

## ANNUAL HOUSE PRICE GROWTH SOFTENS TO 1.9% IN MAY



**+1.9%**

Annual change

**+0.2%**

Quarterly change

**+1.5%**

Monthly change

**£224,439**

Average Price

- House prices in the three months to May were 1.9% higher than the same period a year earlier; experiencing slower growth than the 2.2% annual growth in April and 0.2% higher than in the preceding three months (December-February 2018)
- On a monthly basis, prices rose by 1.5% in May, partially reversing the 3.1% monthly decline in April.
- The average house price is now £224,439

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

*“House prices grew by 1.5% on a monthly basis, in contrast to a decline seen in April. The month on month figures are more volatile than the quarterly or annual measures. In the three months to May house prices were 0.2% higher than the previous quarter and on an annual basis they are 1.9% higher. Both of these measures have fallen since reaching a recent peak, in the final months of last year.*”

*“These latest price changes reflect a relatively subdued UK housing market. After a sharp rise in January, mortgage approvals have softened in the past three months, whilst both newly agreed sales and new buyer enquiries are showing signs of stabilisation having fallen in recent months.*”

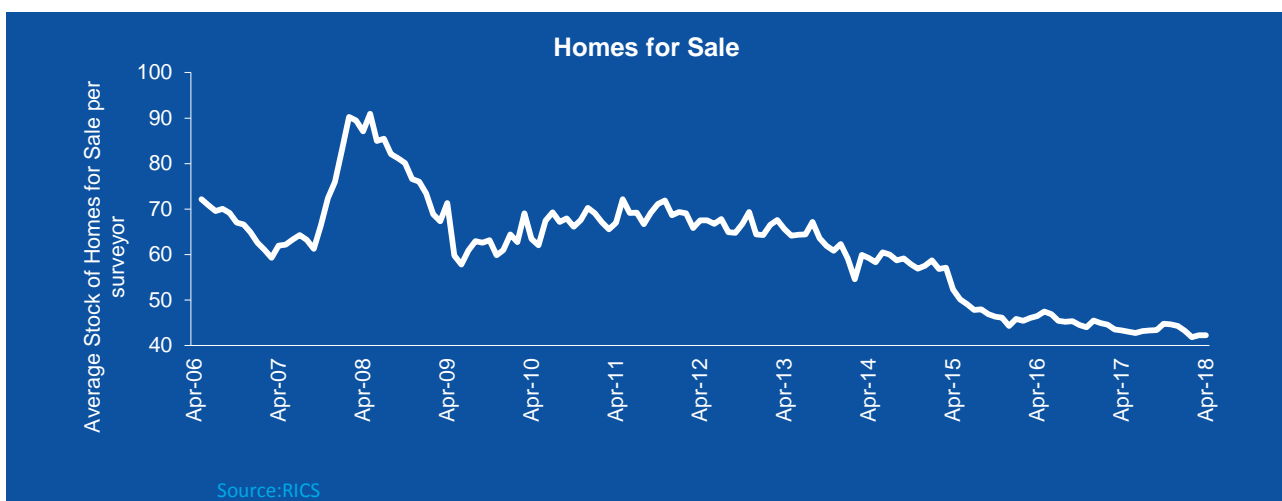
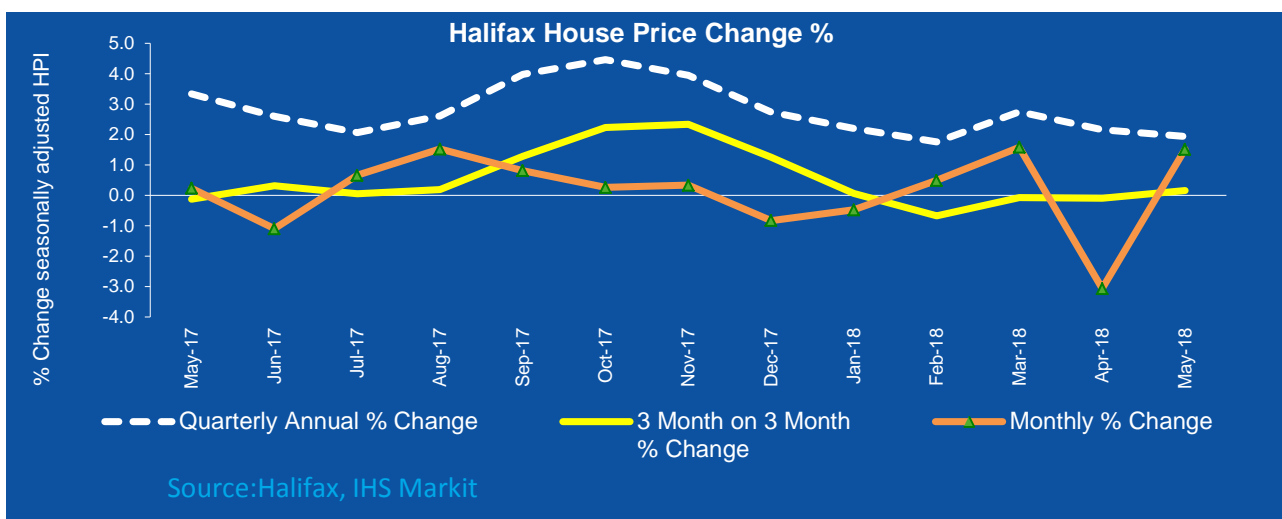
*“The continuing strength of the labour market is supporting house prices. In the three months to March the number of full-time employees increased by 202,000, the biggest rise in three years. We are also seeing pay growth edging up and consumer price inflation falling, and as a result the squeeze on real earnings has started to ease. With interest rates still very low we see mortgage affordability at very manageable levels providing a further underpinning to prices.”*

# KEY FACTS

## HOUSING ACTIVITY

- Home sales over 100,000 in April.** UK home sales grew by a healthy 4% from 96,800 in March to 100,190 in April. In the three months to April sales were 1.6% lower than in the preceding three months. This weakness reflects the sharp slowdown seen in mortgage approvals at the end of last year. (Source: HMRC, seasonally-adjusted figures)
- Housing market activity softens in March.** Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales – were 62,455 in April. This was a 0.6% month on month decline – marking the third consecutive month in which approvals have fallen. In the three months to April approvals were 1.9% lower than in the preceding three months, continuing to indicate a subdued residential market. (Source: Bank of England, seasonally-adjusted figures)
- Decline in housing activity eases in April.** After four straight months of sharp decline, new buyer enquiries stabilised in April. That said, demand fell for the 13<sup>th</sup> month in a row. Supply continues to remain tight with new instructions falling for the 26<sup>th</sup> consecutive month in April; however the pace has slowed markedly. Agreed sales also held relatively steady over the month. (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)
- The average price of a flat in the UK has risen by £75,074 over the last five years,** from £157,061 in 2013 to £232,135 in 2018. Flats now account for 15% of all home sales. Although six in every 10 property sales last year were either terraced or semi-detached properties, flats have increased in value by 48%, compared to 39% for all property types over the same period. Terraced homes have seen average prices rise by £60,482 since 2013, while detached homes recorded an increase of £73,638. Although flats have recorded greater price gains over the past five years, semi-detached and terraced homes have remained the most popular choices for homebuyers.

[http://www.lloydsbankinggroup.com/globalassets/documents/media/press-releases/halifax/2018/190518---price-of-flats-climbs-1250-a-month\\_final.pdf](http://www.lloydsbankinggroup.com/globalassets/documents/media/press-releases/halifax/2018/190518---price-of-flats-climbs-1250-a-month_final.pdf)



# 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 %**
May 2017	715.0	220,915	0.2	-0.1	3.3
Jun	707.1	218,477	-1.1	0.3	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	728.4	225,070	0.8	1.3	4.0
Oct	730.4	225,664	0.3	2.2	4.5
Nov	732.8	226,408	0.3	2.3	3.9
Dec	726.7	224,540	-0.8	1.3	2.7
Jan 2018	723.2	223,462	-0.5	0.1	2.2
Feb	726.8	224,564	0.5	-0.7	1.8
Mar	738.3	228,102	1.6	-0.1	2.7
Apr	715.6	221,108	-3.1	-0.1	2.2
May	726.4	224,439	1.5	0.2	1.9

### 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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