

# House Price Index



07/05/2020

## House prices fall in April as coronavirus restrictions take hold



**£238,511**

Average price

**-0.6%**

Monthly change

**+0.7%**

Quarterly change

**+2.7%**

Annual change

- House prices in April were 2.7% higher than in the same month a year earlier
- On a monthly basis, house prices in April were 0.6% lower than in March
- In the latest quarter (February to April) house prices were 0.7% higher than in the preceding three months (November to January)

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

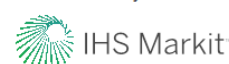
*“The impact of measures taken to curtail the spread of coronavirus started to filter through to the housing market in April, with average prices falling by 0.6% compared to March, and the annual growth rate easing to 2.7%.*

*“With market activity currently almost at a complete standstill, the limited number of transactions available means that calculating average house prices has inevitably become more challenging. This will lead to a great deal of volatility until more data becomes available.*

*“It will not be until after lockdown restrictions are eased that we will get a sense of the new temporary normal conditions for the housing market. Social distancing raises new challenges for home viewings and valuations and this will require the industry to adapt to build and maintain consumer confidence. More immediately, we are likely to see some considerable movement in activity levels as buyers and sellers seek to kick-start previously agreed transactions which are likely to have stalled or been delayed.*

*“The future remains uncertain and based on our current forecasting we expect short term headwinds to house prices, although we maintain our underlying confidence in the health of the housing market in the longer term.”*

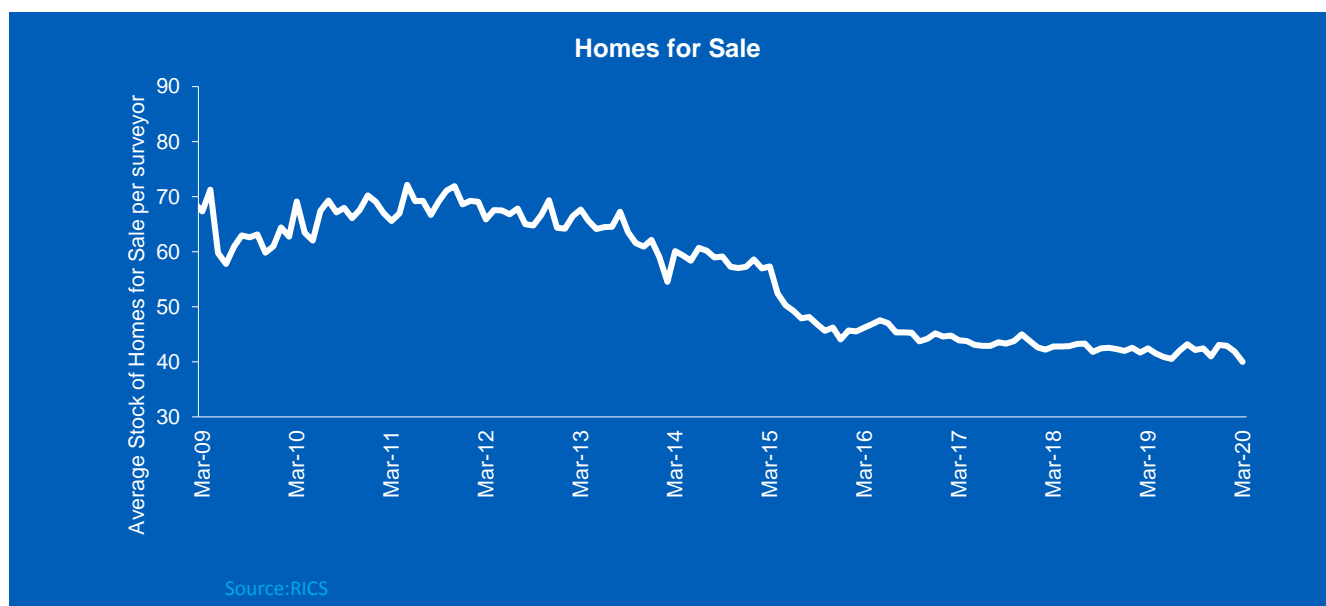
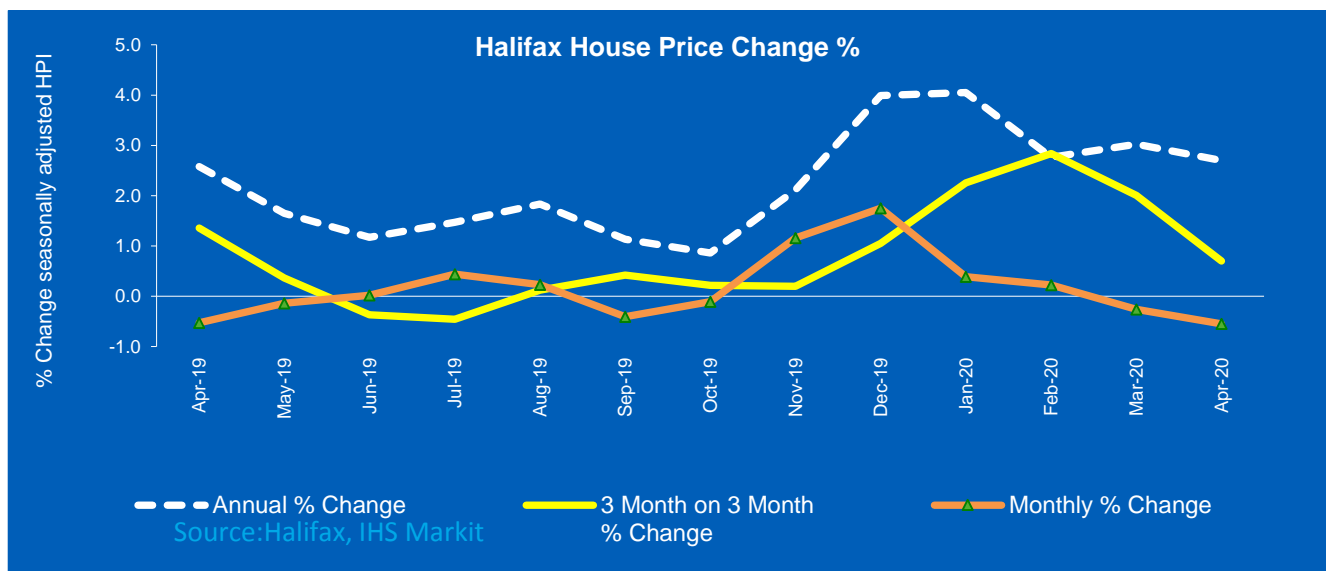
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# Key facts

## Housing activity

- **HMRC Monthly property transactions data shows a fall in UK home sales in March.** UK seasonally adjusted residential transactions in March 2020 were 99,440 – down by 0.2% from February. Year-on-year, transactions in March were approximately 0.3% higher than March 2019 (-2.7% lower on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- **Mortgage approvals have fallen in March.** Bank of England figures show that the number of mortgages approved to finance house purchases were 56,161 in March 2020 – this represents a 24% month on month fall from February, following four consecutive rises. Year on year fall is 10%. (Source: Bank of England, seasonally-adjusted figures)
- The latest set of results (March 2020) for the **RICS Residential Market Survey** have shown sentiment across the UK housing market predictably deteriorating as the Government measures required estate agents to close their offices. After a run of three successive monthly increases, buyer demand has a net balance of -74% (+17% in Feb). Sales volumes are down to -69% (+19% in Feb) and new instructions - 72% (+11% Feb). (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 %**
Apr 2019	400.3	232,143	-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	413.57	239,838	-0.3	2.0	3.0
Apr	411.3	238,511	-0.6	0.7	2.7

### Editors' notes

Please note that April'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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