

## ANNUAL HOUSE PRICE GROWTH RISES TO 4.0%



**+4.0%**

Annual change

**+0.8%**

Monthly change

**+1.4%**

Quarterly change

**£225,109**

Average Price

- House prices in the last three months (July-September) were 1.4% higher than in the previous three months (April-June). This is the fastest price growth, on this measure, since February.
- Prices in the three months to September were 4.0% higher than in the same three months a year earlier. The annual rate in September is higher than in August (2.6%) and at its highest growth rate since February.
- House prices rose by 0.8% between August and September, following a 1.5% increase in August.

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

*"The annual rate of growth has picked up for the second consecutive month, rising from 2.6% in August to 4.0% in September. The average house price is now £225,109 – the highest on record. House prices in the three months to September were 1.4% higher than in the previous quarter, the fastest quarterly increase since February."*

*"While the quarterly and annual rates of house price growth have improved, they are lower than at the start of the year. UK house prices continue to be supported by an ongoing shortage of properties for sale and solid growth in full-time employment. However, increasing pressure on spending power and continuing affordability concerns may well dampen buyer demand. There has been recent speculation on the possibility of a rise in the Bank of England base rate. We do not anticipate this will have a significant effect on transaction volumes."*

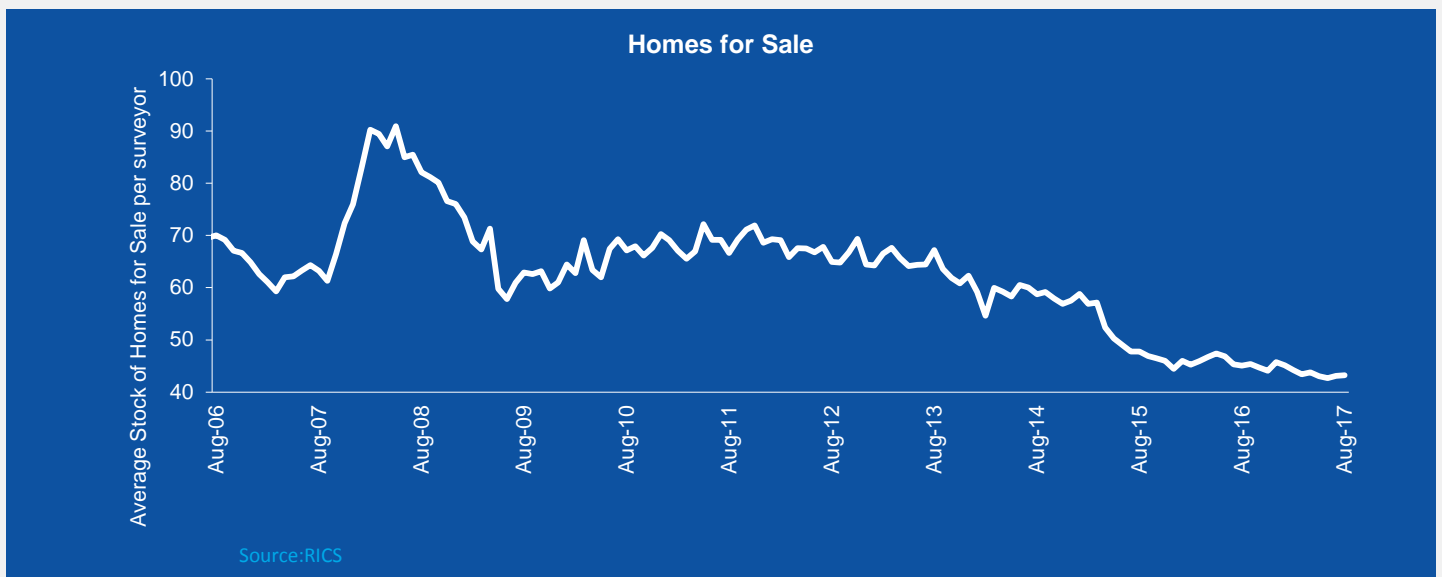
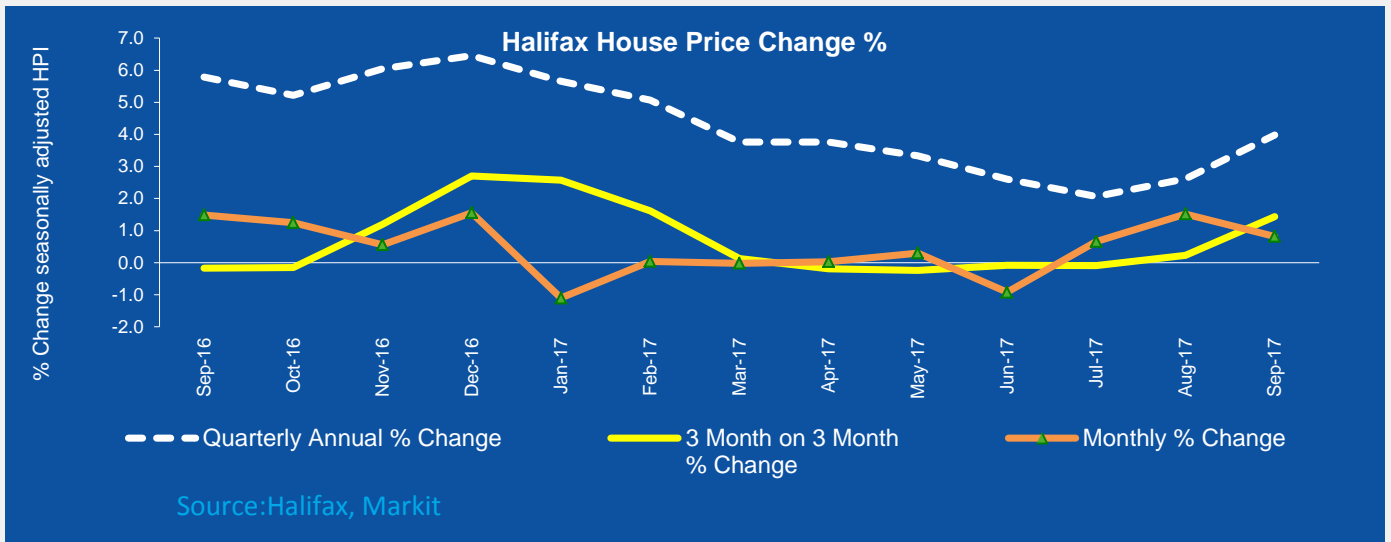
## KEY FACTS

### HOUSING ACTIVITY

- **Total UK home sales remained flat in August but still exceeded 100,000.** Sales in August remained unchanged from July and exceeded 100,000 for the eighth month in succession. In the three months to August home sales were 1% higher than in the preceding three months. (Source: HMRC, seasonally-adjusted figures)
- **Mortgage approvals for house purchases fell in August.** After rising to their highest level since January,

mortgage approvals – a leading indicator of completed house sales – fell by 2.7% between July and August to 66,580. Mortgage approvals have remained in a narrow range between 65,100 and 68,700 per month over the past 11 months. (Source: Bank of England, seasonally-adjusted figures)

- New sales instructions improve – but still close to an all-time low.** Shortage of homes for sale continues to impede market activity with the balance of new sales instructions for home sales falling for the 18<sup>th</sup> consecutive month in August. The average stock levels on estate agents' books edged up but still remains close to an all-time low. (Sources: Royal Institution of Chartered Surveyors' (RICS) monthly report)



# UK HOUSE PRICES

## HISTORICAL DATA

All Houses, All Buyers (Seasonally Adjusted)

	Index 1983=100	Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
	1	2			
Period					
Sep 2016	695.5	214,879	1.5	-0.2	5.8
Oct	704.2	217,567	1.3	-0.2	5.2
Nov	708.1	218,785	0.6	1.2	6.0
Dec	719.1	222,190	1.6	2.7	6.5
Jan 2017	711.2	219,741	-1.1	2.6	5.7
Feb	711.5	219,839	0.0	1.6	5.1
Mar	711.3	219,788	0.0	0.1	3.8
Apr	711.6	219,855	0.0	-0.2	3.8
May	713.7	220,515	0.3	-0.2	3.3
Jun	707.1	218,477	-0.9	-0.1	2.6
Jul	711.8	219,918	0.7	-0.1	2.1
Aug	722.6	223,271	1.5	0.2	2.6
Sep	728.6	225,109	0.8	1.4	4.0

### 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 quarterly non- seasonally adjusted year-on-year figures. These figures provide a better picture of underlying trends compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

#### 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 PLEASE CONTACT:

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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 is calculated as an average for the latest three months compared with the same period a year earlier. These figures provide a better picture of the underlying trend compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

For more information on our housing market research, visit <http://www.halifax.co.uk/house-price-index>

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