



Annual house price growth falls to 3.8%

- House prices in the three months to March were 3.8% higher than in the same period a year ago; down from 5.1% in February
- Prices in the three months to March were 0.1% higher than in the preceding quarter.

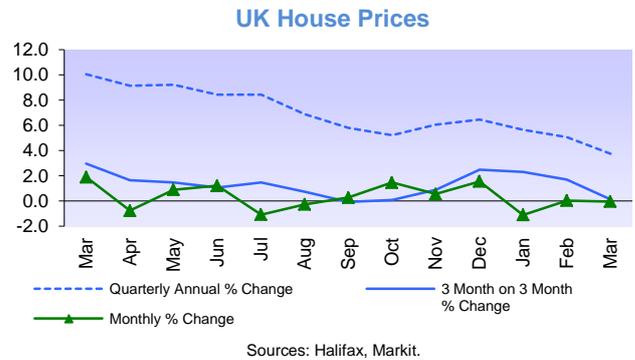
UK House Prices	March 2017 (seasonally adjusted)
Annual change	+3.8%
Quarterly change	+0.1%
Monthly change	+0.0%
Average Price	£219,755

Martin Ellis, Halifax housing economist, said:

“House prices in the three months to March were 0.1% higher than in the previous quarter; the lowest quarterly rate of change since October 2016. The annual rate of growth fell further; to 3.8% from February’s 5.1%, the lowest rate since May 2013.

“The annual rate of house price growth has more than halved over the past 12 months. A lengthy period of rapid house price growth has made it increasingly difficult for many to purchase a home as income growth has failed to keep up, which appears to have curbed housing demand.

“Nonetheless, the supply of both new homes and existing properties available for sale remains low. This, together with historically very low mortgage rates, is likely to support house price levels over the coming months.”



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 (January-March) were 0.1% higher than in the previous three months (October-December 2016).** This was the lowest quarterly rate of change since October 2016 (+0.1%).
- **Prices in the three months to March were 3.8% higher than in the same three months a year earlier.** This was below February's 5.1% and was the lowest annual rate since May 2013 (2.6%). The annual rate is less than half the 10.0% peak reached in March 2016.
- **House prices were unchanged between February and March for the second consecutive month.**
- **Average house prices have increased by more than total average employees' net earnings in a third (31%) of local authority districts (LADs) across the UK in the past two years, according to separate recent research from Halifax.** The biggest gap between rising property values and earnings was in Haringey in London. House prices in the borough increased by an average of £139,803 over the last two years, exceeding average take-home earnings in the area of £48,353 over the same period – a difference of £91,450, equivalent to £3,810 per month.

Housing Activity

- **Total UK home sales slipped in February.** Sales in February were 1% lower than in January; the first decline for five months. At 103,910, sales were 2% lower than in February 2016. Despite this slight monthly decline, sales in the three months to February were 6% 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 – fell by 1% between January and February, to 68,300.** Approvals have been in a narrow range between 67,000 and 70,000 per month over the past five months; indicating that homes sales are unlikely to change significantly over the next few months. *(Source: Bank of England, seasonally-adjusted figures)*
- **Supply remains very low.** The number of properties coming on to the market fell again in February. This was the 12th successive monthly decline; keeping average stock levels on estate agents' books close to historic lows. *(Sources: Royal Institution of Chartered Surveyors' (RICS) monthly report)*

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



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

	Index 1983=100 1	Standardised Average Price £ 2	Monthly Change %	Quarterly Change %*	Annual Change %**
Period					
Mar 2016	692.1	213,838	1.9	3.0	10.0
Apr	686.8	212,204	-0.8	1.7	9.2
May	693.0	214,115	0.9	1.5	9.2
Jun	701.4	216,726	1.2	1.1	8.4
Jul	693.8	214,378	-1.1	1.5	8.4
Aug	692.1	213,829	-0.3	0.7	6.9
Sep	694.0	214,418	0.3	-0.1	5.8
Oct	704.2	217,567	1.5	0.1	5.2
Nov	708.1	218,785	0.6	0.9	6.0
Dec	719.1	222,190	1.6	2.5	6.5
Jan 2017	711.2	219,741	-1.1	2.3	5.7
Feb	711.5	219,839	0.0	1.7	5.1
Mar	711.2	219,755	0.0	0.1	3.8

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. 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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