

07/03/2019

ANNUAL HOUSE PRICE GROWTH INCREASES TO 2.8%



+2.8%

Annual change

+1.8%

Quarterly change

+5.9%

Monthly change

£236,800

Average Price

- House prices in the three months to February were 2.8% higher than in the same three months a year earlier – up from the 0.8% annual growth rate recorded in January
- In the latest quarter (December - February) house prices were 1.8% higher than in the preceding three months (September - November)
- The average house price is now £236,800

Russell Galley, Managing Director, Halifax, said:

“House prices have grown on an annual, quarterly and monthly basis for the first time since October 2018, taking the average house price to £236,800.

The shortage of houses for sale will certainly be playing a role in supporting prices. House price growth is now at 1.8%, an increase from the 0.6% fall last month, and back at the rate we saw from July to September 2018.

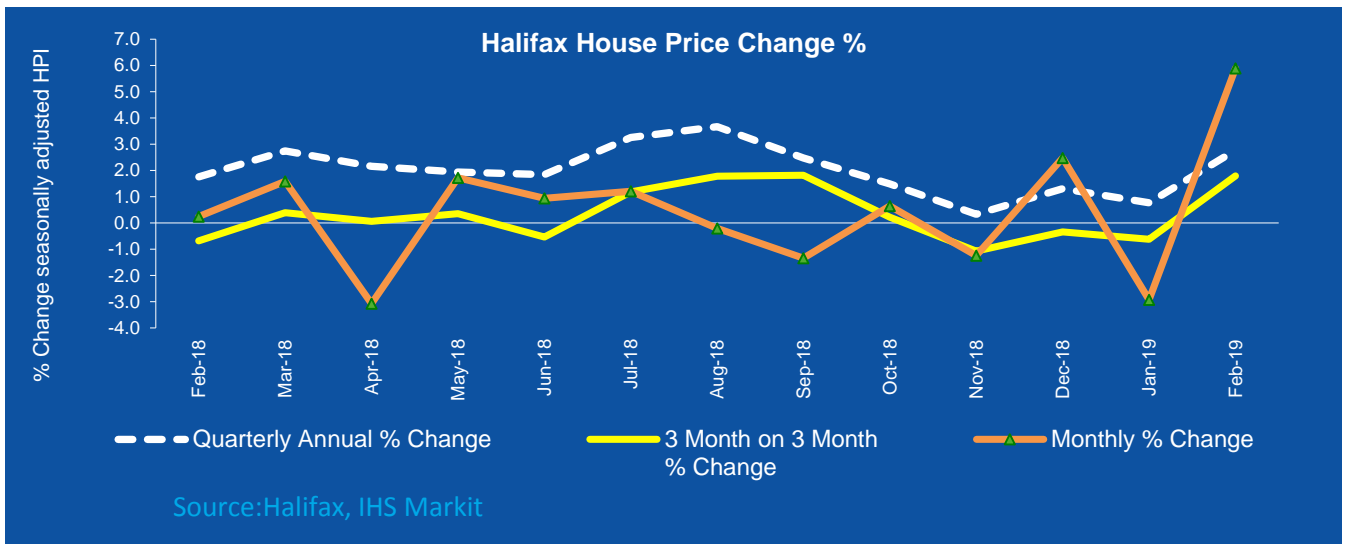
Annual house price growth at 2.8%, is within our expectations, but is fairly subdued compared to 2015 and 2016, when the average growth rate was 8.3%.

People are still facing challenges in raising a deposit which means we continue to expect subdued price growth for the time being. However, the number of sales in January was right on the five year average and, at over 100,000 for the fifth consecutive month, the overall resilience of the market is still evident”

KEY FACTS

HOUSING ACTIVITY

- Monthly UK home sales remain steady.** January saw 101,170 home sales, which, as for December, was very close to the 5 year average of 101,291. This is the fifth consecutive month where over 100,000 homes have been sold, leading to a 0.9% quarterly rise when comparing sales in November to January, against August to November. January home sales were 2% above the previous 12 month average. (Source: HMRC, seasonally-adjusted figures)
- In January mortgage approvals rose compared to December.** Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales - rose 3.6% to 66,766. The January rate is marginally above the 5 year average monthly approval rate of 66,366, and is 1635 above the previous 12 month average. (Source: Bank of England, seasonally-adjusted figures)
- Demand for housing and the number of sales both fall again.** For the third month in a row RICS UK Residential Market Survey showed a drop on nearly every measure reviewed. New buyer enquiries, new instructions to sell, and sales were all lower than they were in the previous month. The National sales to stock level dropped to 31.5%, which is the lowest rate it has been since September 2013. (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)



UK HOUSE PRICES

HISTORICAL DATA

All Houses, All Buyers (Seasonally Adjusted)

Period	¹ Index 1983=100	² Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Feb 2018	727.4	224,755	0.3	-0.7	1.8
Mar	738.3	228,102	1.5	0.4	2.7
Apr	715.6	221,108	-3.1	0.1	2.2
May	727.9	224,909	1.7	0.3	1.9
Jun	734.8	227,027	0.9	-0.6	1.8
Jul	743.7	229,776	1.2	1.1	3.3
Aug	742.1	229,284	-0.2	1.8	3.7
Sep	732.2	226,219	-1.3	1.8	2.5
Oct	736.9	227,694	0.7	0.2	1.5
Nov	727.8	224,860	-1.2	-1.1	0.3
Dec	745.8	230,430	2.5	-0.3	1.3
Jan	723.8	223,629	-3.0	-0.6	0.8
Feb 2019	766.4	236,800	5.9	1.8	2.8

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:

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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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