

Statistical bulletin

House Price Index, UK: December 2017

Monthly house price inflation in the UK, calculated using data from HM Land Registry, Registers of Scotland and Land and Property Services Northern Ireland.

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1 . Introduction

This is a high-level summary of the UK House Price Index (HPI). For full details, including commentary, historical data tables and analytical tools, please see the [main publication of the House Price Index](#), published today (13 February 2018) by HM Land Registry on the GOV.UK website.

2 . Things you need to know about this release

The UK House Price Index (HPI) is a joint production by HM Land Registry, Land and Property Services Northern Ireland, Office for National Statistics and Registers of Scotland.

The UK HPI, introduced in June 2016, includes all residential properties purchased for market value in the UK. However, as sales only appear in the UK HPI once the purchases have been registered, there can be a delay before transactions feed into the index. As such, caution is advised when interpreting price changes in the most recent periods as they are liable to be revised. Since 13 June 2017, we have extended our revision period to 12 months. Further information is provided in our [revision policy](#).

In December 2017, amendments were made to our estimation model when calculating our provisional estimate. This improvement was implemented on 12 December 2017. Further information and the impact of this change can be found [on the HM Land Registry pages of GOV.uk](#).

The UK HPI was launched in June 2016 initially as an [experimental official statistic](#) to:

- allow for users to acclimatise to the format of the UK HPI
- evaluate user reaction to the new data
- continue evolution of data publication to meet user requirements
- further develop the data sources used in the production

Following [implemented improvements](#) we are removing our experimental statistics status from 13 February 2017. We continue to progress with the [assessment of the UK House Price Index as a National Statistic](#).

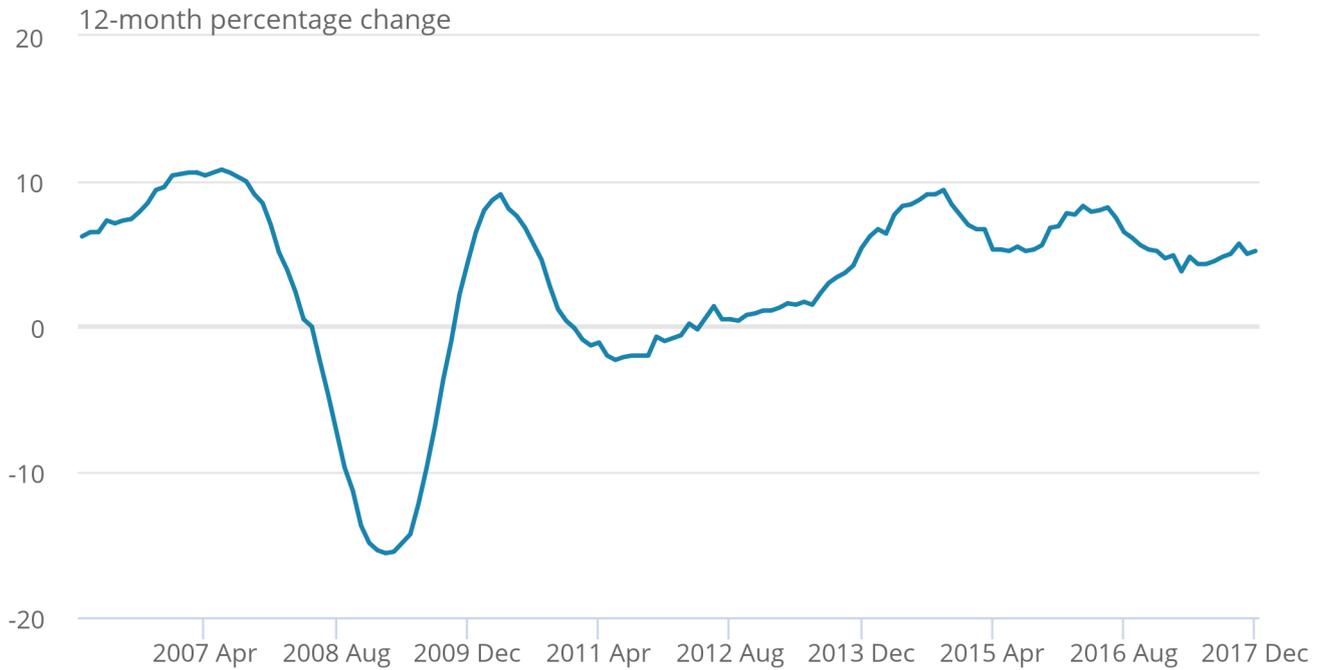
On 15 June 2017 the National Statistician announced that routine pre-release access to Office for National Statistics (ONS) statistics would end from 1 July 2017. Following this, we have considered the dates of our publications to ensure that they continue to meet user needs. From April 2018, the prices theme day, which encompasses consumer prices, business prices and house prices, will move from a Tuesday to a Wednesday. Alongside this, labour market theme day will move from a Wednesday to a Tuesday. The [new release dates and further explanation of the reasons for these changes](#) are available in a separate article.

3 . UK all dwellings

Average house prices in the UK have increased by 5.2% in the year to December 2017 (up from 5.0% in November 2017). The annual growth rate has slowed since mid-2016 but has remained broadly around 5% during 2017.

Figure 1: Annual house price rates of change, UK all dwellings from January 2006 to December 2017

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Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland and Office for National Statistics

Notes:

1. Not seasonally adjusted.
2. The full HPI release is available to download from HM Land Registry at GOV.UK.

The average UK house price was £227,000 in December 2017. This is £12,000 higher than in December 2016 and £1,000 higher than last month.

Figure 2: Average UK house price, January 2005 to December 2017

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Notes:

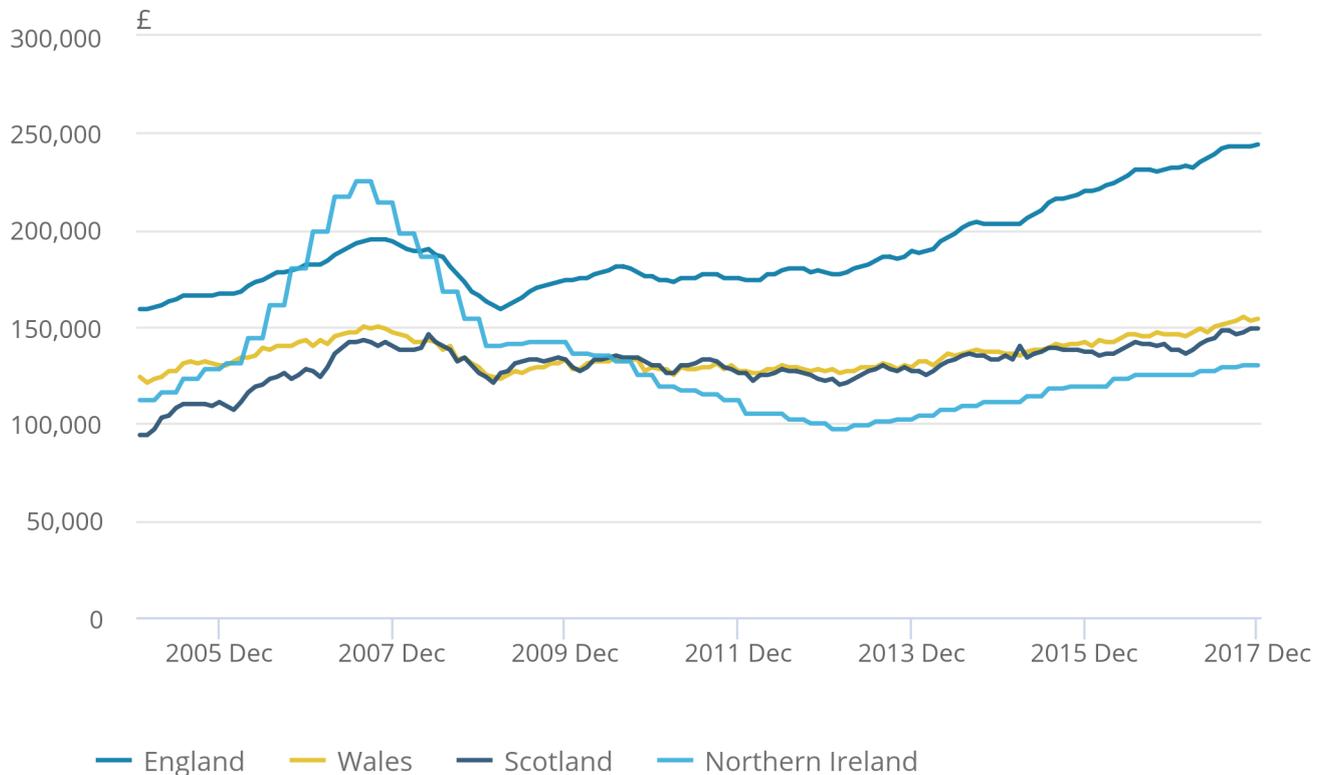
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4 . House Price Index, by UK country

The main contribution to the increase in UK house prices came from England, where house prices increased by 5.0% over the year to December 2017, with the average price in England now £244,000. Wales saw house prices increase by 5.4% over the last 12 months to stand at £154,000. In Scotland, the average price increased by 7.7% over the year to stand at £149,000. The average price in Northern Ireland currently stands at £130,000, an increase of 4.3% over the year to Quarter 4 (Oct to Dec) 2017.

Figure 3: Average house price, by UK country, January 2005 to December 2017

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Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland and Office for National Statistics

Notes:

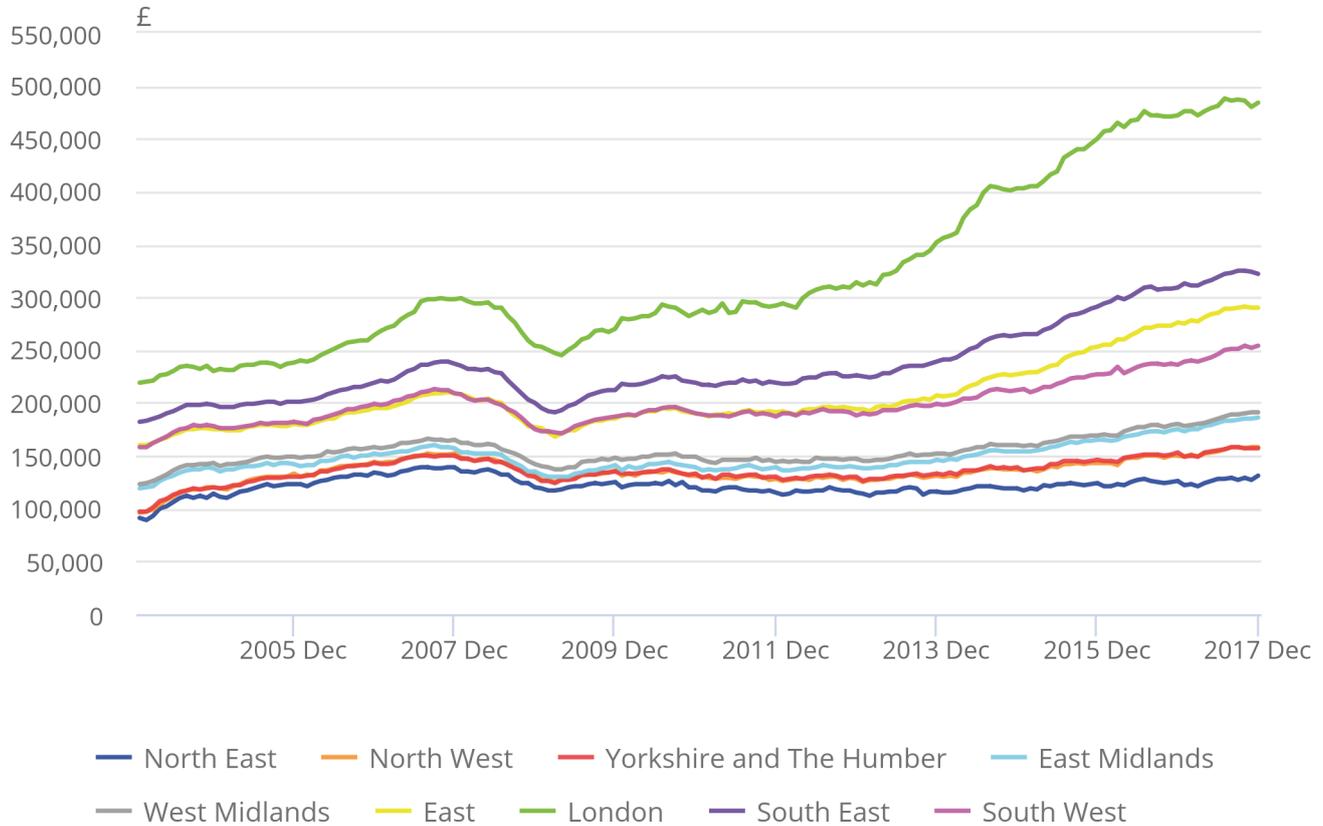
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5 . House Price Index, by English region

On a regional basis, London continued to be the region with the highest average house price at £484,000, followed by the South East and the East of England, which stood at £322,000 and £290,000 respectively. The lowest average price continued to be in the North East at £131,000.

Figure 4: Average house price, by English region, January 2004 to December 2017

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Source: HM Land Registry and Office for National Statistics

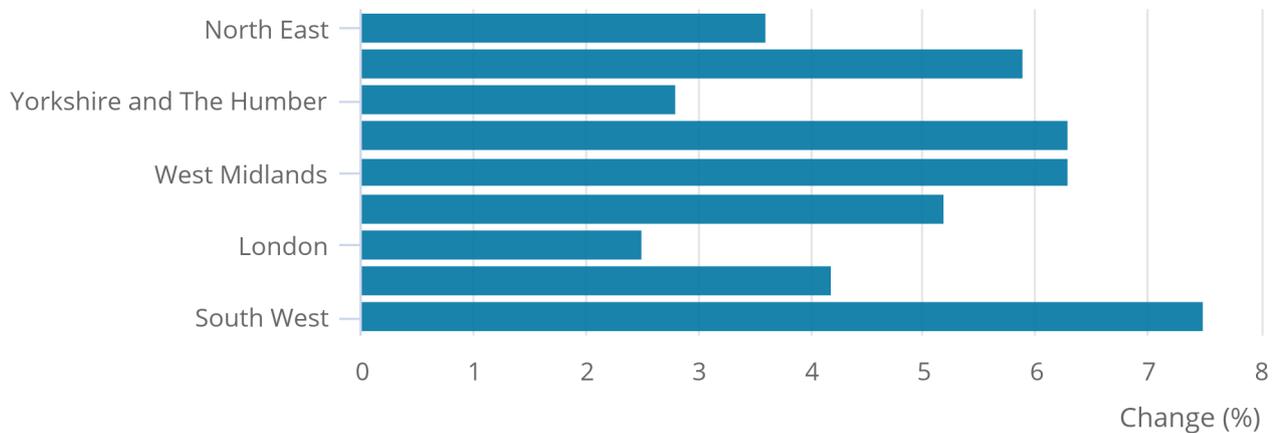
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The South West showed the highest annual growth, with prices increasing by 7.5% in the year to December 2017. This was followed by the East Midlands and the West Midlands (6.3%). The lowest annual growth was in London, where prices increased by 2.5% over the year, followed by Yorkshire and The Humber at 2.8%.

Figure 5: All dwellings annual house price rates of change, year to December 2017: by English region

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Source: HM Land Registry and Office for National Statistics

Notes:

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6 . House Price Index, by UK local authority district

The local authority showing the largest annual growth in the year to December 2017 was Orkney Islands, where prices increased by 18.2% to stand at £147,000. The lowest annual growth was recorded in Kensington and Chelsea, where prices fell by 10.7% to stand at £1,212,000.

Low numbers of sales transactions in some local authorities and London boroughs, such as Orkney Islands and City of London, can lead to volatility in the series. Whilst efforts are made to account for this volatility, the change in price in these local levels can be influenced by the type and number of properties sold in any given period.

In December 2017, the most expensive borough to live in was Kensington and Chelsea, where the cost of an average house was £1.2 million. In contrast, the cheapest area to purchase a property was Burnley, where an average house cost £78,000.

Table 1: Top and bottom five UK local authorities, by annual growth in house prices, year to December 2017

Top 5 Local Authorities	% change	Average price (£)
Orkney Islands	18.2	146,842
Cambridge	15.7	462,033
Eden	15.0	206,713
West Dunbartonshire	14.9	109,293
Kettering	14.0	203,237

Bottom 5 Local Authorities	% change	Average price (£)
Kensington and Chelsea	-10.7	1,212,292
City of London	-5.3	768,751
Guildford	-4.9	432,773
Southwark	-3.0	494,658
Hambleton	-2.7	224,458

Source: HM Land Registry, Registers of Scotland and Land and Property Services Northern Ireland

Full details on data at the local authority level can be found in the [main publication of the UK House Price Index](#).

7 . Quality and methodology

Details of the methodology used to calculate the UK House Price Index (UK HPI) can be found in the article [Development of a single Official House Price Index](#).

Further information on how the UK HPI compares with the previous Office for National Statistics and HM Land Registry House Price Indices can be found in the article [Explaining the impact of the new UK House Price Index](#).

Details on the data sources used to calculate the UK House Price Index can be found in [About the UK House Price Index](#).

The [UK House Price Index \(HPI\) Quality and Methodology Information report](#) contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data