

Halifax House Price Index

National Index

February 2013

All Houses, All Buyers Index (1983=100)

Annual Change +1.9% Quarterly Change +1.9% Monthly Change +0.5%

Standardised Average Price (seasonally adjusted) £163,600

Commenting, Martin Ellis, housing economist, said:

"The housing market continued to provide evidence of improvement in February. Prices in the three months to February were 1.9% higher than in the previous three months. This was the third successive increase in this measure of the underlying trend. Prices were also 1.9% higher than in the same period a year ago.

"House sales also continue on a modest upward trend. This increase in both house prices and activity in recent months is consistent with evidence of some improvement in market conditions. The more than half a million increase in the number of people in employment over the past year is likely to have been a factor supporting housing demand.

"We expect to see a national increase in house prices over the course of 2013. Weak income growth and continuing below-trend economic growth, however, are likely to remain significant constraints on housing demand."

- **House prices in the three months from December 2012 to February 2013 were 1.9% higher than in the previous three months (September 2012-November 2012).** This was the third consecutive increase in prices on this measure of the underlying trend and was the same as the increase in January.
- **Prices in the three months to February were 1.9% higher than in the same three months a year ago.** This was the second successive rise in this annual measure and was the biggest increase since September 2010 (2.6%).
- **House prices increased by 0.5% in February.** This followed a small fall in January (-0.3%).
- **Activity continues to edge higher.** Home sales increased very slightly from 82,280 in December 2012 to 82,320 in January 2013, according to the latest industry figures. This was the seventh successive monthly increase in sales after allowing for seasonal influences (*Source: HMRC*). The number of mortgage approvals for house purchases – a leading indicator of completed house sales – fell by 2% between December and January, but was slightly higher than the average of the previous six months (*Source: Bank of England, seasonally-adjusted figures*).
- **Modest improvement in market conditions since last summer.** The ratio of house sales to the stock of unsold properties has risen a little since July 2012. This improvement in market conditions has been caused by the combination of higher sales and a reduced stock of properties available for sale. (*Source: RICS*)
- **Labour market has probably helped support housing demand.** The number of people in employment in the fourth quarter of 2012 was 584,000 higher than in the same period a year earlier. Higher full-time employment was responsible for two-thirds (67%) of this increase. Rising employment is likely to have contributed to the overall improvement in housing market conditions in recent months. Pay growth, however, remains very subdued, increasing by just 1.4% in the past year; well below the increase in consumer prices.