

Statistical bulletin

UK House Price Index: December 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.



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Table of contents

1. [Introduction](#)
2. [Things you need to know about this release](#)
3. [UK annual house price growth rate slows in December 2018](#)
4. [Strong house price growth in Northern Ireland and Wales](#)
5. [The West Midlands shows the strongest annual house price growth in England](#)
6. [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, 13 February 2019) 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 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](#).

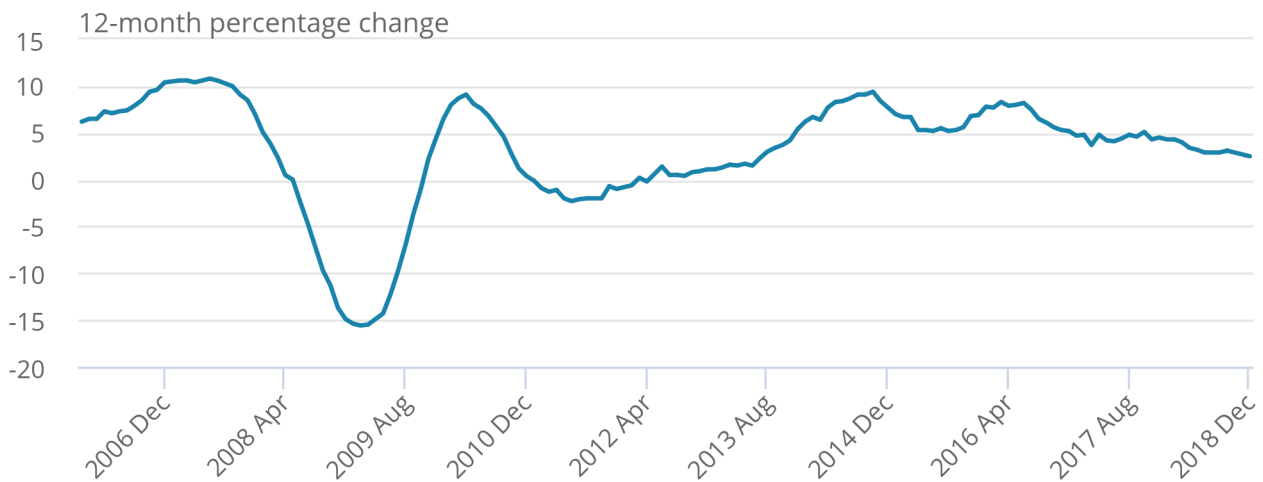
3 . UK annual house price growth rate slows in December 2018

Average house prices in the UK increased by 2.5% in the year to December 2018, down from 2.7% in November 2018 (Figure 1). This is the lowest annual rate since July 2013 when it was 2.3%. 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 the North East, where prices fell by 1.0% over the year to December 2018, down from an increase of 1.7% in November 2018. This was followed by London where prices fell 0.6% over the year.

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

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Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, Office for National Statistics – UK House Price Index

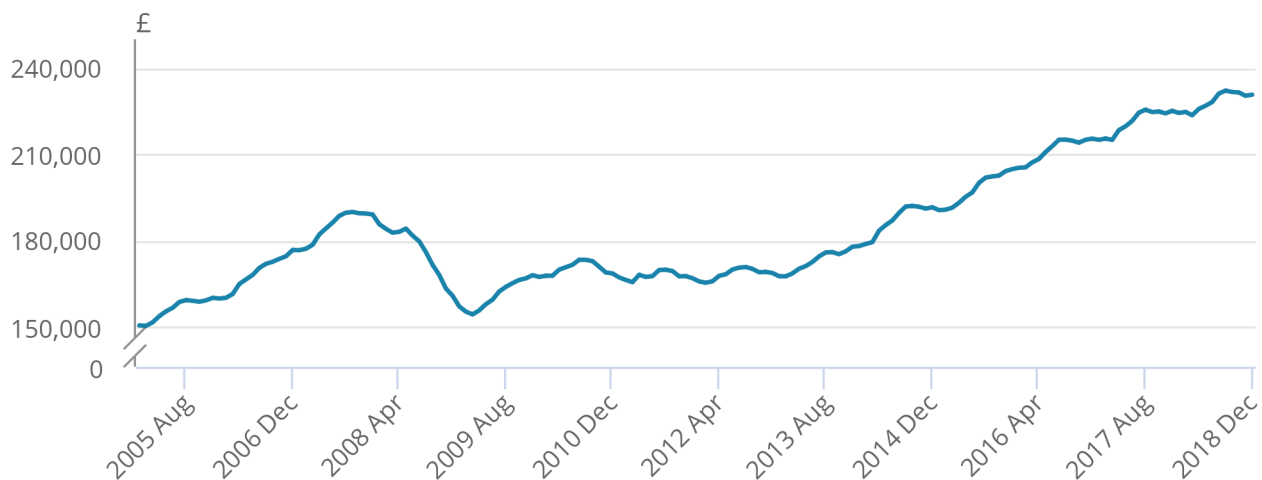
Notes:

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 £231,000 in December 2018, that is, £6,000 higher than in December 2017 (Figure 2). On a non-seasonally adjusted basis, average house prices in the UK increased by 0.2% between November 2018 and December 2018, compared with an increase of 0.4% in average prices during the same period a year earlier (November 2017 and December 2017). On a seasonally adjusted basis, average house prices in the UK increased by 0.2% between November 2018 and December 2018 (series available in [data downloads](#)).

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

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Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, Office for National Statistics – UK House Price Index

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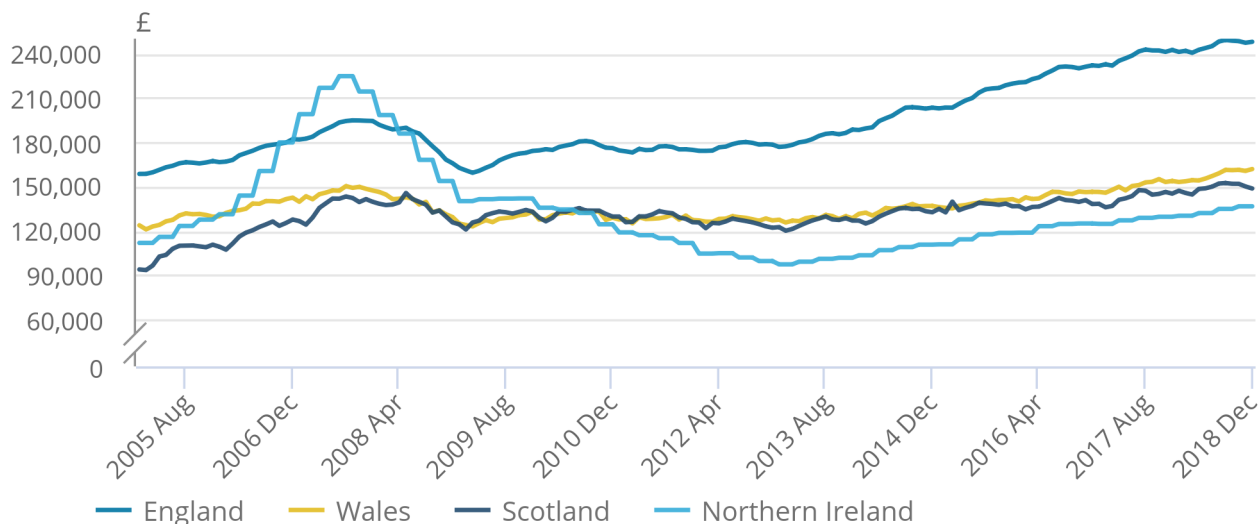
4 . Strong house price growth in Northern Ireland and Wales

House price growth was strongest in Northern Ireland where prices increased by 5.5% over the year to Quarter 4 (Oct to Dec) 2018. Northern Ireland remains the cheapest UK country to purchase a property in, with the average house price at £137,000. In Wales, house prices increased by 5.2% over the last 12 months to reach £162,000. This was driven by strong house price growth in south east Wales, likely linked to the abolition of the Severn Bridge tolls.

The average house price in Scotland fell slightly on the month to £149,000, an increase of 2.4% over the year to December 2018. House prices in England grew at a slower rate than other countries of the UK, increasing by 2.3% in the year to December 2018, down from 2.5% in the year to November 2018, with the average house price in England now £248,000.

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

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Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. The [full HPI](#) release is available to download from HM Land Registry at GOV.UK.
3. Northern Ireland data is only available on a quarterly basis. Northern Ireland data is copied forward until the next quarters data are available which will be on 22 May 2019.

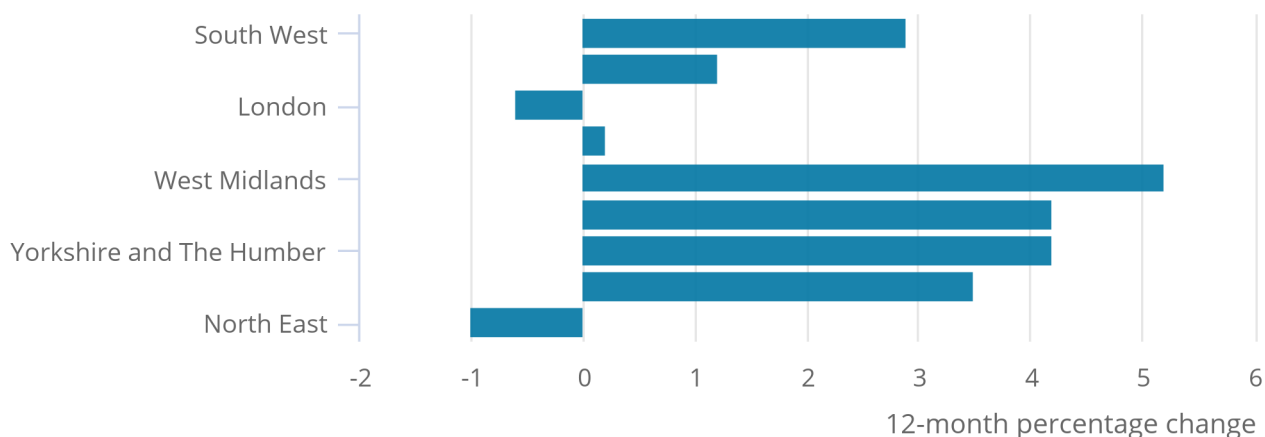
5 . The West Midlands shows the strongest annual house price growth in England

At an English regional level, the West Midlands showed the highest annual house price growth, with prices increasing by 5.2% in the year to December 2018. This was followed by the East Midlands and Yorkshire and The Humber (both increasing by 4.2%).

The English region with the slowest annual house price growth was the North East, where prices fell by 1.0% over the year (Figure 4). This was followed by London, where prices fell by 0.6%, unchanged from November 2018. London house prices have fallen over the year each month since July 2018. The Bank of England [February 2019 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.

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

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Source: HM Land Registry, Office for National Statistics – UK House Price Index

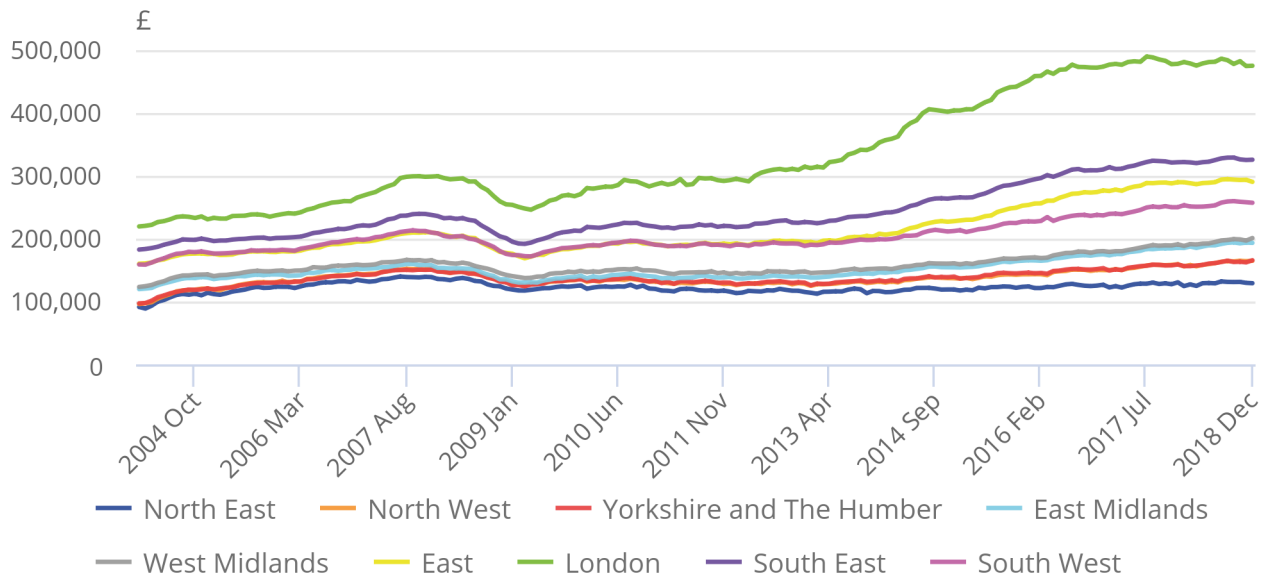
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While London house prices are falling over the year, the area remains the most expensive place to purchase a property at an average of £474,000, followed by the South East and the East of England, at £325,000 and £290,000 respectively. The North East continues to have the lowest average house price at £129,000 and is the only English region yet to surpass its pre-economic downturn peak (Figure 5).

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

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Source: HM Land Registry, Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. 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.

6 . 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