

House Price Index



07/04/2020

House prices remained stable in March before coronavirus restrictions introduced



£240,384

Average price

+0.0%

Monthly change

+2.1%

Quarterly change

+3.0%

Annual change

- House prices in March were 3.0% higher than in the same month a year earlier
- On a monthly basis, house prices were flat at 0.0%
- In the latest quarter (January to March) house prices were 2.1% higher than in the preceding three months (October to December)

Russell Galley, Managing Director, Halifax, said:

“The UK housing market began March with similar trends to previous months, as key market indicators showed a sustained level of buyer and seller activity. Overall average house prices in the month were little changed from February’s record high, while annual growth nudged up to 3%.

“These factors all underlined a positive trajectory and increased momentum in the early part of the year, with confidence rising as political and economic uncertainty eased. However, it’s clear we ended the month in very different territory as a result of the country’s response to the coronavirus pandemic.

“On a practical level, most market activity has been paused, with the public rightly following advice to stay at home, and estate agencies, surveyors and conveyancers temporarily closing as a result. With viewings cancelled and movers being encouraged to put transactions on hold, activity will inevitably fall sharply in the coming months. It should be noted that with less data available, calculating average house prices is likely to become more challenging in the short-term.

“However, it’s still too early to properly assess what potential long-term impacts the current lockdown might have on the UK housing market. While there is very significant uncertainty at the moment, much will depend on the length of time it takes for restrictions to be lifted, the pressure that has been exerted on the economy in the meantime and the effect this has on consumer sentiment.

“Lenders have stepped up to offer their support, giving customers up to an additional three months to complete their home purchase at the agreed mortgage rate, alongside payment holidays for existing customers. We continue to have confidence in the fundamental strength of the housing market and remain

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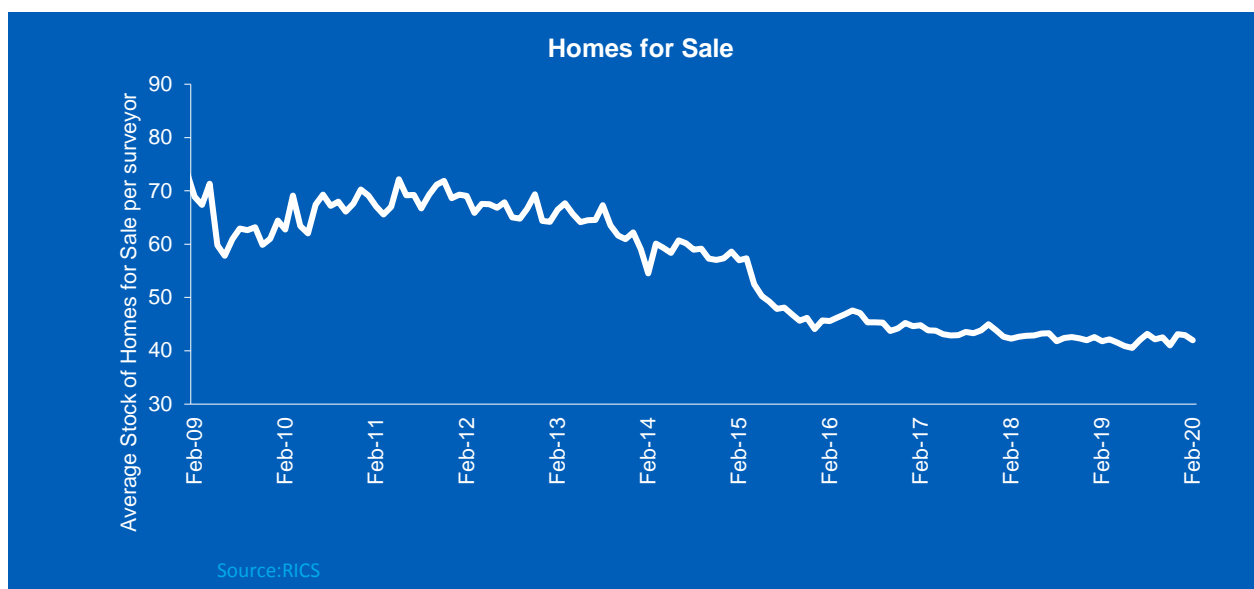
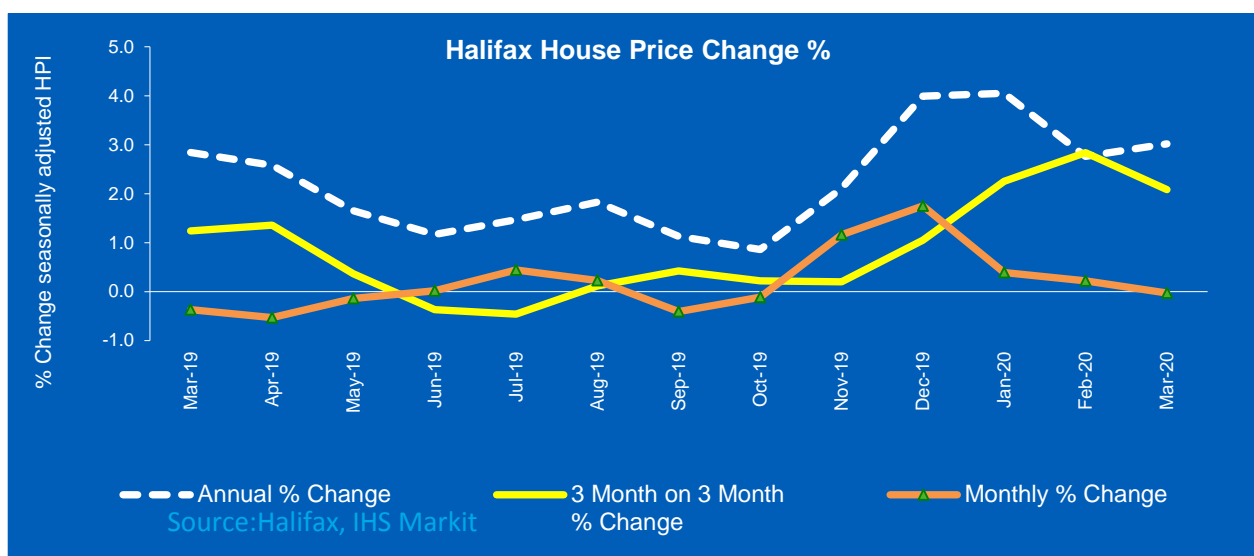


ready and willing to lend on new mortgages, as well as product transfers and further advances, wherever and whenever there is demand.”

Key facts

Housing activity

- **HMRC Monthly property transactions data shows a rise in UK home sales in February.** UK seasonally adjusted residential transactions in February 2020 were 103,870 – up by 4.5% from January and the highest level since March 2017. Year-on-year, transactions in February were approximately 6.0% higher than February 2019 (6.6% higher on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- **Mortgage approvals have risen from January.** Bank of England figures show that the number of mortgages approved to finance house purchases were 73,546 in February 2020 – this represents a 3.1% month on month rise, following a rise of 4.7% in December. Year on year growth is 12.5%. (Source: Bank of England, seasonally-adjusted figures)
- The latest set of results (February 2020) for the **RICS Residential Market Survey** have shown demand, sales and new instructions all rise for a third successive month. Buyer demand has a net balance of +20% (+23% previously). Agreed sales rose for a third time to a net balance of +22% in February. Instructions to sell also showed a net balance of +15% (+19% previously). (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)



UK house prices

Historical data

All Houses, All Buyers (Seasonally Adjusted)

Period	¹ Index Jan 1992=100	² Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Mar 2019	402.4	233,375	-0.4	1.2	2.8
Apr	400.3	232,146	-0.5	1.4	2.6
May	399.7	231,812	-0.1	0.4	1.7
Jun	399.8	231,855	0.0	-0.4	1.2
Jul	401.6	232,876	0.4	-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	414.5	240,384	0.0	2.1	3.0

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 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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