House price growth continues to beat expectations as mortgage applications surge to 12-year high

£249,870
Average price

+1.6%
Monthly change

+3.3%
Quarterly change

+7.3%
Annual change

- On a monthly basis, house prices in September were 1.6% higher than in August
- In the latest quarter (July to September) house prices were 3.3% higher than in the preceding three months (April to June)
- House prices in September were 7.3% higher than in the same month a year earlier – the strongest growth since June 2016

Russell Galley, Managing Director, Halifax, said:

“The average UK house price is now approaching £250,000 after September saw a third consecutive month of substantial gains. The annual rate of change will naturally draw attention, with the increase of 7.3% the strongest since mid-2016. Context is important with the annual comparison, however, as September 2019 saw political uncertainty weigh on the market.

“Few would dispute that the performance of the housing market has been extremely strong since lockdown restrictions began to ease in May. Across the last three months, we have received more mortgage applications from both first time buyers and homemovers than anytime since 2008. There has been a fundamental shift in demand from buyers brought about by the structural effects of increased home working and a desire for more space, while the stamp duty holiday is incentivising vendors and buyers to close deals at pace before the break ends next March.

“It is highly unlikely that the housing market will continue to remain immune to the economic impact of the pandemic. The release of pent up demand and indeed the stamp duty holiday can only be temporary fillips and their impact will inevitably start to wane. And as employment support measures are gradually scaled back beyond the end of October, the spectre of increased unemployment over the winter will come into sharper relief.

“Therefore while it may come later than initially anticipated, we continue to believe that significant downward pressure on house prices should be expected at some point in the months ahead as the realities of an economic recession are felt ever more keenly.”
Key facts

Housing activity

- **HMRC Monthly property transactions data shows a fourth consecutive monthly rise in UK home sales in August.** UK seasonally adjusted residential transactions in August 2020 were 81,280 – up by 15.6% from July. The latest quarterly transactions (June-August 2020) were approximately 15.7% higher than the preceding three months (March-May 2020). Year on year, transactions were 16.3% lower than August 2019 (-23.9% on a non seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)

- **Mortgage approvals rise to the highest level since October 2007.** Bank of England figures show that the number of mortgages approved to finance house purchases was 84,715 in August 2020 – this represents a rise of 28% from July. Year-on-year, the August figure was 29% above August 2019. Source: Bank of England, seasonally-adjusted figures)

- **Results from the latest (August 2020) RICS Residential Market Survey continue to show the strength of the current sales market.** The trend in new buyer enquiries has softened to a net balance of +63% from +75% last month. New instructions continue to be positive with a net balance of +46% (+58 previously). Alongside this, there was growth in agreed sales for the third consecutive month, with a net balance of +61% (+58% previously). (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>Sep 2019</td>
<td>401.5</td>
<td>232,806</td>
<td>-0.3</td>
<td>0.5</td>
<td>1.1</td>
</tr>
<tr>
<td>Oct</td>
<td>400.4</td>
<td>232,201</td>
<td>-0.3</td>
<td>0.3</td>
<td>0.9</td>
</tr>
<tr>
<td>Nov</td>
<td>405.0</td>
<td>234,886</td>
<td>1.2</td>
<td>0.3</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>2.2</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>413.6</td>
<td>239,838</td>
<td>-0.3</td>
<td>2.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Apr</td>
<td>410.9</td>
<td>238,314</td>
<td>-0.6</td>
<td>0.7</td>
<td>2.7</td>
</tr>
<tr>
<td>May</td>
<td>410.2</td>
<td>237,855</td>
<td>-0.2</td>
<td>-0.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Jun</td>
<td>410.1</td>
<td>237,834</td>
<td>0.0</td>
<td>-0.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Jul</td>
<td>417.0</td>
<td>241,808</td>
<td>1.7</td>
<td>-0.2</td>
<td>3.8</td>
</tr>
<tr>
<td>Aug</td>
<td>424.0</td>
<td>245,889</td>
<td>1.7</td>
<td>1.3</td>
<td>5.2</td>
</tr>
<tr>
<td>Sep</td>
<td>430.9</td>
<td>249,870</td>
<td>1.6</td>
<td>3.3</td>
<td>7.3</td>
</tr>
</tbody>
</table>

**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.

Mortgage application data based on all new business mortgage applications received by Lloyds Banking Group between 1st July and 30th September 2020.

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](http://www.ihsmarkit.com).

### Halifax press office contacts:

Gregor Low / 07500 078 879 / 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](http://www.halifax.co.uk/house-price-index)

### About IHS Markit ([www.ihsmarkit.com](http://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 © 2020 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.