

# House Price Index



07/02/2020

## Annual house price growth rises to 4.1%



**£240,054**

Average price

**+0.4%**

Monthly change

**+2.3%**

Quarterly change

**+4.1%**

Annual change

- House prices in January were 4.1% higher than in the same month a year earlier
- On a monthly basis, house prices rose by 0.4%
- In the latest quarter (November to January) house prices were 2.3% higher than in the preceding three months (August to October)

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

“House prices kicked off the year with a modest monthly increase, rising by 0.4% in January following the stronger gains of 1.8% and 1.2% seen in December and November respectively. As a result, annual growth remained relatively stable at 4.1%, up just a fraction from the end of 2019.

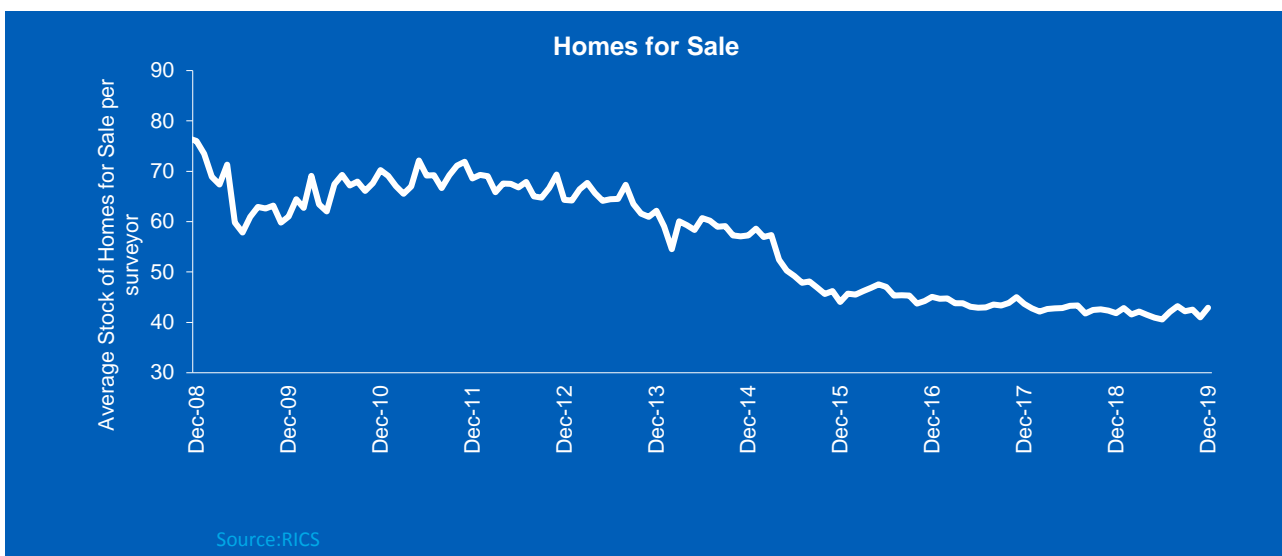
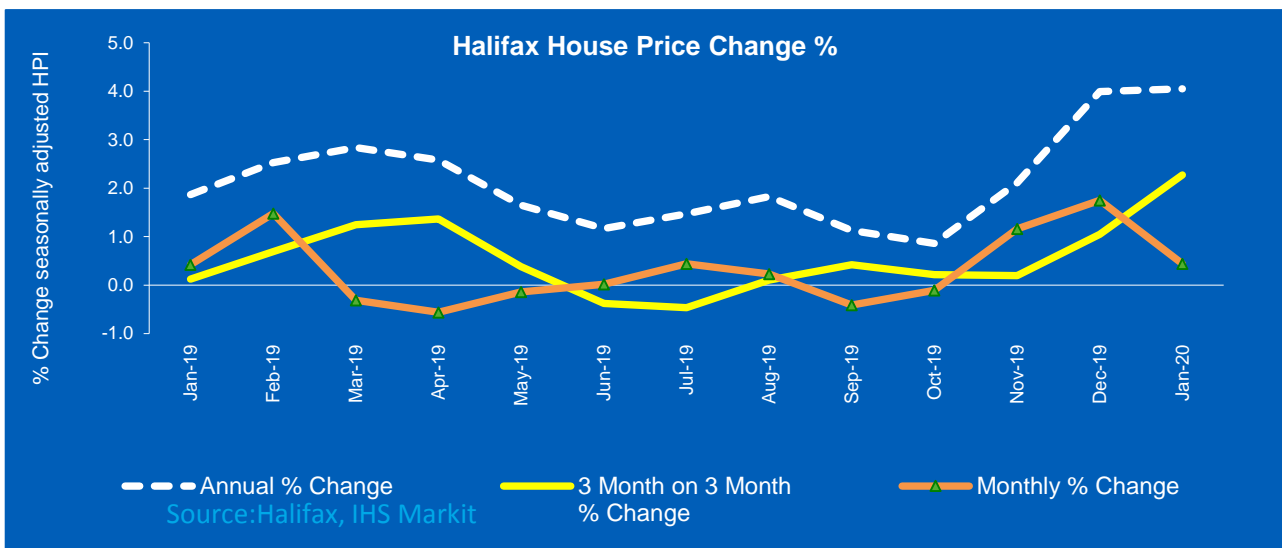
“A number of important market indicators continue to show signs of improvement. We have seen a pick-up in transactions with more buyer and seller activity consistent with a reduction in uncertainty in the UK economy. However, it’s too early to say if a corner has been turned. The recent positive figures may actually represent activity that would ordinarily have been expected to take place last year, but was delayed by economic uncertainty. So while housing market activity has undoubtedly increased over recent months, the extent to which this persists will be driven by housing policy, the wider political environment and trends in the economy.

“Looking ahead, we still expect a moderate rate of house price growth over the course of the year. Demand is likely to continue to exceed the supply of properties for sale across the UK, with the subdued pace of new building also adding to upwards price pressure. The environment for mortgage affordability should stay largely favourable. However with the growth in rental costs accelerating, many first-time buyers will continue to face a significant challenge in raising necessary deposits.”

# Key facts

## Housing activity

- HMRC Monthly property transactions data shows a rise in UK home sales in December.** UK seasonally adjusted residential transactions in December were 104,670 – up by 6.2% from November and the highest level since March 2016. Year-on-year, transactions in December 2019 were approximately 6.8% higher than December 2018 (11.2% higher on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- Mortgage approvals have risen from November.** Bank of England figures show that the number of mortgages approved to finance house purchases were 67,241 in December – this represents a 2.6% month on month rise, following a rise of 0.8% in November. Year on year growth is 4.6%. (Source: Bank of England, seasonally-adjusted figures)
- The latest set of results (December 2019) for the **RICS Residential Market Survey** have shown an uplift in sentiment with key metrics moving into positive territory. Agreed sales moved up from a net balance of -6% in November to +9% in December - the first positive balance since May 2019. Instructions to sell also rose from -7 to +9. Buyer demand is also up to +17% from -5% in November. Looking ahead, a net balance of +31% respondents now anticipating transactions will rise over the next three months. (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 Jan 1992=100	<sup>2</sup> Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Jan 2019	398.0	230,784	0.4	0.1	1.9
Feb	403.8	234,195	1.5	0.7	2.5
Mar	402.6	233,458	-0.3	1.2	2.8
Apr	400.3	232,146	-0.6	1.4	2.6
May	399.7	231,812	-0.1	0.4	1.7
Jun	399.8	231,855	0.0	-0.4	1.2
Jul	401.6	232,876	0.4	-0.5	1.5
Aug	402.5	233,418	0.2	0.1	1.8
Sep	400.8	232,454	-0.4	0.4	1.1
Oct	400.4	232,201	-0.1	0.2	0.9
Nov	405.0	234,886	1.2	0.2	2.1
Dec	412.1	238,998	1.8	1.0	4.0
Jan 2020	414.0	240,054	0.4	2.3	4.1

### 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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### 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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