

House Price Index



09/04/2021

Average house price hits new record high as market picks up momentum in March



£254,606

Average price

+1.1%

Monthly change

+0.3%

Quarterly change

+6.5%

Annual change

- On a monthly basis, house prices in March were 1.1% higher than in February
- In the latest quarter (January to March) house prices were 0.3% higher than in the preceding three months (October to December)
- House prices were 6.5% higher than in March 2020

Russell Galley, Managing Director, Halifax, said:

“Following a relatively subdued start to the year, the housing market enjoyed something of a resurgence during March, with prices up by just over 1% compared to February. This rise – the first since November last year – means the average property is now worth £254,606, a new record high.

“A year on from the early days of the first national lockdown, March’s data shows that house prices rose by 6.5% annually, or £15,430 in cash terms. Casting our minds back 12 months, few could have predicted quite how well the housing market would ride out the impact of the pandemic so far, let alone post growth of more than £1,000 per month on average.

“The continuation of government support measures has been key in boosting confidence in the housing market. The extended stamp duty holiday has put another spring in the step of home movers, whilst for those saving hard to buy their first home, the new mortgage guarantee scheme provides an alternative route onto the property ladder.

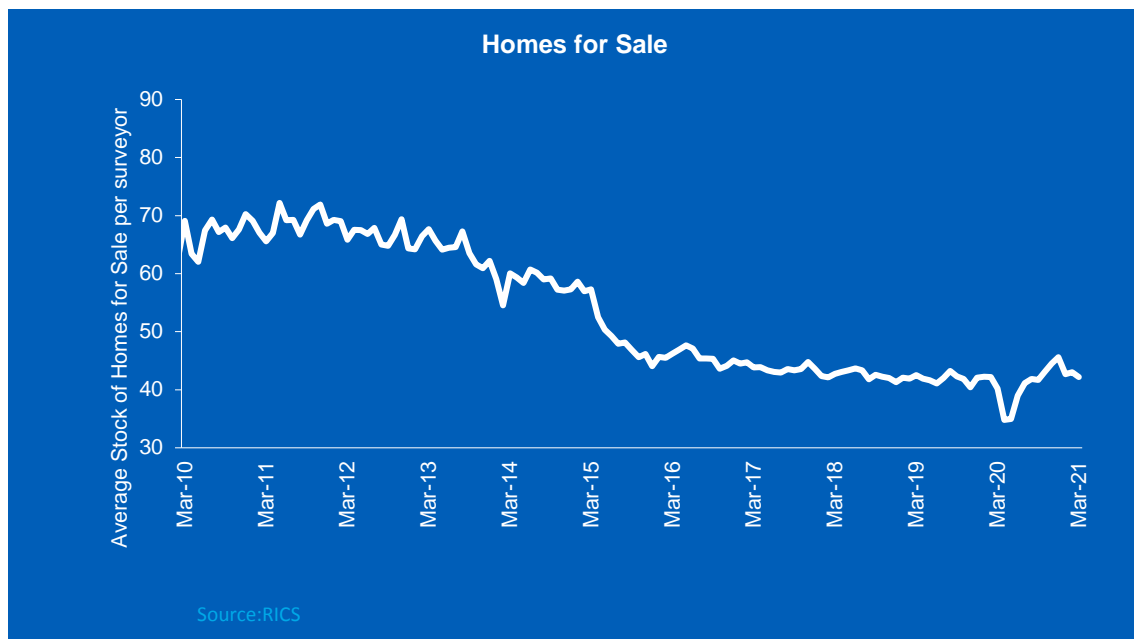
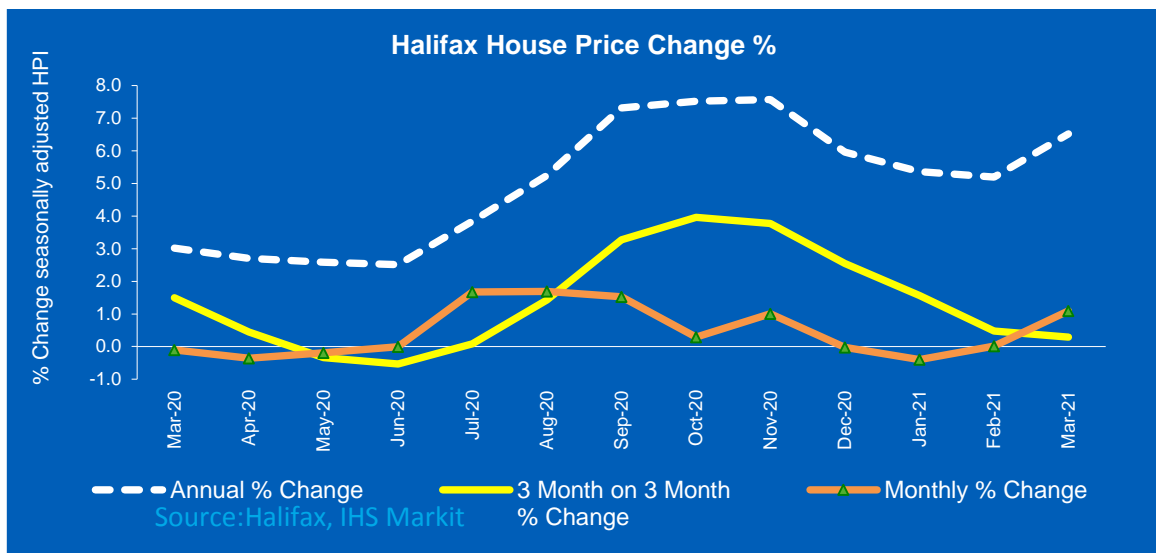
“Overall we expect elevated levels of activity to be maintained in the coming months, with consumer confidence spurred on by the successful vaccine rollout, and buyer demand still fuelled by a desire for larger properties and more outdoor space, as work-life priorities have shifted during the pandemic. A shortage of homes for sale will also support prices in the short term, as lower availability always favours sellers.

“However, with the economy yet to feel the full effect of its biggest recession in more than 300 years, we remain cautious about the longer-term outlook. Given current levels of uncertainty and the potential for higher unemployment, we still expect house price growth to slow somewhat by the end of this year.”

Key facts

Housing activity

- HMRC monthly property transactions data for UK home sales increased in February 2021 to their highest level since March 2007.** UK seasonally adjusted residential transactions in February 2021 were 147,050 – up by 23.0% from January (up 26.4% on a non-seasonally adjusted basis). The latest quarterly transactions (December-February 2021) were approximately 23.3% higher than the preceding three months (September-November 2020). Year on year, transactions were 56.2% higher than February 2020 (41.3% higher on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- Mortgage approvals fell in February for the third consecutive month.** The latest Bank of England figures show the number of mortgages approved to finance house purchases fell in February 2021 by 9.9% to 87,669. Year-on-year, the February figure was 19.5% above February 2020. Source: Bank of England, seasonally-adjusted figures)
- Results from the latest (March 2021) **RICS Residential Market Survey** show sales market activity picking up sharply over the month, with indicators on enquiries, sales and new instructions all improving noticeably compared to February. New buyer enquiries increased to a net balance of +42%, up from zero in February. New instructions also improved to a net balance of +22% compared to -28% previously, with agreed sales rising sharply to +50% from +7%. (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 %**
Mar 2020	412.4	239,176	-0.1	1.5	3.0
Apr	410.9	238,314	-0.4	0.5	2.7
May	410.2	237,855	-0.2	-0.3	2.6
Jun	410.1	237,834	0.0	-0.5	2.5
Jul	417.0	241,808	1.7	0.1	3.8
Aug	424.0	245,889	1.7	1.4	5.2
Sep	430.5	249,655	1.5	3.3	7.3
Oct	431.7	250,367	0.3	4.0	7.5
Nov	436.1	252,890	1.0	3.8	7.6
Dec	436.0	252,833	0.0	2.5	6.0
Jan 2021	434.3	251,832	-0.4	1.6	5.4
Feb	434.3	251,856	0.0	0.5	5.2
Mar	439.0	254,606	1.1	0.3	6.5

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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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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