House prices fall in April as coronavirus restrictions take hold

£238,511
Average price
-0.6%
Monthly change
+0.7%
Quarterly change
+2.7%
Annual change

- House prices in April were 2.7% higher than in the same month a year earlier
- On a monthly basis, house prices in April were 0.6% lower than in March
- In the latest quarter (February to April) house prices were 0.7% higher than in the preceding three months (November to January)

Russell Galley, Managing Director, Halifax, said:

“The impact of measures taken to curtail the spread of coronavirus started to filter through to the housing market in April, with average prices falling by 0.6% compared to March, and the annual growth rate easing to 2.7%.

“With market activity currently almost at a complete standstill, the limited number of transactions available means that calculating average house prices has inevitably become more challenging. This will lead to a great deal of volatility until more data becomes available.

“It will not be until after lockdown restrictions are eased that we will get a sense of the new temporary normal conditions for the housing market. Social distancing raises new challenges for home viewings and valuations and this will require the industry to adapt to build and maintain consumer confidence. More immediately, we are likely to see some considerable movement in activity levels as buyers and sellers seek to kick-start previously agreed transactions which are likely to have stalled or been delayed.

“The future remains uncertain and based on our current forecasting we expect short term headwinds to house prices, although we maintain our underlying confidence in the health of the housing market in the longer term.”
Key facts

Housing activity

- **HMRC Monthly property transactions data shows a fall in UK home sales in March.** UK seasonally adjusted residential transactions in March 2020 were 99,440 – down by 0.2% from February. Year-on-year, transactions in March were approximately 0.3% higher than March 2019 (-2.7% lower on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)

- **Mortgage approvals have fallen in March.** Bank of England figures show that the number of mortgages approved to finance house purchases were 56,161 in March 2020 – this represents a 24% month on month fall from February, following four consecutive rises. Year on year fall is 10%. (Source: Bank of England, seasonally-adjusted figures)

- **The latest set of results (March 2020) for the RICS Residential Market Survey have shown sentiment across the UK housing market predictably deteriorating as the Government measures required estate agents to close their offices.** After a run of three successive monthly increases, buyer demand has a net balance of -74% (+17% in Feb). Sales volumes are down to -69% (+19% in Feb) and new instructions -72% (+11% Feb). (Source: Royal Institution of Chartered Surveyors’ (RICS) monthly report)
UK house prices
Historical data
All Houses, All Buyers (Seasonally Adjusted)

<table>
<thead>
<tr>
<th>Period</th>
<th>¹Index Jan 1992=100</th>
<th>²Standardised Average Price £</th>
<th>Monthly Change %</th>
<th>Quarterly Change %*</th>
<th>Annual Change %**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 2019</td>
<td>400.3</td>
<td>232,143</td>
<td>-0.5</td>
<td>1.4</td>
<td>2.6</td>
</tr>
<tr>
<td>May</td>
<td>399.7</td>
<td>231,812</td>
<td>-0.1</td>
<td>0.4</td>
<td>1.7</td>
</tr>
<tr>
<td>Jun</td>
<td>399.8</td>
<td>231,855</td>
<td>0.0</td>
<td>-0.4</td>
<td>1.2</td>
</tr>
<tr>
<td>Jul</td>
<td>401.6</td>
<td>232,876</td>
<td>0.4</td>
<td>-0.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Aug</td>
<td>402.5</td>
<td>233,418</td>
<td>0.2</td>
<td>0.1</td>
<td>1.8</td>
</tr>
<tr>
<td>Sep</td>
<td>400.8</td>
<td>232,454</td>
<td>-0.4</td>
<td>0.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Oct</td>
<td>400.4</td>
<td>232,201</td>
<td>-0.1</td>
<td>0.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Nov</td>
<td>405.0</td>
<td>234,886</td>
<td>1.2</td>
<td>0.2</td>
<td>2.1</td>
</tr>
<tr>
<td>Dec</td>
<td>412.1</td>
<td>238,998</td>
<td>1.8</td>
<td>1.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Jan 2020</td>
<td>413.7</td>
<td>239,927</td>
<td>0.4</td>
<td>2.3</td>
<td>4.1</td>
</tr>
<tr>
<td>Feb</td>
<td>414.7</td>
<td>240,461</td>
<td>0.2</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Mar</td>
<td>413.57</td>
<td>239,838</td>
<td>-0.3</td>
<td>2.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Apr</td>
<td>411.3</td>
<td>238,511</td>
<td>-0.6</td>
<td>0.7</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Editors’ notes
Please note that April’s house price indices are based on significantly lower volumes of mortgage transactions than average.

* 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 non-seasonally adjusted year-on-year figures.

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 on the methodology follow this link to IHS Markit’s website

Halifax press office contacts:

James Birch 07786 074642 james.birch@lloydsbanking.com

For historical data or for technical queries please contact economics@ihsmarkit.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 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

About IHS Markit (www.ihsmarkit.com)
IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world’s leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2019 IHS Markit Ltd. All rights reserved.

The intellectual property rights to the Halifax House Price Index (the “Index”) provided herein is owned by IHS Markit. The use of the Halifax name and logo on the Index by IHS Markit is under licence from Lloyds Banking Group and its affiliates. IHS Markit and the IHS Markit logo are registered trade marks of IHS Markit Ltd.

Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit’s prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information (“data”) contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. For the avoidance of doubt, the Index and the data cannot be used as a “benchmark” under the Principles for Financial Benchmarks published by the International Organization Of Securities Commissions in July, 2013 or the European Union Regulation for Financial Benchmarks any other similar or comparable framework, principles, guidelines, rules, regulations or laws governing the administration of, submission of data to or the management of benchmarks and indices, including for the purposes of measuring the performance of a financial instrument or determining the interest payable, or other sums due under financial contracts or financial instruments or determining their value or the price at which they be bought, sold, traded or redeemed. A licence from IHS Markit is required for benchmark and all other uses of the Halifax House Price Index.