

Statistical bulletin

UK House Price Index: September 2018

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



Contact:
Rhys Lewis
hpi@ons.gov.uk
+44 (0)1633 456400

Release date:
14 November 2018

Next release:
19 December 2018

Table of contents

1. [Introduction](#)
2. [Things you need to know about this release](#)
3. [UK annual growth rate increases in September](#)
4. [England house price growth weaker than rest of UK](#)
5. [Strong growth in the Midlands, weaker in the south and east of England](#)
6. [House price growth varies between London boroughs](#)
7. [Quality and methodology](#)

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 (9:30am, 14 November 2018) by HM Land Registry on the GOV.UK website.

2 . Things you need to know about this release

The [Office for Statistics Regulation](#) designated the UK House Price Index as a [National Statistic](#) on 18 September 2018. A [letter from the Director General for Regulation](#) details the actions that were taken to meet the requirements as set out in the UK HPI [assessment report](#).

House price inflation is the rate at which the prices of residential properties purchased in the UK rise and fall. 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.

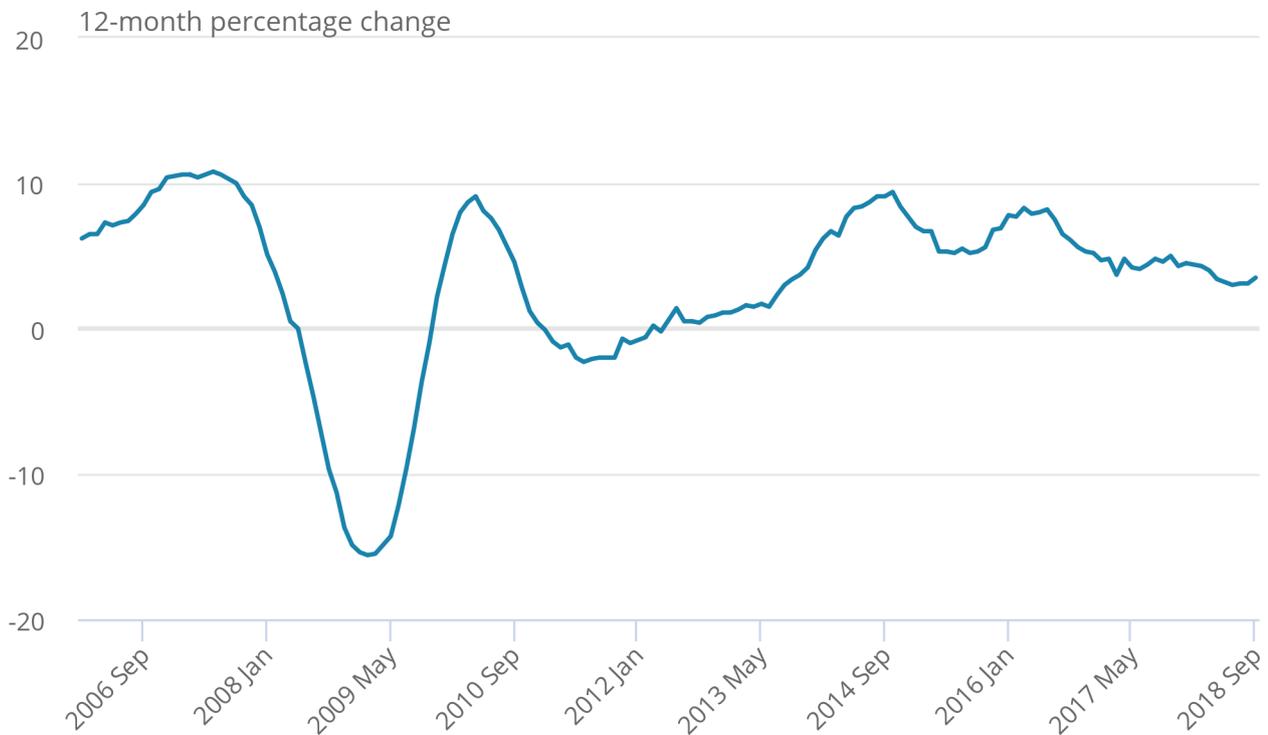
The UK HPI, introduced in June 2016, includes all residential properties purchased for market value in the UK. However, as sales only appear in the UK HPI once the purchases have been registered, there can be a delay before transactions feed into the index. As such, caution is advised when interpreting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

3 . UK annual growth rate increases in September

Average house prices in the UK increased by 3.5% in the year to September 2018, up from 3.1% in August 2018 (Figure 1). However, over the past two years, there has been a slowdown in UK house price growth, driven mainly by a slowdown in the south and east of England. The lowest annual growth was in London, where prices fell by 0.3% over the year, up from a fall of 0.6% in the year to August 2018.

Figure 1: Annual house price rates of change, UK all dwellings from January 2006 to September 2018

Figure 1: Annual house price rates of change, UK all dwellings from January 2006 to September 2018



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

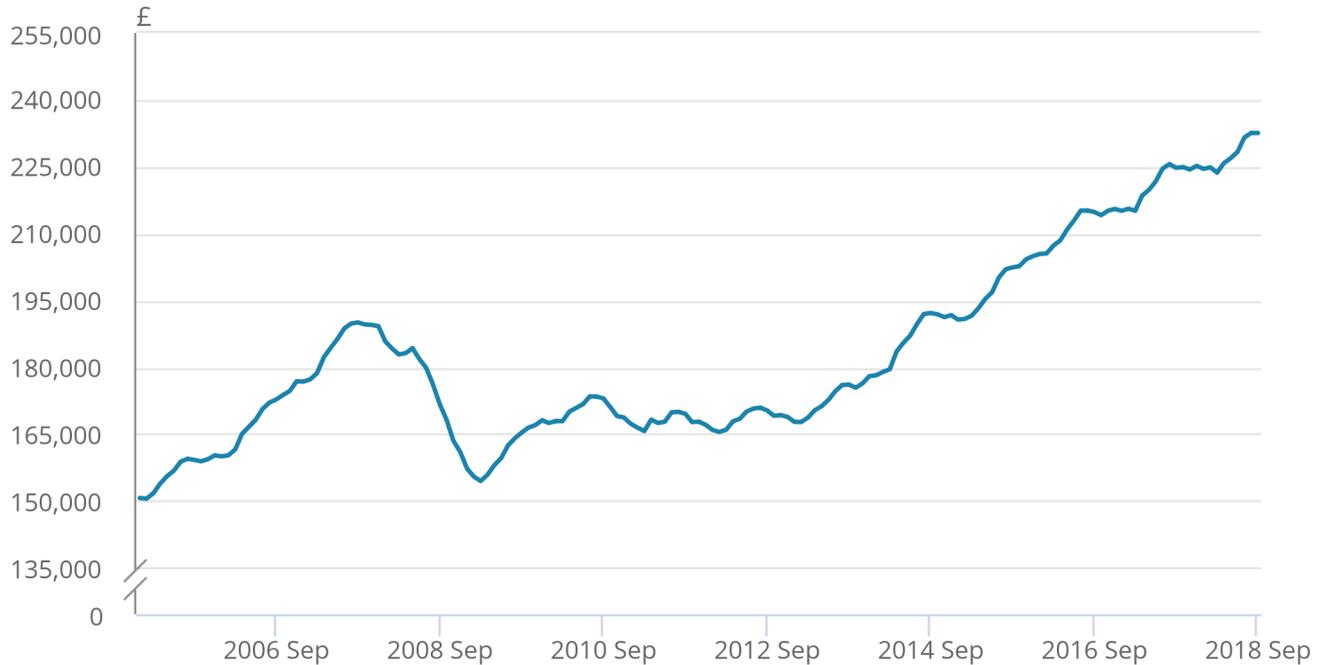
Notes:

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 £233,000 in September 2018. This is £8,000 higher than in September 2017 (Figure 2). On a non-seasonally adjusted basis, average house prices in the UK were unchanged (0.0%) between August 2018 and September 2018, compared with a decrease of 0.4% in average prices during the same period a year earlier (August 2017 and September 2017). On a seasonally adjusted basis, average house prices in the UK increased by 0.3% between August 2018 and September 2018 (series available in [data downloads](#)).

Figure 2: Average UK house price, January 2005 to September 2018

Figure 2: Average UK house price, January 2005 to September 2018



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

Notes:

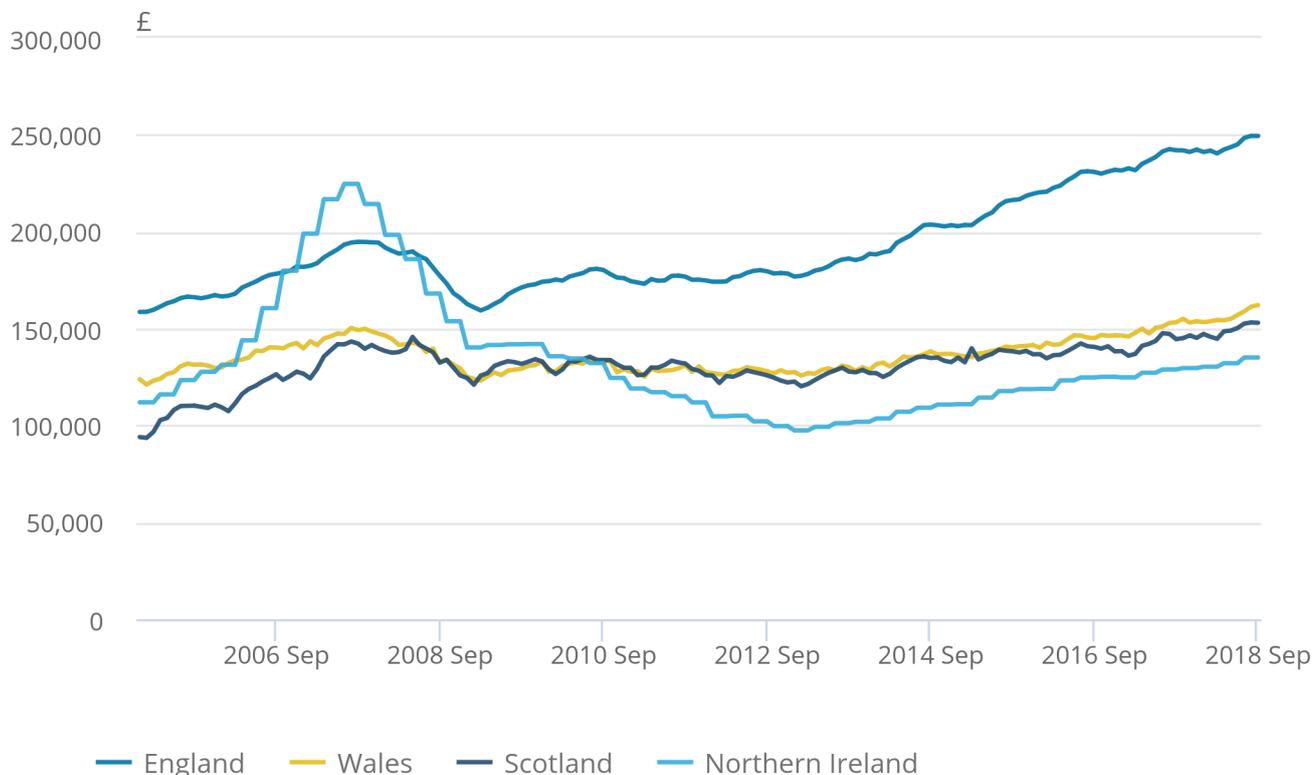
1. Not seasonally adjusted.
2. The [full HPI release](#) is available to download from HM Land Registry at GOV.UK.

4 . England house price growth weaker than rest of UK

House prices in England grew slower than other countries of the UK, increasing by 3.0% in the year to September 2018, up slightly from 2.8% in the year to August 2018, with the average price in England now £249,000. House prices in Wales increased by 5.8% over the last 12 months to reach £162,000. In Scotland, the average price increased by 5.8% over the year to stand at £153,000. The average house price in Northern Ireland currently stands at £135,000, an increase of 4.8% over the year to Quarter 3 (July to Sept) 2018 (Figure 3).

Figure 3: Average house price, by UK country, January 2005 to September 2018

Figure 3: Average house price, by UK country, January 2005 to September 2018



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.

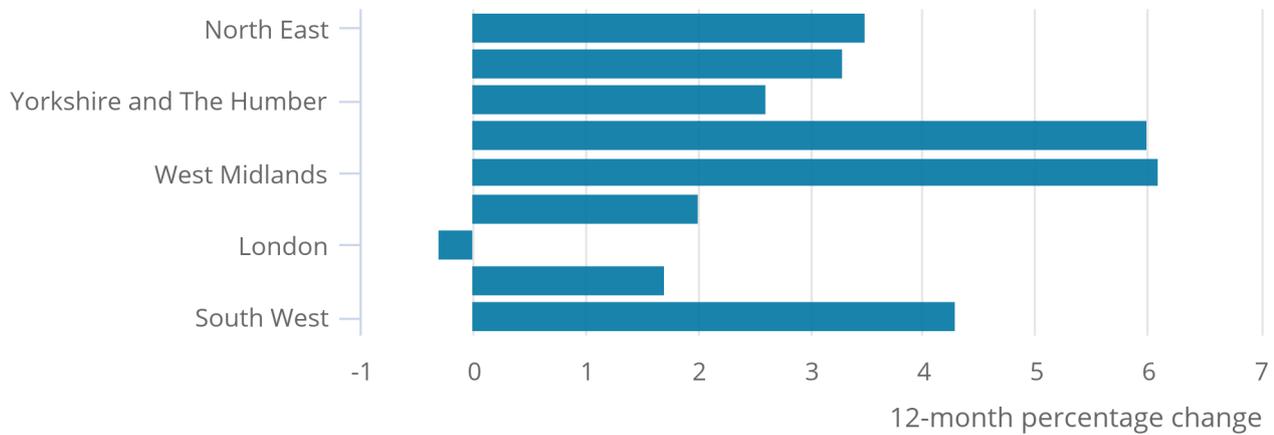
5. Strong growth in the Midlands, weaker in the south and east of England

At a English regional level, the West Midlands showed the highest annual growth, with prices increasing by 6.1% in the year to September 2018. This was followed by the East Midlands (6.0%).

The English regions with the slowest annual growth were all in the south and east of the country, with the lowest being in London, where prices fell by 0.3% over the year (Figure 4). London house prices have fallen over the year each month since March 2018.

Figure 4: All dwellings annual house price rates of change, year to September 2018, by English region

Figure 4: All dwellings annual house price rates of change, year to September 2018, by English region



Source: HM Land Registry and Office for National Statistics

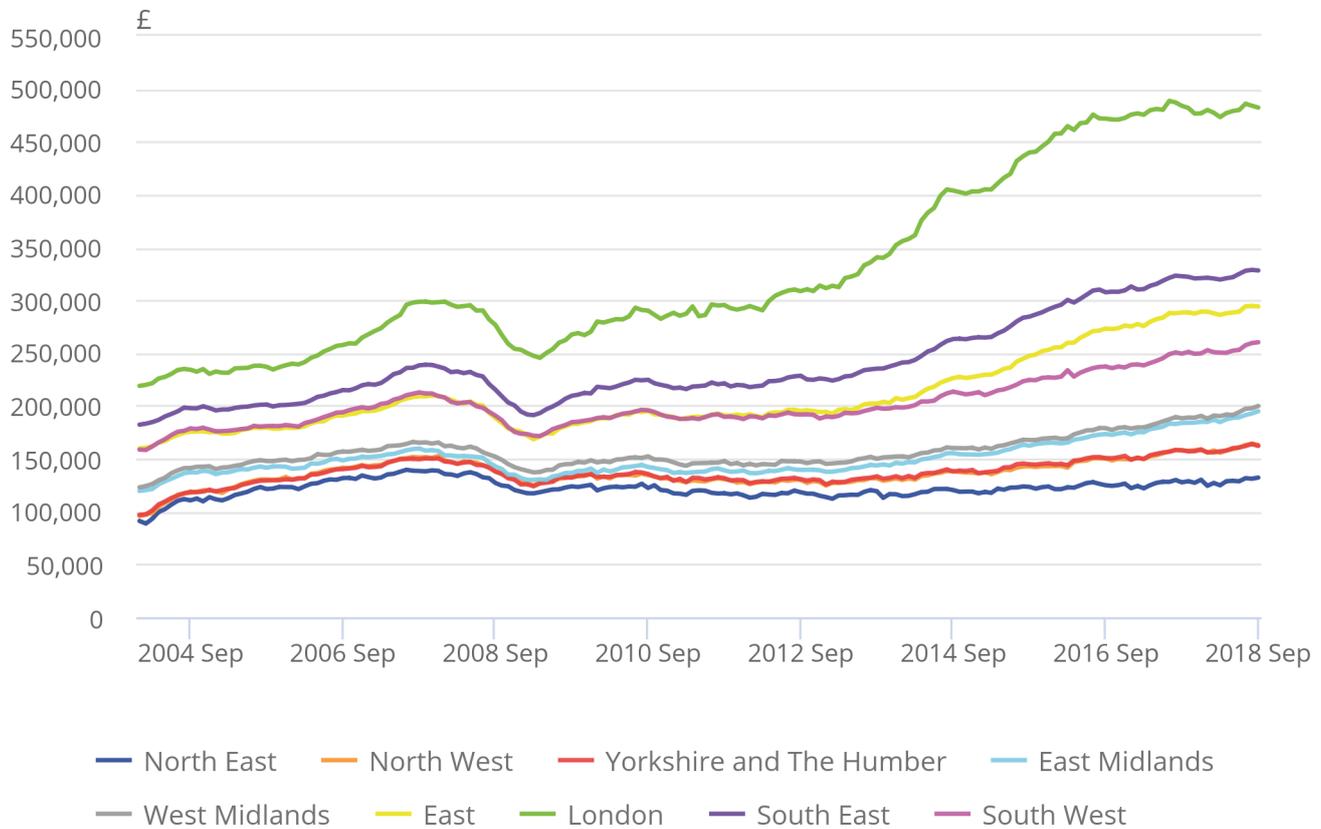
Notes:

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

While the annual house price growth in the south and east of England is slowing, they remain the most expensive areas to purchase a property. London is the region with the highest average house price at £482,000, followed by the South East and the East of England, at £328,000 and £294,000 respectively. The lowest average price continued to be in the North East at £132,000 (Figure 5). The North East is the only English region yet to surpass its pre-economic downturn peak.

Figure 5: Average house price, by English region, January 2004 to September 2018

Figure 5: Average house price, by English region, January 2004 to September 2018



Source: HM Land Registry 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.

6 . House price growth varies between London boroughs

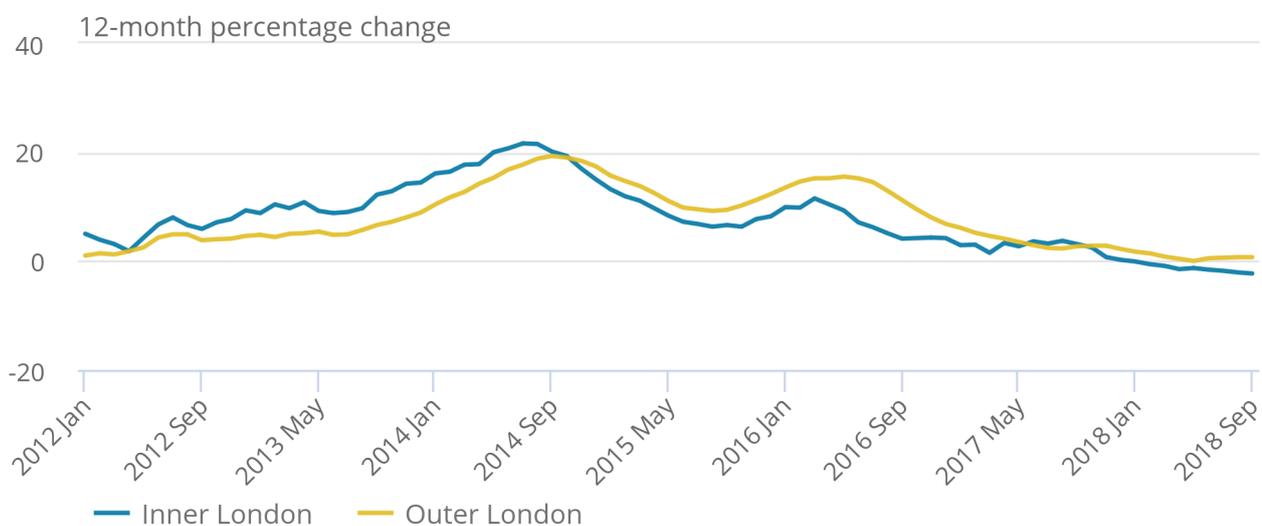
Recent negative house price growth in London is driven primarily by inner London, for which annual house price growth has been consistently negative since January 2018. Annual house price growth for outer London has remained low but positive for the whole period. Both inner and outer London seem to follow similar trends in house price growth, with changes in outer London tending to appear slightly after those in inner London (Figure 6).

The Bank of England [November inflation report](#) highlights that the slowdown in the London market since mid-2016 is probably due to the area being disproportionately affected by regulatory and tax changes, and also by lower net migration from the EU.

Further analysis of the London housing market can be found in the recently published Office for National Statistics article [Exploring recent trends in the London housing market](#).

Figure 6: Annual house price rates of change, inner and outer London all dwellings from January 2012 to September 2018

Figure 6: Annual house price rates of change, inner and outer London all dwellings from January 2012 to September 2018



Source: HM Land Registry and Office for National Statistics

Notes:

1. Inner London includes the following boroughs: City of London, Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth, and Westminster.
2. Outer London includes the following boroughs: Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Haringey, Harrow, Havering, Hillingdon, Hounslow, Kingston, Merton, Redbridge, Richmond, Sutton, and Waltham Forest.
3. Not seasonally adjusted.
4. The [full HPI release](#) is available to download from HM Land Registry at GOV.UK.

Data at the local authority level and other breakdowns can be found in the [main publication of the UK House Price Index](#) published by HM Land Registry on GOV.UK.

7 . Quality and methodology

Details of the methodology used to calculate the UK House Price Index (UK HPI) can be found on the [guidance page](#) of the main release published by HM Land Registry on GOV.UK.

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