the other data sources presented in this article may be more accurate than the Land Registry data as they are more timely and less likely to be affected by delays in recording.

Table 2: Month-on-month percentage changes by data source

Data source	Coverage	Jan to Feb	Feb to Mar	Mar to Apr	Apr to May	May to Jun
HM Land Registry Price Paid Data transactions	England	-13%	-62%	N/A	N/A	N/A
	Wales	-12%	-59%	N/A	N/A	N/A
HMRC Stamp Duty transactions	England	0%	5%	-57%	26%	N/A
Welsh Revenue Authority- Land Transaction Tax transactions	Wales	2%	4%	-57%	10%	N/A
MHCLG - Energy Performance Certificates new properties	England and Wales	5%	20%	-76%	47%	116%
MHCLG - Energy Performance Certificates existing properties	England and Wales	10%	-11%	-79%	106%	151%
Bank of England - Mortgage approvals (house purchase)	UK	3%	-24%	-72%	-42%	N/A

Source: Office for National Statistics

The UK has a rich variety of housing statistics collected and published and on occasion it can be beneficial to bring these together, as here in this article or a [housing landscape](#), to be greater than the sum of their parts.

We would appreciate your feedback on whether you found this article useful or if there would be other similar articles you would be interested in, please contact us at [GSS.Housing@ons.gov.uk](mailto:GSS.Housing@ons.gov.uk).

## 8 . Data sources

In this article we have used data from a number of different sources, these data sources have been brought together to help understand trends in housing indicators during the coronavirus (COVID-19) pandemic. Links to each of the data sources used in this publication are in this section.

There are many more official statistics published across the UK on a range of housing topics, which are not included here. These can be found from individual government department or devolved administration websites, the GOV.UK [statistics release calendar](#) or the [UK Housing and Planning Statistics Landscape](#).

- HM Land Registry – [Prices Paid Data](#) – May 2020 data
- HM Revenue and Customs - [Monthly property transactions completed in the UK with value of £40,000 or above](#) – Table 3
- Welsh Revenue Authority - [Land Transaction Tax statistics](#) – Table 1
- Ministry of Housing, Communities and Local Government – [EPC lodgement statistics](#) – accessed 1 July 2020
- Bank of England – [Money and Credit](#) – Table E