

House Price Index



05/06/2020

House prices fall again in May – though activity starts to pick up



£237,808

Average price

-0.2%

Monthly change

-0.5%

Quarterly change

+2.6%

Annual change

- On a monthly basis, house prices in May were 0.2% lower than in April
- In the latest quarter (March to May) house prices were 0.5% lower than in the preceding three months (December to February)
- House prices in May were 2.6% higher than in the same month a year earlier

Russell Galley, Managing Director, Halifax, said:

“With the full impact of lockdown measures taking a firm grip on the UK property market by May, the average house price fell by 0.2% to £237,808. This is the third successive monthly fall, though more modest than in April, and reflects a continued loss of momentum following what was a strong start to the year. Though it should still be noted that with a limited number of transactions available, calculating average house prices remains challenging and increased volatility is to be expected.

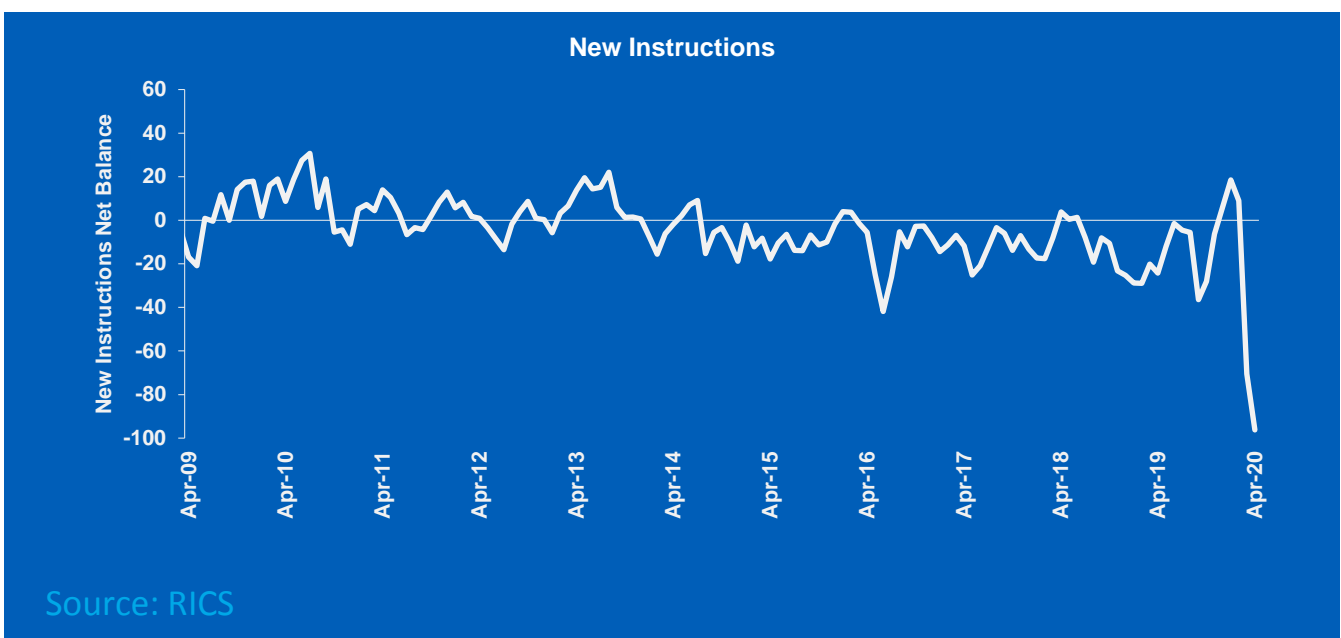
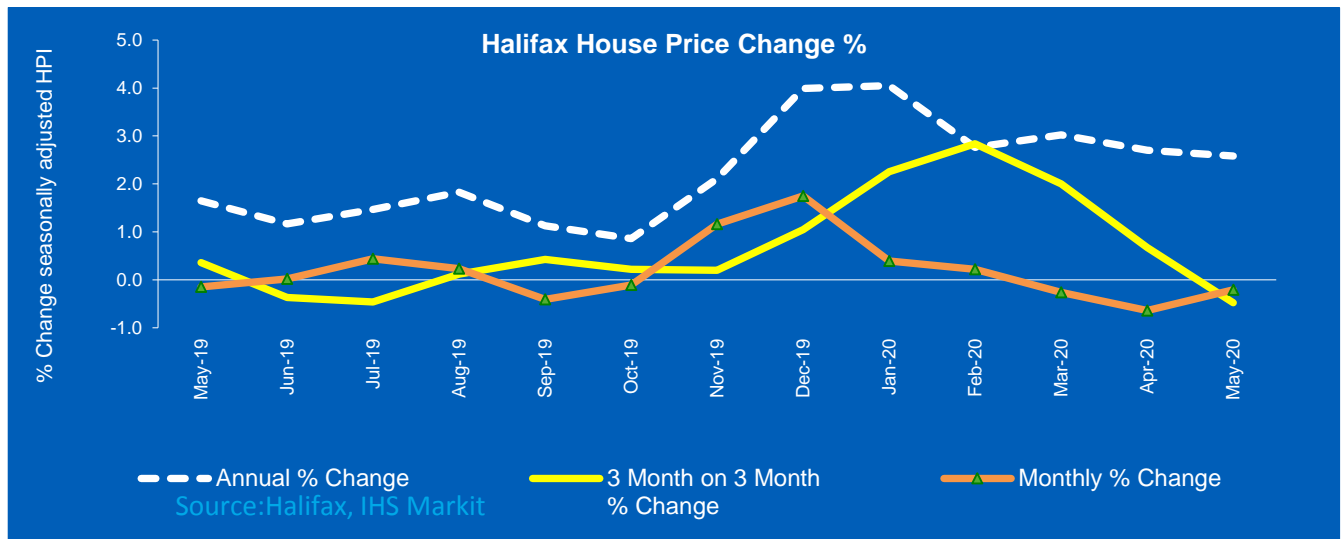
“The mid-month relaxation of restrictions in England, allowing estate agents and conveyancers to restart operations, brought much-needed positive news with some advance indicators of buyer and seller interest quickly showing signs of improvement. This is likely to provide a short-term boost as buyers and homeowners attempt to kick-start transactions that had previously been put on hold.

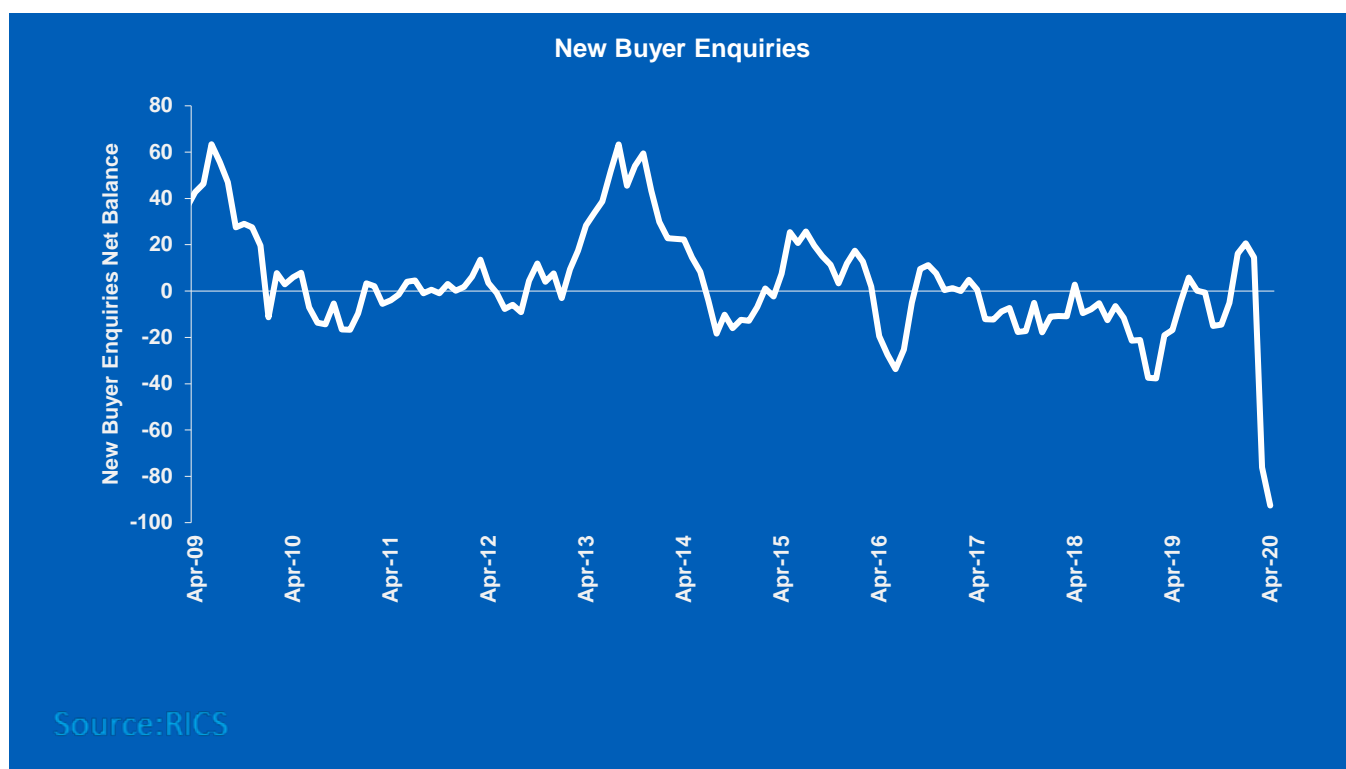
“Looking ahead, we expect market activity to increase progressively as restrictions are eased further across the whole of the UK and we continue to have confidence in the underlying health of the housing market over the long-term. However, the extent of downward pressure on market confidence and prices over the coming months will depend on how quickly the economy is able to recover from the effects of the pandemic and the available government policy support for jobs and households.”

Key facts

Housing activity

- **HMRC Monthly property transactions data shows a large fall in UK home sales in April.** UK seasonally adjusted residential transactions in April 2020 were 46,440 – down by 46.1% from March due to the coronavirus lockdown measures. Year-on-year, transactions in April were approximately 53.4% lower than April 2019 (56.7% lower on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- **Mortgage approvals have fallen in April.** Bank of England figures show that the number of mortgages approved to finance house purchases were 15,848 in April 2020 – this represents a 72% month on month fall from March, following a 24% fall in March. Year on year fall is 76%. (Source: Bank of England, seasonally-adjusted figures)
- The ongoing lockdown measures continue to stifle activity across the housing market according to the latest set of results (April 2020) from the **RICS Residential Market Survey**. New buyer demand has dipped further to a net balance of -93% (from -76% in March). Alongside this, new instructions to sell has fallen back significantly to -96% representing the weakest ever reading. Newly agreed sales net balance has edged down to -92% (from -68% 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 %**
May 2019	399.7	231,806	-0.2	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	413.6	239,838	-0.3	2.0	3.0
Apr	410.9	238,314	-0.6	0.7	2.7
May	410.1	237,808	-0.2	-0.5	2.6

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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