

## ANNUAL HOUSE PRICE GROWTH SLOWS TO 1.5% - LOWEST RATE IN FIVE YEARS



**+1.5%**

Annual change

**+0.2%**

Quarterly change

**+0.7%**

Monthly change

**£227,869**

Average Price

- Prices in the three months to October were 1.5% higher than in the same three months a year earlier – slowing from the 2.5% annual growth recorded in September, and recording the lowest rate of growth since March 2013
- House prices in the latest quarter (August-October) were 0.2% higher than in the preceding three months (May-July)
- On a monthly basis, house prices rose marginally by 0.7% in October, following two consecutive monthly falls
- The average house price is now £227,869

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

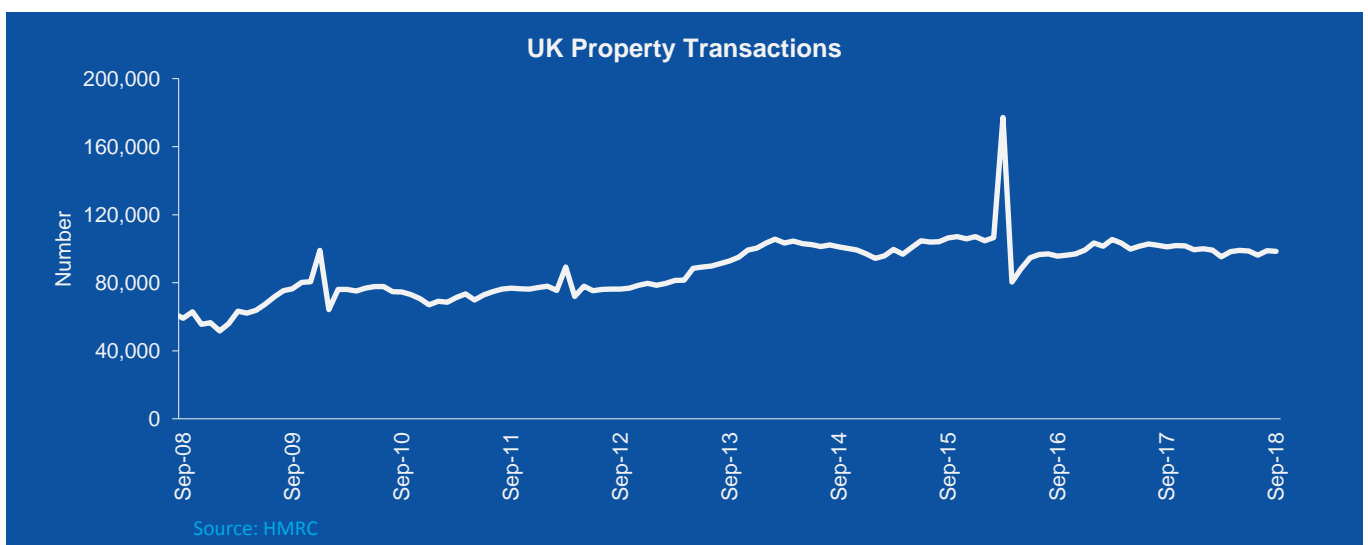
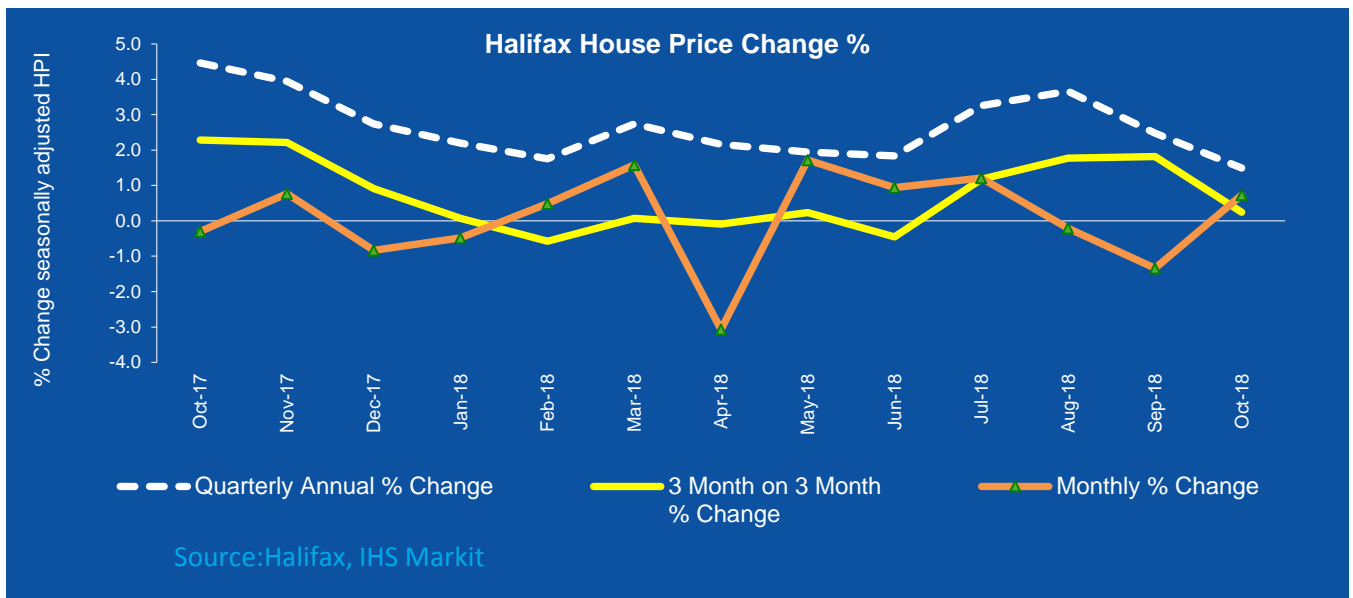
*“The annual rate of house price growth has fallen from 2.5% in September to 1.5% in October, which is the lowest rate of annual growth since March 2013. However, this remains within our forecast annual growth range of 0-3% for 2018.*

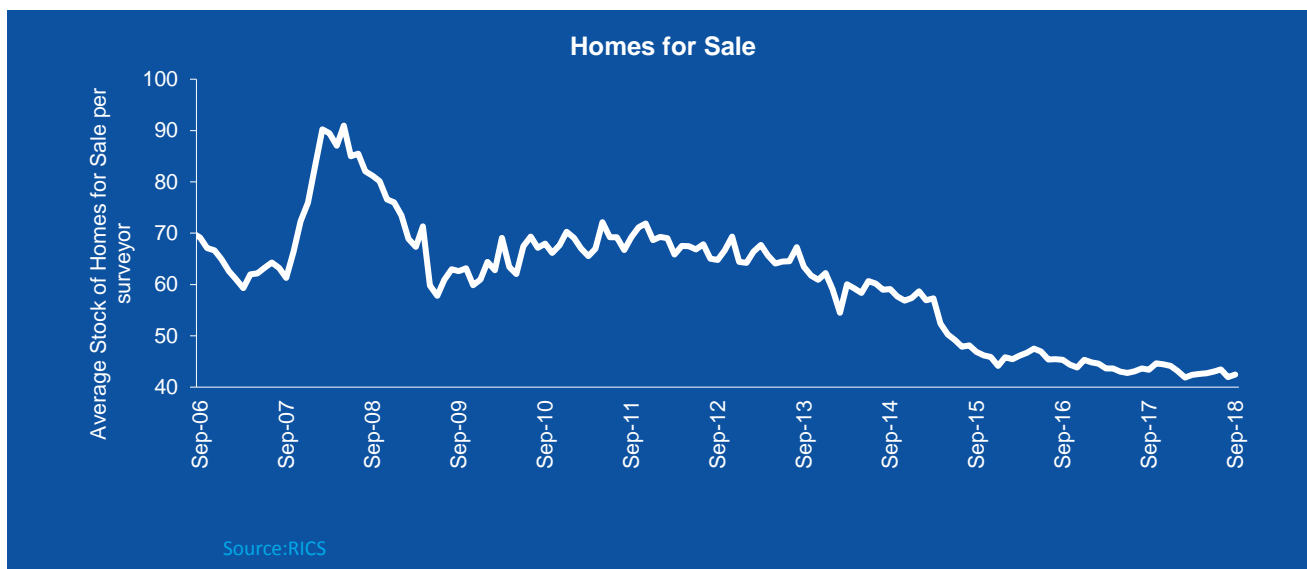
*House prices continue to be supported by the fact that the supply of new homes and existing properties available for sale remains low. Further house price support comes from an already high and improving employment rate and historically low mortgage rates which are creating higher rates of relative affordability. We see this continuing to be the case over the coming months and we remain supportive of our 0-3% forecast range.”*

# KEY FACTS

## HOUSING ACTIVITY

- **Monthly UK home sales remain flat.** In the three months to September sales were unchanged from the previous three months. The volume of residential transactions has been broadly flat over the past year and is likely to remain so in the coming months. (Source: HMRC, seasonally-adjusted figures)
- **Mortgage approvals fell slightly in September.** Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales - fell by 1.3% month on month to 65,269 in September. (Source: Bank of England, seasonally-adjusted figures)
- **Indicators of housing demand and supply remain weak.** Respondents to the RICS monthly UK Residential Market Survey continue to cite the mixture of affordability constraints, a lack of stock, economic uncertainty and interest rate rises as holding back activity to a certain degree. The lack of new instructions coming to market continues to impede activity and new instructions were down for the second consecutive month. (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 %**
Oct 2017	727.2	224,686	-0.3	2.3	4.5
Nov	732.8	226,408	0.8	2.2	3.9
Dec	726.7	224,540	-0.8	0.9	2.7
Jan 2018	723.2	223,462	-0.5	0.1	2.2
Feb	726.8	224,564	0.5	-0.6	1.8
Mar	738.3	228,102	1.6	0.1	2.7
Apr	715.6	221,108	-3.1	-0.1	2.2
May	727.9	224,909	1.7	0.2	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	737.5	227,869	0.7	0.2	1.5

### 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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