

# House Price Index



08/01/2020

## Annual house price growth rises to 4%



**£238,963**

Average price

**+1.7%**

Monthly change

**+1.0%**

Quarterly change

**+4.0%**

Annual change

- House prices in December were 4.0% higher than in the same month a year earlier
- On a monthly basis, house prices rose by 1.7%
- In the latest quarter (October to December) house prices were 1.0% higher than in the preceding three months (July to September)

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

“Average house prices rose by 4% over 2019, at the top of our predicted range of 2% to 4% growth for the year. This was driven by a monthly gain of 1.7% in December which was the biggest monthly increase of 2019, pushing up the year-on-year growth rate and reflecting that December 2018 was a particularly weak month.

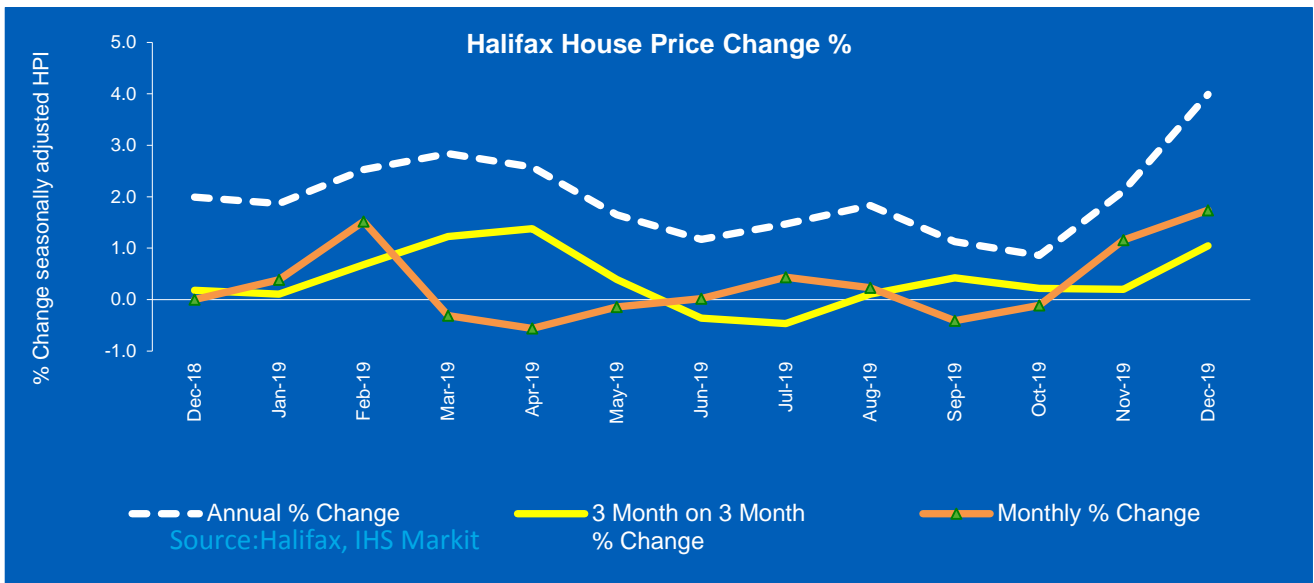
“Looking ahead, we expect uncertainty in the economy to ease somewhat in 2020, which should see transaction volumes increase and further price growth made possible by an improvement in households’ real incomes.

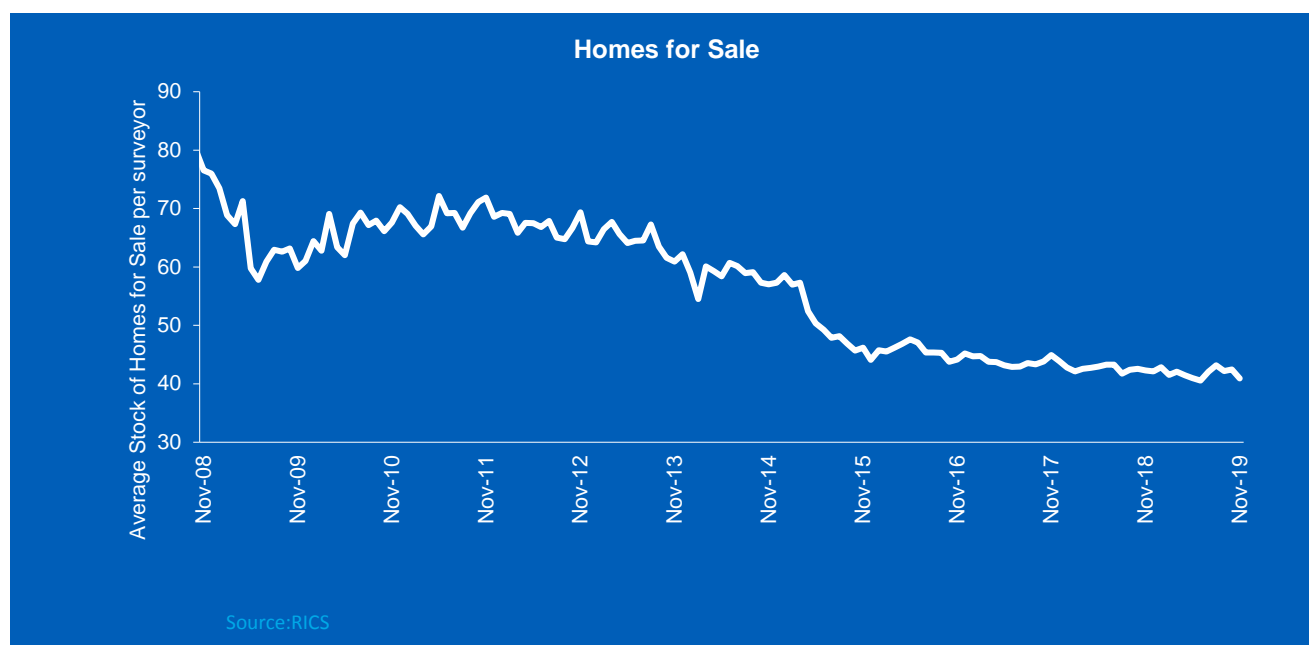
“Longer-term issues such as the shortage of homes for sale and low levels of house-building will continue to limit supply, while the ongoing challenges faced by prospective buyers in raising deposits will serve to constrain demand. As a result, we expect a modest pace of gains to continue into next year.”

# Key facts

## Housing activity

- HMRC Monthly property transactions data shows a rise in UK home sales in November.** UK seasonally adjusted residential transactions in November were 102,050 – up by 3.2% from October and the highest level since August 2017. Year-on-year, transactions in November 2019 were approximately 1.9% higher than November 2018 (0.2% lower on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- Mortgage approvals have risen slightly from October.** Bank of England figures show that the number of mortgages approved to finance house purchases were 64,994 in November – this represents a 0.5% month on month rise, following a fall of 1.8% in October. Year on year growth is 1.4%. (Source: Bank of England, seasonally-adjusted figures)
- The latest set of results (November 2019) for the **RICS Residential Market Survey** have shown new buyer enquiries slipping for the third consecutive report with a net balance of -9% of respondents citing a decline. The pace of decline has however eased compared to the last two months (-15% and -16%). Meanwhile, newly agreed sales net balance continued to signal a modest fall in transactions. Again, the pace of decline (in net balance terms) eased in comparison to the last two months with the latest reading moving to -8% from -18% and -27% previously. Sales expectations net balance has edged up to +11% (from 5% in October). (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)





# UK house prices

## Historical data

All Houses, All Buyers (Seasonally Adjusted)

Period	<sup>1</sup> Index Jan 1992=100	<sup>2</sup> Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Dec 2018	396.3	229,827	0.0	0.2	2.0
Jan 2019	397.8	230,721	0.4	0.1	1.9
Feb	403.8	234,195	1.5	0.7	2.5
Mar	402.6	233,458	-0.3	1.2	2.8
Apr	400.3	232,146	-0.6	1.4	2.6
May	399.7	231,812	-0.1	0.4	1.7
Jun	399.8	231,855	0.0	-0.4	1.2
Jul	401.6	232,876	0.4	-0.5	1.5
Aug	402.5	233,418	0.2	0.1	1.8
Sep	400.8	232,454	-0.4	0.4	1.1
Oct	400.4	232,201	-0.1	0.2	0.9
Nov	405.0	234,886	1.2	0.2	2.1
Dec	412.1	238,963	1.7	1.0	4.0

### 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 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](#)

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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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