

PRESS RELEASE



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FOR IMMEDIATE RELEASE

Halifax UK Housing Market Outlook for 2019

- Housing market performed in line with expectations over the past year, at the lower end of our forecast 0% to 3% growth
- Broad stability anticipated in house prices in 2019 with between 2% and 4% price inflation, though dependent on Brexit outcome
- Shortage of homes for sale and low levels of housebuilding will continue to support high prices, constraining demand

Russell Galley, Managing Director, Halifax:

“The housing market in 2018 followed a similar trend to recent years. In line with our expectations, house price growth slowed whilst building activity, completed sales and mortgage approvals all remained relatively flat. This was driven by a combination of continued uncertainty regarding the future growth prospects of the UK economy, and the ongoing challenge faced by prospective buyers in building up the necessary deposits.

“Looking ahead, aside from the obvious political and economic uncertainty, the biggest issue for the housing market in 2019 will be the degree to which mortgage payment affordability changes. Average pay growth is likely to gather pace but, with a further interest rate increase also predicted, house prices are unlikely to be pushed significantly in either direction.

“Despite current political upheaval, and on the basis that it is still most likely that the UK exits the EU with a form of withdrawal agreement and transition period, we expect annual house price growth nationally to be in the range of 2% to 4% by the end of 2019. This is slightly stronger than 2018, but still fairly subdued by modern comparison. However, the uncertainty around how Brexit plays out means there are risks to both sides of our forecast.

“Longer term, the most important issue for the housing market remains addressing the affordability challenge for younger generations through more dynamic housebuilding.”

ENDS

Source: Halifax House Price Index. Annual rate as measured by the latest 3 months compared with the same 3 months a year earlier

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