

House Price Index



05/11/21

UK house prices hit record high as average property tops £270,000 for the first time

£270,027

Average price

+0.9%

Monthly change

+2.3%

Quarterly change

+8.1%

Annual change

- **Average UK property price now a record £270,027**
- **Annual house price inflation up to 8.1%, up from 7.4%**
- **Wales, Northern Ireland and Scotland continue to outperform the UK average**

Russell Galley, Managing Director, Halifax, said:

“UK house prices climbed again in October, as the value of the average property grew by 0.9%, an increase of more than £2,500 during the month. With prices rising for a fourth straight month, the annual rate of inflation now sits at 8.1%, its highest level since June.

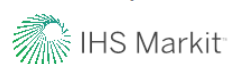
“One of the key drivers of activity in the housing market over the past 18 months has been the race for space, with buyers seeking larger properties, often further from urban centres. Combined with temporary measures such as the cut to Stamp Duty, this has helped push the average property price up to an all-time high of £270,027. Since April 2020, the first full month of lockdown, the value of the average property has soared by £31,516 (13.2%).

“First-time buyers, supported by parental deposits, improved mortgage access and low borrowing costs, have also helped to drive price growth in recent months. First-time buyer annual house price inflation (+9.2%) is now at a five-month high, and has pushed ahead of the equivalent measure for homemovers (+8.1%).

“More generally the performance of the economy continues to provide a benign backdrop to housing market activity. The labour market has outperformed expectations through to the end of the year, with the number of vacancies high and rising relative to the numbers of unemployed.

“With the Bank of England expected to react to building inflation risks by raising rates as soon as next month, and further such rises predicted over the next 12 months, we do expect house buying demand to cool in the months ahead as borrowing costs increase. That said, borrowing costs will still be low by historical standards, and raising a deposit is likely to remain the primary obstacle for many. The impact on property prices may also be tempered by the continued limited supply of properties available on the market.”

Administered by



Regions and nations house prices

Wales remains the strongest performing nation or region with annual house price inflation of 12.9% (average house price of £198,880), while Northern Ireland has recorded its strongest growth in four months (11.3%, average house price of £169,308).

House prices also continue to rise in Scotland, with the average property now up 8.6% year on year (average house price of £190,023).

In England, the North West has returned to being the strongest performing region (10.4%, average house price of £205,881), which is also a four-month high.

London remains by far the weakest performing area of the UK: annual inflation of just 0.8%, from an increase of 1.0% in September, is the lowest year-on-year rise in prices seen since February 2020. Though at an average of £514,907, property prices in the capital remain well above all other parts of the country.

Key facts

Housing activity

- **HMRC monthly property transactions data for UK home sales increased in September 2021.** UK seasonally adjusted residential transactions in September 2021 were 160,950 – up by 67.5% from August's figure of 96,110 (up 59.7% on a non-seasonally adjusted basis). The latest quarterly transactions (July-September 2021) were approximately 23.5% lower than the preceding three months (April 2021- June 2021). Year-on-year, transactions were 68.4% higher than September 2020 (67.3% higher on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- The latest **Bank of England** figures show the number of mortgages approved to finance house purchases fell in September 2021 by 2% to 72,645. Year-on-year, the September figure was 22% below September 2020. (Source: Bank of England, seasonally-adjusted figures)
- The latest results from the **RICS Residential Market Survey** show buyer enquiries posted a net balance of zero during September, up from -13% in August. Newly agreed sales declined for a third consecutive month, with a net balance of -15% (-17% previously) and new instructions remain in negative territory at -35% (-36% previously). (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)

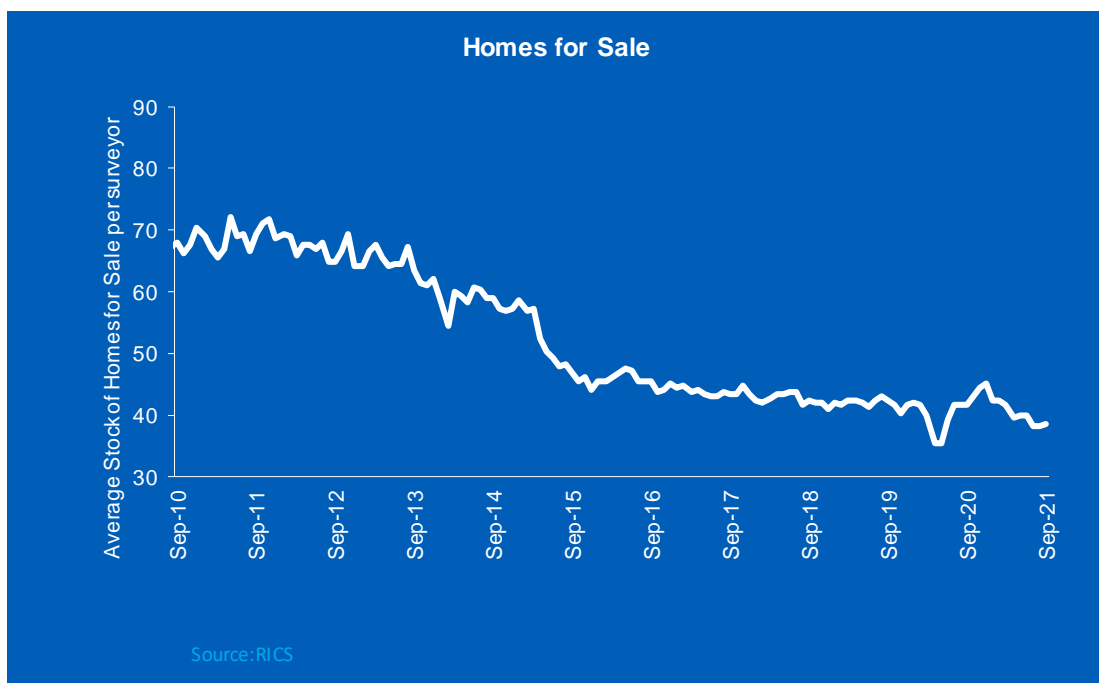
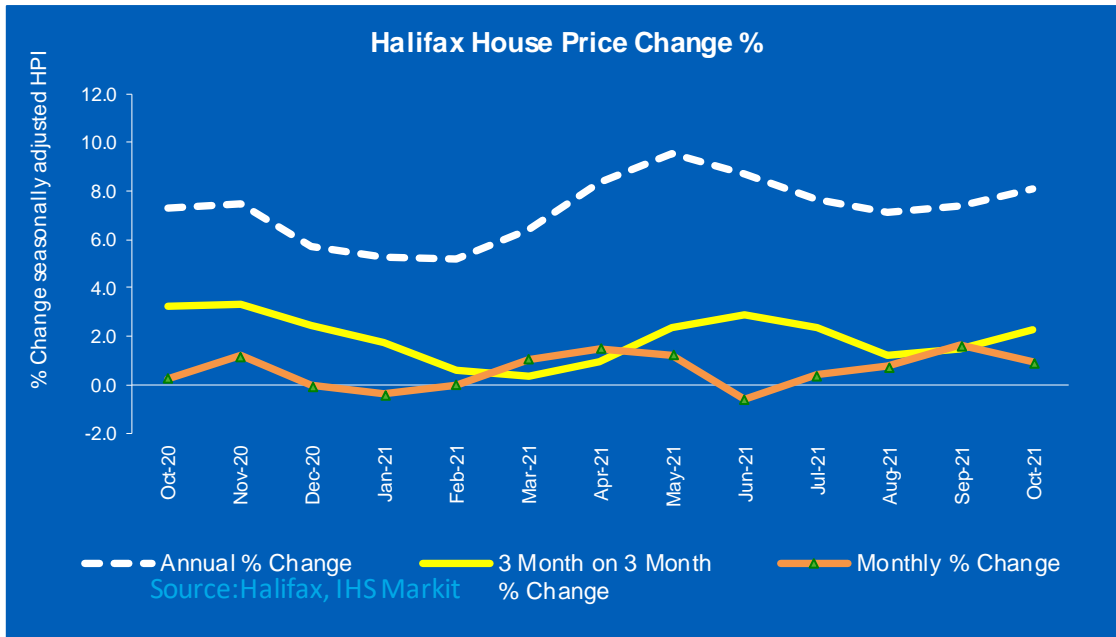
UK house prices

Historical data

UK National: All Houses, All Buyers (Seasonally Adjusted)

Period	¹ Index Jan 1992=100	² Standardised Average Price £	Monthly Change %	Quarterly Change %	³ Annual Change %
Oct 2020	430.8	249,834	0.3	3.3	7.3
Nov	436.1	252,890	1.2	3.3	7.5
Dec	436.0	252,833	0.0	2.5	5.8
Jan 2021	434.3	251,832	-0.4	1.7	5.3
Feb	434.3	251,856	0.0	0.6	5.2
Mar	439.0	254,604	1.1	0.4	6.5
Apr	445.7	258,472	1.5	1.0	8.4
May	451.2	261,642	1.2	2.4	9.6
Jun	448.5	260,099	-0.6	2.9	8.7
Jul	450.4	261,165	0.4	2.3	7.6
Aug	453.8	263,162	0.8	1.3	7.2
Sep	461.3	267,516	1.7	1.5	7.4
Oct	465.6	270,027	0.9	2.3	8.1

Charts



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.

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.

3. National annual change figure

National annual change figures are the seasonally adjusted year-on-year figures.

4. Regional annual change figure

The regional annual change figures are based on the most recent three months of approved mortgage transaction data.

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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