

ANNUAL HOUSE PRICE GROWTH SLOWS TO 1.8%



+1.8%

Annual change

+0.4%

Monthly change

-0.7%

Quarterly change

£224,353

Average Price

- Prices in the last three months to February were 1.8% higher than in the same three months a year earlier, slowing from the 2.2% annual growth recorded in January
- House prices in the latest quarter (December-February) were -0.7% lower than in the preceding three months (September-November), the first decline on this measure since May last year
- On a monthly basis, prices grew marginally by 0.4% in February, following two consecutive monthly falls
- The average price in February was £224,353, down slightly from November's high of £226,408

Russell Galley, Managing Director, Halifax, said:

"House prices continue to remain broadly flat, as they have since the end of last year. The annual rate of growth has slowed from 2.2% in January to 1.8% in February, the lowest rate of growth since March 2013.

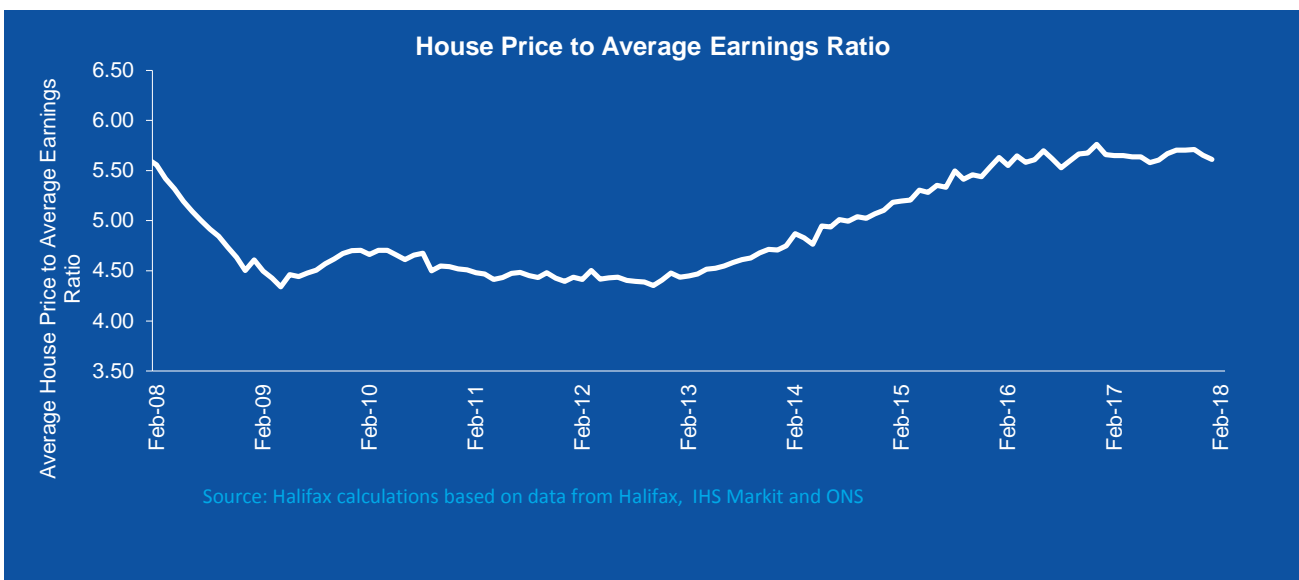
"The labour market continues to perform strongly with the number of people in employment rising by 88,000 in the three months to December. Notably, this is almost entirely accounted for by full-time jobs. The strength of the jobs market may finally be benefitting wage growth, with the annual growth rate accelerating from 2.3% in November to 2.8% in December. However, earnings are rising at a slower rate than consumer prices.

"Despite the November rise in the Bank of England Base Rate, mortgage rates continue to stay low by historical standards. While we expect price growth to remain low, the low mortgage rate environment, combined with an ongoing shortage of properties for sale, should continue to support house prices over the coming months."

KEY FACTS

HOUSING ACTIVITY

- **Monthly UK home sales exceeded 100,000 for the thirteenth month in succession.** Sales have remained above 100,000 in all months since the start of 2017. In January they reached 102,610, the highest monthly level since April 2017. In the three months to January home sales were 2% higher than in the same period a year earlier. (Source: HMRC, seasonally-adjusted figures)
- **Mortgage approvals for house purchases rose sharply in January.** The number of mortgage approvals – a leading indicator of completed house sales – grew strongly by 9.4% month on month in January to 67,478. However, mortgage approvals in January were 2.4% lower than a year earlier. (Source: Bank of England, seasonally-adjusted figures)
- **Indicators of housing demand and supply remain weak.** For the tenth month in succession new buyer enquiries have fallen. The lack of new instructions coming to market continues to impede activity and new instructions have now fallen for 23 consecutive months – the worst sequence since 2007-2009. (Source: 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					
Feb 2017	710.1	219,409	0.1	1.5	5.1
Mar	711.3	219,788	0.2	-0.2	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	0.0	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	726.7	224,540	-0.8	1.3	2.7
Jan 2018	723.2	223,462	-0.5	0.1	2.2
Feb	726.1	224,353	0.4	-0.7	1.8

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:

Email: housingeconomics@lloydsbanking.com

For historical data or for technical queries contact economics@markit.com

PRESS OFFICE CONTACTS:

Halifax press team:

Angus Cheyne: 0131 655 7019/ 07970 566 594 angus.cheyne@lloydsbanking.com

Conor Gaffney: 0131 655 7549 / 07717 785 314 conor.gaffney@lloydsbanking.com

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>

ABOUT IHS MARKIT (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 80 percent of the Fortune Global 500 and the

world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2018 IHS Markit Ltd. All rights reserved.

The intellectual property rights to the Halifax House Price Index (the "Index") provided herein is owned by Markit. The use of the Halifax name and logo on the Index by Markit is under licence from Lloyds Banking Group and its affiliates. Markit and the Markit logo are registered trade marks of Markit Group Limited.

Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. For the avoidance of doubt, the Index and the data cannot be used as a "benchmark" under the Principles for Financial Benchmarks published by the International Organization Of Securities Commissions in July, 2013 or the European Union Regulation for Financial Benchmarks any other similar or comparable framework, principles, guidelines, rules, regulations or laws governing the administration of, submission of data to or the management of benchmarks and indices, including for the purposes of measuring the performance of a financial instrument or determining the interest payable, or other sums due under financial contracts or financial instruments or determining their value or the price at which they be bought, sold, traded or redeemed. A licence from Markit is required for benchmark and all other uses of the Halifax House Price Index.