



HOUSE PRICE INDEX



07/07/2017

Annual house price growth eases to 2.6%

- House prices in the three months to June were 2.6% higher than in the same period of 2016.
- Prices in the three months to June were 0.1% lower than in the preceding quarter.

UK House Prices June 2017 (seasonally adjusted)

Annual change	+2.6%
Quarterly change	-0.1%
Monthly change	-1.0%
Average Price	£218,390

Martin Ellis, Halifax housing economist, said:

"House prices have flattened over the past three months. Overall, prices in the three months to June were marginally lower than in the preceding three months. The annual rate of growth has fallen, to 2.6%; the lowest rate since May 2013."

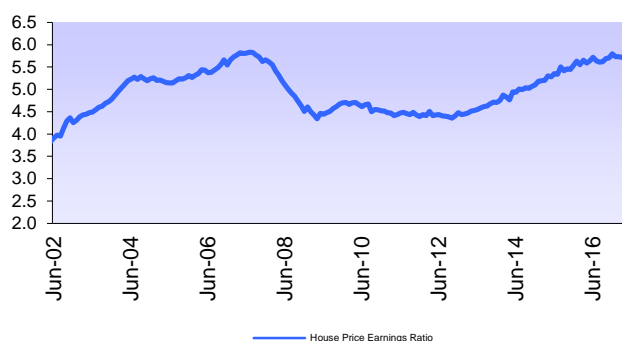
"Although employment levels continue to rise, household finances face increasing pressure as consumer prices grow faster than wages. This, combined the new stamp duty on buy to let and second homes in 2016, appears to have weakened housing demand in recent months."

"A continued low mortgage rate environment, combined with an ongoing acute shortage of properties for sale should help continue to underpin house prices over the coming months."

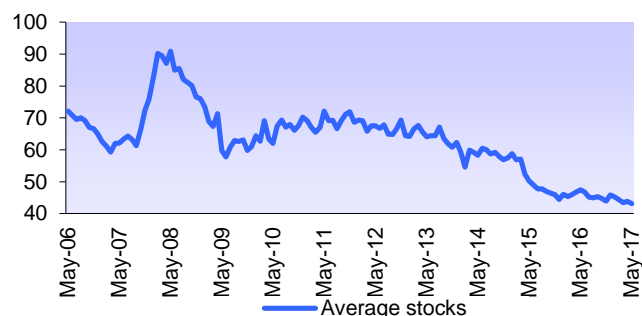
UK House Prices



House Price Earnings Ratio



Average Stocks per Surveyor



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 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.

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Key facts

House Prices

- **House prices in the last three months (April-June) were 0.1% lower than in the previous three months (January-March).** This was the third successive quarterly fall; the first time this has happened since November 2012.
- **Prices in the three months to June were 2.6% higher than in the same three months a year earlier.** This was lower than in May (3.3%) and is the lowest annual rate since May 2013 (2.6%). The annual rate has fallen from a recent peak of 10.0% in March 2016.
- **House prices fell by 1.0% between May and June.** This was the first monthly decline since January (1.1%).
- **Nationally, house prices in June 2017 were 9% above their August 2007 peak.** The average house price of £218,390 is £63,727 (41%) higher than its low point of £154,663 in April 2009.
- **The number of first-time buyers (FTBs) reached an estimated 162,704 in the first half of 2017,** only 15% below the peak in 2006 (190,900), according to the latest Halifax First Time Buyer Review. The number of new buyers is up from 154,200 in the same period in 2016 and more than double the market low in the first half of 2009 (72,700). This is the third time in four years FTB numbers have exceeded 150,000 – the first time since 2007. 47% of all house purchases financed by a mortgage were made by FTB, compared to 36% a decade earlier.

Housing Activity

- **UK home sales edge down.** Sales fell by 3% between April and May, to 100,170. However, sales have exceeded 100,000 in five successive months for the first time since March 2016. Overall, sales in the three months to May were 1% higher than in the preceding three months. *(Source: HMRC, seasonally-adjusted figures)*
- **The volume of mortgage approvals for house purchases – a leading indicator of completed house sales – edged up by 0.2% between April and May, to 65,200.** This is the first increase since January having fallen between February and April. Approvals remain in a narrow range between 65,200 and 68,600 per month over the past eight months; indicating that homes sales are likely to remain steady over the coming months. Although employment continues to rise, household finances are coming under pressure with inflation higher than wage growth; this development is likely to have weakened market activity. *(Source: Bank of England, seasonally-adjusted figures)*
- **Supply remains historically very low.** New instruction for home sales fell for the 15th consecutive month in May. Whilst the average stock levels on estate agents' books are now at all all-time low. *(Sources: Royal Institution of Chartered Surveyors' (RICS) monthly report)*

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UK House Prices: Historical Data All Houses, All Buyers (Seasonally Adjusted)

	Index 1983=100	Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
	1	2			
Period					
Jun 2016	703.0	217,216	1.8	1.0	8.4
Jul	693.8	214,378	-1.3	1.5	8.4
Aug	692.1	213,829	-0.3	1.0	6.9
Sep	694.0	214,418	0.3	0.0	5.8
Oct	704.2	217,567	1.5	0.1	5.2
Nov	708.1	218,785	0.6	0.8	6.0
Dec	719.1	222,190	1.6	2.5	6.5
Jan	711.2	219,741	-1.1	2.3	5.7
Feb	711.5	219,839	0.0	1.7	5.1
Mar	711.3	219,788	0.0	0.1	3.8
Apr	711.6	219,855	0.0	-0.2	3.8
May	713.7	220,515	0.3	-0.2	3.3
Jun 2017	706.8	218,390	-1.0	-0.1	2.6

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. They are calculated as an average of the monthly year-on-year % changes over the latest three months. 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.

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07/06/2017

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