



HOUSE PRICE INDEX



08/05/2017

Annual house price growth unchanged at 3.8%

- House prices in the three months to April were 3.8% higher than in the same period a year ago; the same as in March
- Prices in the three months to April were 0.2% lower than in the preceding quarter.

UK House Prices April 2017 (seasonally adjusted)

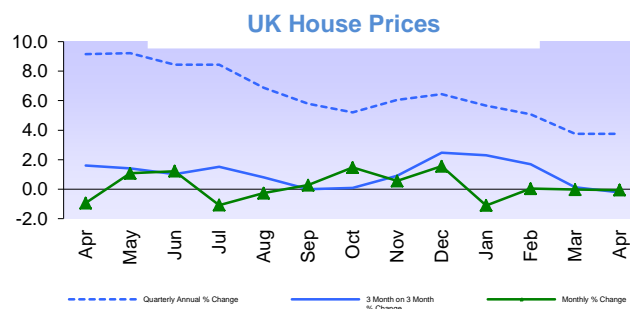
Annual change	+3.8%
Quarterly change	-0.2%
Monthly change	-0.1%
Average Price	£219,649

Martin Ellis, Halifax housing economist, said:

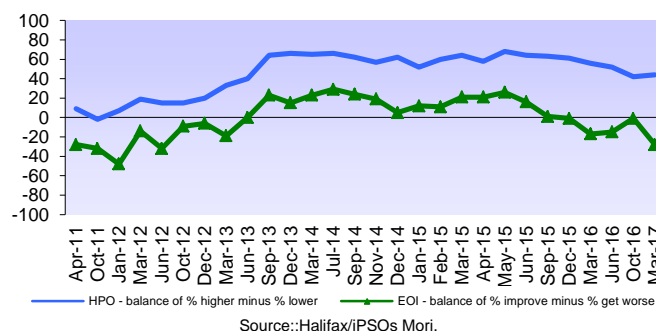
"House prices have stagnated over the past three months. Overall, prices in the three months to April were marginally lower than in the preceding three months; the first quarterly decline since November 2012. The annual rate of growth remained at 3.8% in April, the lowest rate since May 2013."

"Housing demand appears to have been curbed in recent months due to the deterioration in housing affordability caused by a sustained period of rapid house price growth during 2014-16. Signs of a decline in the pace of job creation, and the beginnings of a squeeze on households' finances as a result of increasing inflation, may also be constraining the demand for homes."

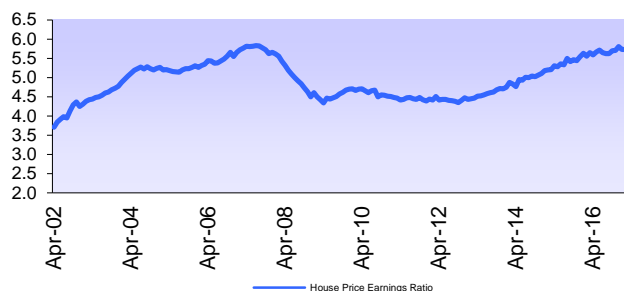
"Continuing very low mortgage rates, together with an ongoing acute shortage of properties for sale, should nonetheless underpin house prices over the coming months."



House Price Optimism (HPO) and Economic Optimism Index (EOI) Trends



House Price Earnings Ratio



Sources: Halifax calculations based on data from Halifax, Markit and ONS.

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 (February-April) were 0.2% lower than in the previous three months (November-January).** This was the first quarterly fall since November 2012 (-0.3%).
- **Prices in the three months to April were 3.8% higher than in the same three months a year earlier.** This was unchanged from March and is 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 fell by 0.1% between March and April.** There has been virtually no change in prices over the past three months.
- **Confidence in the UK housing market has stabilised following a record decline, according to the latest Halifax Housing Market Confidence Tracker.** The survey, which tracks House Price Optimism (HPO¹) – consumer sentiment on whether house prices will be higher or lower in a year's time – has shown a small improvement (+2 points) from a net +42 in October 2016 to +44. This improvement followed a record fall in October 2016 following the EU referendum result. Nearly six in 10 (58%) expect the average property price to rise in the next 12 months, compared to just one in 10 (14%) who expect prices to fall. However, this compares to a record high of 72% who were anticipating price rises in May 2015.

¹ HPO is calculated as the net balance of the % of respondents that expect the average UK house price to rise over the next 12 months less those that expect house prices to fall.

Housing Activity

- **Total UK home sales stabilised in early 2017.** Sales in March were very similar to the levels recorded in both January and February, at 102,810. Overall, sales in the first three months were 6% higher than in the final quarter of 2016. The level of sales in the first three months is closely in line with the monthly average during 2014-2016. (Source: HMRC, seasonally-adjusted figures)
- **Supply remains very low.** The number of properties coming on to the market fell for the 13th month in a row in March. This contributed to a decline in the average stock levels on estate agents' books, taking them to a new historic 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 1	Standardised Average Price £ 2	Monthly Change %	Quarterly Change %*	Annual Change %**
Period					
Apr 2016	685.6	211,821	-0.9	1.6	9.2
May	693.0	214,115	1.1	1.4	9.2
Jun	701.4	216,726	1.2	1.0	8.4
Jul	693.8	214,378	-1.1	1.5	8.4
Aug	692.1	213,829	-0.3	0.8	6.9
Sep	694.0	214,418	0.3	0.0	5.8
Oct	704.2	217,597	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	711.3	219,788	0.0	0.1	3.8
Apr	710.9	219,649	-0.1	-0.2	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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