

2017 HOUSE PRICE GROWTH EASED TO 2.7%



+2.7%

Annual change

-0.6%

Monthly change

+1.3%

Quarterly change

£225,021

Average Price

- Prices in the last three months of 2017 were 2.7% higher than in the same three months a year earlier although the annual change in December was lower than in November (3.9%)
- House prices in the final quarter (October-December) were 1.3% higher than in the previous quarter (July-September), down from 2.3% recorded in October and November
- On a monthly basis, prices also fell by 0.6% from November following a 0.3% increase in both October and November; this is the first fall since June 2017
- The average price of £225,021 at the end of the year is 2.4% higher than in January 2017 (£219,741)

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

“House prices in the three months to December were 1.3% higher than in the previous quarter; a gradual slowdown from 2.3% in both October and November. The annual rate of growth has also moderated to 2.7% from November’s 3.9%. Ending the year, house prices in December fell by 0.6%; the first monthly decline in six months.”

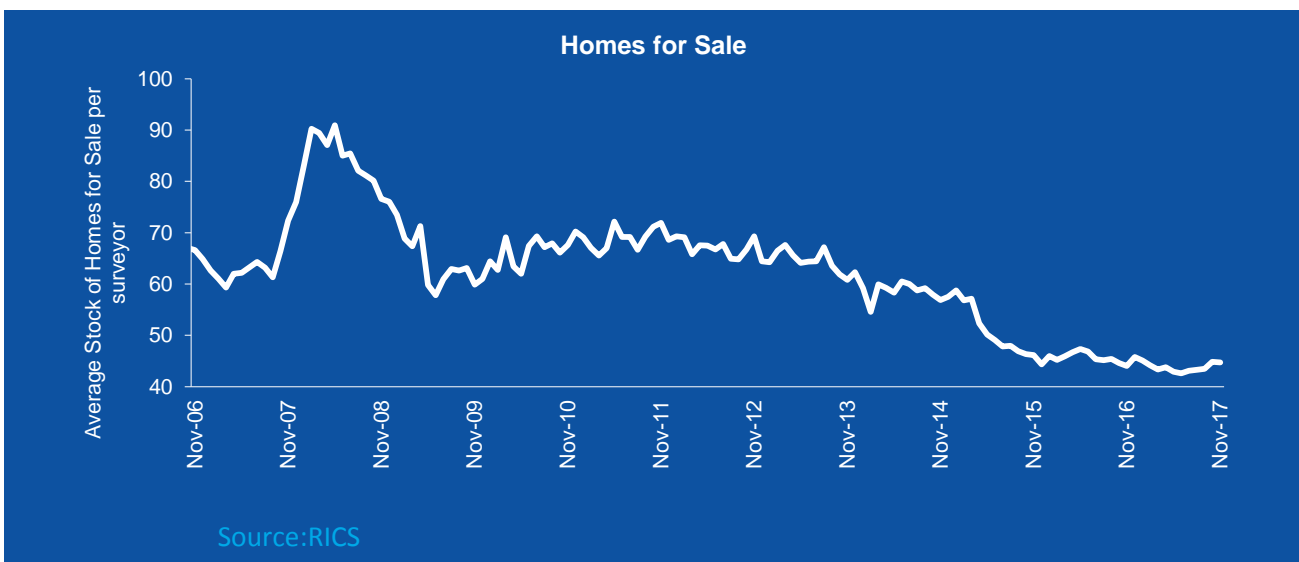
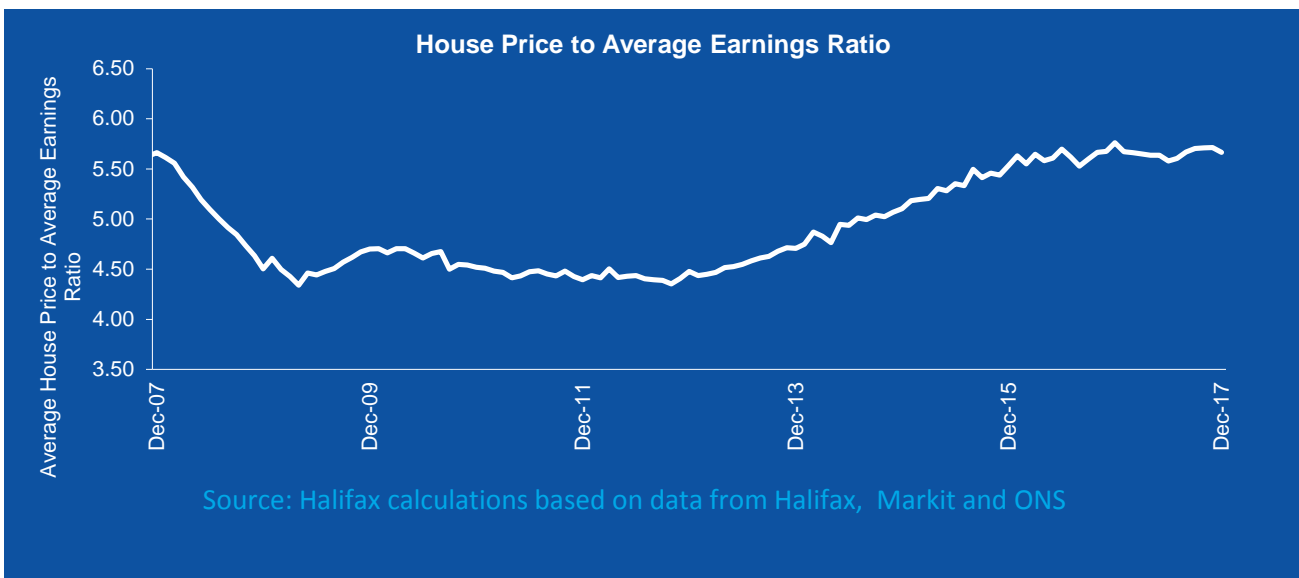
“As we’d anticipated, the housing market in 2017 followed a similar pattern to the previous year. House price growth slowed, whilst building activity, completed sales and mortgage approvals for house purchase all remained flat. This has been driven by a squeeze on real wage growth and continuing uncertainty over the economy.”

“However, nationally house prices in 2018 are likely to be supported by the ongoing shortage of properties for sale, low levels of housebuilding, high employment and a continuation of low interest rates making mortgage servicing affordable in relative terms. Overall we expect annual price growth to continue in the range of 0-3% at the end 2018.”

KEY FACTS

HOUSING ACTIVITY

- **Monthly UK home sales exceed 100,000 for the eleventh month in succession.** Sales have remained above 100,000 in all months of 2017. In November they reached 104,200, the highest monthly level since March 2016. In the three months to November home sales were 7% higher than in the same period a year earlier. *(Source: HMRC, seasonally-adjusted figures)*
- **Mortgage approvals for house purchases remain flat.** The number of mortgage approvals – a leading indicator of completed house sales - edged up by 0.4% m/m in November to 65,139. In the three months to November approvals were 2.1% down on the same period a year earlier. For the past twelve months mortgage approvals have been in the narrow range of 64,900 to 69,500. *(Source: Bank of England, seasonally-adjusted figures)*
- **Decline in instructions for sale.** New buyer enquiries appeared a little more stable over the month having declined sharply in autumn, this measure, however, has now fallen for the last eight months. Turning to supply, new instructions to sell continued to deteriorate at the headline level and has now fallen for 22 consecutive months – the worst sequence for close to eight years. *(Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)*
- **In 2018 we expect house prices trends to be similar to 2017*.** Overall, we expect annual house price growth nationally to stay low and in the range of 0-3% by the end of 2018. The main driver of this forecast is the continuing effects of the squeeze on spending power as inflation has outstripped wage growth and the uncertainty regarding the prospects for the UK economy next year.
[*http://www.lloydsbankinggroup.com/globalassets/documents/media/press-releases/halifax/2017/halifax_housing_market_outlook_2018.pdf](http://www.lloydsbankinggroup.com/globalassets/documents/media/press-releases/halifax/2017/halifax_housing_market_outlook_2018.pdf)



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					
Dec 2016	720.7	222,668	1.8	2.9	6.5
Jan 2017	711.2	219,741	-1.3	2.6	5.7
Feb	711.5	219,839	0.0	1.6	5.1
Mar	711.3	219,788	0.0	0.0	3.8
Apr	711.6	219,855	0.0	-0.3	3.8
May	713.7	220,515	0.3	-0.3	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	722.6	223,271	1.5	0.2	2.6
Sep	728.4	225,070	0.8	1.4	4.0
Oct	730.4	225,664	0.3	2.3	4.5
Nov	732.8	226,408	0.3	2.3	3.9
Dec	728.3	225,021	-0.6	1.3	2.7

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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ABOUT THE HALIFAX HOUSE PRICE INDEX

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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