

ANNUAL HOUSE PRICE GROWTH PICKS UP TO 2.6%



+2.6%

Annual change

+1.1%

Monthly change

+0.1%

Quarterly change

£222,293

Average Price

- House prices in the last three months (June-August) were 0.1% higher than in the previous three months (March-May). Price growth, on this measure, has edged up for the first time since March.
- Prices in the three months to August were 2.6% higher than in the same three months a year earlier. The annual rate in August is higher than in July (2.1%), however it has fallen from a peak of 10.0% in March 2016 when transactions grew sharply ahead of the introduction of new higher stamp duty tax rates for buy to let and second homes that came into effect in April.
- House prices rose by 1.1% between July and August, following a 0.7% increase in July.

Russell Galley, Managing Director, Halifax Community Bank, said:

“The annual rate of growth increased from 2.1% in July to 2.6% in August with the average house price now £222,293, which is just above the previous high of December 2016 (£222,190).

“Recent figures for mortgage approvals suggest some buoyancy may be returning, possibly on the back of strong recent employment growth, with the unemployment rate falling to a 42 year low. However, wage growth is still lagging increases in consumer prices, which is likely to add pressure on household finances and increase affordability challenges for some buyers.

“House prices should continue to be supported by low mortgage rates and a continuing shortage of properties for sale over the coming months.”

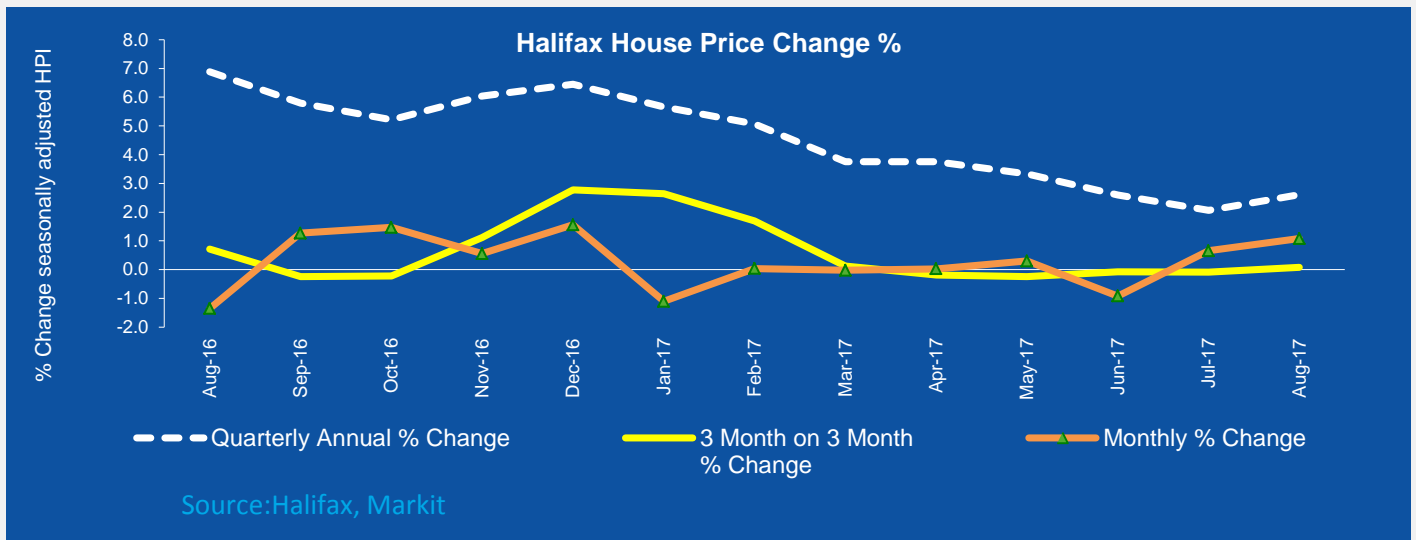
KEY FACTS

HOUSING ACTIVITY

- **UK home sales continue to exceed 100,000. Between June and July home sales edged up to 104,760, the highest monthly level since March 2016.** Sales have now exceeded 100,000 for the seventh month in succession, and in the three months to July activity was 10% higher than in the same period last year. (Source: HMRC, seasonally-adjusted figures)
- **Rise in volume of mortgage approvals for house purchases** – a leading indicator of completed house sales –

grew sharply, by 5.2% between June and July, to 68,700; the same level as in January. The increase in mortgage approvals nearly reversed all the falls seen so far this year, though they have remained in a narrow range between 65,100 and 68,700 per month over the past ten months. (Source: Bank of England, seasonally-adjusted figures)

- Supply of homes for sale continues to stay low.** Shortage of homes for sale has been a constraint on market activity. New instructions for home sales fell for the 17th consecutive month in July. The average stock levels on estate agents' books are close to an all-time low. (Sources: Royal Institution of Chartered Surveyors' (RICS) monthly report)



UK HOUSE PRICES

HISTORICAL DATA

All Houses, All Buyers (Seasonally Adjusted)

	Index 1983=100	Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
	1	2			
Period					
Aug 2016	685.2	211,719	-1.4	0.7	6.9
Sep	694.0	214,418	1.3	-0.2	5.8
Oct	704.2	217,567	1.5	-0.2	5.2
Nov	708.1	218,785	0.6	1.1	6.0
Dec	719.1	222,190	1.6	2.8	6.5
Jan 2017	711.2	219,741	-1.1	2.6	5.7
Feb	711.5	219,839	0.0	1.7	5.1
Mar	711.3	219,788	0.0	0.1	3.8
Apr	711.6	219,855	0.0	-0.2	3.8
May	713.7	220,515	0.3	-0.2	3.3
Jun	707.1	218,477	-0.9	-0.1	2.6
Jul	711.8	219,918	0.7	-0.1	2.1
Aug	719.5	222,293	1.1	0.1	2.6

EDITORS' NOTES

* House price data on a quarterly basis provides the clearest indication of overall market trends, smoothing out the monthly volatility caused by the reduced number of monthly transactions used to calculate all house price indices.

** The annual change numbers are the quarterly non- seasonally adjusted year-on-year figures. These figures provide a better picture of underlying trends compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

1. INDEX

The standardised index is seasonally adjusted using the U.S. Bureau of the Census X-11 moving-average method based on a rolling 84-month series. Each month, the seasonally adjusted figure for the same month a year ago and last month's figure are subject to revision.

2. STANDARDISED AVERAGE PRICE

The standardised average price is calculated using the HPI's mix adjusted methodology.

FOR FURTHER INFORMATION PLEASE CONTACT:

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The Halifax House Price Index is the UK's longest running monthly house price series with data covering the whole country going back to January 1983. From this data, a "standardised" house price is calculated and property price movements on a like-for-like basis (including seasonal adjustments) are analysed over time. The annual change is calculated as an average for the latest three months compared with the same period a year earlier. These figures provide a better picture of the underlying trend compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

For more information on our housing market research, visit <http://www.halifax.co.uk/house-price-index>

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