

08/05/2018

ANNUAL HOUSE PRICE GROWTH AT 2.2%



+2.2%

Annual change

-0.1%

Quarterly change

-3.1%

Monthly change

£220,962

Average Price

- Prices in the last three months to April were 2.2% higher than in the same three months a year earlier, down from the 2.7% annual growth recorded in March
- House prices in the latest quarter (February-April) were 0.1% lower than in the preceding three months (November-January), the third consecutive decline on this measure
- On a monthly basis, prices fell by 3.1% in April, following a 1.6% rise in March, reflecting the volatility in the short term monthly measure

Russell Galley, Managing Director, Halifax, said:

"We've seen annual house price growth ease from 2.7% in March to 2.2% in April. House prices in the three months to April were 0.1% lower than the previous three months. Both the quarterly and annual rates have fallen since reaching a recent peak last autumn, with these measures providing a more stable indication of the underlying trend than the monthly change.

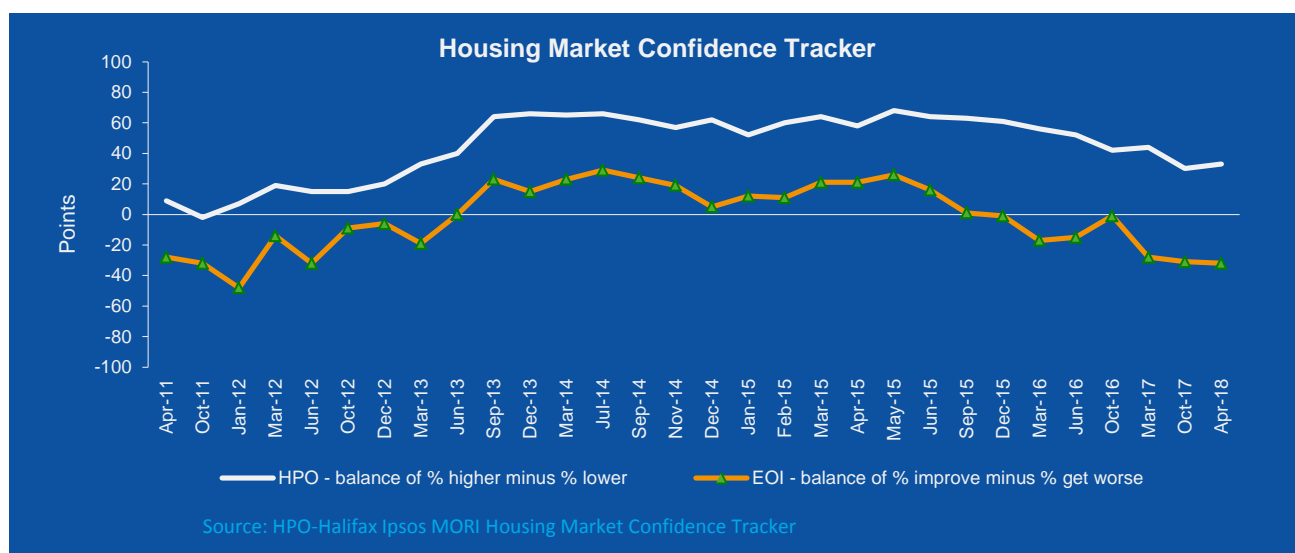
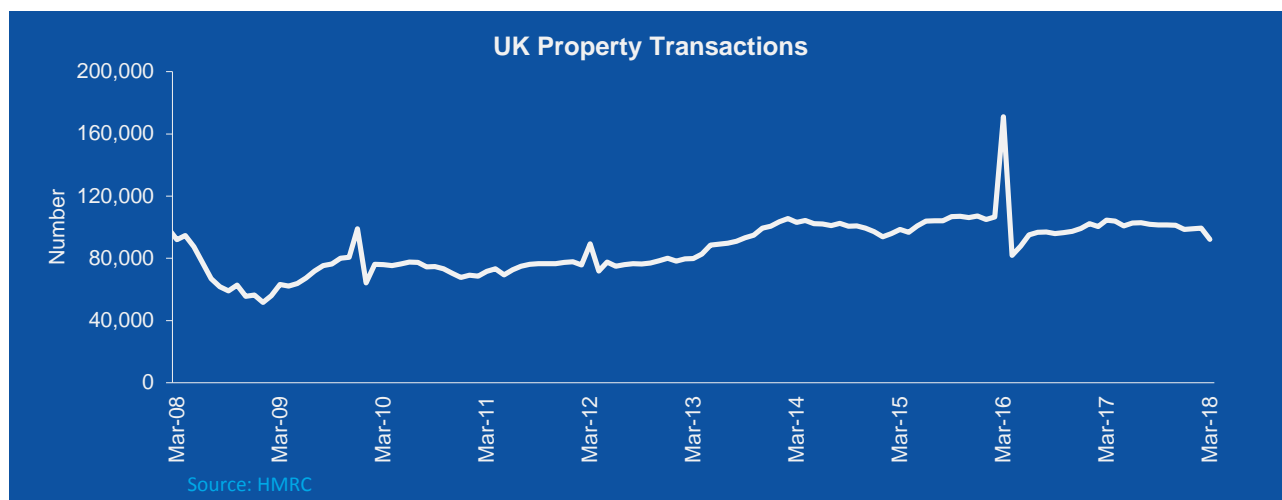
"Housing demand has softened in the early months of 2018, with both mortgage approvals and completed home sales edging down. Housing supply – as measured by the stock of homes for sale and new instructions – is also still very low. However, the UK labour market is performing strongly with unemployment continuing to fall and wage growth finally picking up. These factors should help to ease pressure on household finances and as a result we expect annual price growth will remain in our forecast range 0-3% this year."

KEY FACTS

HOUSING ACTIVITY

- **Home sales fell in March.** UK home sales dropped by 7.2% between February and March to 92,270 – the lowest level since May 2016 (88,680). Since the end of last year home sales have averaged 97,000 per month since December. (Source: HMRC, seasonally-adjusted figures)
- **Housing market activity softens in March.** Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales – fell for the second consecutive month in March to 62,914 – a drop of 1.4%. Approvals in the three months to March were 1.7% higher than in the preceding three months, further indicating a subdued residential market. (Source: Bank of England, seasonally-adjusted figures)
- **Supply remains tight.** Stock of homes available for sale edged up in March; however, they remain close to record low levels. While new instructions declined for the 25th month in succession, contributing to the very low levels of supply. Active housing demand is also subdued with new buyer enquiries falling for the 12th consecutive month in March. (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)
- **Consumer confidence in housing market still low.** The latest Halifax Housing Market Confidence Tracker shows that optimism in the housing market remains at a five year low, echoing the subdued house price performance and activity levels since the end of last year. This is, albeit, set against a positive outlook for the majority of consumers who believe house prices will increase over the next 12 months. Indeed, fewer people are now predicting a fall in house prices compared with six months ago. The survey also reveals that potential Bank of England Base Rate increases are not a major concern for mortgage holders, with less than a third concerned about the possibility of rising interest rates affecting their ability to meet their monthly repayments.

<http://www.lloydsbankinggroup.com/globalassets/media/press-releases/2014/hmct-press-release.pdf>



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 | | | | | |
| Apr 2017 | 713.3 | 220,401 | 0.6 | -0.3 | 3.8 |
| May | 713.7 | 220,515 | 0.1 | -0.2 | 3.3 |
| Jun | 707.1 | 218,477 | -0.9 | 0.2 | 2.6 |
| Jul | 711.8 | 219,918 | 0.7 | 0.0 | 2.1 |
| Aug | 722.6 | 223,271 | 1.5 | 0.2 | 2.6 |
| Sep | 728.4 | 225,070 | 0.8 | 1.3 | 4.0 |
| Oct | 730.4 | 225,664 | 0.3 | 2.3 | 4.5 |
| Nov | 732.8 | 226,408 | 0.3 | 2.3 | 3.9 |
| Dec | 726.7 | 224,540 | -0.8 | 1.3 | 2.7 |
| Jan 2018 | 723.2 | 223,462 | -0.5 | 0.1 | 2.2 |
| Feb | 726.8 | 224,564 | 0.5 | -0.7 | 1.8 |
| Mar | 738.3 | 228,102 | 1.6 | -0.1 | 2.7 |
| Apr | 715.1 | 220,962 | -3.1 | -0.1 | 2.2 |

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.

** 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:

Email: housingeconomics@lloydsbanking.com

For historical data or for technical queries contact economics@markit.com

PRESS OFFICE CONTACTS:

Halifax press team:

Angus Cheyne: 0131 300 9510/ 07970 566 594 angus.cheyne@lloydsbanking.com

Conor Gaffney: 0131 300 8040 / 07717 785 314 conor.gaffney@lloydsbanking.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 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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