

House Price Index



07/08/2020

Sharp increase in July pushes house prices to highest ever levels



£241,604

Average price

+1.6%

Monthly change

-0.2%

Quarterly change

+3.8%

Annual change

- **Mini-boom drives house prices up in July to 1.6% higher than in June, on a monthly basis**
- **In the latest quarter (May to July) house prices were 0.2% lower than in the preceding three months (February to April)**
- **House prices in July were 3.8% higher than in the same month a year earlier**
- **Uncertainty remains with likely greater downward pressure on prices in the medium term**

Russell Galley, Managing Director, Halifax, said:

“Following four months of decline, average house prices in July experienced their greatest month on month increase this year, up 1.6% from June and comfortably offsetting losses in 2020. The average house price in July is the highest it has ever been since the Halifax House Price Index began, 3.8% higher than a year ago.

“The latest data adds to the emerging view that the market is experiencing a surprising spike post lockdown. As pent-up demand from the period of lockdown is released into a largely open housing market, a low supply of available homes is helping to exert upwards pressure on house prices. Supported by the government’s initiative of a significant cut in stamp duty, and evidence from households and agents suggesting that confidence is currently growing, the immediate future for the housing market looks brighter than many might have expected three months ago.

“However, looking further ahead, there is still a great deal of uncertainty around the lasting impact of the pandemic. As government support measures come to an end, the resulting impact on the macroeconomic environment, and in turn the housing market, will start to become more apparent.

“In particular, a weakening in labour market conditions would lead us to expect greater downward pressure on prices in the medium-term.”

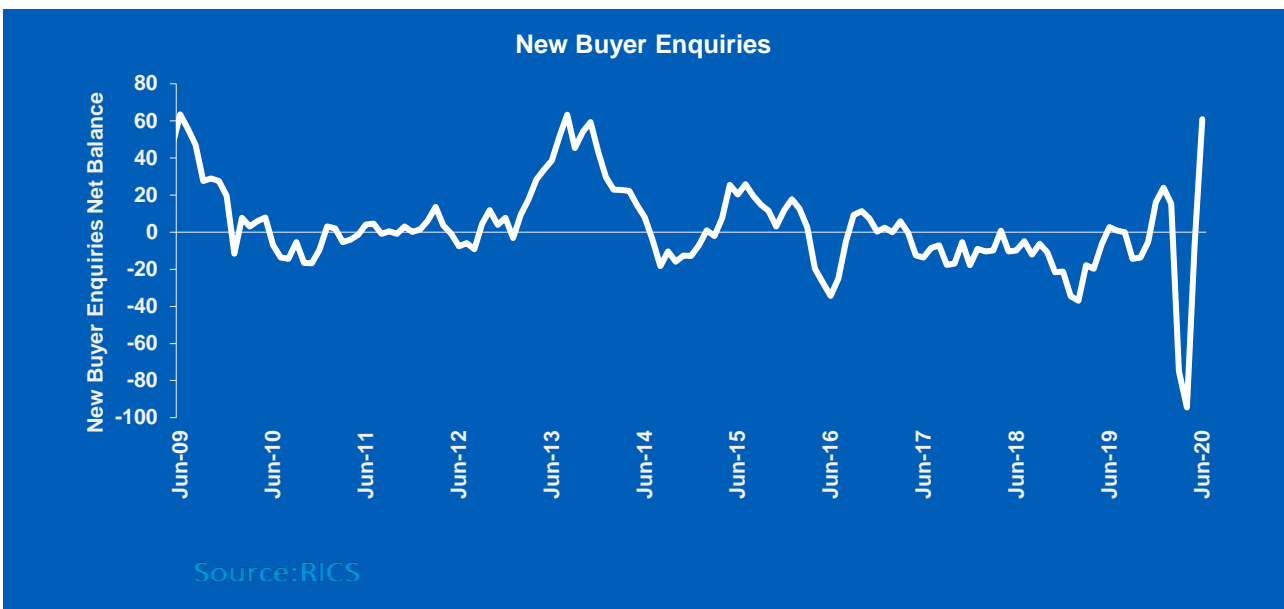
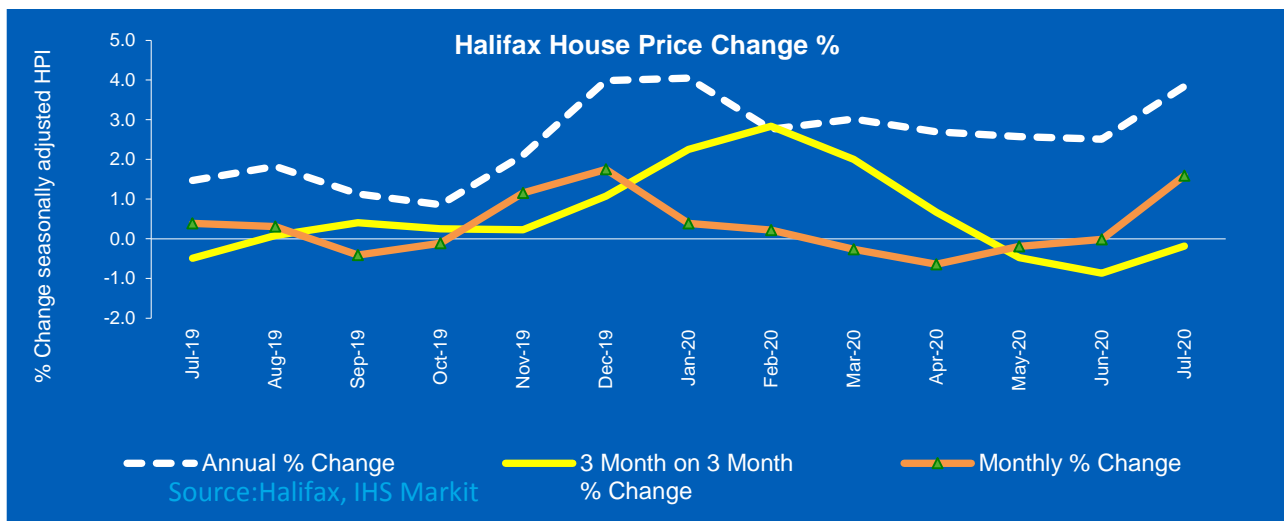
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Key facts

Housing activity

- HMRC Monthly property transactions data shows a rise in UK home sales in June.** UK seasonally adjusted residential transactions in June 2020 were 63,250 – up by 31.7% from May following the lifting of COVID-19 lockdown measures. Quarter-on-quarter transactions were approximately 47% lower than quarter one 2020. (Source: HMRC, seasonally-adjusted figures)
- The number of Mortgage approvals** to finance house purchases from the Bank of England in June was 40,010, following the low of 9,273 in May due to the lockdown measures in place for COVID-19 (this represents a 331% month on month rise). The June figure brings the quarter two total to 65,139 - down 68% from the previous quarter and also down 67% from the same period the previous year. (Source: Bank of England, seasonally-adjusted figures)
- Results from the latest (June 2020) **RICS Residential Market Survey** point to a recovery emerging across the market, with indicators on buyer demand, sales and new listings rallying following the lockdown related falls. New buyer demand has moved to a net balance of +61% (compared to -7% and -94% in April and May respectively). New instructions also rose firmly to a net balance of +42% (compared with -22% in May). Newly agreed sales net balance has moved into positive territory for the first time since February, with a net balance of +43% (from -34% in May). (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 %**
Jul 2019	401.3	232,706	0.4	-0.5	1.5
Aug	402.5	233,418	0.3	0.1	1.8
Sep	400.8	232,454	-0.4	0.4	1.1
Oct	400.4	232,201	-0.1	0.3	0.9
Nov	405.0	234,886	1.2	0.2	2.1
Dec	412.1	238,998	1.8	1.1	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	410.1	237,834	0.0	-0.9	2.5
Jul	416.6	241,604	1.6	-0.2	3.8

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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