

## ANNUAL HOUSE PRICE GROWTH AT 2.7%



**+2.7%**

Annual change

**+1.5%**

Monthly change

**-0.1%**

Quarterly change

**£227,871**

Average Price

- Prices in the last three months to March were 2.7% higher than in the same three months a year earlier, edging up from the 1.8% annual growth recorded in February
- The average price in March was £227,871, the highest recorded price
- House prices in the latest quarter (January-March) were -0.1% lower than in the preceding three months (October-December), the second consecutive decline on this measure
- On a monthly basis, prices grew by 1.5% in March, this follows a 0.5% rise in February; monthly changes can be volatile
- Mortgages in the UK are at their most affordable level in a decade

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

*“House prices in the three months to March were largely unchanged compared with the previous quarter. The annual rate of growth continues to be in a narrow range of under 3%; though the average price of £227,871 is a new high.*

*“Activity levels, like house price growth, have softened compared with a year ago. Mortgage approvals are down compared to 12 months ago, whilst home sales have remained flat in the early months of the year. This lack of direction in the housing market is in stark contrast to the continuing strength of the UK jobs market. The unemployment rate is now the joint lowest since 1975 and in the three months to January there were 402,000 more people in work compared to a year earlier.*

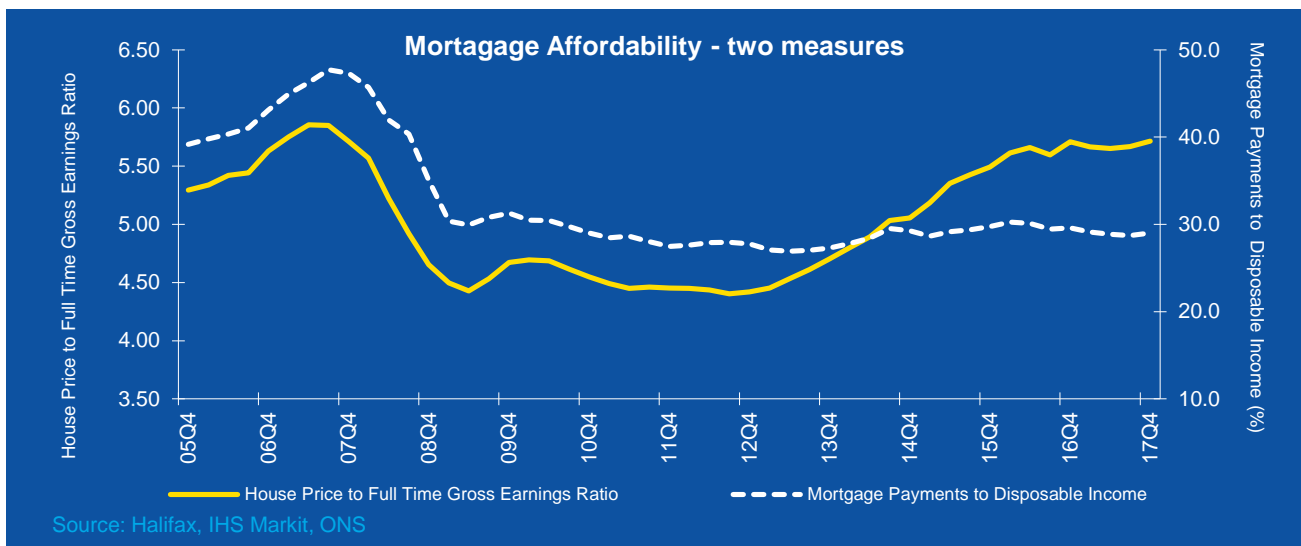
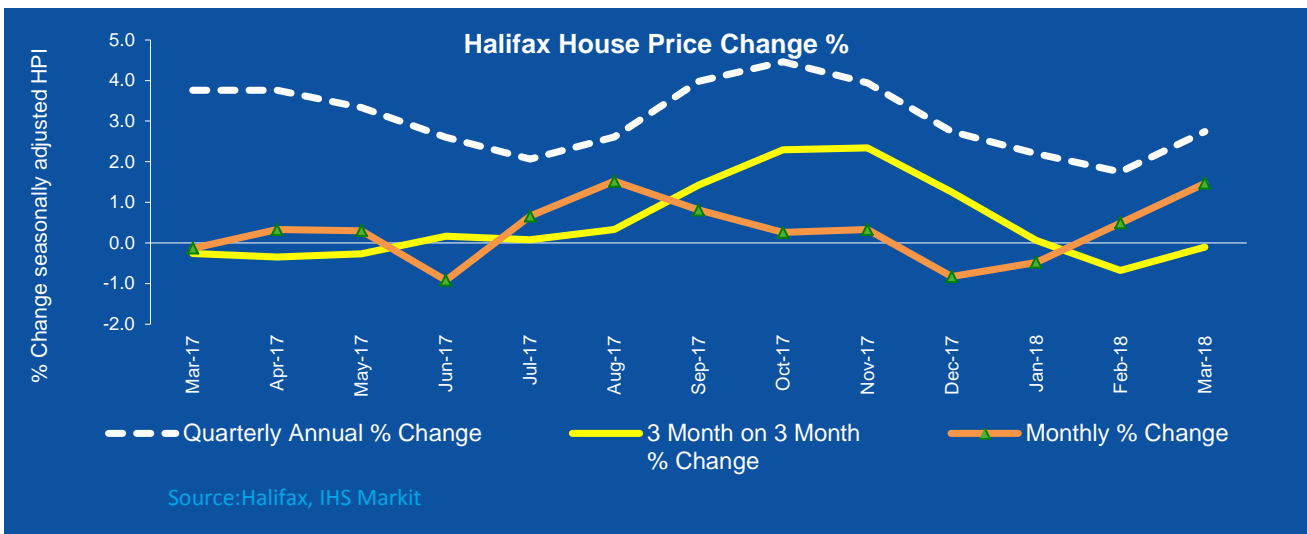
*“In the coming months we expect price growth to remain close to our prediction of 3% despite the very positive factors of continuing low mortgage rates, great affordability levels and a robust labour market. The continuing shortage of properties for sale will also support price growth.”*

# KEY FACTS

## HOUSING ACTIVITY

- UK home sales start the year on a flat footing.** Home sales in February reached 101,000, the same as in January. In the three months to February home sales were only marginally lower than in the same period a year earlier. (Source: HMRC, seasonally-adjusted figures)
- Mortgage approvals for house purchases contracts by 5% in February.** After the sharp rise in number of mortgage approvals – a leading indicator of completed house sales – in January, they fell by 4.8% in February to 63,910. Compared to the same time a year ago, approvals are down by 7%. (Source: Bank of England, seasonally-adjusted figures)
- Market activity still very subdued.** There are no signs that the acute shortage of stock of homes available for sale is easing. The number of new instructions has now fallen for 24 consecutive months – the worst sequence for nine years, with the figure for unsold stock at a record low. For the eleventh month in succession new buyer enquiries have also fallen. (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)
- Mortgages in the UK have reached their most affordable level in a decade, new research from Halifax has revealed.** Typical mortgage payments accounted for less than a third (29%) of homeowners' disposable income in the fourth quarter of 2017 compared to almost half (48%) in 2007 (Quarter 3). This fall in the burden of mortgage payments has helped improve affordability for homeowners - driven predominantly by historically low mortgage rates, despite the first base rate rise in a decade last November.

[http://www.lloydsbankinggroup.com/globalassets/documents/media/press-releases/halifax/2018/180317-press-release\\_halifax\\_mortgage-affordability-2018\\_final.pdf](http://www.lloydsbankinggroup.com/globalassets/documents/media/press-releases/halifax/2018/180317-press-release_halifax_mortgage-affordability-2018_final.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					
Mar 2017	709.2	219,133	-0.1	-0.3	3.8
Apr	711.6	219,855	0.3	-0.3	3.8
May	713.7	220,515	0.3	-0.3	3.3
Jun	707.1	218,477	-0.9	0.2	2.6
Jul	711.8	219,918	0.7	0.1	2.1
Aug	722.6	223,271	1.5	0.3	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	726.8	224,564	0.5	-0.7	1.8
Mar	737.5	227,871	1.5	-0.1	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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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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