

[Transcript] The News Agents / Are house prices about to plummet?

This is a global player original podcast.

Readers of the London Evening Standard might have been forgiven for being a little bit concerned by one of the headlines in today's paper, which says, house price tipping points is London heading for a property market apocalypse.

Yeah, apocalypse.

And that comes after news, the latest news on house price data across the country, which showed that house prices are now falling at the fastest rate for 14 years since 2009.

And you all remember what happened then.

Yeah, we're talking about the financial crash, of course.

And that's why we're looking at a fall of nearly 4% year on year because of rising mortgage costs.

Every time the interest rates go up, they affect many people's mortgage rates and the higher your mortgage rate, the less able you are to afford a bigger, a more costly house.

So that is why we're looking right now at a place that we rarely see in this country, to be honest, which is the beginning of house prices tumbling.

So today, let's work our way back from apocalypse through crash to big drop and maybe soft landing.

We're trying to work out what this fall in house prices means for everyone.

Does it imply there'll be more stock to go around for first time buyers trying to get on the ladder for the first time, or will this just make everyone a bit poorer?

Welcome to the news agents.

The news agents.

It's Emily.

It's Lewis.

And later in the show, we are going to be taking a look at what's been happening in Ukraine because over the last few days, there have been a particularly significant new wave of missile strikes against civilian targets in the country.

And obviously, the war is still ongoing, while over 500 days on no end in sight.

And as well, the war increasingly turning up within Russian territory, changing the game again.

But we're going to start by talking about house prices, not in a dinner party way, but because there's been an awful dinner party, we've got no dinner, we've got one can of water and your dog.

But basically, we're looking at the largest recorded drop since July of 2009.

And to put this into perspective, the average price now, it's £260,000, which is down from 262 a month ago, but down from £292,000 in November of last year.

And November really symbolised the peak average house price in the way that these things lag. Because what did we see in September, October?

We saw the Kwarteng Trust's economic vision for the country, that mini-budget that led to utter devastation on the bond markets and the beginning of this new cycle of pushed up borrowing costs to try and rescue the position we'd got to where much of the city, much of the market had lost confidence.

And so we are now looking at what seems to be the lowest drop for what, nearly 15 years, but may end up seeing falls of up to 10%.

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Yeah.

And we have not seen anything like that in our housing market for a long time.

And we know, just to think about the politics for a moment, we know that whenever there is that kind of correction, a correction, by the way, people are talking about about 10%, between 5% and 10% as a soft landing for the housing market.

It won't feel like that for a lot of first time buyers who have bought, who have had to buy over the last five to 10 years with house prices increasing at a gallop.

So a 10%, if we take the 260 grand average, for example, you're talking about £26,000 or so, you're talking about easily, and obviously for bigger properties, far more, easily ending up in a situation of negative equity.

And that will have a profound political impact.

We can already see the damage that is being wreaked on the Sunat government as a result of mortgage increases.

And of course, we're not necessarily at the peak of interest rate cycle yet.

Bank of England has increased interest rates 13 times since December 2021.

Today the average two year fixed deal is now standing at 6.85%.

Huge increase on where it was even just a year ago.

And you can see that feeding through to the market itself.

So sales are now down 15% compared to 2022.

So this is a housing market, which although still has activity in it, is much subdued and the connection between the housing market and politics really, as we've seen time and time again, is an absolute one.

Yes, I think politically, this is a really interesting conundrum because there is so much pressure on the government right now to build more housing.

We know that the reason people cannot afford housing in this country is simply there isn't enough.

Most people can't buy the house, can't even rent the house that they want to be able to afford because of the shortage.

Because we live on an island, because there is not an endless supply of room to build, because we've had these very, very strict planning laws about green belts and brown belts and where you can't actually construct.

And because the government has repeatedly, I mean, over many, many years, listened to, if you like, the interests of MPs who are nervous about their constituents' displeasure if housing estates are built in their back garden, nothing gets done.

So on the one hand, nobody wants to hear about a housing crash, right?

Nobody wants to feel if they're in charge and talk about the Prime Minister that the economy is going backwards.

On the other hand, he might then feel it takes some of the pressure off this push towards relaxing planning applications.

Because if housing prices are going down, then presumably there is the perception of more stock for people to buy.

Except the problem is, of course, and there will be people listening to this, no doubt, younger people who are like, oh, well, you know, cry me a river.

These enormous assets that have increased in price hugely as a result of record low interest

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rates over the past 15 years.

Also, people who own houses as assets accumulating more and more and more wealth as a result.

People think, well, so what?

Maybe this is finally an opportunity for me to get on the much fable housing ladder.

The problem is, of course, that the reason that this correction, this fall, this maybe a crash, whatever you want to call it in the end, has come about is not because of increased stock.

It's come about because of increased interest rates and rates rising at a speed at which no one thought would happen.

And no one can afford.

And no one can afford.

So even if prices come down a bit, your affordability goes down.

It actually costs more to service the mortgage.

So, for example, someone at an average wage who wants to buy an average property in Britain, that's 260 grand, would have to spend now 43% of their take home pay to pay for the mortgage.

That is up from 32% just a year ago and up from the long-term average of 29%.

That is massive, not only in terms of economically and financially for an individual person.

It's massive again politically.

That is the sort of thing that people really begin to notice when in the space of only a year, the cost of your mortgage or the cost of taking out a new mortgage has effectively gone up by, what, 10 percentage points.

It's a big, big thing.

And then if you combine that in terms of what you need just to get a deposit, 40 years ago, it took the average couple three years to save for a deposit.

Today it takes nine years or 15 in London.

The fact is the sort of correction that we're seeing, although it could be significant in terms of pushing owners into negative equity, it's not really going to touch the sides of that.

That is how broken the overall market remains and has been for a long time.

Yeah.

But if you talk to some of the biggest state agents, actually, particularly in the big cities, particularly in London, then you'll hear them saying, actually, the market is pretty stable because they might have fewer first-time buyers, but actually they're getting more people who are paying cash, you know, coming in and just buying the million-pound properties of which there are still a huge number in London because of the ridiculous overheated housing market, and that is not going to help anyone who's trying to get on the ladder for the first time.

Yeah.

I mean, I was walking on Saturday passing the state agent not far from where I live in Crystal Palace in South London, and I noticed a sign on it, which says, I took a picture of it, I've got it here, which says, move to Middlesbrough.

We have attractive two and three bedhouses to rent in Middlesbrough, professional or benefits accepted, and there was more information next to it, alluding to the fact that if you're on benefits or if you're on a low income, the chances of the council or anyone else being

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able to provide you any sort of house are almost nil.

It also said they will facilitate purchase in Middlesbrough as well.

It's nothing against Middlesbrough, my dad's from Middlesbrough, but the point is, how broken is a market for poor people, for average income people, even for richer people, when basically you're going past a London estate agent, and basically one of the best things they can do is try and facilitate a move to a town which is four or five hours away that you probably know nothing about, just because there's somewhere in England you might be able to afford something.

I mean, that is how broken and bust this entire system is.

We've grown up in a culture where you have been encouraged to put your savings into buying a house as soon as you can, because that is seen as fundamentally the safest way to secure your cash or your investment, your future, and actually, Lewis, you were arguing this before we came into the studio, that it caused into question the whole idea of our productivity, because actually the idea of cash just sitting, just sitting in bricks and mortar, not being invested, not on the stock market, not becoming part of your entrepreneurial idea, just sitting in something that you know is going to increase in value because there isn't enough of other things like it, is actually a fairly lazy way to acquire wealth.

I think it's been quite a big part of the story of Britain's poor productivity over the past 10 to 15 years.

It's partly as a result of the very low interest rates that we've had and the distortion that's created, that basically, if you've got capital, why would you not invest it in bricks and mortar?

Why would you not put it there?

Because you knew that you were guaranteed a return, rather than in venture capital, rather than in taking a risk, rather than something that's going to be innovative and dynamic in the economy.

So that is part of the reason we're covering this today, in the sense that it isn't just a sort of obsession with the British psyche.

It is so much bricks and mortar and property is so embedded in the way our entire society functions and our economy functions, it's so interwoven with it that if there were to be a crash or a significant correction, it would have all sorts of consequences, not just for the individual homeowner, but for the economy overall as well.

Well, let's talk to Roger Boodle, who's a housing economist.

He writes for The Daily Telegraph and he can give us more of an expert view on what these numbers actually mean.

Presumably, you're not surprised by them, Roger.

No, they're not surprising at all.

In fact, if there's a surprise, the surprise is that the market is as strong as it is.

That's to say that the falls aren't bigger.

And they will be, or you think there'll be a soft landing at the end of this?

I'm pretty sure that we've got more falls ahead, yes.

I'm guessing a peak-to-trough fall of rather more than 10%, somewhere between 10 and 12%.

And that would be the biggest correction we've seen for a long time?

It would.

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I mean, in nominal terms, it doesn't sound that impressive, but when you adjust it for inflation in real terms, it's a very big drop.

So if you step back from this and say there'll be people who read the headline, the House prices have fallen for the largest drop since 2009, and say, I'm a homeowner, that's terrible, or I want to sell my house, that's terrible.

And there will be people who aren't on the housing ladder who think maybe this is the point at which I could start to think about it, or maybe this is the time to upgrade.

I mean, does it work as simply as that?

Is it going to be very helpful to people who aren't homeowners who'd like to be?

It'll be helpful, but don't forget it's going hand-in-hand with, and it's partly caused by, an increase in interest rates.

So what people gain by having to pay a bit less for the house is going to be maybe completely overwhelmed by the fact that their mortgage rates are going to be even higher.

I think all this is part of the British obsession, and I think it's a damaging obsession with houses and house prices.

When you read any media account, or listen to any media account of what's going on in the market, the general impression is that rising prices are a jolly good thing, and because they make some particular people better off, they make the country better off, they do no such thing, they're completely irrelevant.

It's all about a redistribution from one class of people to another.

I think it's best to look through prices to what's going on in real terms underneath.

And when houses rise in value because of scarcity, let's say we haven't got enough of them in relation to the people who want them, then no extra housing services are being provided.

No one else is being accommodated because of the fact that house prices have gone up.

The underlying reality is still exactly the same, and 39 Acacia Avenue Croydon is still doing what it did before.

So Lewis was making the point earlier that our productivity problem is very much tied in with this overemphasis on house prices, that we put our money into essentially bricks and mortar, rather than to something that is actually generating more economic growth for the whole country.

I mean, do you see it like that?

I think there's something in that, interestingly, looking at it from a national point of view rather than an individual point of view, in many ways the problem is that we don't put our money into bricks and mortar.

That's to say we don't build enough houses, we're not investing enough in the housing stock.

For an individual point of view, of course, they think they're investing in housing by buying a house, one that's already standing.

I think the connection goes beyond the financial too.

I think it's about attitudes of mind.

In this country, a lot of people have thought correctly, as it turns out, that the way for them to amass some wealth in a tax-favoured way as well is to buy the biggest, most expensive house they possibly can and then sit on it, and that's not doing the country any good.

I think if the housing market were different, we didn't have this perpetual creation of,

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I would call it illusory wealth, then they might think more seriously about, for instance, putting money into a business, perhaps starting a business themselves.

And sorry, just to put your finger on it, when you say if the housing market were different, you mean if there wasn't perpetually a shortage, if we built more?

That's right.

And we should be building many more?

I think we should be.

I mean, there are two ways of addressing this.

It's about supply and demand, and the prices are moved by the balance between those two.

I don't think there's much chance of affecting the demand, there are a few tweaks we could make.

The public system is peculiarly favourable to investing, so-called investing in housing, but that's going to be politically virtually impossible to touch.

So I think this comes down to increasing the supply.

You mean in the sense that you can sell your property, the property you have, you don't pay capital gains on it, you don't pay any particular tax on it, you get to keep effectively the return on your investment wholesale in a way that you wouldn't be able to do pretty much with any other kind of investment.

That's exactly right.

There are two principal sources of tax privilege.

One is the one you refer to, so it's, I think, just about the only form of wealth apart from a few peculiar privilege cases where you can accumulate wealth free of capital gains tax.

And the other privilege is that you don't pay tax on the imputed income, that's the fact that you're living there.

Now, you may think that's a bizarre idea, but actually it's only about 50 or 60 years since we had such a tax in this country, so-called Schedule A. Believe it or not, on your income tax return, you and the tax man together would put down a figure for the estimated value of the rent that you avoided by owning your own house and you pay tax on it.

So those two senses, it's a very privileged form of investment.

I mean, presumably, as house prices are falling, Rishi Sunak would think that there was even less impetus, less incentive to change planning laws to allow for more houses.

You'd think that was the case, that's certainly logical, I think.

I suspect that people don't necessarily connect the two quite so logically and the amounts would be minor.

This is more, I think, about signalling as so often it is in politics by relaxing planning controls.

He's signalling, he would be signalling, that he's taking account of the interests of people who want to get onto the so-called housing ladder while risking alienating people who already own their own houses.

Roger, I mean, anyone listening to this, as much as they might be interested in all the big structural stuff, inevitably may well just be thinking, how much is my house going to fall by in price?

I mean, is there a world where this isn't a soft landing and it actually becomes something even steeper than, say, the 10% or so that you've described?

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Yes, there is such a risk and it's one of the reasons why the Bank of England in particular has got to be very cautious.

We've had experience before of housing crashes and they're extremely painful.

They're painful individually and they're painful for the economy too.

You don't think we're gearing up for a 2008?

No, I don't.

Actually, I really don't.

I think we're in a much stronger position than that.

All I'm saying is that there are dangers and anyone responsibly conducting monetary policy would have to take account of those.

I suspect we're pretty close to the top of the interest rate cycle.

They're not quite there yet.

If for some reason rates had to go an awful lot higher, then you get into dangerous territory.

What's happened here, I think, is this is one of the consequences of this extraordinary period of very low interest rates that we had.

We started to course after the global financial crisis, 08, 9, 10, and then of course we had another bout of it because of the pandemic and various people, myself included, said at the time that when you have interest rates as low as this, you will cause all sorts of distortions in the financial system.

This is the biggest distortion of the lot, I think, house prices that were driven too high.

Indeed, but the government not only had low rates, but the government at the time, 11, 12, 13, actually intensified the market even more through schemes like Help to Buy and so on, the Cameron government at the time.

Yes.

Well, they weren't unusual in this.

Governments of both stripes are inclined to do this.

They prefer to stimulate demand rather than actually deal with supply.

Yes, it sounds good.

I don't know whether they actually fool themselves or whether they're just trying to fool us. I'm not sure.

By helping a particular group, the blessed, sainted, first-time buyers, they think, or they say, try to pretend to us, that they're doing us a favour, us being the country as a whole.

Someone's being made better off than the first-time buyers.

In fact, they're just robbing Peter to pay Paul without any increase in supply.

It's doing no good whatsoever.

There's an inverted commas there.

Why do you hate first-time buyers so much?

No, I don't hate first-time buyers so much.

Indeed, some of my best friends are first-time buyers.

I was one myself some decades ago.

No, I just think that they're occupying a place in the way this whole subject is written about that gets my goat, really, and there are plenty of other people whose interests

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need to be taken account of.

And the solution to everyone's problems is not necessarily to own a house with a stock in great mortgage.

The rental sector is, in many ways, a good thing.

We're short in this country of accommodation, I would argue.

It's not a good thing to be in it, to be fair, Roger.

I mean, I don't know how long ago you were in the rental market.

It's not an even worse place than trying to get on the housing road.

Well, I know that.

I've been there, too.

But the key point is we need more accommodation, whereas I think the average MP is obsessed with ladders.

Just to sum up, Roger, to conclude, what you're saying is we don't think that we're heading for a massive crash, as things stand.

It's a correction, maybe a significant one.

But if there were to be another set of external shocks that were to force the bank to raise interest rates even more, then we could be in quite dicey territory.

That's the sort of, we're currently on a bit of a tightrope at the moment, and we don't have much room for manoeuvre.

Well, I think a tightrope is a bit of an exaggeration, but I think you framed it correctly.

As things stand, it's a correction, it's not a crash.

But there are dangers, and we've got to hope that the interest rate cycle hasn't got much further to go.

Thanks so much.

Roger, thank you so much.

Roger Boodle, obviously speaking, as an economist, in terms of how the country should run better.

But I guess it's quite a hard message for an individual to hear that, you know, if you can't afford a big house, you should live in high-density housing.

You shouldn't be particular about your patio or your garden.

Because that is not how, of course, the individual feels.

And I guess it plays a little bit into the conversation we were having yesterday, which is it hurts, right?

Climate change hurts.

You want to change things.

It hurts.

At some point, Rishi Sunak has got to take the plunge, or Kirstama has got to take the plunge and say, yes, your MPs won't be happy with you.

If you want to get more people into housing, you have to bite the bullet and say there are going to be people who are unhappy with having their backyards built on.

And that's kind of the way, you know, the political pain goes.

And also, we're basically moving to a political and economic situation, which is much more normal in a sense that higher interest rates were a big part of politics for decades and decades and decades.

Time and time again, politicians would boast they managed to keep them down.

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We haven't heard about that for less 15 years because they've been so low.
But there's a reason why politicians used to boast about them, because it is a central part or was a central part of politics.
The difference is now, of course, is that we did have those 10 to 15 years of very, very, very low rates, which is basically inflated to housing markets as such an extent that Roger's probably right.
The consensus for you among economists is that we're not heading for a big crash because the unemployment is still so low because people still have savings accumulated from the pandemics.
Because we might be nearing the very cusp of the peak of the interest rates.
But we haven't got a huge amount of space.
And if there were to be something which were to force the bank's hand, if inflation doesn't come down in the back half of this year, as everyone is assuming that it will, then things could get uglier.
Look, interest rates on zero was something that we loved and got used to.
Let's not forget, though, that an interest rate on zero is a response to major, major problems in the economy.
It came as a result of the financial crash.
It came as a result of the pandemic.
That was why we stayed so low for so long.
And it was terrible for savers and it was terrible for first-time buyers because it inflated the market so rapidly and so quickly.
It had terrible intergenerational effects.
But it was like that for years and years and years.
And we're only starting to see the unwinding of it now.
After the break, we'll be looking at what's going on in Russia and Ukraine and why the tables might be turning, because Russia is now complaining about the Ukraine bombing of their inner cities.
This is the Newsagents.
Welcome back.
We are going to have that check-in with everything that is happening in Ukraine, but also Moscow and Russia, where the war has come home to.
We're going to talk to Andrew Harding, foreign correspondent and author of A Small Stubborn Town, Life, Death and Defiance in Ukraine, having spent time in Ukraine during Russia's invasion.
Andrew, thanks very much for joining us.
Good to be here.
We should start really with that drone attack yesterday.
There's actually been another drone attack today, hasn't there, in Moscow on the same building.
I mean, there have been a few of these attacks before, but it is a sign of the war really coming home to Russia.
It's a sign of a few things.
I think it's a sign that Ukraine's drone, homegrown drone industry is getting more sophisticated that they can do longer-range attacks, and also a sign that for a long time, you remember

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the Ukrainians smiled and said, we cannot confirm or deny whether we were behind certain attacks on Russian territory.

But now they're getting to the point where I think everyone acknowledges that they are now attacking Russian territory, not using Western weapons, using their own weapons. But I think they feel that that idea that they should be fighting Russia with sort of one hand tie behind their back in terms of not striking Russian territory, that those days are now over.

The Defence Ministry has described this as an attempted terrorist attack by the Kiev regime.

I'm wondering how they're explaining that at home, which is presumably where that sort of language is aimed at, that they are still trying to sell Ukraine as the insurgents in this and Russia as the people fighting a genocide.

Is that narrative still holding?

I think it holds, as far as the Kremlin is concerned, and as far as whatever, 20-30 percent of Russians, perhaps who really believe what they hear, I think the rest are probably more cynical and more jaded and probably take everything with a pinch of salt, including what they hear from Ukraine.

But it is interesting that the Ukrainians have chosen to escalate things like this.

I imagine their foreign backers won't be happy with this, but what I suppose we're looking for now is whether this escalates it in terms of the Russian response.

Although you could say that the Russians have already been targeting Ukrainians, civilians, Ukrainian towns and cities for 18 months now.

Except you've now got Medvedev, former president, former prime minister as well, very much on the kind of Putin side of things now, saying that nuclear weapons would be justified under a nuclear deterrence policy.

And if they start seeing Ukraine as, in quotation marks, the invaders or the terrorists, does this then embolden Russia to take unthinkable next steps?

I mean, I very much hope I don't come to regret this, but I think it's all bluster, this nuclear talk from the Kremlin.

I think they have a lower bar in terms of talking about nuclear issues in Russia.

They always have.

So I don't think it feels as outrageous to them as it does to us.

But I think it's a distraction.

And I think they know that even if they started using tactical battlefield level nuclear weapons that the Chinese, the Indians, the international community, that is still on their side or neutral, would not be able to countenance that.

And there would be repercussions.

And I don't think there's any benefit for them beyond the rhetorical at this stage.

And we should.

And you've alluded to this already, Andrew, but we should remember that for all the focus on these drone attacks where no one has actually been killed, presumably Ukrainian attacks on Moscow, in terms of retaliation, the Russians have been stepping up again, their own missile attacks on Ukrainian cities and civilian population.

I mean, just yesterday, six people, Ukrainians, including a 10 year old girl, killed and 75

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injured in a Russian missile strike on the Ukrainian city of Krivory, which is Zelensky's hometown.

And that feels deliberate.

I think these targetings are often meant to coincide when Zelensky says something aggressive, then they'll hit his hometown.

And the Kremlin can claim that there are strategic targets there as they've done in other cities. And perhaps they are going for particular what they would see as military targets.

But it becomes a kind of pointless debate, really, as to whether they are deliberately targeting civilians.

Because when you fire these huge cruise missiles into heavily populated urban areas, you're inevitably targeting civilians.

You cannot do otherwise.

In terms of the lead up to this point, we heard a lot over the course of the spring into the start of the summer about the much hailed Ukrainian counteroffensive.

It started.

Ukrainians say they still have resources and troops that they haven't used, but how goes the progress of that?

And is it as fast as the Ukrainians might have hoped?

It's not as fast as the Ukrainians might have hoped, but I think we owe it just a common sense but also to the Ukrainians to be patient.

It's only been seven, eight weeks.

I was on the front lines just a month ago, spent a month traveling around the east of Ukraine, around the Donbas for BBC News.

And my sense there was that Ukrainian resolve is still very high, that the Russian minefields are proving very problematic.

But it's clear in the last few weeks that the Ukrainians have stepped up the attack on all the supply lines behind the front lines.

So ammunition supplies, the command and control lines, the supply lines, and that I think is having a very significant impact.

And we're seeing signs that Russian shelling, artillery is significantly lower in key places.

And I think there is still the very real possibility that the Ukrainians will make a big breakthrough somewhere, big enough to open a gap for them to charge through and advance significantly.

It's not for sure there's plenty that could go wrong for the Ukrainians.

And I think they are very frustrated that the Western support has just not been fast enough and the momentum has been so slow that the Russians have had all these months to build these incredibly heavily fortified defense lines.

But we're also seeing the continued signs of low Russian morale.

And I think there is an element of wishful thinking inevitably that we have to guard against in terms of this Ukrainian counterattack.

But I do think we need to give them a few more months to see whether things do change substantially on the front lines.

I guess, Andrew, you're talking about the sort of military tactics and you were just starting to hint at there the psychology of the Ukrainian mind.

I mean, you wrote Small Stubborn Town, which was really a way into how people were thinking

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and acting in a sort of representative, tiny, sleepy town.

I'm wondering if you sort of saw something there in the character or in the sort of determination that lets you be more optimistic than the sort of current trajectory is right now. Yeah, so I wrote this book, *A Small Stubborn Town*, about a battle right in the first couple of weeks of the war when Russian troops were, you may remember, charging across the Black Sea coast, trying to get to the key port city of Odessa and basically surround Ukraine from the sea.

And that could really have changed the course of the war.

But this little town, Vosnytsk, which has a key bridge over a very important river, stood its ground unlike plenty of other little towns and villages in the area that the local people, mostly farmers, decided that they were not going to let the Russians through or they were going to sacrifice their lives trying to stop them.

And so it's a kind of the archers meets a bridge too far.

When I spent time there in last March, I was just overwhelmed by the courage of these ordinary, very ordinary people in their cottages, getting their Molotov cocktails out, digging trenches with no real expectation of victory.

It was only at the very last minute, and I don't want to spoil the book too much for people who might want to read it, but that they got extra help in the form of actual professional Ukrainian soldiers.

But this was in the very early stages of the war, when Ukraine was in total chaos, nobody had really expected the Russians to come charging out of the Crimean Peninsula, let alone charging towards Kiev.

So these towns really thought they were on their own.

And Vosnytsk decided to stand its ground.

And I spent a bit more time there since then, and it is really just a sort of a monument to defiance, to individual courage and this sense, even amongst people there who are ethnically Russians who grew up speaking Russian, who once considered themselves very much Soviet figures, they took that decision very early on that they were fundamentally Ukrainians, that their town, their culture, their country was under attack, and they stood their ground.

But I think that's still the case today overwhelmingly, even though friends and people we work without,

particularly in the Donbas, who are really up against it in terms of the front lines, in terms of seeing the war in their lives every day, they are worried, they are worried, they try not to show it, but there is a fear that this war will just grind on.

And there is that fear that Russia just has a capacity to absorb deaths and to absorb suffering in a way that right now the Ukrainians are desperate not to, in terms of death toll.

One of the problems facing the Ukrainians right now is that they're not being aggressive enough because they don't want to lose too many men, because they're having to fight Russia for years to come.

It's desperate, isn't it?

But Andrew, thank you.

Thank you for talking us through that so much.

Thank you.

Thanks.

[Transcript] The News Agents / Are house prices about to plummet?

Right.

When we come back, we're going to be trying to answer this question.

What happens when you combine Boris Johnson, South Oxfordshire District Council and a fistful of great crested newts?

Stay with us.

This is The News Agents.

But before we go, last week we brought you the Olds agents.

This week we bring you the Newts agents, because Newts, and to be specific, greater crested Newts.

Your favourite Newts.

They are a beautiful Newts.

They're sort of yellow and underbelly of yellow.

Anyway, they are causing havoc with Boris Johnson's plans for a swimming pool in his back garden.

It's sad news, this isn't it?

It's very sad news.

Thoughts and prayers with the former prime minister.

Boris Johnson had planned to build a swimming pool at his new Oxfordshire home, but unfortunately it seems that the great crested Newts.

We should just say, Johnson's had some beef with the Newts before, as it was.

He doesn't like this particular type of Newts.

He actually called them, when he was in 10 Downing Street, a massive drag on the prosperity of this country.

It turns out that because there is a small population of this Newts in his garden, they've had his revenge because a planning department at South Oxfordshire Council have refused permission to build this swimming pool because it might disrupt the Newts' habitat.

Local countryside officer.

You can just imagine that local countryside officer.

Where's that stamp?

Rejected.

Where's that Newt?

Where's the Newt when we need it?

He's warning of the risk to great crested Newts.

It does seem to be something that has, shall we say, plagued the former prime minister in previous lives.

We wait to see whether...

Plague of locusts.

It's always very biblical.

It's very biblical.

Well, you should enlist Ken Livingstone, shouldn't you?

Yes.

You could help him out with it.

You know how big they can grow up to?

Well, I mean, it's got to be pretty big.

[Transcript] The News Agents / Are house prices about to plummet?

They are called the great crested Newt, after all.

How big is their crest?

I mean, they're 30 centimetres.

No, now you're making me feel bad.

Okay, so it's only 17.

Oh, well, that's all right.

So you've overplayed it, but still it's a big...

I'm thinking of the greatest crested Newt.

Yeah.

Yeah.

Yeah.

Pitter me.

Anyway, the great crested Newt is 17 centimetres, which is a big thing.

It's almost as big as your dog, which inexplicably you brought into the studio again.

Hi, Moody, you all right?

Bye.

Bye.

This has been a global player original podcast and a Persephoneka production.