

# House Price Index



07/07/2020

## House prices fall for fourth straight month – but new mortgage enquiries surge



**£237,616**

Average price

**-0.1%**

Monthly change

**-0.9%**

Quarterly change

**+2.5%**

Annual change

- On a monthly basis, house prices in June were 0.1% lower than in May
- In the latest quarter (April to June) house prices were 0.9% lower than in the preceding three months (January to March)
- House prices in June were 2.5% higher than in the same month a year earlier

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

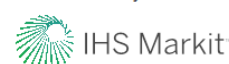
“Average house prices fell by 0.1% in June as the UK property market continued to emerge from lockdown. Though only a small decrease, it is notable as the first time since 2010 – when the housing market was struggling to gain traction following the shock of the global financial crisis – that prices have fallen for four months in a row.

“Activity levels bounced back strongly in June, which is typically the busiest month for mortgage activity in the UK. New mortgage enquiries were up by 100% compared to May, and with prospective buyers also revisiting purchases previously put on hold, transaction volumes rose sharply compared to previous months. However, whilst encouraging, it remains too early to say if this level of activity will be sustained.

“The near-term outlook points to a continuation of the recent modest downward trend in prices through the third quarter of the year, with sentiment indicators, based on surveys of both agents and households, currently at or around multi-year lows.

“Of course, come the autumn, the macroeconomic landscape in the UK should be clearer and the scale of the impact of the pandemic on the labour market more apparent. We do expect greater downward pressure on prices in the medium-term, the extent of which will depend on the success of government support measures and the speed at which the economy can recover.”

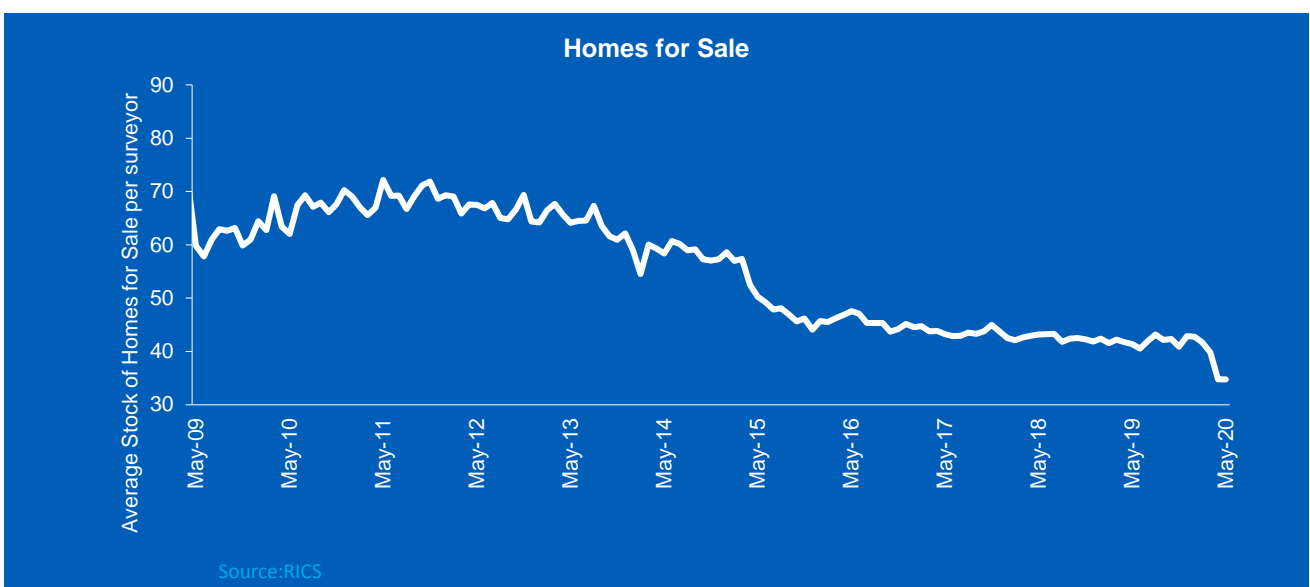
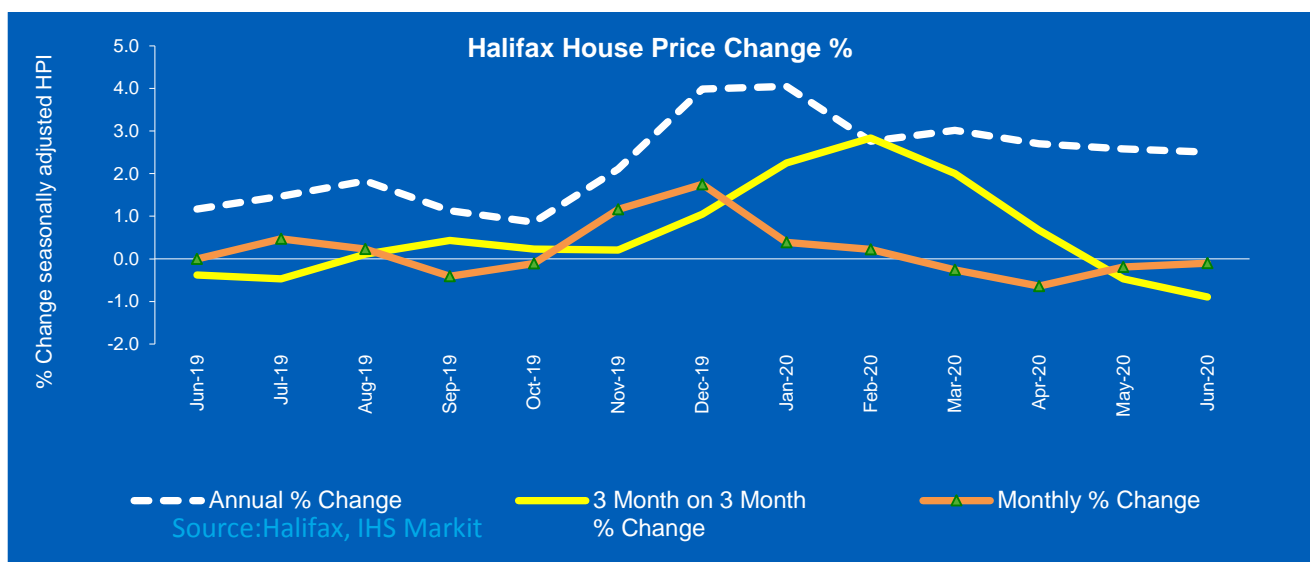
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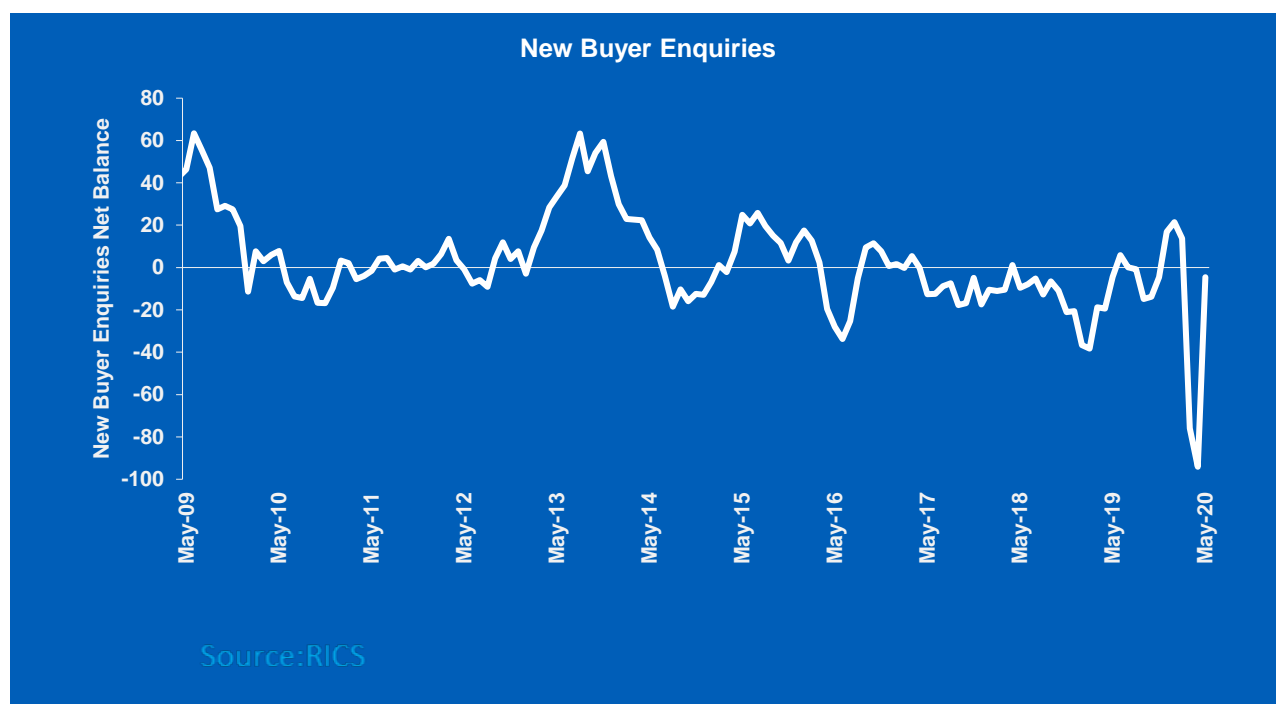


# Key facts

## Housing activity

- **HMRC Monthly property transactions data shows a small rise in UK home sales in May.** UK seasonally adjusted residential transactions in May 2020 were 48,450 – up by 16% from April as the COVID-19 lockdown measures began to ease. Year-on-year, transactions in May were approximately 49.6% lower than May 2019 (52.4% lower on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- **Mortgage approvals fell in May.** Bank of England figures show that the number of mortgages approved to finance house purchases was 9,273 in May 2020 – this represents a 41% month on month fall following a 72% fall in April. The year on year fall is 86%. (Source: Bank of England, seasonally-adjusted figures)
- The easing of the lockdown measures has resulted in a slight improvement in the outlook for sales and enquiries according to the latest set of results (May 2020) from the **RICS Residential Market Survey**. New buyer demand has moved to a net balance of -5% (from a record low -94% in April). New instructions to sell still remain in negative territory at -20% but an improvement on last months -97%. Newly agreed sales net balance has edged up to -35% (from -93% previously). No meaningful changes were reported in the devolved nations where restrictions affecting estate agents were not eased in May. (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 Jan 1992=100	<sup>2</sup> Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Jun 2019	399.7	231,797	0.0	-0.4	1.2
Jul	401.6	232,876	0.5	-0.5	1.5
Aug	402.5	233,418	0.2	0.1	1.8
Sep	400.8	232,454	-0.4	0.4	1.1
Oct	400.4	232,201	-0.1	0.2	0.9
Nov	405.0	234,886	1.2	0.2	2.1
Dec	412.1	238,998	1.8	1.0	4.0
Jan 2020	413.7	239,927	0.4	2.3	4.1
Feb	414.7	240,461	0.2	2.8	2.8
Mar	413.6	239,838	-0.3	2.0	3.0
Apr	410.9	238,314	-0.6	0.7	2.7
May	410.2	237,855	-0.2	-0.5	2.6
Jun	409.7	237,616	-0.1	-0.9	2.5

### Editors' notes

Please note that May's house price indices are based on significantly lower volumes of mortgage transactions than average.

\* 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 non-seasonally adjusted year-on-year figures.

## 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 on the methodology follow this link to [IHS Markit's website](#)

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## 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 figure is calculated by comparing the current month non-seasonally adjusted figure with the same month a year earlier.

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

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