

# What Kind of Recovery?

By

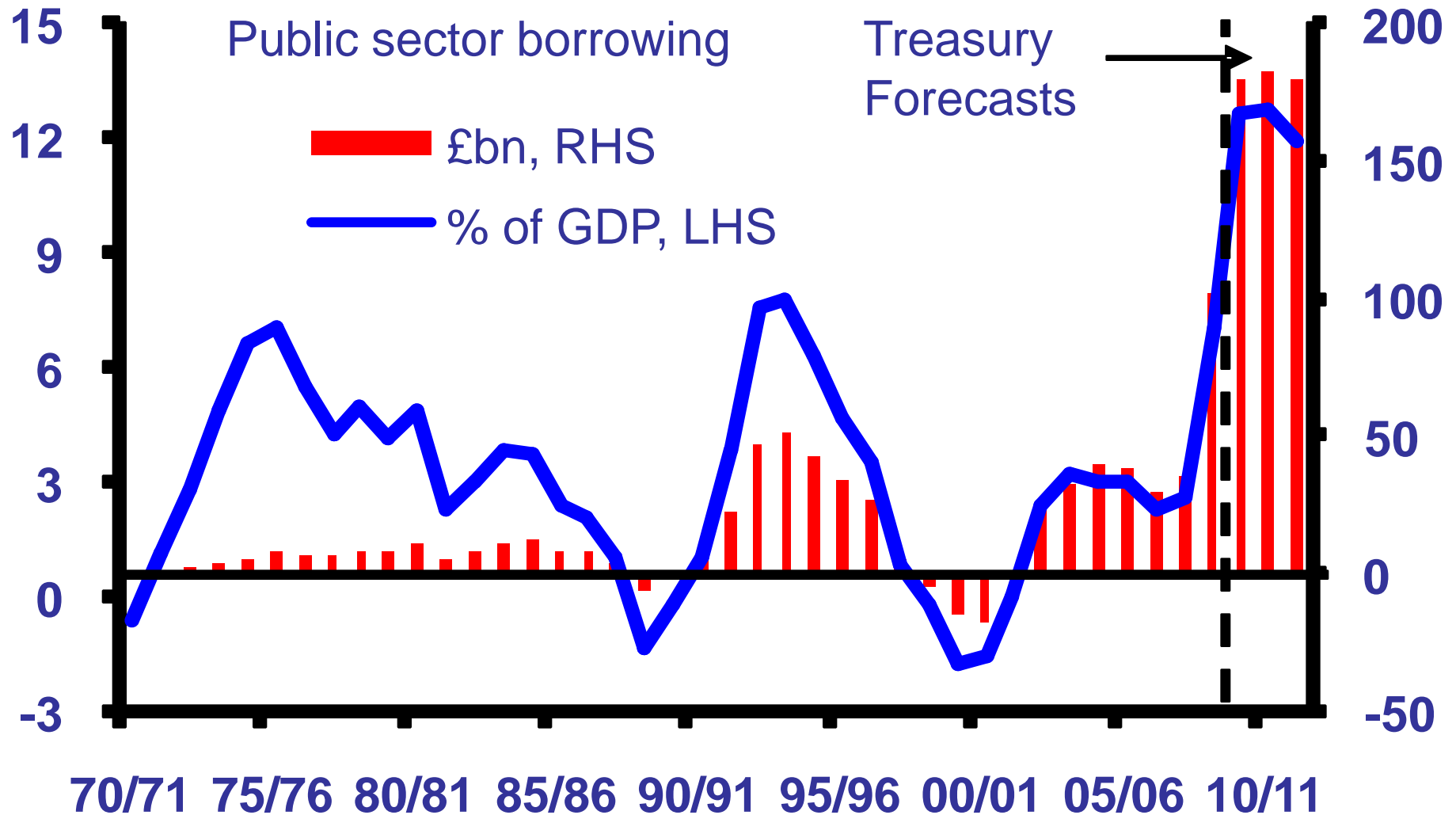
Ed Stansfield



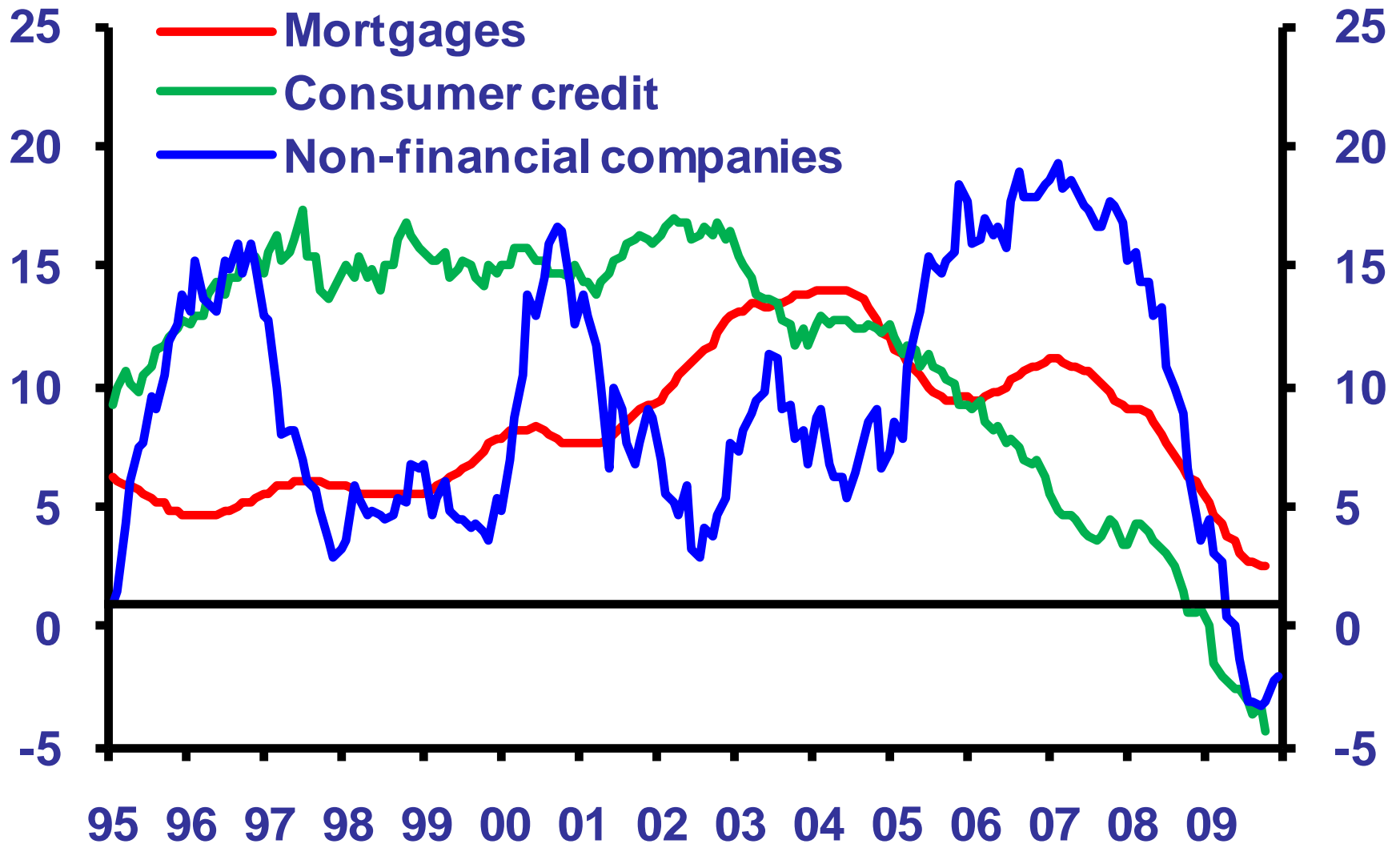
# 1. Key Points

- **The recovery will disappoint.**
- **Current inflation concerns will fade.**
- **Interest rates will stay very low.**
- **The house price upturn is premature.**

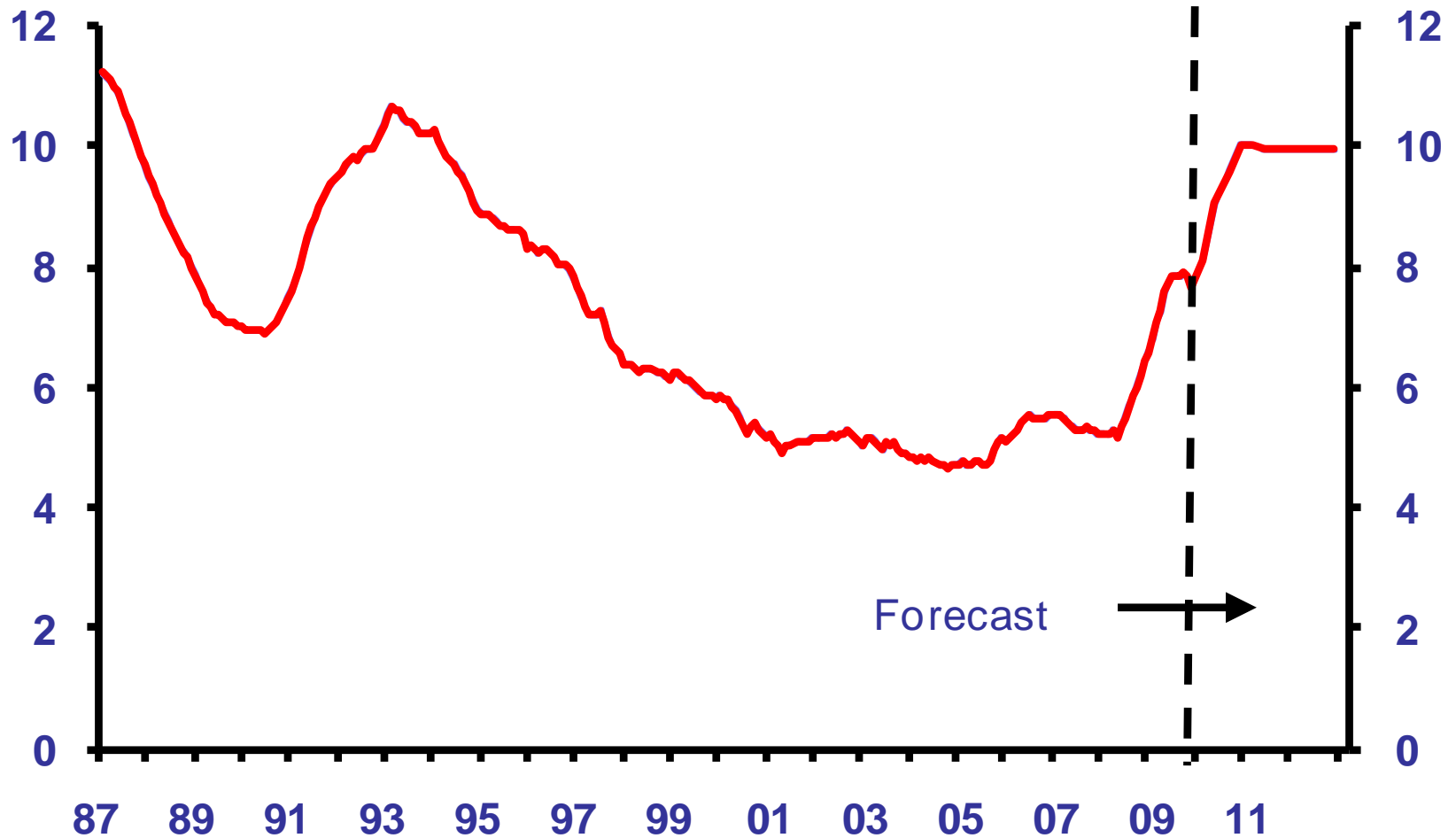
## 2. Public Sector Borrowing



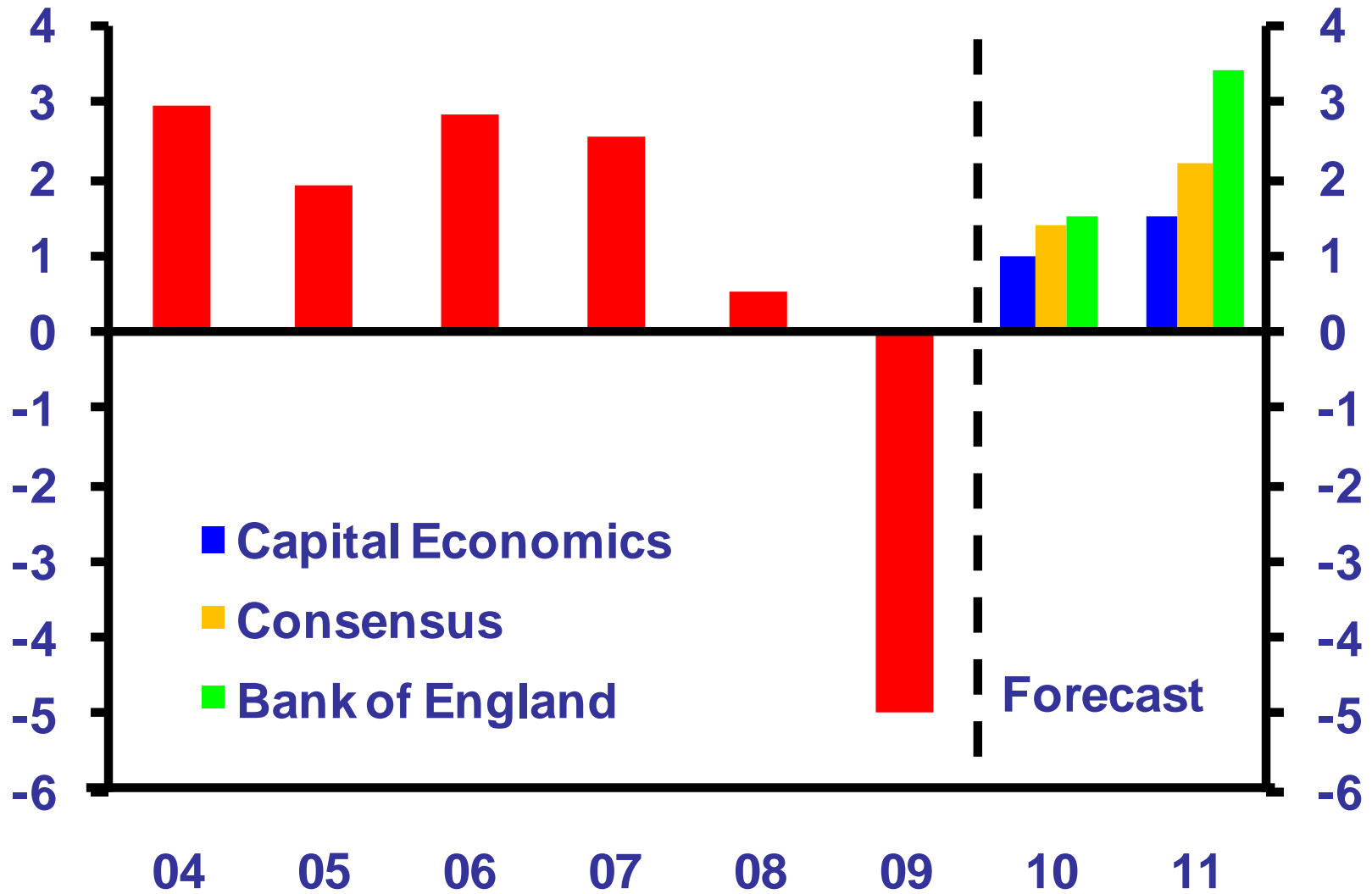
### 3. Bank Lending Growth (%y/y)



# 4. Unemployment Rate (%)



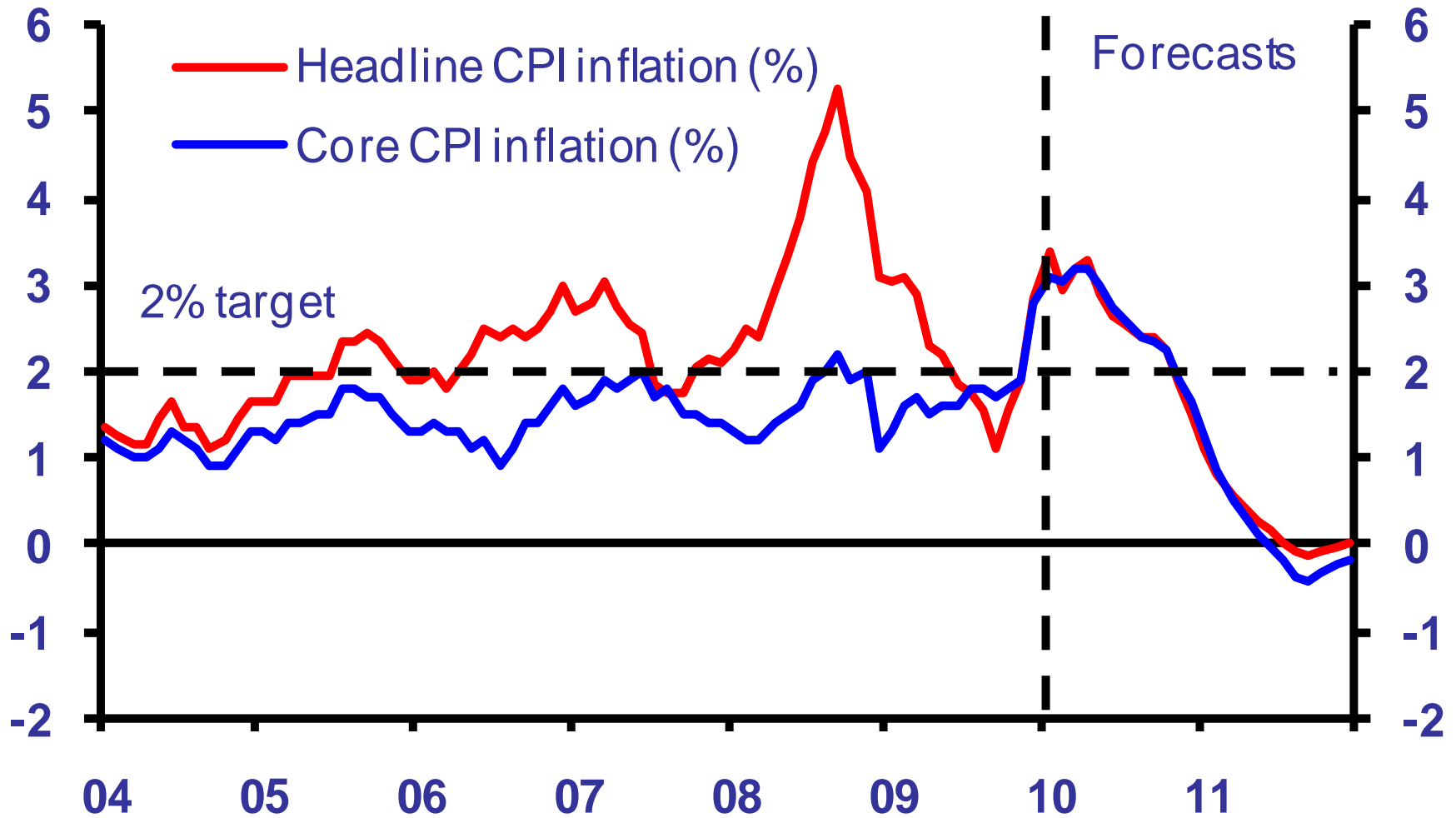
# 5. Real GDP Growth (%/y/y)



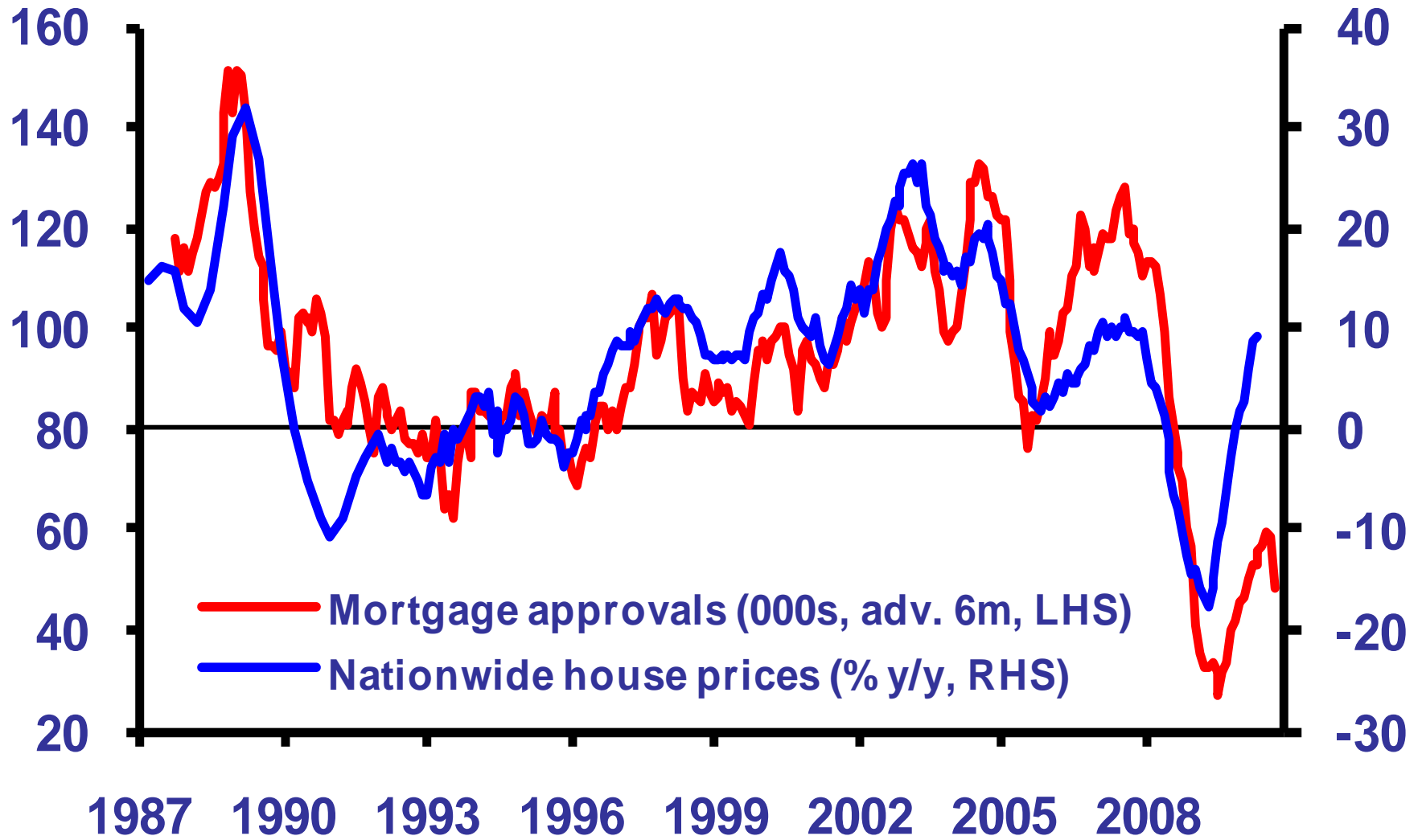
Sources: Thomson Datastream, Consensus Economics, BoE, Capital Economics



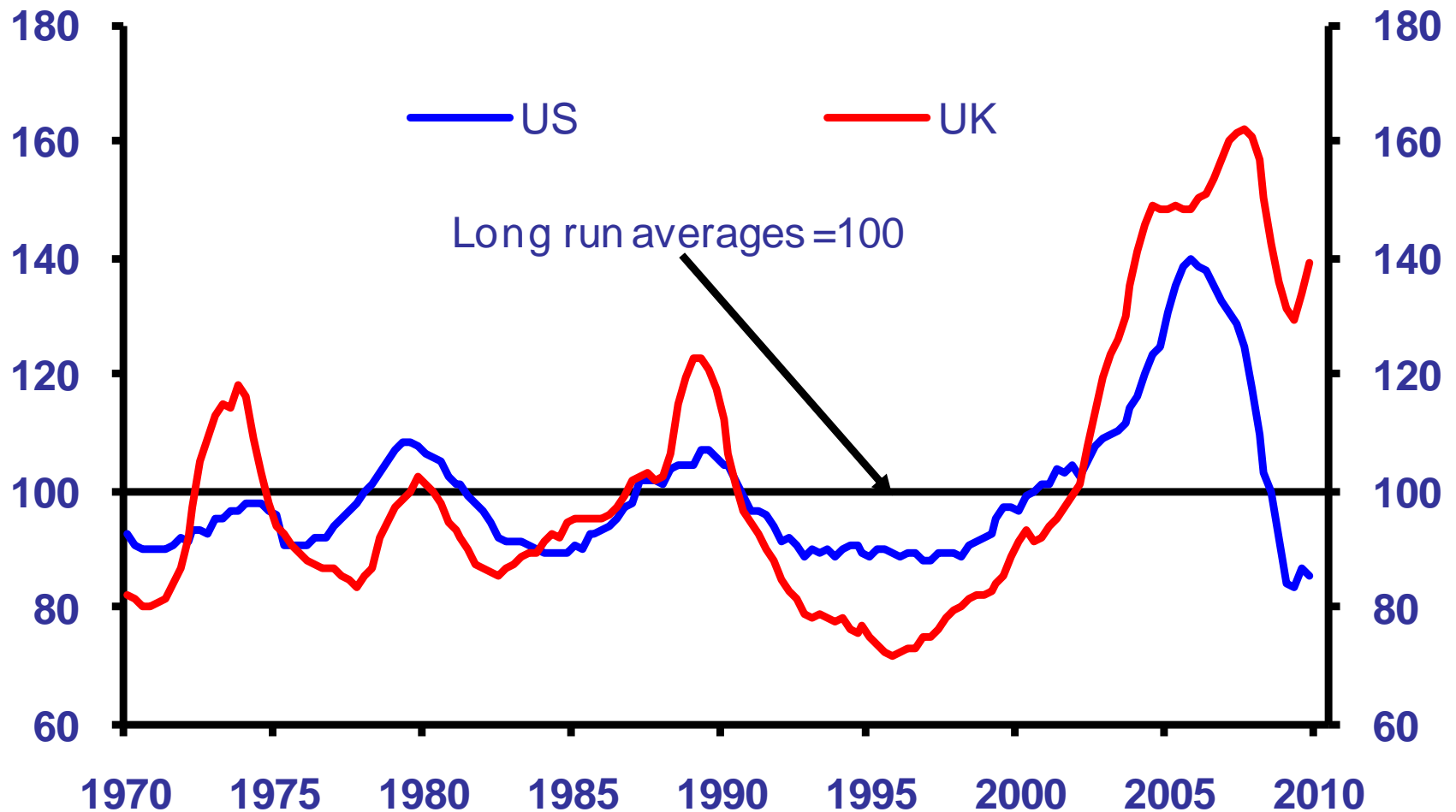
# 6. CPI Inflation (%/y)



# 7. Mortgage Approvals and House Price Inflation



# 8. Ratio of House Prices to Average Earnings in the UK and US



# 9. Post-War Booms and Busts in Real UK House Prices

