

ANNUAL HOUSE PRICE GROWTH EASES TO 2.1%



+2.1%

Annual change

+0.4%

Monthly change

-0.2%

Quarterly change

£219,266

Average Price

- **House prices in the last three months (May-July) were 0.2% lower than in the previous three months (February-April).** This was the fourth successive quarterly fall; the first time this has happened since November 2012.
- **Prices in the three months to July were 2.1% higher than in the same three months a year earlier.** This was lower than in June (2.6%) and is the lowest annual rate since April 2013 (2.0%). The annual rate has fallen from a peak of 10.0% in March 2016.
- **House prices rose by 0.4% between June and July,** partially offsetting the 0.9% decline recorded between May and June.

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

“House prices continue to remain broadly flat, as they have since the start of the year. Prices in the three months to July were marginally lower than in the preceding three months, while the annual rate of growth has edged down from 5.7% in January to 2.1% in July; the lowest rate since April 2013.”

“The rise in the employment level by 175,000 in the three months to May helped push the unemployment rate down to 4.5%, the lowest since June 1975. However, this improvement in the jobs market has not, as yet, boosted wage growth, resulting in earnings rising at a slower rate than consumer prices. This squeeze on spending power, together with the impact on property transactions of the stamp duty changes in 2016 now being realised, along with affordability concerns, appear to have contributed to weaker housing demand.”

“However, a continued low mortgage rate environment, combined with an ongoing shortage of properties for sale, should help continue to support house prices over the coming months.”

KEY FACTS

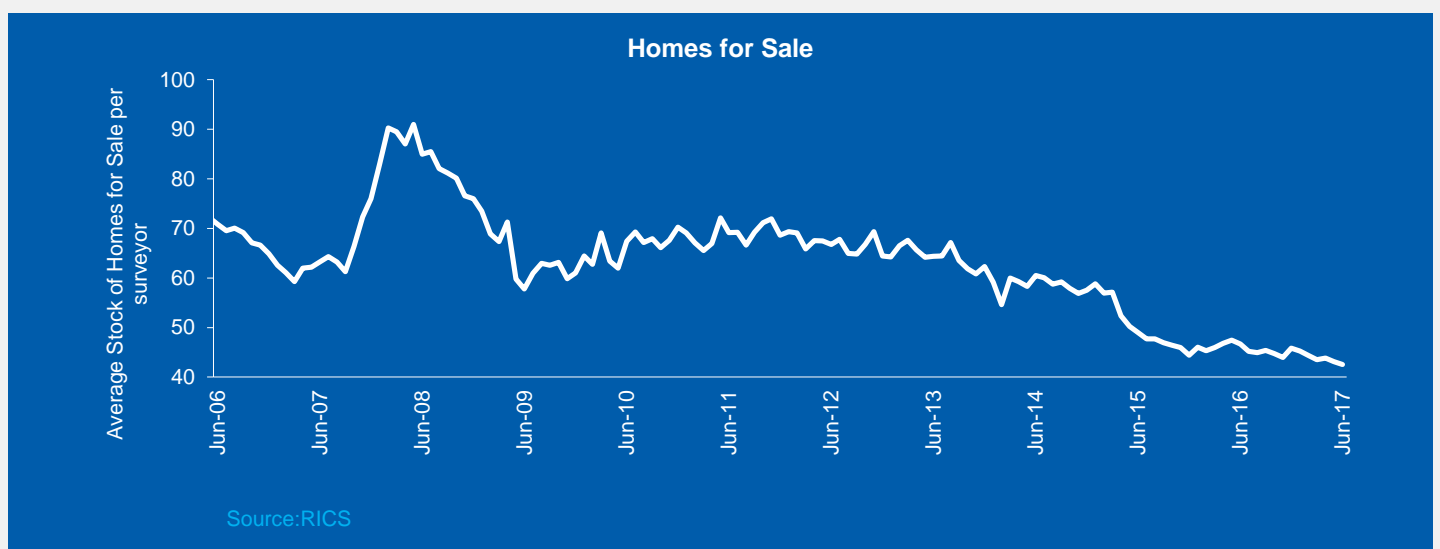
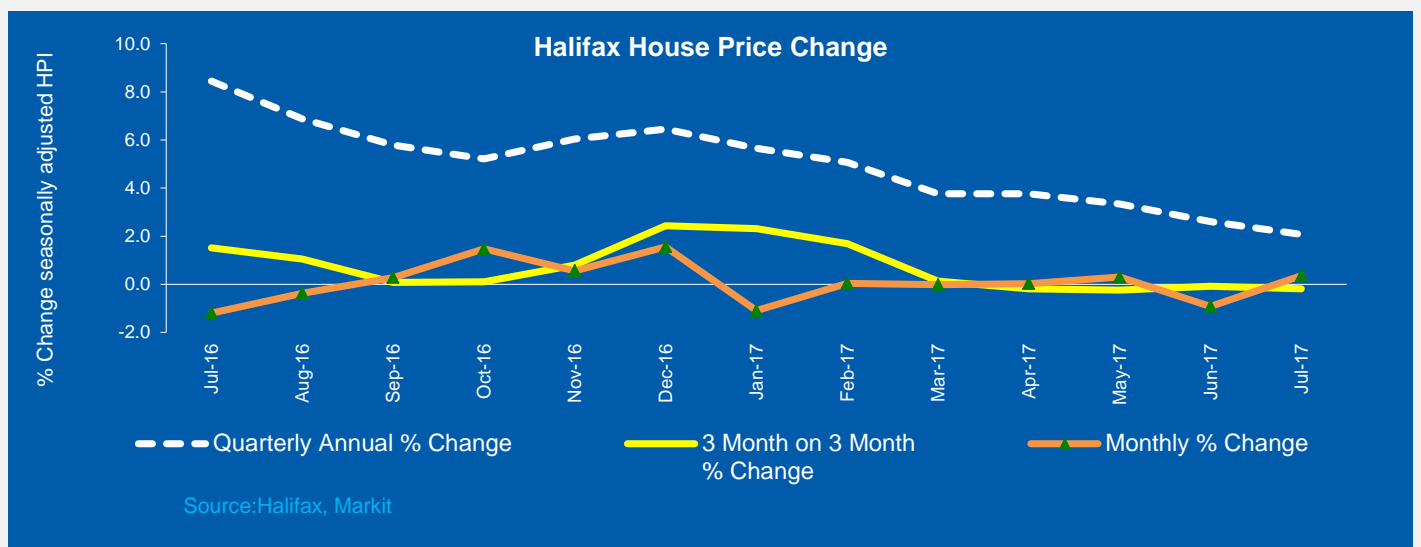
HOUSE PRICES

- **Nationally, house prices in July 2017 were 10% above their August 2007 peak.** The average house price of £219,266 is £64,603 (42%) higher than its low point of £154,663 in April 2009.
- **Halifax’s latest [House Price per square metre report](#) shows that London continues to dominate the country's list of the most expensive property locations on a per square metre (m²) basis.** The average

price per m2 across Britain has increased by 236% over the past 20 years, from £672 in 1997 to £2,260 in 2017. However, this national figure conceals considerable regional differences, with Greater London increasing by 402% in comparison to 147% in Scotland. Hackney has seen the largest increase in average prices per m2 since 1997 with prices rising from £814 to £6,942 (753%), nearly twice the London average (402%).

HOUSING ACTIVITY

- UK home sales decline.** After exceeding 100,000 for five successive months, home sales fell by 3% between May and June, to 96,910. This is the lowest level since 96,740 in October 2016. (Source: HMRC, seasonally-adjusted figures)
- The volume of mortgage approvals for house purchases** – a leading indicator of completed house sales – marginally fell by 0.7% between May and June, to 64,684. Approvals have been in a narrow range between 64,600 and 68,700 per month over the past nine months; indicating that homes sales are likely to remain broadly steady over the coming months. Shortage of homes for sale has been limiting choice on the market – making it harder for a prospective buyer to find a suitable home. (Source: Bank of England, seasonally-adjusted figures)
- Supply of homes for sale continues to stay low.** New instruction for home sales fell for the 16th consecutive month in June. Whilst the average stock levels on estate agents' books are down marginally 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					
Jul 2017	694.6	214,615	-1.2	1.5	8.4
Aug	692.1	213,829	-0.4	1.0	6.9
Sep	694.0	214,418	0.3	0.1	5.8
Oct	704.2	217,567	1.5	0.1	5.2
Nov	708.1	218,785	0.6	0.8	6.0
Dec	719.1	222,190	1.6	2.4	6.5
Jan 2017	711.2	219,741	-1.1	2.3	5.7
Feb	711.5	219,839	0.0	1.7	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	709.7	219,266	0.4	-0.2	2.1

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:

Email: housingeconomics@lloydsbanking.com

For historical data or for technical queries contact economics@markit.com

PRESS OFFICE CONTACTS:

Halifax press team:

Angus Cheyne: 0131 655 7019/ 07970 566 594 angus.cheyne@lloydsbanking.com

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 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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