

# House Price Index

November 2021



Average house price  
**£272,992**



Monthly change  
**+1.0%**



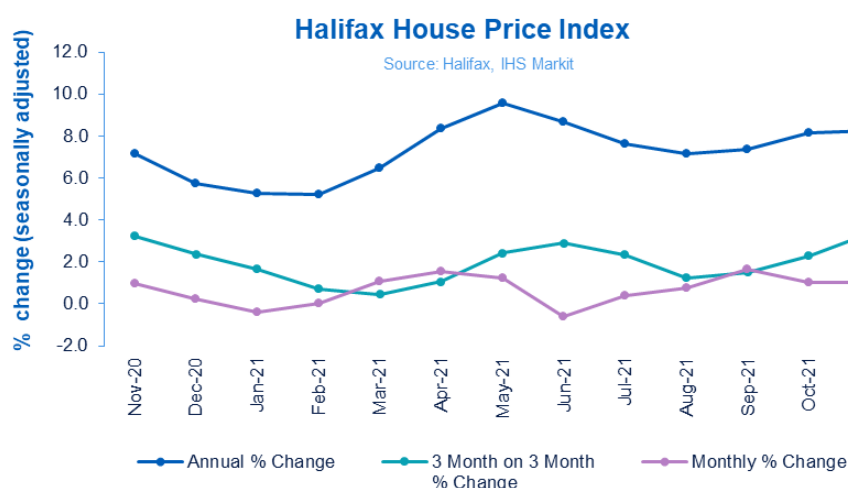
Quarterly change  
**+3.4%**



Annual change  
**+8.2%**

## House prices rise for fifth straight month – with growth now at 15-year high

- Average UK property price hits a new record high of £272,992
- Quarterly house price inflation now at its strongest level since late 2006
- Welsh average property price breaks past £200,000 for the first time ever



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

“UK house prices rose again in November, with the value of the average property increasing by another 1%, or £2,808, tipping the annual rate of inflation up to 8.2%. This is the fifth straight month that average house prices have risen, with typical values up by almost £13,000 since June, and more than £20,000 since this time last year.

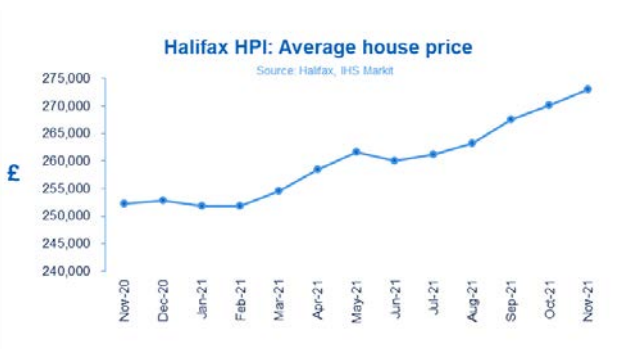
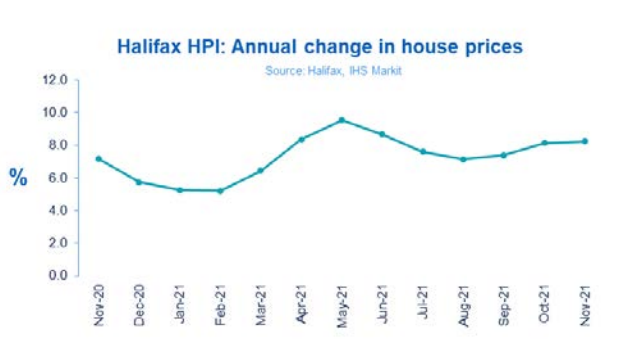
“On a rolling quarterly basis the uptick in house prices was 3.4%, the strongest gain since the end of 2006, bringing the new average property price up to a record high of £272,992. Since the onset of the pandemic in March 2020, and the UK first entering lockdown, house prices have risen by £33,816, which equates to £1,691 per month.

“The performance of the market continues to be underpinned by a shortage of available properties, a strong labour market and keen competition amongst mortgage providers keeping rates close to historic lows. Those taking their first step on to the property ladder are also playing an important role in driving activity, with annual house price inflation for first-time buyers at 9.1% compared to 8.8% for homemovers.

“We see this across different property types too, with double-digit annual price inflation for flats (+10.8%) over the last year compared to slower gains for detached properties (6.6%). This could suggest the ‘race for space’ is becoming less prominent than it was earlier in the pandemic, with industry data also showing the overall number of completed transactions has fallen back since the end of the Stamp Duty holiday.

“Looking ahead, there is now greater uncertainty than has been the case for quite some time, with interest rates expected to rise to guard against further increases in inflation. Economic confidence may be also be dented by the emergence of the new Omicron virus variant, though it remains far too early to speculate on any long-term impact, given insufficient data at this stage, not to mention the resilience the housing market has already shown in challenging circumstances.

“Leaving aside the direct impact of a possible resurgence in the pandemic for now, we would not expect the current level of house price growth to be sustained next year given that house price to income ratios are already historically high, and household budgets are only likely to come under greater pressure in the coming months.”



## Regions and nations house prices

Wales remains by far the strongest performing nation or region in the UK with annual house price inflation of 14.8%. Buying a property in Wales has never been so expensive, with the average house price breaking through the £200,000 barrier for the first time in history (average price of £204,148). Northern Ireland also continues to record double-digit annual growth (10.0%, average house price of £169,348).

House prices also continue to rise in Scotland, with the average property now up 8.5% year-on-year, with the average price of £191,140 also the most expensive on record. In England, the North West remains by far the strongest performing region (+11.4%), which is its highest rate of growth since 2005 (average house price of £209,287).

London continues to lag the rest of UK in its rate of house price growth, with annual inflation of just 1.1%, though this was up slightly from October. However at an average of £521,129 properties in London continue to be much more expensive than in all other parts of the country.

## Housing activity

- HMRC monthly property transactions data shows UK home sales decreased in October 2021.** UK seasonally adjusted residential transactions in October 2021 were 76,930 – down by 52.0% from September's figure of 160,220 (down 48.4% on a non-seasonally adjusted basis). The latest quarterly transactions (August-October 2021) were approximately 14.2% lower than the preceding three months (May 2021- July 2021). Year-on-year, transactions were 28.3% lower than October 2020 (30.1% lower 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 for a fifth consecutive month in October 2021, by 6% to 67,199. Year-on-year, the October figure was 32% below October 2020. (Source: Bank of England, seasonally-adjusted figures)
- The latest results from the **RICS Residential Market Survey** report a softening in sales but buyer enquiries returning to positive growth in October. Agreed sales showed a fourth consecutive negative reading of -9%, though up from -13% in September. New buyer enquiries in October improved with a net balance of +10% (up from +1%), with new instructions remaining in negative territory for a seventh month in succession, at -20% (-33% previously). (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)

## UK house prices Historical data

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 %
November 2020	435.0	252,235	1.0	3.2	7.2
December	436.0	252,833	0.2	2.4	5.8
January 2021	434.3	251,832	-0.4	1.7	5.3
February	434.3	251,856	0.0	0.7	5.2
March	439.0	254,604	1.1	0.5	6.5
April	445.7	258,472	1.5	1.1	8.4
May	451.2	261,642	1.2	2.4	9.6
June	448.5	260,099	-0.6	2.9	8.7
July	450.4	261,165	0.4	2.4	7.6
August	453.8	263,162	0.8	1.3	7.2
September	461.3	267,516	1.7	1.5	7.4
October	465.9	270,184	1.0	2.3	8.2
November	470.7	272,992	1.0	3.4	8.2

## 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](#)

## Halifax press office contacts

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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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