

# House Price Index



06/08/21

## House prices rose again in July – though slower annual growth points to a cooling market

**£261,221**

Average price

**+0.4%**

Monthly change

**+2.4%**

Quarterly change

**+7.6%**

Annual change

- **Annual house price inflation at 7.6% compared to 8.7% in June**
- **Average UK property price now £261,221, up 0.4% in July**
- **Wales records strongest house price growth since 2005**

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

“House prices rose by 0.4% in July to add £1,122 to the cost of the average property, pulling back some of the ground lost during June (-0.6%, -£1,543). Annual price growth fell to +7.6%, its lowest level since March. This easing was somewhat expected given the strength of price inflation seen last summer, as the market began its recovery from the first lockdown, and with activity supported by the start of the stamp duty holiday. In cash terms, typical prices now stand at just over £261,000, a little below May’s peak but still more than £18,500 higher than a year ago.

“Recent months have been characterised by historically high volumes of buyer activity, with June the busiest month for mortgage completions since 2008. This has been fueled both by the ‘race for space’ and the time-limited stamp duty break. With the latter now entering its final stages (the zero percent rate only applies to the first £250,000 of the purchase price, before reverting back to standard rates from October), buyer activity should continue to ease over the coming months, and a steadier period for the market may lie ahead.

“Latest industry figures show instructions for sale are falling and estate agents are experiencing a drop in their available stock. This general lack of supply should help to support prices in the near-term, as will the exceptionally low cost of borrowing and continued strong customer demand.

“Although there remains some uncertainty over the impact on employment from the unwinding of government support schemes, on balance the risks to the macro-environment are receding, with consumer confidence improving, the labour market recovering, and the economy expanding as restrictions are lifted. Overall, assuming a continuation of recent economic trends, we expect the housing market to remain solid over the next few months, with annual price growth continuing to slow but remaining well into positive territory by the end of the year.”

### Regions and nations house prices

While many regions saw annual house price growth slow somewhat in July, reflecting the broader national picture, that certainly wasn’t the case everywhere.

Once again, Wales and the North of England (specifically the North West and Yorkshire & Humberside) continue to lead the way, posting the strongest annual rates of house price inflation, whilst the South West also recorded a double-digit year-on-year rise.

Notably, the 13.8% annual increase in house prices in Wales was the strongest growth recorded since March 2005, whilst for Yorkshire the 11% gain was also the highest for over 16 years.

London continues to lag all regions in terms of annual inflation (+2.5%), whilst gains in the South East and Eastern England remain amongst the lowest in the UK.

## Key facts

### Housing activity

- **HMRC monthly property transactions data for UK home sales increased in June 2021 to the highest ever level.** UK seasonally adjusted residential transactions in June 2021 were 198,240 – up by 74.1% from May (up 108.6% on a non-seasonally adjusted basis). The latest quarterly transactions (April-June 2021) were approximately 3.8% lower than the preceding three months (January 2021-March 2021). Year on year, transactions were 219.1% higher than June 2020 (216.1% 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 June 2021 by 6% to 81,338. Year-on-year, the June figure was 98% above June 2020. (Source: Bank of England, seasonally-adjusted figures)
- Results from the latest (June 2021) **RICS Residential Market Survey** show another solid month for the sales market. New buyer enquiries recorded a fourth successive positive net balance of +14%, although this has eased from April's high figure of +43%. Newly agreed sales also remained positive with a net balance of +8% (previously +26%). New instructions however fell to -34%, down from -24% previously – signaling a clear excess of demand over supply. (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)

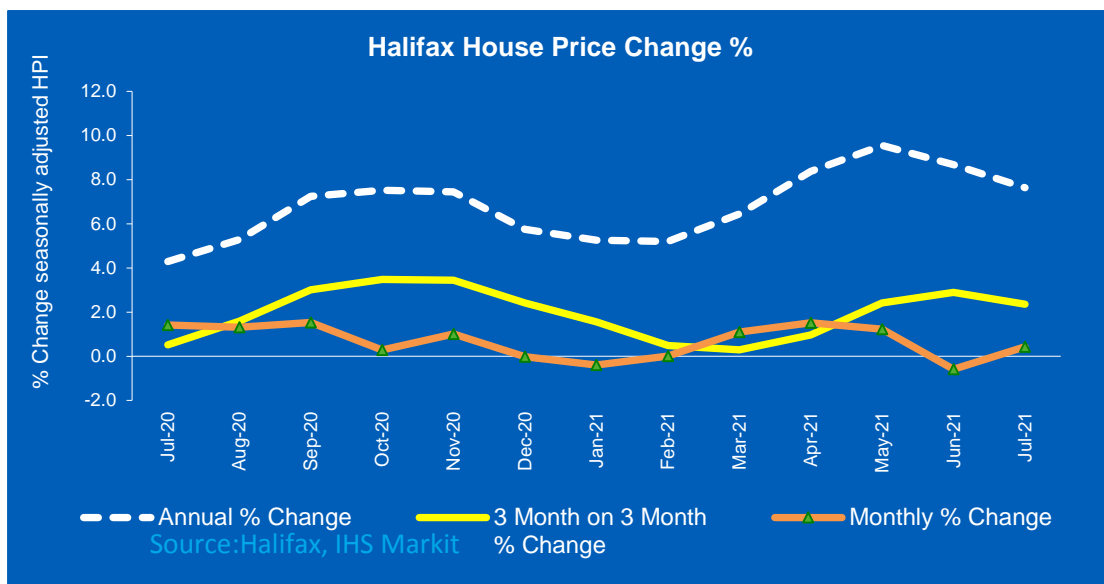
# UK house prices

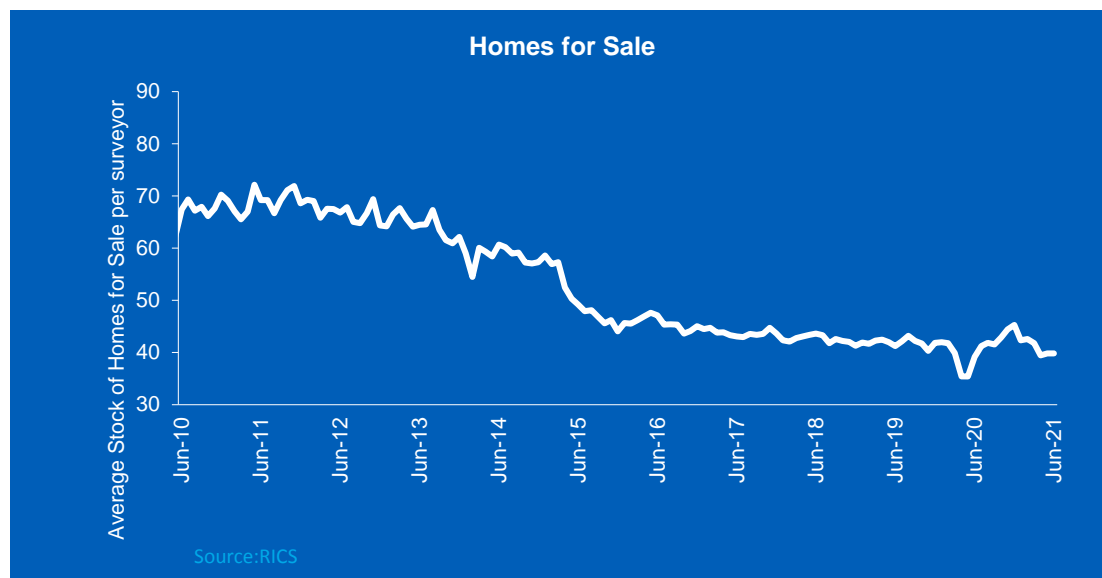
## Historical data

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

Period	<sup>1</sup> Index Jan 1992=100	<sup>2</sup> Standardised Average Price £	Monthly Change %	Quarterly Change %	<sup>3</sup> Annual Change %
Jul 2020	418.5	242,684	1.4	0.5	4.3
Aug	424.0	245,889	1.3	1.6	5.3
Sep	430.5	249,655	1.5	3.0	7.2
Oct	431.7	250,367	0.3	3.5	7.5
Nov	436.1	252,890	1.0	3.4	7.5
Dec	436.0	252,833	0.0	2.4	5.8
Jan 2021	434.3	251,832	-0.4	1.6	5.3
Feb	434.3	251,856	0.0	0.5	5.2
Mar	439.0	254,604	1.1	0.3	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	450.5	261,221	0.4	2.4	7.6

## 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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