

05/10/2018

QUARTERLY HOUSE PRICE GROWTH REMAINS STABLE IN SEPTEMBER



+2.5%

Annual change

+1.8%

Quarterly change

-1.4%

Monthly change

£225,995

Average Price

- House prices in the latest quarter (July-September) were 1.8% higher than in the preceding three months (April-June), the third consecutive rise on this measure
- House prices in the three months to September were 2.5% higher than in the same three months a year earlier
- The annual growth rate slowed from the 3.7% recorded in August
- On a monthly basis, house prices fell by 1.4% in September, the second consecutive fall for this measure

Russell Galley, Managing Director, Halifax, said:

“With the annual rate of house price growth easing to 2.5% in September from 3.7% in August and the quarterly rate of growth remaining at 1.8% for the second month, we are seeing a steadying in house price inflation across these more stable measures.

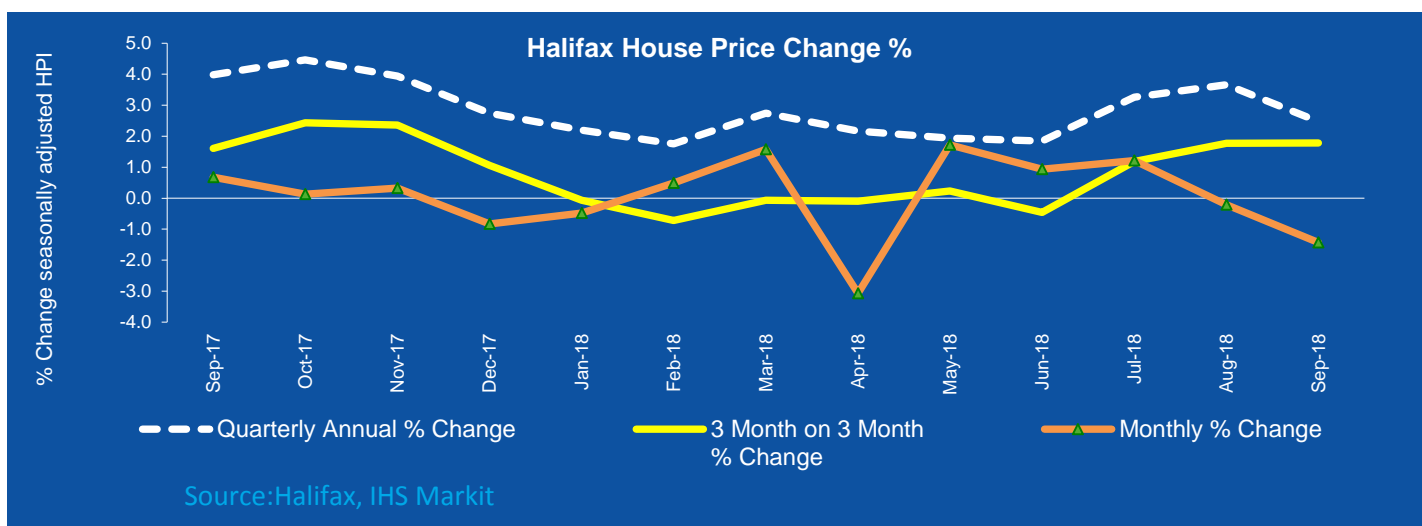
“This is set amongst mortgage approvals and completed house sales remaining broadly unchanged, although a gradual pickup in wage growth has helped to support household finances.

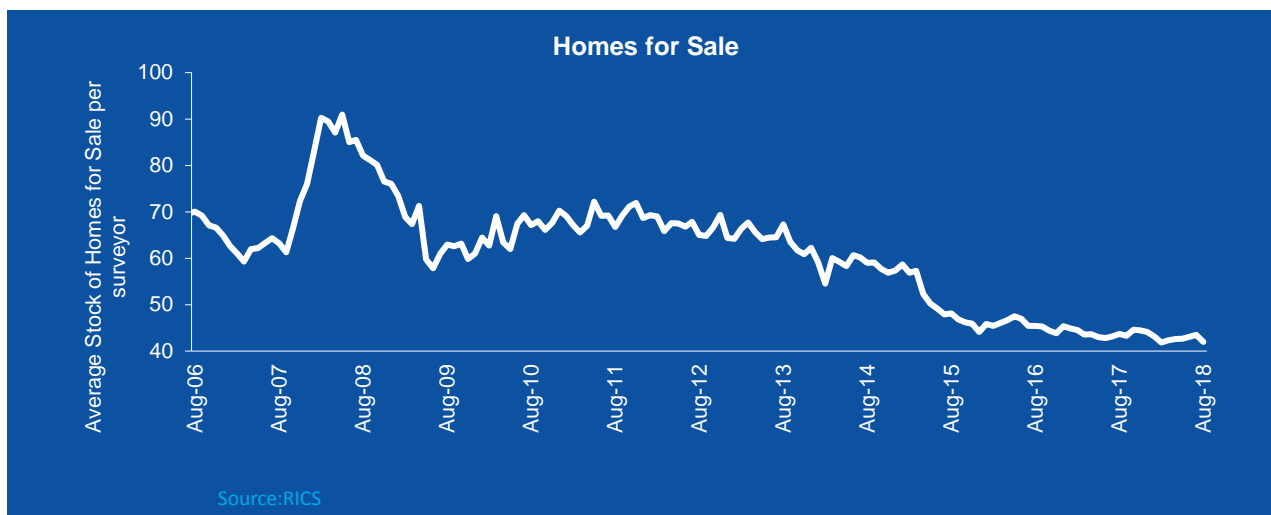
“The annual rate of growth is near the top of our forecast range of 0-3% for 2018, as a low supply of new homes and existing properties for sale, combined with historically low mortgage rates and a high employment rate, continue to support house prices”

KEY FACTS

HOUSING ACTIVITY

- Mortgage approvals showed a small rise in August. 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 to 66,440 in August from 65,156 in July. The figure is very close to the 5 year average approval rate of 66,550, but is 2,000 above the monthly average for the previous 12 month period of 64,638. (Source: Bank of England, seasonally-adjusted figures)
- Mortgage approvals have remained relatively low but stable over the past 5 years. The monthly average from August 2013 to July 2018 was 66,550, and the maximum and minimum monthly variance from this average is 11%. This recent five year period has a notably lower number of mortgage approvals and less volatility than the average before 2008. From August 2002 to July 2007 the monthly average number of approvals was 110,550, but the highest monthly mortgage approval rate was 20% above the average and the lowest was 33% below. (Source: Bank of England, seasonally-adjusted figures)
- The number of completed UK home sales remains near the monthly average for the past 12 months. On a monthly basis, sales rose between July and August to 99,120. In the three months to August sales increased by 1.2% 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)
- The number of homes for sale continues its trend of being low, with 2018 seeing the lowest recorded number of homes for sale for any year in the past decade. Since June 2015, the average stock of houses for sale per surveyor has been less than 50, which is below the lowest rate and trend for the previous 5 years. (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 %**
Sep 2017	729.4	225,369	0.7	1.6	4.0
Oct	730.4	225,664	0.1	2.4	4.5
Nov	732.8	226,408	0.3	2.4	3.9
Dec	726.7	224,540	-0.8	1.1	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	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	731.4	225,995	-1.4	1.8	2.5

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:

Email: housingeconomics@lloydsbanking.com

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

PRESS OFFICE CONTACTS:

Halifax press team:

Chris Tuttlebee 07850 723 184 christopher.tuttlebee@lloydsbanking.com

Kimberley Hamilton 07557 257 298 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>

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