

06/07/2018

ANNUAL HOUSE PRICE GROWTH REMAINS FLAT AT 1.8% IN JUNE



+1.8%

Annual change

-0.7%

Quarterly change

+0.3%

Monthly change

£225,654

Average Price

- House prices in the three months to June were 1.8% higher than the same period a year earlier; marginally lower than the 1.9% annual growth in May
- In the latest quarter (April-June) prices were 0.7% lower than in the preceding three months (January-March 2018), though this figure appears to be a symptom of the monthly volatility in the data with the particularly weak April number in between two fairly strong months
- On a monthly basis, prices rose by 0.3% in June to £225,654

Russell Galley, Managing Director, Halifax, said:

“House prices continue to remain broadly flat, with the annual rate of growth marginally slowing from 1.9% in May to 1.8% in June.

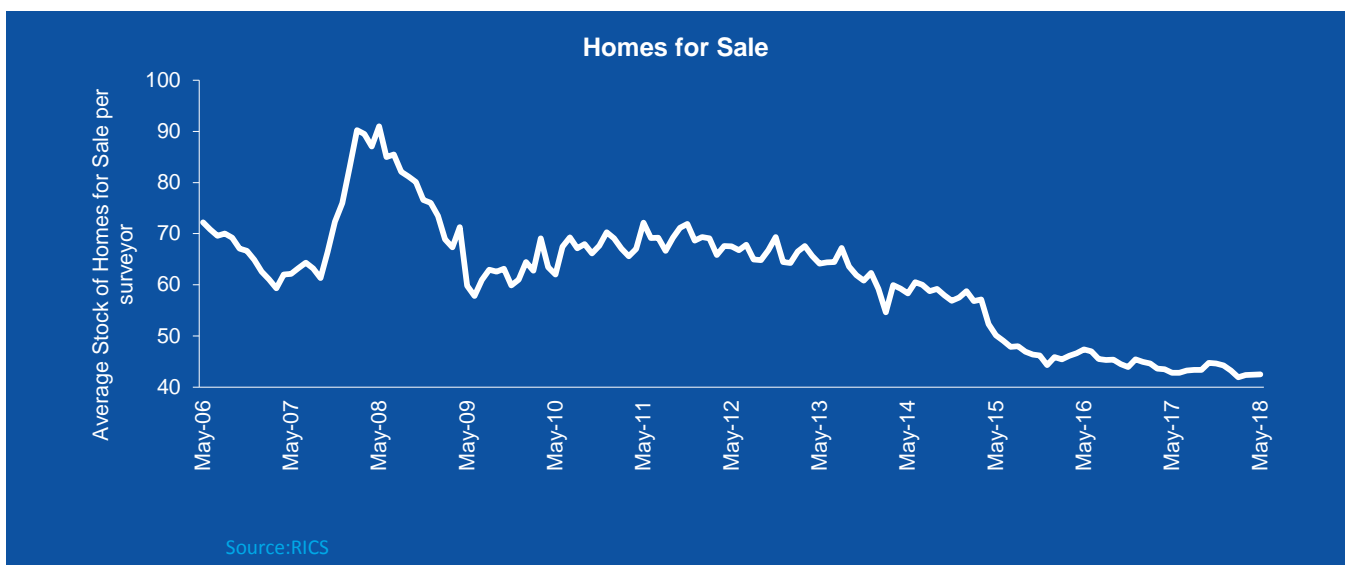
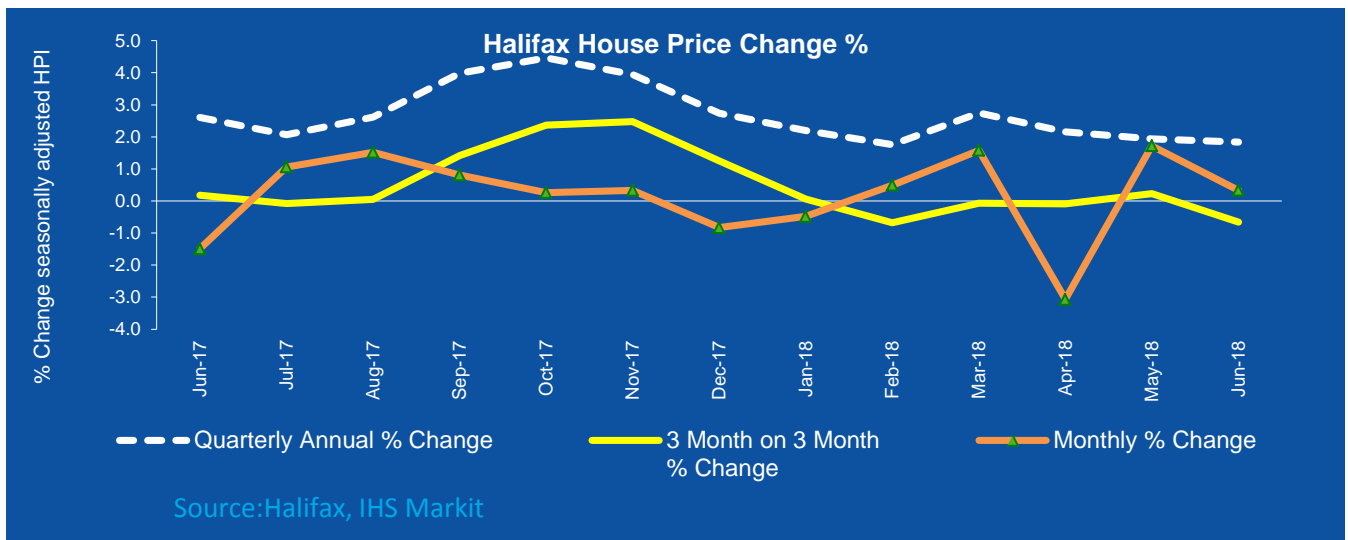
“Activity levels, like house price growth, have softened compared with the final months of last year. Mortgage approvals have been in the low range of 63,000 to 67,000 since the start of the year, whilst home sales have remained flat so far this year. This is in contrast to the continuing strength of the UK jobs market with job creation still strong and pressure on household finances easing as real income growth edges up.

“At the half way stage of the year the annual rate is within our forecast range of 0-3% for 2018. We continue to see very positive factors of continuing low mortgage rates, great affordability levels and a robust labour market. The continuing shortage of properties for sale should also continue to support price growth.”

KEY FACTS

HOUSING ACTIVITY

- Home sales edge up in May.** UK home sales grew by 1% to 99,590 in May. In the three months to May sales were 4.8% lower than in the same three months a year earlier. This weakness reflects the slowdown seen in mortgage approvals over the past year. Completed sales since December have held steady, averaging close to 99,000 per month. *(Source: HMRC, seasonally-adjusted figures)*
- Housing market activity rises in May.** Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales – were 64,526 in May. This was a 2.5% month-on-month increase, ending the run of three consecutive monthly falls and was 2.1% lower than May 2017. Approvals have been in a narrow range between 63,000 and 67,000 per month over the past five months; indicating that homes sales are unlikely to change significantly over the next few months. *(Source: Bank of England, seasonally-adjusted figures)*
- Housing activity remains steady.** After falling for 26 months in succession, new instructions edged up in May. Furthermore average stock of homes for sale on estate agents' books held broadly steady, albeit close to historic lows. On the demand side, new buyer enquiries fell again, although the pace of decline has slowed since the start of the year. *(Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)*



UK HOUSE PRICES

HISTORICAL DATA

All Houses, All Buyers (Seasonally Adjusted)

Period	¹ Index 1983=100	² Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Jun 2017	704.3	217,620	-1.5	0.2	2.6
Jul	711.8	219,918	1.1	-0.1	2.1
Aug	722.6	223,271	1.5	0.1	2.6
Sep	728.4	225,070	0.8	1.4	4.0
Oct	730.4	225,664	0.3	2.4	4.5
Nov	732.8	226,408	0.3	2.5	3.9
Dec	726.7	224,540	-0.8	1.3	2.7
Jan 2018	723.2	223,462	-0.5	0.1	2.2
Feb	726.8	224,564	0.5	-0.7	1.8
Mar	738.3	228,102	1.6	-0.1	2.7
Apr	715.6	221,108	-3.1	-0.1	2.2
May	727.9	224,909	1.7	0.2	1.9
Jun	730.3	225,654	0.3	-0.7	1.8

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 quarterly non- seasonally adjusted year-on-year figures. These figures provide a better picture of underlying trends compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

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 PLEASE CONTACT:

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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 is calculated as an average for the latest three months compared with the same period a year earlier. These figures provide a better picture of the underlying trend compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

For more information on our housing market research, visit <http://www.halifax.co.uk/house-price-index>

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