

# House Price Index



05/02/2021

## House prices fall slightly in January, with early signs market could start to cool



**£251,968**

Average price

**-0.3%**

Monthly change

**+1.6%**

Quarterly change

**+5.4%**

Annual change

- On a monthly basis, house prices in January were 0.3% lower than in December
- In the latest quarter (November to January) house prices were 1.6% higher than in the preceding three months (August to October)
- House prices were 5.4% higher than in January 2020

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

"The average UK house price slipped by -0.3% in January, the biggest monthly fall since April last year. Whilst this pushed the typical property value down to its lowest level since October, at just under £252,000, prices are around £13,000 higher than a year ago.

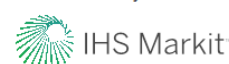
"There are some early signs that the upturn in the housing market could be running out of steam, with the annual rate of house price inflation cooling to its lowest level since August. Industry figures for agreed sales remain well above pre-pandemic levels but new instructions to sell have decreased noticeably, and total stock held by estate agents has risen to its highest level since before the EU referendum in 2016.

"The stamp duty holiday has undoubtedly helped to fuel growing demand amongst households for larger properties. However, given the current time to completion across the market, transactions in the early part of 2021 probably don't include many borrowers who expect to benefit from the stamp duty reprieve.

"How far and how deep any slowdown proves to be is a challenge to predict given the prevailing uncertainty created by the pandemic. With swathes of the economy still shuttered, and joblessness continuing to edge higher, on the surface this points to slower market activity and downward price pressures in the near-term.

"That said, we saw the power of homeowners to drive the market in the second half of last year as many people looked to find new properties with greater space, spurred on by increased time spent at home. Such structural demand changes, coupled with any further policy interventions by government, could yet sustain underlying market activity for some time to come."

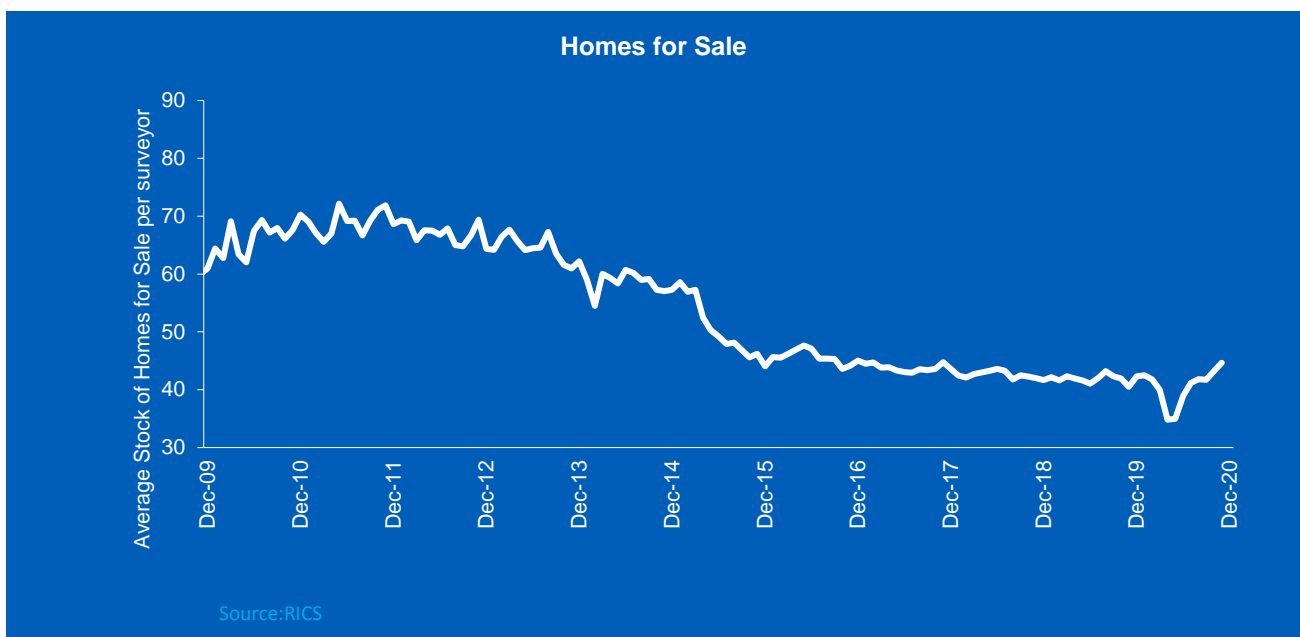
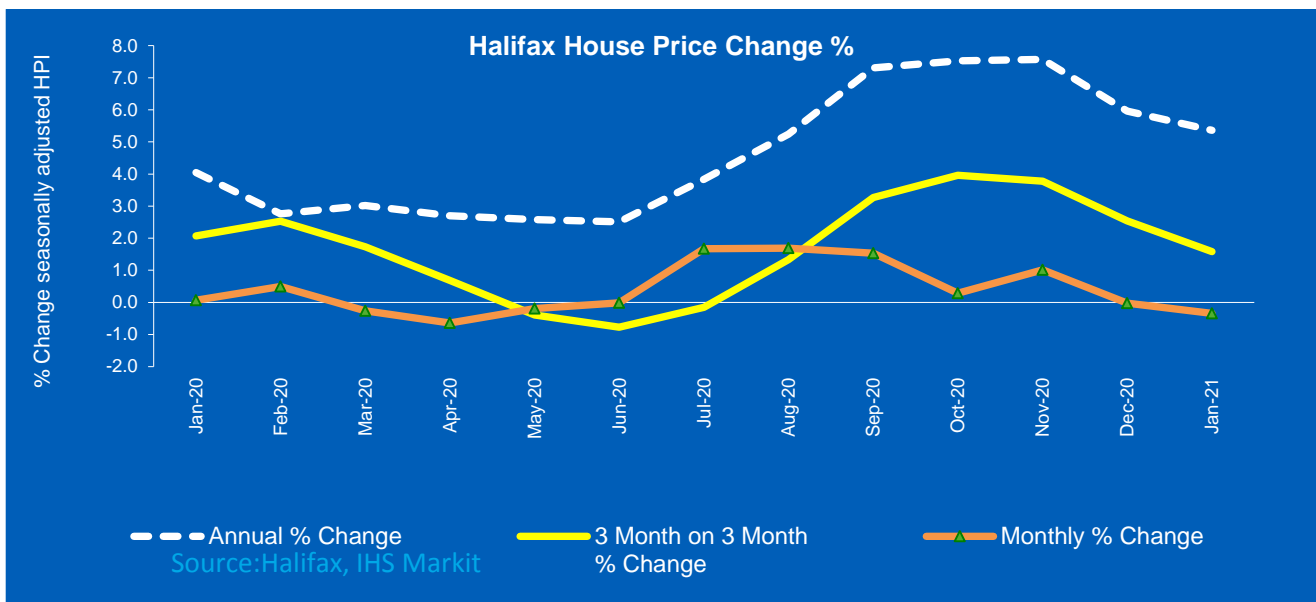
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# Key facts

## Housing activity

- **HMRC Monthly property transactions data for UK home sales rose for the eighth consecutive month in December.** UK seasonally adjusted residential transactions in December 2020 were 129,400 – up by 13.1% from November (up 14.0% on a non-seasonally adjusted basis). The latest quarterly transactions (October-December 2020) were approximately 41.8% higher than the preceding three months (July-September 2020). Year on year, transactions were 32.1% higher than December 2019 (63.6% higher on a non-seasonally adjusted basis). (Source: HMRC, seasonally-adjusted figures)
- **Mortgage approvals fell in December for the first time in seven months.** The latest Bank of England figures show the number of mortgages approved to finance house purchases fell in December by 1.8% versus November to 103,381. Year-on-year, the December figure was 53.6% above December 2019. Source: Bank of England, seasonally-adjusted figures)
- Results from the latest (December 2020) **RICS Residential Market Survey** remain positive but show a further easing in momentum for housing market activity. New buyer enquiries displayed a net balance of +15% (previously +26% in November), new instructions +7% (+15% previously) and agreed sales +18% (+24% previously). (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 %**
Jan 2020	412.6	239,253	0.1	2.1	4.1
Feb	414.7	240,461	0.5	2.5	2.8
Mar	413.6	239,838	-0.3	1.7	3.0
Apr	410.9	238,314	-0.6	0.7	2.7
May	410.2	237,855	-0.2	-0.4	2.6
Jun	410.1	237,834	0.0	-0.8	2.5
Jul	417.0	241,808	1.7	-0.2	3.8
Aug	424.0	245,889	1.7	1.3	5.2
Sep	430.5	249,655	1.5	3.3	7.3
Oct	431.7	250,367	0.3	4.0	7.5
Nov	436.1	252,890	1.0	3.8	7.6
Dec	436.0	252,833	0.0	2.5	6.0
Jan 2021	434.5	251,968	-0.3	1.6	5.4

### 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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