

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 07:30 (UTC) July 10<sup>th</sup> 2019**

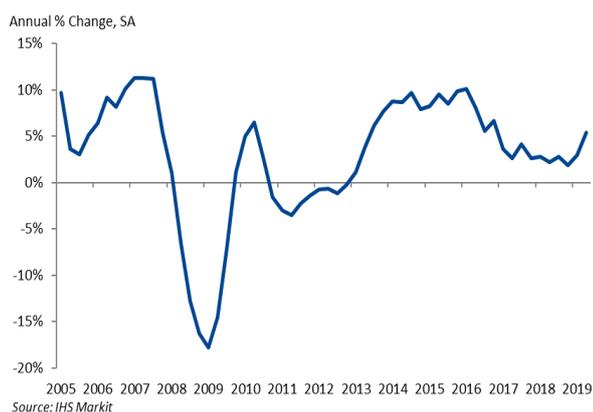
## Halifax House Price Index – UK Regional Breakdown

### House price inflation strengthens in second quarter

#### Key points for Q2 2019:

- UK house prices up +2.2% on the quarter in the three months to June
- North West, Scotland and Wales key drivers of overall inflation
- Price trends relatively subdued in the South of England and Midlands

#### UK summary:



According to the latest figures provided by the **Halifax House Price Index**, UK house prices rose by +2.2% on a quarterly basis during the second quarter of 2019. Compared to the same period a year earlier, prices were +5.4% higher – which is the strongest increase on this measure for two-and-a-half years.

The upturn in prices in the second quarter of the year has lifted the standardised house price to a new record level of £239,708.

Looking at the year-to-date, prices are currently running around 4% higher than 2018 levels. If maintained at this rate, then 2019 would be the best year for house price growth since 2016, though inflation would remain well below the long-term average of over 6%.

#### House Prices by Region:

There were some notable divergences between regional housing markets during the second quarter of 2019.

House price trends were especially positive in the **North West, Scotland** and **Wales**, with prices up in each case by over +4% since the previous quarter.

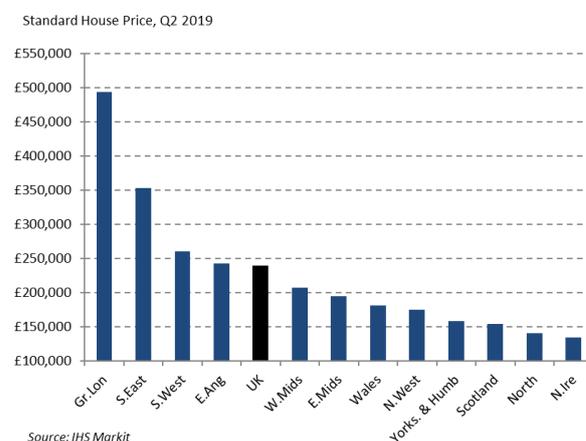
By contrast, price changes were much more subdued in the South of England and, in some instances, even negative.

Most notably, **East Anglia** registered a -1.2% fall in prices, whilst prices were little changed in **Greater London**. In the **South East**, prices rose by +1.8% since the previous quarter, but were up only +1.1% on the year.

Elsewhere, prices declined in the **East Midlands** by -1.0% year-on-year, whilst the neighbouring **West Midlands** saw prices unmoved.

In terms of prices paid, **Greater London** remains comfortably the most expensive area to purchase a home (£493,580), followed by the **South East** (£352,774). The **South West** (£260,534) and **East Anglia** (£242,231) continue to record price levels above the national average.

#### UK standardised house price, by region

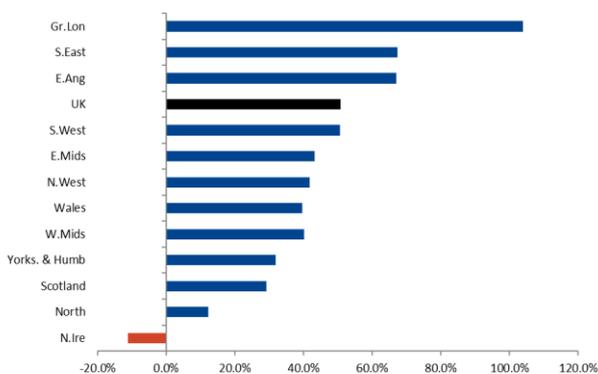


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In contrast, the cheapest places to purchase a house remained in **Northern Ireland** (£134,332) and the **North of England** (£140,906).

These two regions have also performed the worst in terms of price trends over the past decade. Since the second quarter of 2009, prices have risen by just +12.3% in the **North of England**, the worst result of all nine English regions. In **Northern Ireland**, prices remain over -11% down compared to a decade ago.

### Regional house price changes since Q2 2009



Source: IHS Markit

Conversely, **Greater London** remains comfortably out in front in terms of ten-year house price inflation. Latest data indicated that prices are 104% higher than a decade ago, compared to 67.4% in the **South East**, 67.1% in **East Anglia** and a UK average of 50.9%.

### Comment:

**Paul Smith, Economics Director at IHS Markit** said:

*“Although at the headline level, the house price index points to a pick-up in the market during the spring, the regional data provide signs of an emerging “North-South” divide. Prices are currently either falling or rising only very slowly in much of the south of England compared to stronger gains in areas such as the North West, Scotland and Wales.*

*“Moreover, recent trends in the monthly data suggest inflation has likely peaked and, based on the current prevailing UK macroeconomic environment, will slow in the second half of the year, especially as political and Brexit-related uncertainty ratchets up again in the autumn.”*

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E-mail [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)For any technical queries, please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com)**Note to Editors:**

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In relation to the above, please note that due to difficulties in identifying the partial coefficients for the 'Central Heating: Other', 'Central Heating: Partial' and 'Road Charge' variables, and the associated destabilising impact on the determination of house prices, these variables have been removed from the hedonic regression specifications for a number of regional indices.

**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 standardised average price is calculated using the HPI's mix adjusted methodology.

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