

# House Price Index



06/09/2019

## House prices hold steady for another month



**£233,541**

Average price

**+0.3%**

Monthly change

**+0.1%**

Quarterly change

**+1.8%**

Annual change

- On a monthly basis, house prices rose by 0.3%
- In the latest quarter (June to August) house prices were 0.1% higher than in the preceding three months (March to May)
- House prices in August were 1.8% higher than in the same month a year earlier

*Figures have been calculated using an updated methodology. Please see Editor's notes below for more details.*

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

“There was no real shift in house prices in August as the average property value grew by just 0.3% month on month. This further extends the predominantly flat trend we’ve seen over the last six months, with the average house price having barely changed since March.

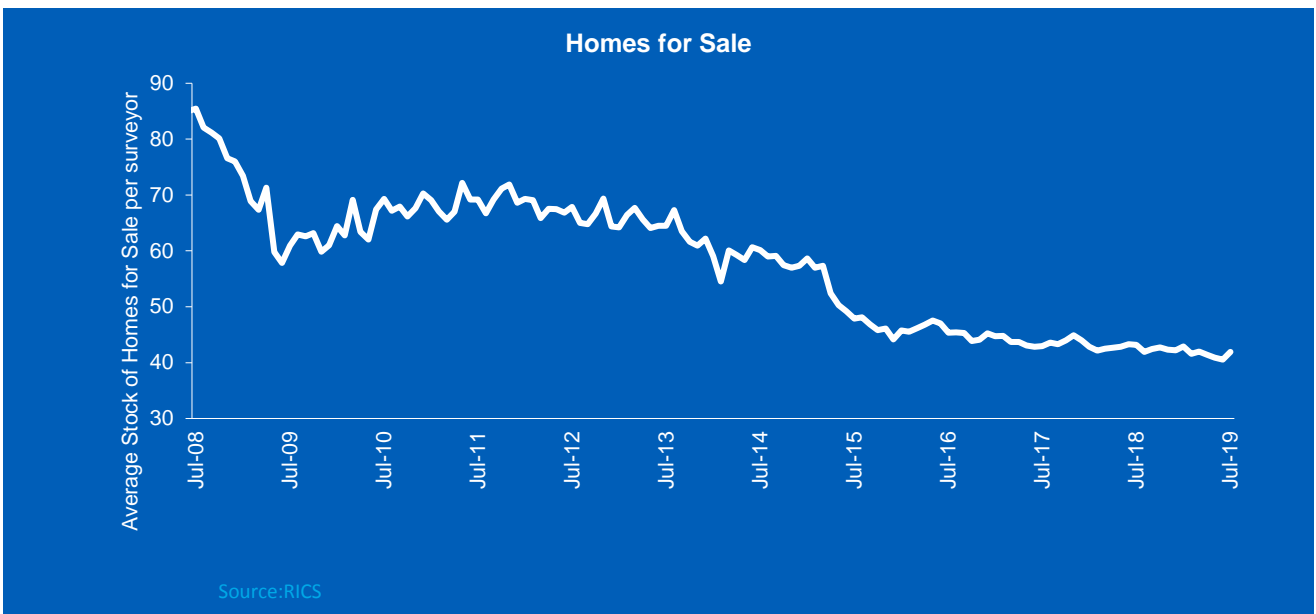
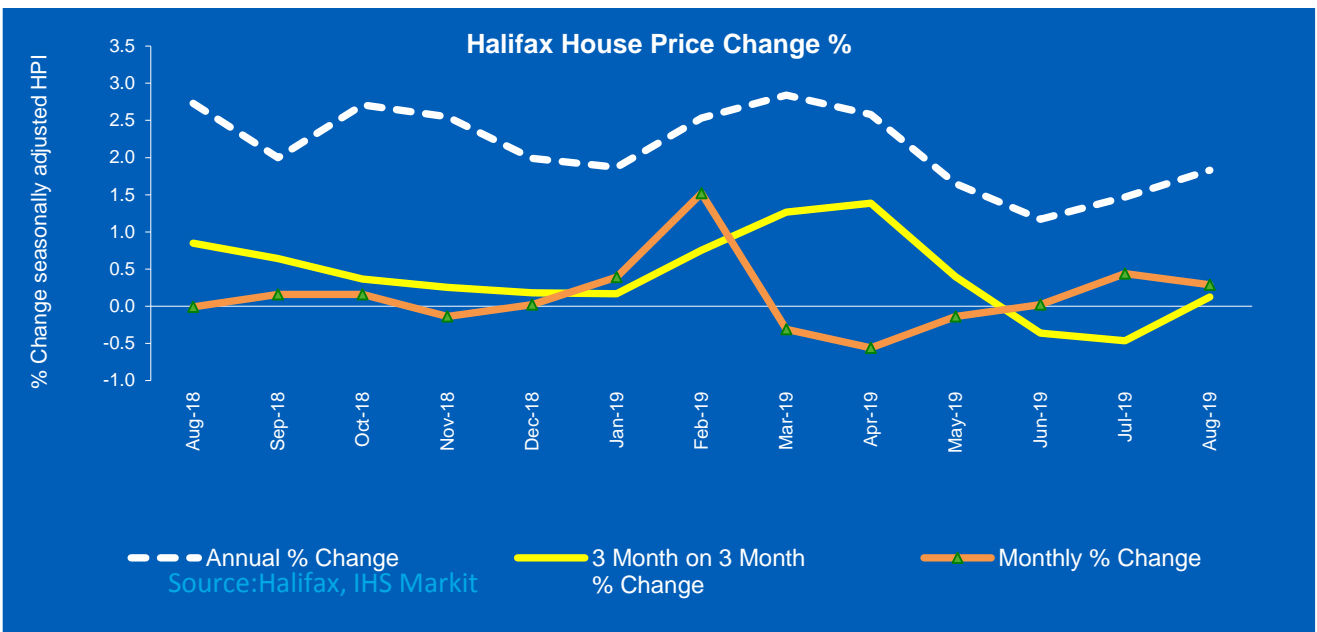
“While ongoing economic uncertainty continues to weigh on consumer sentiment – with evidence of both buyers and sellers exercising some caution – a number of important underlying factors such as affordability and employment remain strong.

“Although the housing market will undoubtedly be influenced by events in the wider economy, it continues to show a degree of resilience for the time being. We should also not lose sight of the fact that the single biggest driver of both prices and activity over the longer-term remains the dearth of available properties to meet demand from buyers.”

# Key facts

## Housing activity

- HMRC Monthly data shows UK home sales reducing.** July saw 86,630 home sales. Year-on-year, UK seasonally adjusted residential transactions in July 2019 were approximately 12.4% lower than July 2018 (11.0% lower on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- Mortgage approvals have risen slightly.** Bank of England figures show that the number of mortgages approved to finance house purchases were 67,306 in July – this represents a 1.2% rise from June and at its highest level since July 2017. (Source: Bank of England, seasonally-adjusted figures)
- The latest set of results (July 2019) for the **RICS Residential Market Survey** have shown the second consecutive increase in new buyer enquiries with a net balance of +8% (+10% in June). Despite the modest improvement in demand, newly agreed sales edged down to a net balance of -6% (from +3% in June). The sales to stock ratio increased slightly to 31.2%. (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 %**
Aug 2018	395.4	229,317	0.0	0.9	2.7
Sep	396.1	229,689	0.2	0.6	2.0
Oct	396.7	230,077	0.2	0.4	2.7
Nov	396.2	229,801	-0.1	0.3	2.6
Dec	396.3	229,827	0.0	0.2	2.0
Jan 2019	397.8	230,721	0.4	0.2	1.9
Feb	403.8	234,195	1.5	0.8	2.5
Mar	402.6	233,458	-0.3	1.3	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	402.7	233,541	0.3	0.1	1.8

### 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.

#### Update to methodology

From 6 September 2019, the published Halifax House Price Index is based on an updated methodology. The previous HPI methodology was used for over 30 years to provide the UK's benchmark house price index. IHS Markit has been working on an updated methodology since last year and closed a consultation with principal users around the update in December 2018. This review and subsequent enhancement ensures that the Halifax House Price Index will continue to be the UK's leading house price benchmark.

The updated model reflects changes to the structure of the housing market and uses best practice in house price determination. It will include more mortgage transaction data for even greater accuracy and reduced volatility on a month to month basis.

For further information on the methodology follow this [link to 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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