

# House Price Index



07/11/2019

## Annual house price growth slows to 0.9%



**£232,249**

Average price

**-0.1%**

Monthly change

**+0.2%**

Quarterly change

**+0.9%**

Annual change

- House prices in October were 0.9% higher than in the same month a year earlier
- On a monthly basis, house prices fell by 0.1%
- In the latest quarter (August to October) house prices were 0.2% higher than in the preceding three months (May to July)

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

“Average house prices continued to slow in October, with a modest rise of 0.9% over the past year. While this is the lowest growth seen in 2019, it again extends the largely flat trend which has taken hold over recent months.

“A number of underlying factors such as mortgage affordability and wage growth continue to support prices, however there is evidence of consumers erring on the side of caution.

“We remain unchanged from our view that activity levels and price growth will remain subdued while the UK navigates political and economic uncertainty.”

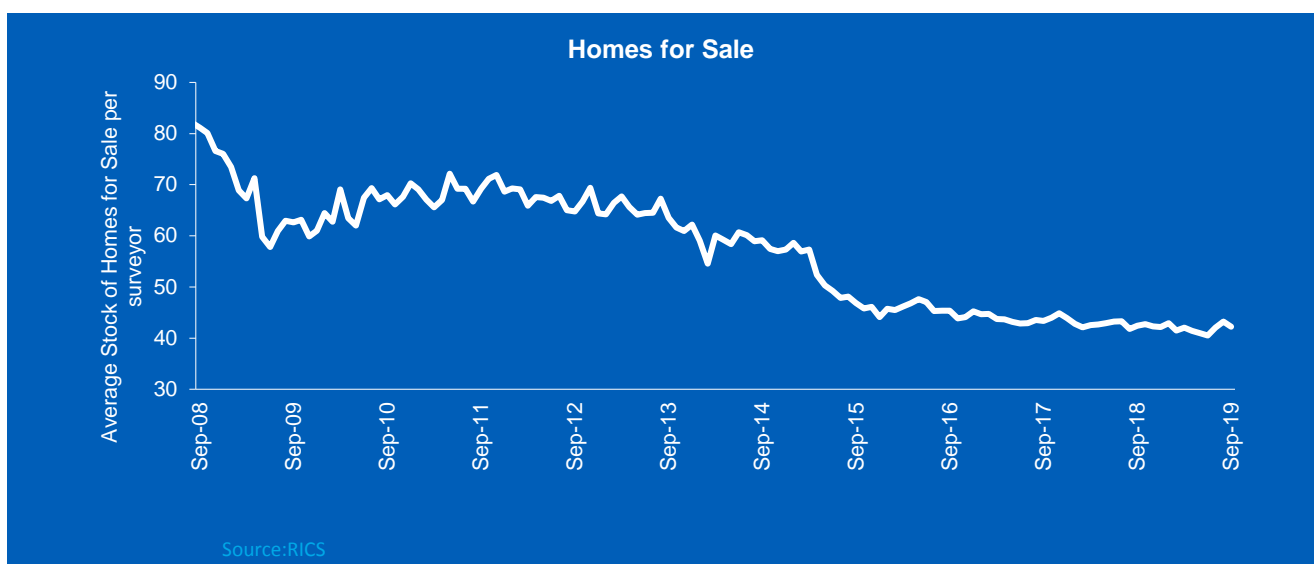
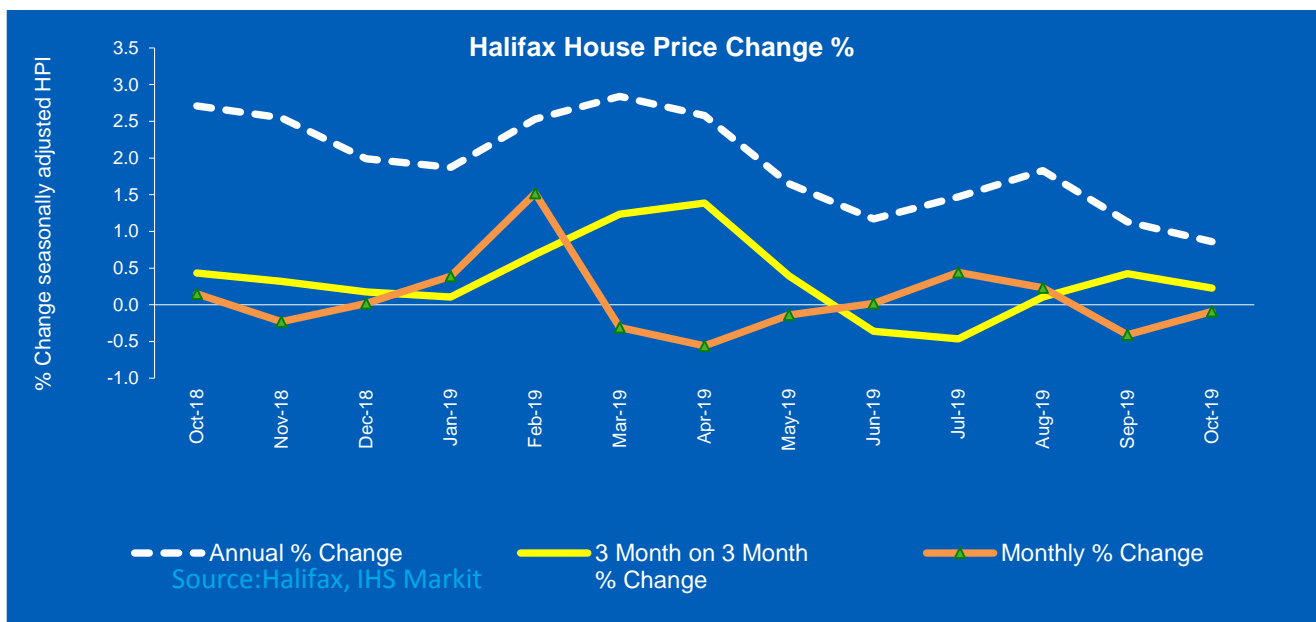
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# Key facts

## Housing activity

- HMRC Monthly data shows a rise in UK home sales in September.** UK seasonally adjusted residential transactions in September were 101,740 – up by 5% from August and the highest level since August 2017. Year-on-year, transactions in September 2019 were approximately 2.3% higher than September 2018 (6.3% higher on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- Mortgage approvals have risen slightly from August.** Bank of England figures show that the number of mortgages approved to finance house purchases were 65,919 in September – this represents a 0.4% month on month rise, partly reversing the 2.1% decline seen in August. Year on year growth is 0.6%. (Source: Bank of England, seasonally-adjusted figures)
- The latest set of results (September 2019) for the **RICS Residential Market Survey** have shown a renewed decline in new instructions with a net balance fall to -37% - the weakest since June 2016. Also, following a steady period in the last four months, the new buyer enquiries net balance also fell to -15%, pointing to a modest decline in buyer demand. The negative trend in demand and supply has fed through to the overall sales numbers with newly agreed sales edging further down into negative territory with a net balance of -27% (from -11% in August). (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 %**
Oct 2018	397.1	230,267	0.2	0.4	2.7
Nov	396.2	229,801	-0.2	0.3	2.6
Dec	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	400.5	232,249	-0.1	0.2	0.9

### 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.

#### Update to methodology

From 6 September 2019, the published Halifax House Price Index has been based on an updated methodology. The previous HPI methodology was used for over 30 years to provide the UK's benchmark house price index. IHS Markit had been working on an updated methodology since last year and closed a consultation with principal users around the update in December 2018. This review and subsequent enhancement ensures that the Halifax House Price Index will continue to be the UK's leading house price benchmark.

The updated model reflects changes to the structure of the housing market and uses best practice in house price determination. It includes more mortgage transaction data for even greater accuracy and reduced volatility on a month to month basis.

For further information on the methodology follow this link to [IHS Markit's website](#)

### Halifax press office contacts:

Gregor Low 07500 078879 [Gregor.Low@lloydsbanking.com](mailto:Gregor.Low@lloydsbanking.com)

For historical data or for technical queries please contact [economics@ihsmarkit.com](mailto: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>

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