

House Price Index

December 2023



Average house price
£287,105



Monthly change
+1.1%



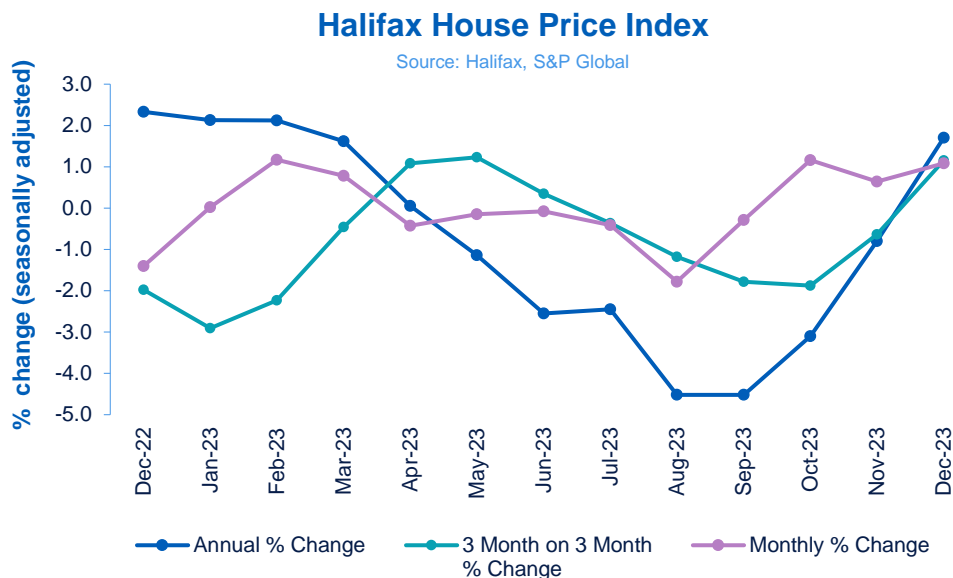
Quarterly change
+1.2%



Annual change
+1.7%

UK house prices rise for third consecutive month

- Average house prices rose by +1.1% in December, the third monthly rise in a row
- Property prices grew +1.7% overall in 2023
- Typical UK home now costs £287,105, just over £3,000 more than last month
- House prices predicted to fall by between -2% and -4% in 2024
- South East England continues to see most downward pressure on house prices



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Kim Kinnaird, Director, Halifax Mortgages, said:

“In December, the cost of an average UK home rose for the third month in a row to £287,105, up +1.1% or £3,066, in November, reaching the highest level since March 2023.

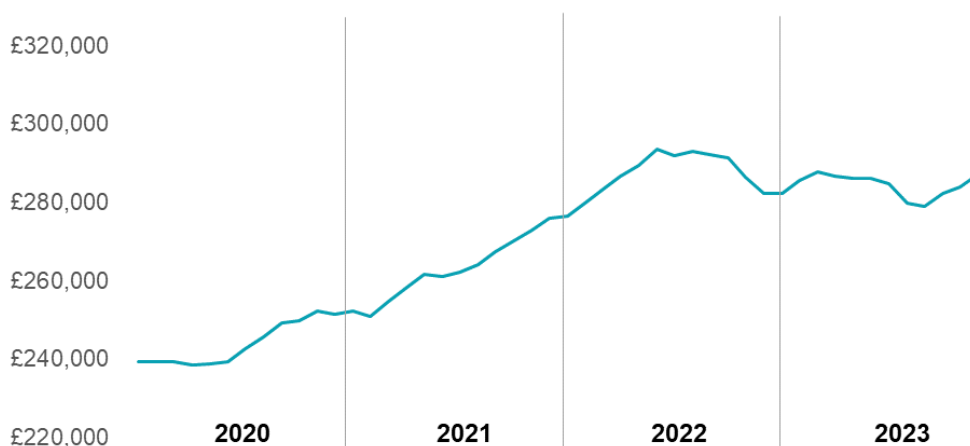
“The housing market beat expectations in 2023 and grew by +1.7% on an annual basis. The average property price is now £4,800 higher than it was in December 2022. Whilst it’s encouraging that we saw growth in the last three months of the year, this was preceded with property price falls for six consecutive months between April and September. The growth we have seen is likely being driven by a shortage of properties on the market, rather than the strength of buyer demand. That said, with mortgage rates continuing to ease, we may see an increase in confidence from buyers over the coming months.

“Across all the UK regions, Northern Ireland recorded the strongest house price growth on in 2023, properties here increased by +4.1% to £192,153. Scotland saw property prices increase by +2.6% to £205,170. At the other end of the scale, the South East fell most sharply, houses here now average £376,804 (-4.5%), a drop of -£17,755.

“As we move through 2024, the UK property market will continue to reflect the wider economic uncertainty and buyers and sellers are likely to be naturally cautious when considering making a move. While wage growth is now above inflation, helping to ease cost of living pressures for some and improving housing affordability, interest rates are likely to remain elevated for as long as inflation remains markedly above the Bank of England’s target. Our latest forecast suggests house prices could fall between -2% and -4% during the coming year, although, as with recent years, forecast uncertainty remains high given the current economic climate.”

Halifax House Price Index

Average UK house price: January 2020 to December 2023



Source: Halifax, S&P Global

Nations and regions house prices

Northern Ireland continues to be the strongest performing nation or region in the UK, with house prices increasing by +4.1% on an annual basis. Properties in Northern Ireland now cost on average £192,153, which is £7,595 higher than the same time in December 2022

Scotland’s average house price also recorded growth, with the average property in the nation now £205,170, +2.6% higher or £5,277 in cash terms on an annual basis. North West (+0.3%), and Yorkshire and Humber (+0.1%) saw modest house price increases over the last year.

The South East fell the most during 2023, when compared to other UK regions, with homes selling for an average £376,804 (-4.5%), a drop of £17,755.

Unsurprisingly, London retains the top spot for the highest average house price across all the regions, at £528,798, albeit prices in the capital have declined by -2.3% on an annual basis.

Housing activity

- **HMRC monthly property transaction data** shows UK home sales decreased in November 2023. UK seasonally adjusted (SA) residential transactions in November 2023 totalled 80,780 – down by 1.2% from October's figure of 81,770 (down 2.1% on a non-SA basis). Quarterly SA transactions (September 2023 – November 2023) were approximately 3.6% lower than the preceding three months (June 2023 - August 2023). Year-on-year SA transactions were 21.5% lower than November 2022 (22.0% lower on a non-SA basis). (Source: HMRC)
- Latest **Bank of England figures** show the number of mortgages approved to finance house purchases increased in November 2023, by 4.6% to 50,067. Year-on-year the November figure was 9.9% above November 2022. (Source: Bank of England, seasonally-adjusted figures)
- The **RICS Residential Market Survey** results for November 2023 point to a somewhat improved outlook with new buyer enquiries balance improving to -14%, its highest since May 2022 and up from -25% in October. Agreed sales improve to -11% (from -23%) and new instructions remain at -5%. (Source: Royal Institution of

UK house prices Historical data

National: All Houses, All Buyers (Seasonally Adjusted)

Period	¹ Index Jan 1992=100	² Standardised Average Price £	Monthly Change %	Quarterly Change %	³ Annual Change %
December 2022	486.8	282,305	-1.4	-2.0	2.3
January 2023	486.9	282,360	0.0	-2.9	2.1
February	492.6	285,660	1.2	-2.2	2.1
March	496.4	287,891	0.8	-0.5	1.6
April	494.3	286,662	-0.4	1.1	0.1
May	493.6	286,234	-0.2	1.2	-1.1
June	493.2	286,011	-0.1	0.4	-2.6
July	491.2	284,852	-0.4	-0.4	-2.5
August	482.5	279,793	-1.8	-1.2	-4.5
September	481.1	278,985	-0.3	-1.8	-4.5
October	486.7	282,221	1.2	-1.9	-3.1
November	489.8	284,039	0.6	-0.6	-0.8
December	495.1	287,105	1.1	1.2	1.7

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.

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.

3. National annual change figure

National annual change figures are the seasonally adjusted year-on-year figures.

4. Regional annual change figure

The regional annual change figures are based on the most recent three months of approved mortgage transaction data.

For further information on the methodology follow this link to [IHS Markit's website](#).

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For historical data or for technical queries please contact economics@ihsmarkit.com

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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