

## ANNUAL HOUSE PRICE GROWTH SLOWS AT 0.8%



**+0.8%**

Annual change

**-0.6%**

Quarterly change

**-2.9%**

Monthly change

**£223,691**

Average Price

- Prices in the three months to January were 0.8% higher than in the same three months a year earlier – down from the 1.3% annual growth rate recorded in December
- House prices in the latest quarter (November-January) were 0.6% lower than in the preceding three months (August - October)
- On a monthly basis, house prices decreased by 2.9% in January, following a 2.5% rise in December
- The average house price is now £223,691

### Russell Galley, Managing Director, Halifax, said:

*“Attention will no doubt be drawn towards the monthly fall of -2.9% from December to January, the second time in three years that we have seen a drop as a new year starts. However, the bigger picture is actually that house prices have seen next to no movement over the last year, with annual growth of just 0.8%.*

*“This could either be viewed as a story of resilience, as prices have held up well in the face of significant economic uncertainty, or as a continuation of the slow growth we’ve witnessed over recent years.*

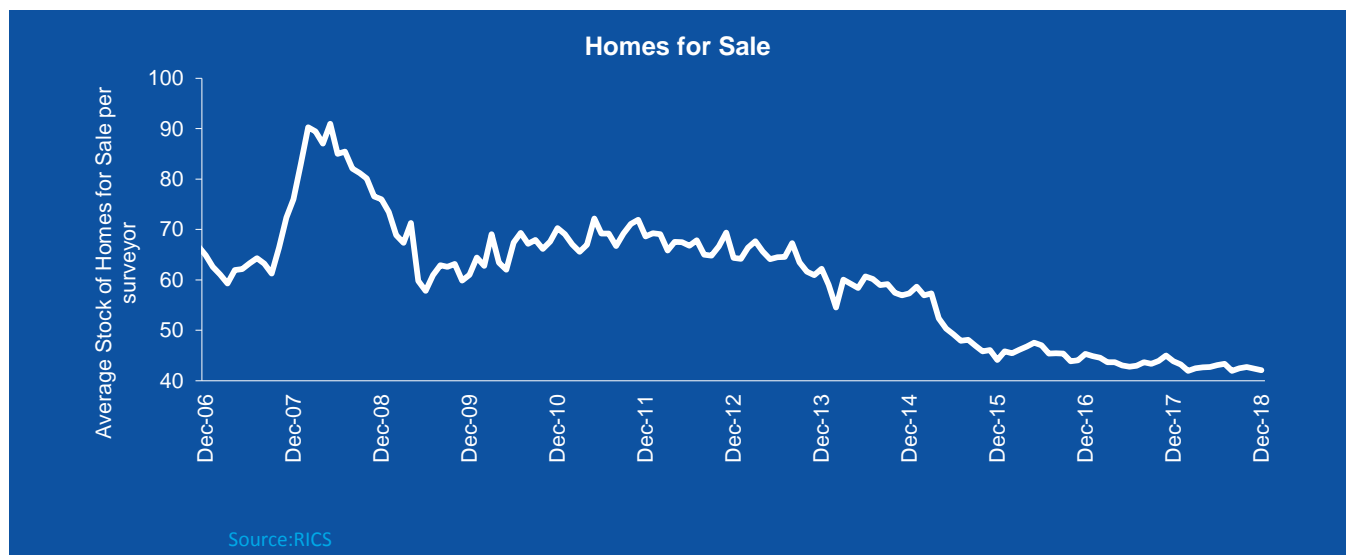
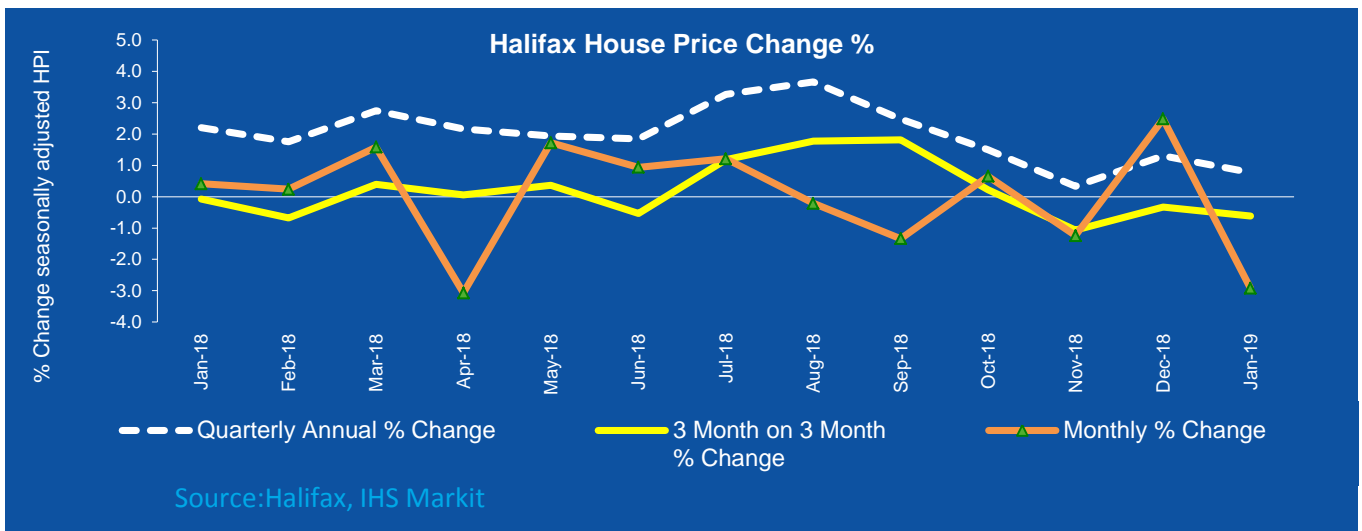
*“There’s no doubt that the next year will be important for the housing market with much of the immediate focus on what impact Brexit may have. However, more fundamentally it is key underlying factors of supply and demand that will ultimately shape the market.*

*“On the supply side the most constraining factor to the health of the market is the shortage of stock for sale, although this does support price levels. On the demand side we see very high employment levels, improving real wage growth, low inflation and low mortgage rates. All positive drivers tempered by the challenges of raising deposits. On balance therefore we expect price growth to remain subdued in the near term.”*

# KEY FACTS

## HOUSING ACTIVITY

- Monthly UK home sales latest quarter.** December saw 102,330 home sales, which is very close to the 5 year average of 101,515. This is the fourth consecutive month where over 100,000 homes have been sold, and there is a 2.7% quarterly rise, when comparing sales in October to December, against July to October. December home sales were 3.2% above the previous 12 month average. (Source: HMRC, seasonally-adjusted figures)
- In December mortgage approvals showed little difference to the previous month.** Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales saw a flat 0.2% rise to 63,793. The December rate is still not far below the 2018 average of 64,913 but is 2,694 below the average of the past 5 years. (Source: Bank of England, seasonally-adjusted figures)
- Demand for housing and the number of sales both fall.** As in November, the December 2018 RICS UK Residential Market Survey showed a drop on nearly every measure reviewed. New buyer enquiries fell for a fifth month, stock levels of property to sell remains low at an average of 42 per branch. Near term sales expectations are now either flat or negative across all parts of the UK, though at present the sales expectation for the twelve month outlook are positive for the first time since May 2018. (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)



# UK HOUSE PRICES

## HISTORICAL DATA

All Houses, All Buyers (Seasonally Adjusted)

Period	<sup>1</sup> Index 1983=100	<sup>2</sup> Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Jan 2018	725.1	224,025	0.4	-0.1	2.2
Feb	726.8	224,564	0.2	-0.7	1.8
Mar	738.3	228,102	1.6	0.4	2.7
Apr	715.6	221,108	-3.1	0.1	2.2
May	727.9	224,909	1.7	0.4	1.9
Jun	734.8	227,027	0.9	-0.5	1.8
Jul	743.7	229,776	1.2	1.2	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 2019	724.0	223,691	-2.9	-0.6	0.8

### 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](mailto:housingeconomics@lloydsbanking.com)

For historical data or for technical queries contact [economics@markit.com](mailto:economics@markit.com)

### PRESS OFFICE CONTACTS:

**Halifax press team:**

Gregor Low 07500 078879 [gregor.low@lloydsbanking.com](mailto:gregor.low@lloydsbanking.com)

Kimberley Hamilton 07557 257 298 [kimberley.hamilton@lloydsbanking.com](mailto:kimberley.hamilton@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.ihsmarket.com](http://www.ihsmarket.com))**

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and 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 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. 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 IHS Markit. The use of the Halifax name and logo on the Index by IHS Markit is under licence from Lloyds Banking Group and its affiliates. IHS Markit and the IHS Markit logo are registered trade marks of IHS Markit Ltd.

Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS 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 IHS 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 IHS Markit is required for benchmark and all other uses of the Halifax House Price Index.