

# PRESS RELEASE

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FOR IMMEDIATE RELEASE

## HALIFAX UK HOUSING MARKET OUTLOOK FOR 2020

- **The housing market performed in line with expectations over the past year, at the lower end of our forecast 2% to 4% growth**
- **Prospects for 2020 look brighter but house price inflation expected to remain relatively weak, at between 1% and 3%**
- **Shortage of homes for sale, low levels of house-building and challenges facing first-time buyers will continue to support high prices and constrain demand in the short-term**

**Russell Galley, Managing Director, Halifax:**

“The housing market in 2019 followed a similar path to recent years. Modest price growth was supported by falling mortgage rates and a low volume of houses for sale, factors which can in part be attributed to elevated uncertainty. This helped to underpin a degree of resilience in the market.

“Prospects for 2020 look a bit brighter, with uncertainty in the economy falling back somewhat, transactions volumes anticipated to pick up and further price increases made possible by growth in households’ real incomes. However the shortage of homes for sale and low levels of house-building will continue to support high prices, while the challenges faced by prospective buyers in raising the necessary deposits may continue to constrain demand.

“As a result, our forecast for house price growth in 2020 is in the range of 1% to 3%, consistent with the pattern of weaker growth seen since 2017.

“Longer-term, a renewed focus on housing policy and increased infrastructure investment aimed outside the South East, for example, could help rebalance regional house prices. However, it’s important to note that any policy changes would be unlikely to impact the market in 2020.

“Although prices will be supported in the near-term by insufficient new building and low interest rates, a sustained period of price growth below income growth as a result of policy action would help to address first-time buyer difficulties.”

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