

## ANNUAL HOUSE PRICE GROWTH SLOWS AT 0.8%



**+0.8%**

Annual change

**-0.6%**

Quarterly change

**-2.9%**

Monthly change

**£223,691**

Average Price

- Prices in the three months to January were 0.8% higher than in the same three months a year earlier – down from the 1.3% annual growth rate recorded in December
- House prices in the latest quarter (November-January) were 0.6% lower than in the preceding three months (August - October)
- On a monthly basis, house prices decreased by 2.9% in January, following a 2.5% rise in December
- The average house price is now £223,691

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

*“Attention will no doubt be drawn towards the monthly fall of -2.9% from December to January, the second time in three years that we have seen a drop as a new year starts. However, the bigger picture is actually that house prices have seen next to no movement over the last year, with annual growth of just 0.8%.*

*“This could either be viewed as a story of resilience, as prices have held up well in the face of significant economic uncertainty, or as a continuation of the slow growth we’ve witnessed over recent years.*

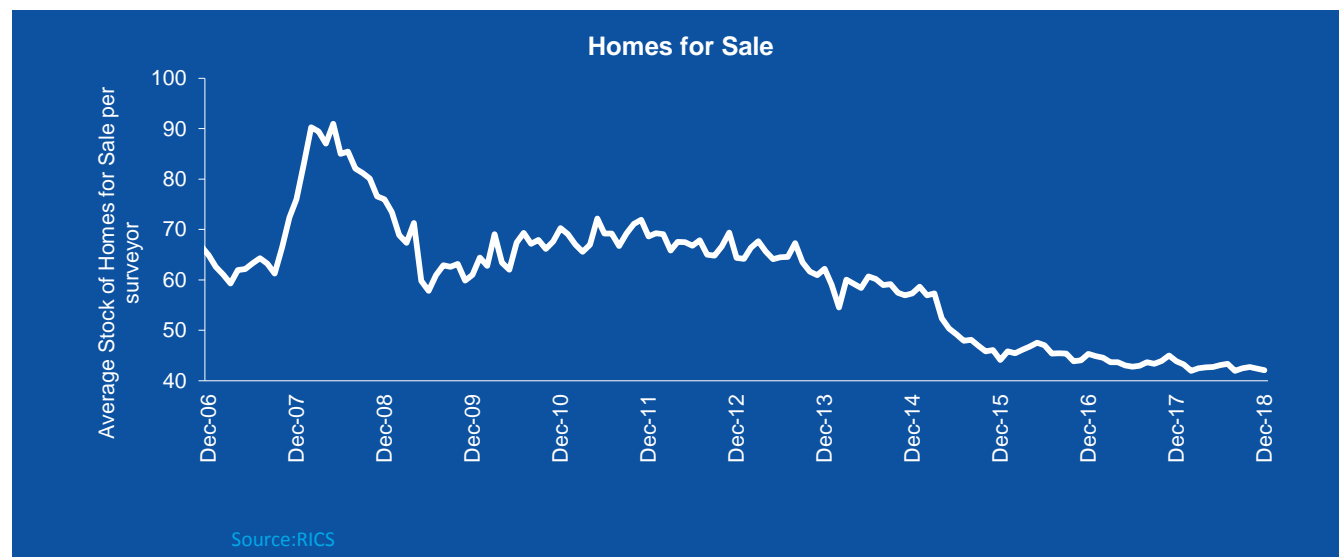
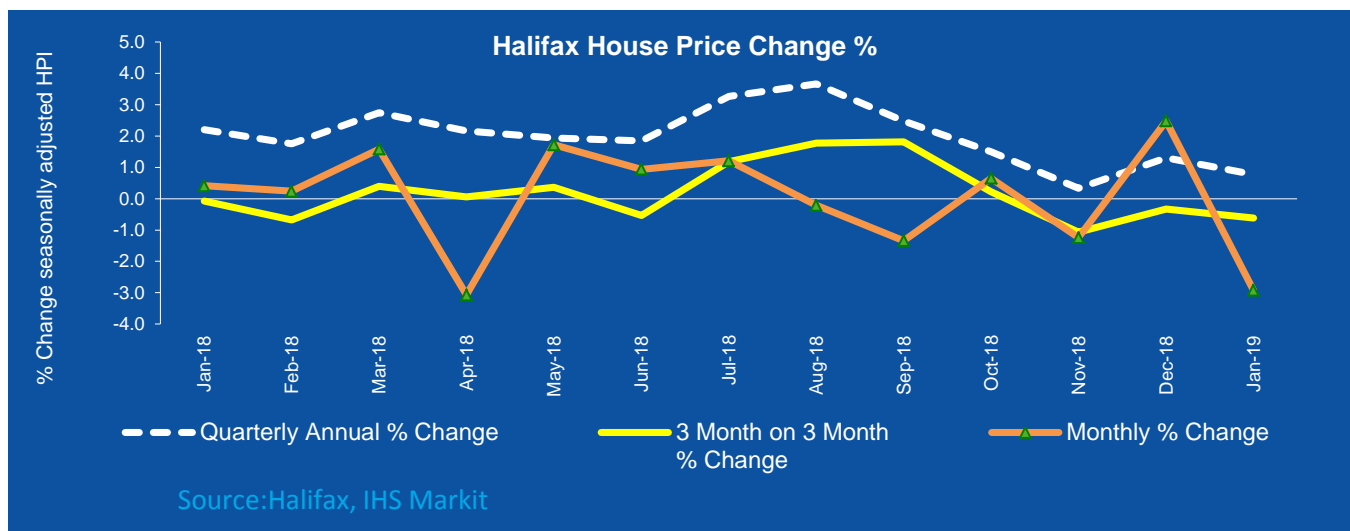
*“There’s no doubt that the next year will be important for the housing market with much of the immediate focus on what impact Brexit may have. However, more fundamentally it is key underlying factors of supply and demand that will ultimately shape the market.*

*“On the supply side the most constraining factor to the health of the market is the shortage of stock for sale, although this does support price levels. On the demand side we see very high employment levels, improving real wage growth, low inflation and low mortgage rates. All positive drivers tempered by the challenges of raising deposits. On balance therefore we expect price growth to remain subdued in the near term.”*

# KEY FACTS

## HOUSING ACTIVITY

- **Monthly UK home sales latest quarter.** December saw 102,330 home sales, which is very close to the 5 year average of 101,515. This is the fourth consecutive month where over 100,000 homes have been sold, and there is a 2.7% quarterly rise, when comparing sales in October to December, against July to October. December home sales were 3.2% above the previous 12 month average. (Source: HMRC, seasonally-adjusted figures)
- **In December mortgage approvals showed little difference to the previous month.** Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales saw a flat 0.2% rise to 63,793. The December rate is still not far below the 2018 average of 64,913 but is 2,694 below the average of the past 5 years. (Source: Bank of England, seasonally-adjusted figures)
- **Demand for housing and the number of sales both fall.** As in November, the December 2018 RICS UK Residential Market Survey showed a drop on nearly every measure reviewed. New buyer enquiries fell for a fifth month, stock levels of property to sell remains low at an average of 42 per branch. Near term sales expectations are now either flat or negative across all parts of the UK, though at present the sales expectation for the twelve month outlook are positive for the first time since May 2018. (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 1983=100	<sup>2</sup> Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Jan 2018	725.1	224,025	0.4	-0.1	2.2
Feb	726.8	224,564	0.2	-0.7	1.8
Mar	738.3	228,102	1.6	0.4	2.7
Apr	715.6	221,108	-3.1	0.1	2.2
May	727.9	224,909	1.7	0.4	1.9
Jun	734.8	227,027	0.9	-0.5	1.8
Jul	743.7	229,776	1.2	1.2	3.3
Aug	742.1	229,284	-0.2	1.8	3.7
Sep	732.2	226,219	-1.3	1.8	2.5
Oct	736.9	227,694	0.7	0.2	1.5
Nov	727.8	224,860	-1.2	-1.1	0.3
Dec	745.8	230,430	2.5	-0.3	1.3
Jan 2019	724.0	223,691	-2.9	-0.6	0.8

### 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 quarterly non- seasonally adjusted year-on-year figures. These figures provide a better picture of underlying trends compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

#### 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 PLEASE CONTACT:

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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 is calculated as an average for the latest three months compared with the same period a year earlier. These figures provide a better picture of the underlying trend compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

For more information on our housing market research, visit <http://www.halifax.co.uk/house-price-index>

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