

House Price Index



06/11/2020

Average UK house price reaches new record high – but market set to slow in coming months



£250,457

Average price

+0.3%

Monthly change

+4.0%

Quarterly change

+7.5%

Annual change

- On a monthly basis, house prices in October were 0.3% higher than in September
- In the latest quarter (August to October) house prices were 4.0% higher than in the preceding three months (May to July)
- House prices in October were 7.5% higher than in the same month a year earlier – the strongest growth since June 2016

Russell Galley, Managing Director, Halifax, said:

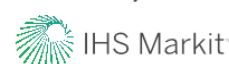
“The average UK house price now tops a quarter of a million pounds (£250,547) for the first time in history, as annual house price inflation rose to 7.5% in October, its highest rate since mid-2016. Underlying the pace of recent price growth in the market is the 5.3% gain over the past four months, the strongest since 2006. However, month-on-month price growth slowed considerably, down to just 0.3% compared to 1.5% in September.

“Overall we saw a broad continuation of recent trends with the market still predominantly being driven by home-mover demand for larger houses. Since March flat prices are up by 2.0% compared to a 6.0% increase for a typical detached property. In cash terms that equates to a £2,883 increase for flats compared to a £27,371 rise for detached houses.

“This level of price inflation is underpinned by unusually high levels of demand, with latest industry figures showing home-buyer mortgage approvals at their highest level since 2007, as transaction levels continue to be supercharged by pent-up demand as a result of the spring/summer lockdown, as well as the Chancellor’s waiver on stamp duty for properties up to £500,000.

“While Government support measures have undoubtedly helped to delay the expected downturn in the housing market, they will not continue indefinitely and, as we move through autumn and into winter, the macroeconomic landscape in the UK remains highly uncertain. Though the renewed lockdown is set to be less restrictive than earlier this year, it bears out that the country’s struggle with COVID-19 is far from over. With a number of clear headwinds facing the housing market, we expect to see greater downward pressure on house prices as we move into 2021.”

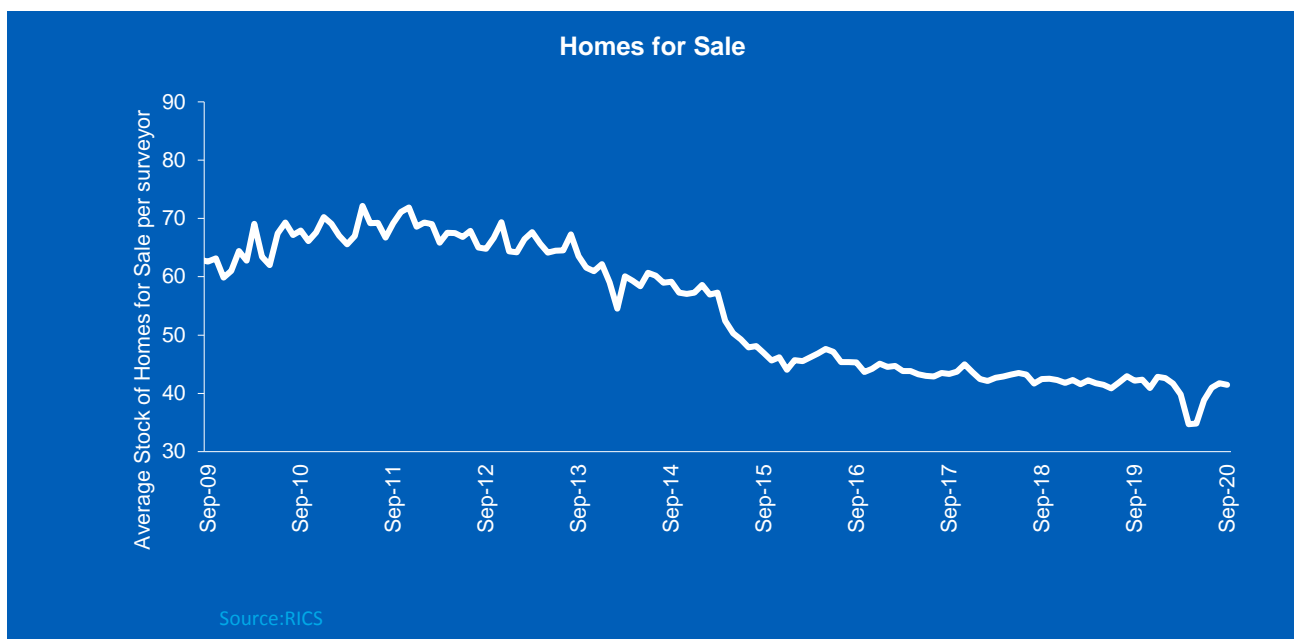
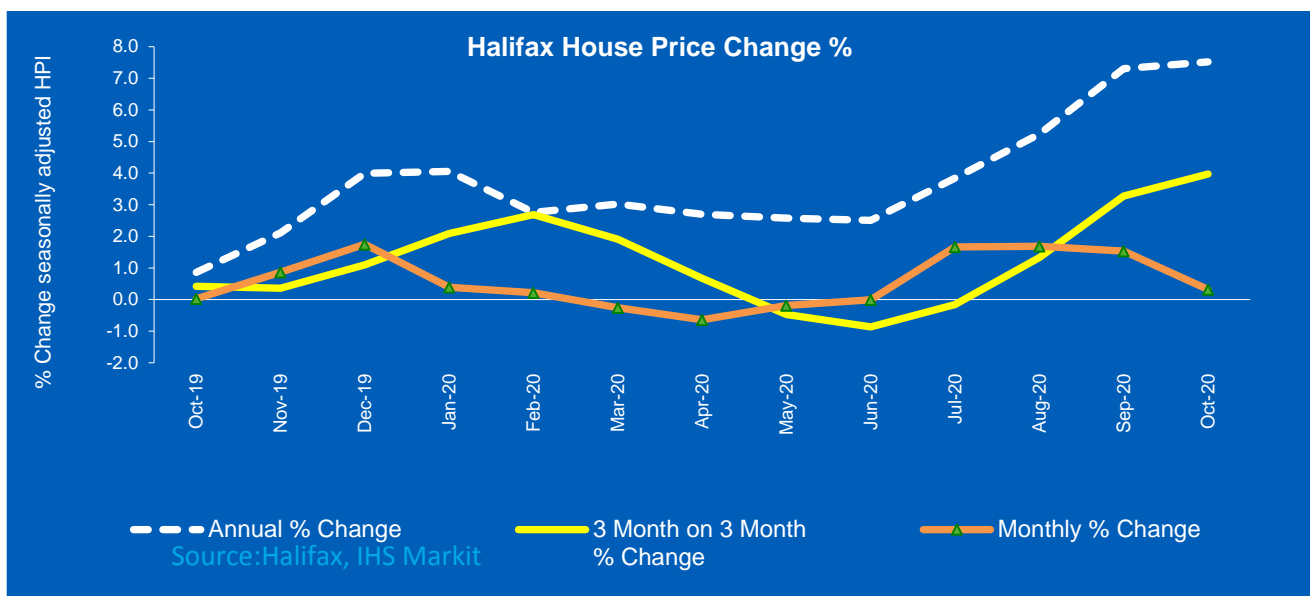
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Key facts

Housing activity

- **HMRC Monthly property transactions data shows a fifth consecutive monthly rise in UK home sales in September.** UK seasonally adjusted residential transactions in September 2020 were 98,010 – up by 21.3% from August. The latest quarterly transactions (July-September 2020) were approximately 63.6% higher than the preceding three months (April-June 2020). Year on year, transactions were 0.7% lower than September 2019 (2.4% higher on a non seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- **Mortgage approvals rose in September to the highest level seen in 13 years.** The latest Bank of England figures show the number of mortgages approved to finance house purchases, rose by 7% from August to 91,454, down from a rise of 27% reported in August. Year-on-year, the September figure was 39% above September 2019. Source: Bank of England, seasonally-adjusted figures)
- Results from the latest (September 2020) **RICS Residential Market Survey** continue to show a strong upturn in activity across the market, as enquiries, agreed sales and new listings all rose for a fourth consecutive month. New buyer enquiries displayed a net balance of +52% from +63% last month, with new instructions +39% (+45 previously) and agreed sales +55% (+61% previously). (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)



UK house prices

Historical data

All Houses, All Buyers (Seasonally Adjusted)

Period	¹ Index Jan 1992=100	² Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Oct 2019	401.5	232,860	0.0	0.4	0.9
Nov	405.0	234,886	0.9	0.4	2.1
Dec	412.1	238,998	1.8	1.1	4.0
Jan 2020	413.7	239,927	0.4	2.1	4.1
Feb	414.7	240,461	0.2	2.7	2.8
Mar	413.6	239,838	-0.3	1.9	3.0
Apr	410.9	238,314	-0.6	0.7	2.7
May	410.2	237,855	-0.2	-0.5	2.6
Jun	410.1	237,834	0.0	-0.9	2.5
Jul	417.0	241,808	1.7	-0.2	3.8
Aug	424.0	245,889	1.7	1.3	5.2
Sep	430.5	249,655	1.5	3.3	7.3
Oct	431.9	250,457	0.3	4.0	7.5

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 non-seasonally adjusted year-on-year figures.

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 on the methodology follow this link to [IHS Markit's website](#)

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For historical data or for technical queries please contact economics@ihsmarkit.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 figure is calculated by comparing the current month non-seasonally adjusted figure with the same month a year earlier.

For more information on our housing market research, visit <http://www.halifax.co.uk/house-price-index>

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