

Statistical bulletin

# UK House Price Index: March 2020

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 . Main points

- UK average house prices increased by 2.1% over the year to March 2020, up from 2.0% in February 2020.
- Average house prices increased over the year in England to £248,000 (2.2%), Wales to £162,000 (1.1%), Scotland to £152,000 (1.5%) and Northern Ireland to £141,000 (3.8%).
- London's average house prices increased by 4.7% over the year to March 2020; this is the largest 12-month growth London has seen since December 2016.
- The Office for National Statistics (ONS) has released a [public statement](#) on the coronavirus (COVID-19) and the production of statistics; the [Measuring the data](#) section describes the situation in relation to the UK House Price Index (HPI), the price collection for this publication has been partially affected.
- The UK House Price Index will be suspended until further notice from the April 2020 index (due to be released on 17 June 2020).

## 2 . UK house prices

### UK average house prices increased by 2.1% over the year to March 2020

Because of the introduction of government measures to reduce the spread of the coronavirus (COVID-19) in March 2020, fewer transactions are available than expected for the March UK HPI. As a result, there may be increased volatility in this month's estimates, particularly at the lower geographical levels where transaction volumes are smaller.

The UK House Price Index (HPI) is based on completed housing transactions. Typically, a house purchase can take six to eight weeks to reach completion. Therefore, the price data feeding into the March 2020 UK HPI will reflect those completions that occurred before the government measures to reduce the spread of the coronavirus (COVID-19) took hold.

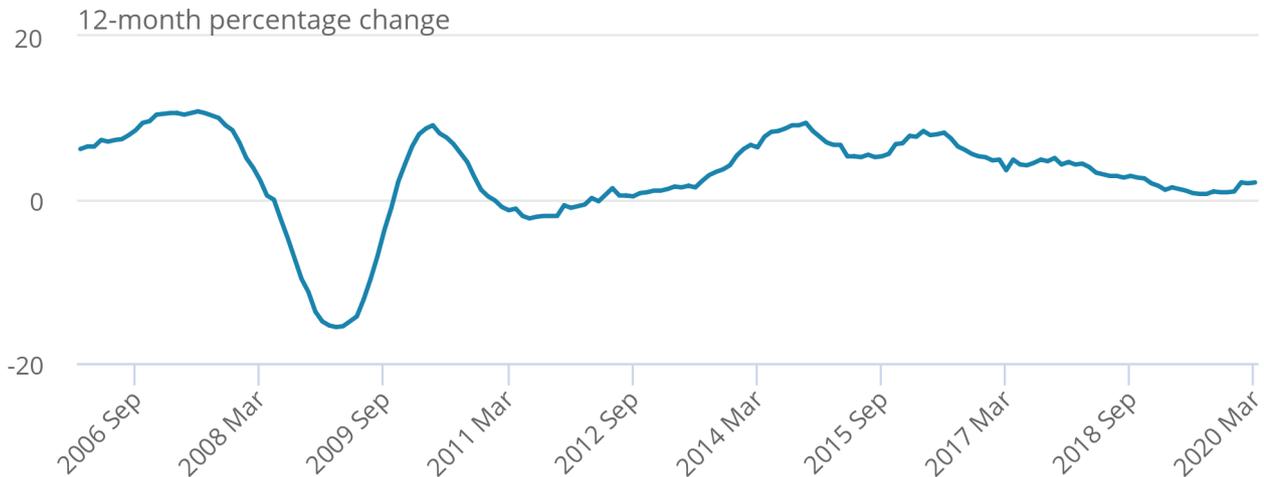
The [latest house price data published on GOV.UK by HM Land Registry for March 2020](#) show that average house prices in the UK increased by 2.1% in the year to March 2020, up from 2.0% in the year to February 2020 (Figure 1). Over the past three years, there has been a general slowdown in UK house price growth, driven mainly by a slowdown in the south and east of England, but there has been a pick-up in annual growth since December 2019.

**Figure 1: House price growth in the UK has generally slowed since mid-2016, but has picked up in recent months**

Annual house price rates of change for all dwellings, UK, January 2006 to March 2020

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Annual house price rates of change for all dwellings, UK, January 2006 to March 2020



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

Notes:

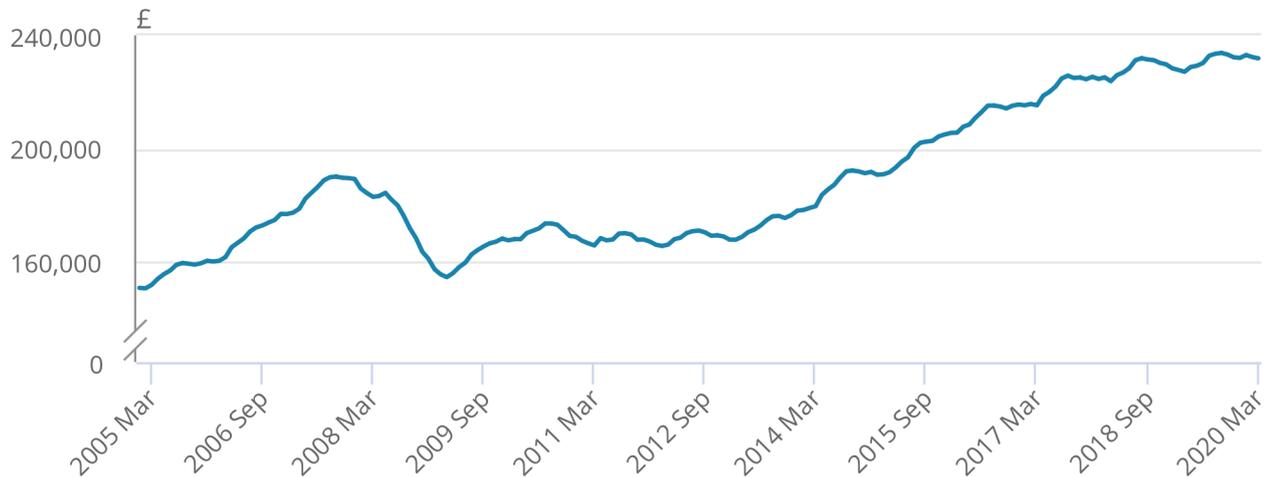
1. Not seasonally adjusted.
2. The [full UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.

## Figure 2: Average UK house prices peaked in the latter half of 2019

Average house price, UK, January 2005 to March 2020

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Average house price, UK, January 2005 to March 2020



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 UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.

The average UK house price was £232,000 in March 2020; this is £5,000 higher than in March 2019 (Figure 2). On a non-seasonally adjusted basis, average house prices in the UK decreased by 0.2% between February 2020 and March 2020, compared with a decrease of 0.3% in the same period a year ago. On a seasonally adjusted basis, average house prices in the UK increased by 0.1% between February 2020 and March 2020, following a decrease of 0.1% in the previous month.

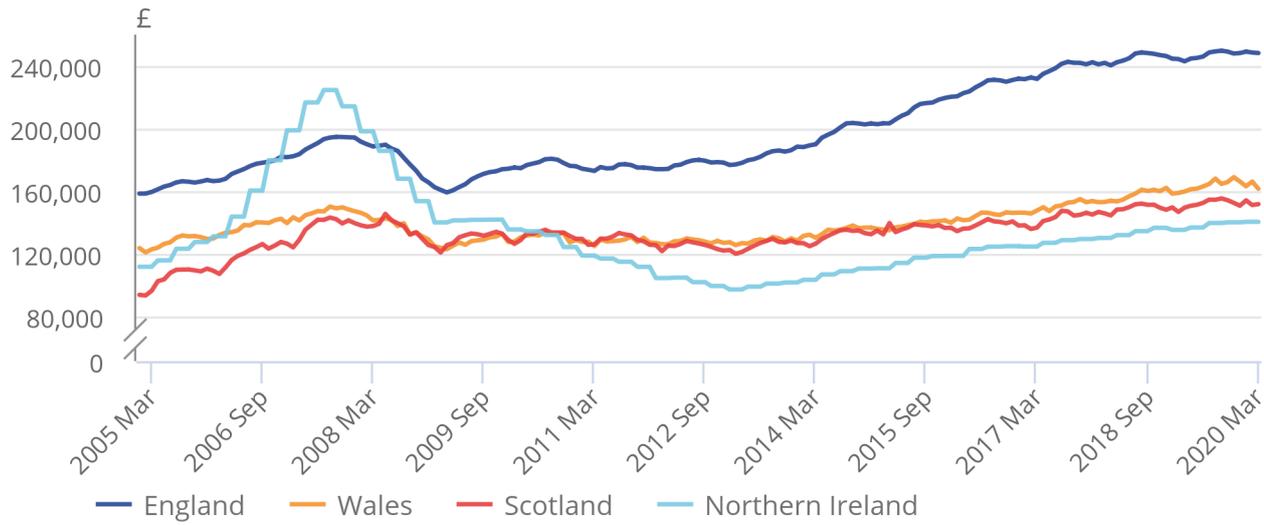
### 3 . House prices by country

Figure 3: England house prices remain the highest in the UK

Average house price by country, UK, January 2005 to March 2020

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Average house price by country, UK, January 2005 to March 2020



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 UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.
3. Northern Ireland data are only available on a quarterly basis.

The average house price in England increased by 2.2% over the year to March 2020, up from 1.7% in the year to February 2020, with the average house price in England now at £248,000.

The average house price in Scotland increased by 1.5% over the year to March 2020, down from 3.0% in the year to February 2020, with the average house price in Scotland now at £152,000.

House price growth in Wales increased by 1.1% over the year to March 2020, down from 4.6% in February 2020, with the average house price in Wales at £162,000.

The average house price in Northern Ireland increased by 3.8% over the year to Quarter 1 (Jan to Mar) 2020. Northern Ireland remains the cheapest UK country to purchase a property in, with the average house price at £141,000 (Figure 3).

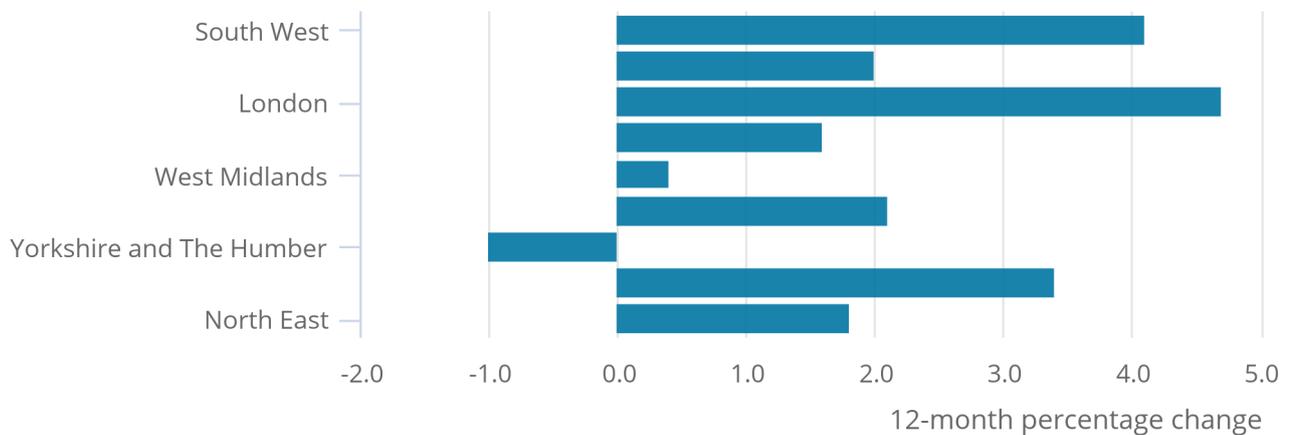
## 4 . House prices by region

**Figure 4: The strongest regional growth was in London**

All dwellings annual house price rates of change, by English region, year to March 2020

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All dwellings annual house price rates of change, by English region, year to March 2020



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

**Notes:**

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

London was the English region with the highest annual house price growth, with prices increasing by 4.7% to £486,000 in the year to March 2020, up from 3.0% in February 2020 (Figure 4). Details on the house price growth in London can be found in [Section 5](#).

The lowest annual growth was in Yorkshire and The Humber, where prices decreased by 1.0% over the year to March 2020.

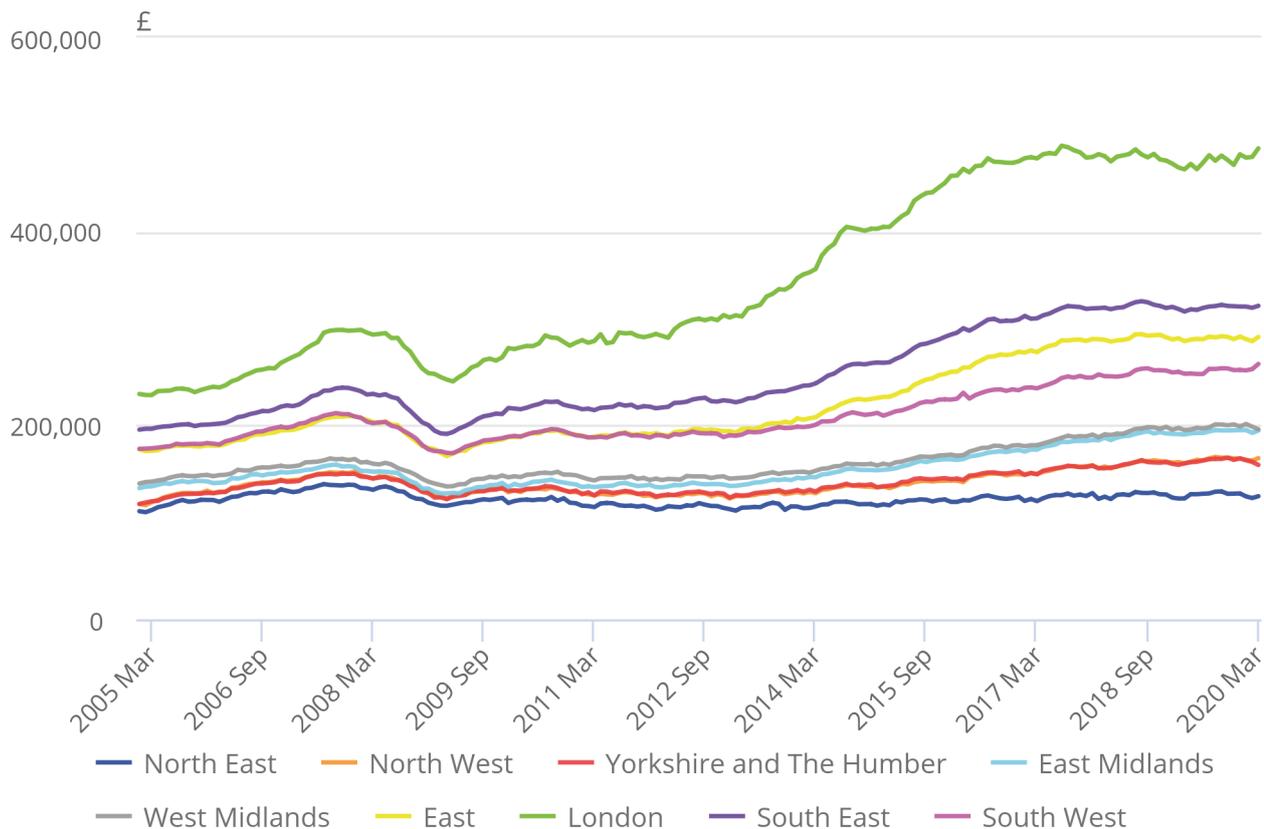
London house prices remain the most expensive at an average of £486,000. The North East continued to have the lowest average house price, at £127,000, and is the only English region yet to surpass its pre-economic downturn peak of July 2007 (Figure 5).

**Figure 5: London continues to have the highest average house price in England**

Average house price, by English region, January 2005 to March 2020

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Average house price, by English region, January 2005 to March 2020



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

Notes:

1. Data at the local authority level and other breakdowns can be found in the [full House Price Index \(HPI\) release](#), available to download from HM Land Registry at GOV.UK.

## 5 . London house prices

## Increased London house price growth may reflect more sales of very high value property

There is some anecdotal evidence to suggest that the period between December 2019 and March 2020 has brought more certainty to the market than in previous quarters, which may have boosted transactions at the top end of the price scale. The [Royal Institution of Chartered Surveyors \(RICS\)](#) stated that the improvement in market sentiment in the first two months of the year build on a pick-up in the market following the General Election.

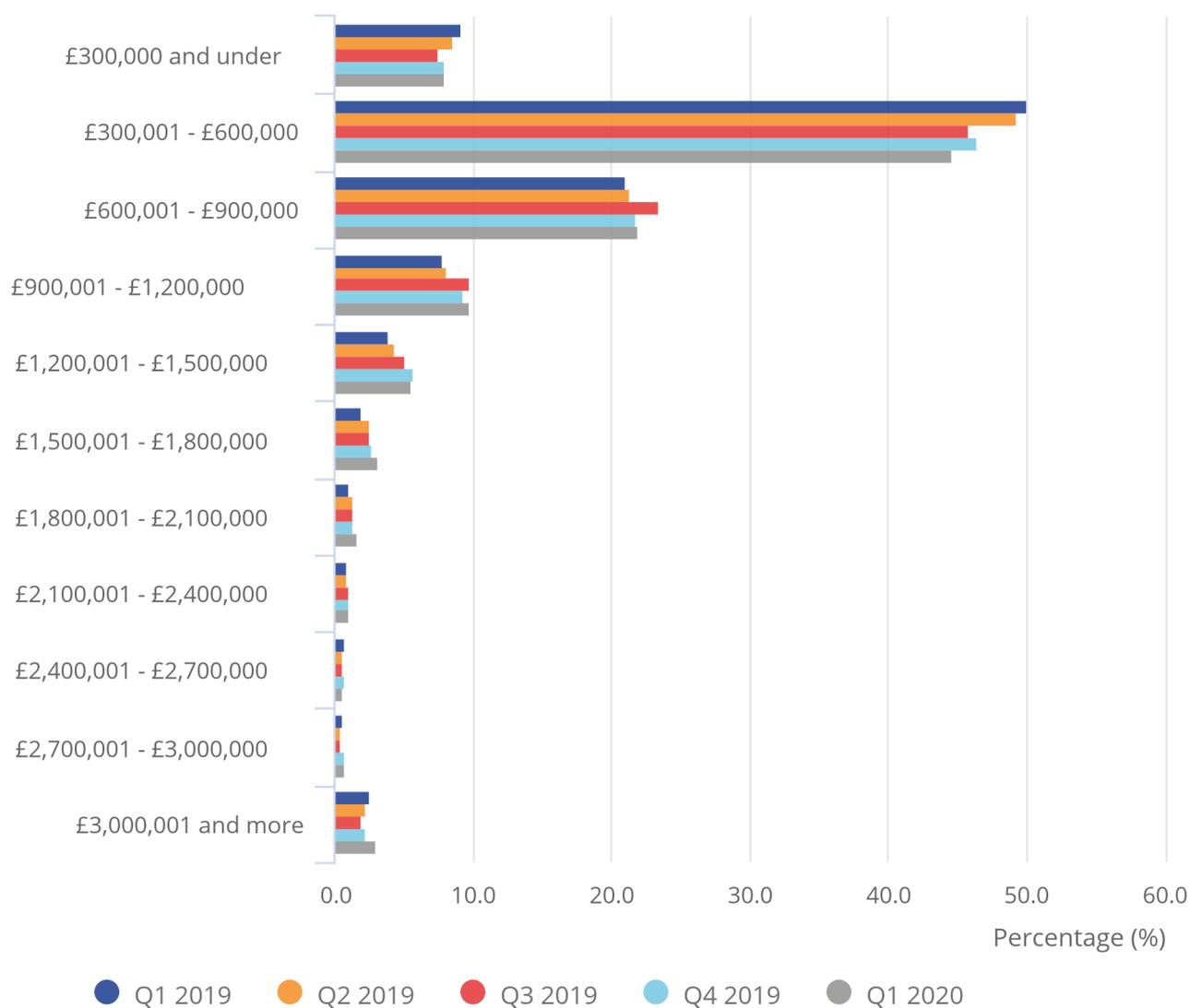
Figure 6 shows sales volumes, as a proportion of total sales, by price bracket, for properties in inner London for the most recent five quarters, with Figure 7 showing the same for outer London. Property prices are generally higher in inner London than outer London – in Quarter 1 (Jan to Mar) 2020, average prices were £588,700 in inner London and £424,200 in outer London.

**Figure 6: The proportion of transactions for properties over £900,000 rose between Quarter 1 2019 and Quarter 1 2020**

Proportion of transactions by price bracket, for inner London: Quarter 1 (Jan to Mar) 2019 to Quarter 1 (Jan to Mar) 2020

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Proportion of transactions by price bracket, for inner London: Quarter 1 (Jan to Mar) 2019 to Quarter 1 (Jan to Mar) 2020



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

Notes:

1. Proportions were computed by taking the sum of the number transactions over the three months in the relevant price bracket and then dividing it by the total number of transactions over the three months.
2. Proportions may not sum to 100 because of rounding.

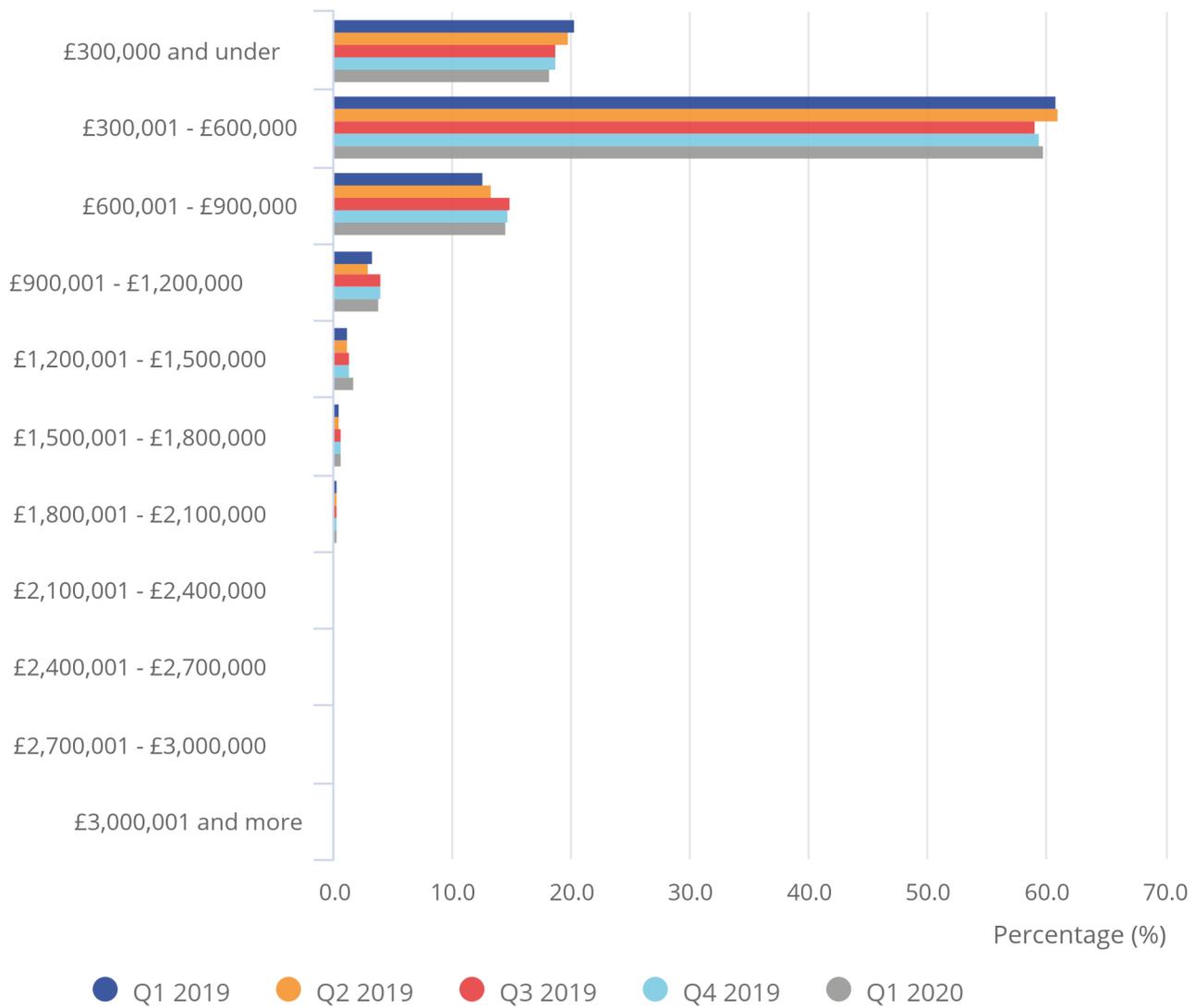
Between Quarter 1 2019 and Quarter 1 2020, in inner London the proportion of transactions of £600,000 and under decreased by 6.7 percentage points. Overall, 25.4% of transactions in Quarter 1 2020 were properties over £900,000. This is higher than in Quarter 1 2019, when around 19.7% of transactions were of properties over £900,000.

**Figure 7: There was a slight increase in the proportion of properties sold over £900,000 in outer London in Quarter 1 2020**

Proportion of transactions by price bracket, for outer London: Quarter 1 (Jan to Mar) 2019 to Quarter 1 (Jan to Mar) 2020

Figure 7: There was a slight increase in the proportion of properties sold over £900,000 in outer London in Quarter 1 2020

Proportion of transactions by price bracket, for outer London: Quarter 1 (Jan to Mar) 2019 to Quarter 1 (Jan to Mar) 2020



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

Notes:

1. Proportions were computed by taking the sum of the number transactions over the three months in the relevant price bracket and then dividing it by the total number of transactions over the three months.
2. Proportions may not sum to 100 because of rounding.

For outer London, the proportion of transactions in the lowest two price brackets (£600,000 and under) decreased by 3.1 percentage points between Quarter 1 2019 and Quarter 1 2020. Outer London also saw a slight increase in the proportion of transactions over £900,000, from 6.1% in Quarter 4 (Oct to Dec) 2019 to 7.3% in Quarter 1 2020.

## 6 . House Price Index data

### [UK House Price Index](#)

Dataset | Released 20 May 2020

Monthly house price movements, including average price by property type, sales and cash mortgage sales, as well as information on first-time buyers, new builds and former owner occupiers. Data are collected by HM Land Registry and published on GOV.UK.

### [House price data: quarterly tables](#)

Dataset | Released 20 May 2020

Quarterly house price data based on a sub-sample of the Regulated Mortgage Survey.

### [House price data: annual tables 20 to 39](#)

Dataset | Released 25 March 2020

Annual house price data based on a sub-sample of the Regulated Mortgage Survey.

## 7 . Glossary

### House Price Index (HPI)

The House Price Index (HPI) measures the price changes of residential housing as a percentage change from a specific time period (12 months prior or a base period, where HPI = 100).

### House price inflation

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

### Non-seasonally adjusted

A non-seasonally adjusted series is one that includes seasonal or calendar effects.

### Seasonally adjusted

A seasonally adjusted series is one that has been subject to a widely used technique for removing seasonal or calendar effects from time series data.

## 8 . Measuring the data

The UK House Price Index (HPI) is a joint production by HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, and the Office for National Statistics (ONS). HM Land Registry publishes the [main publication of the UK HPI](#) on the GOV.UK website today (9:30am, 20 May 2020). It includes full details, including commentary, historical data tables and analytical tools.

### Coronavirus (COVID-19)

The ONS is working to ensure that the UK has the vital information needed to respond to the impact of the coronavirus (COVID-19) pandemic on our economy and society, this includes how we measure the UK House Price Index. The price collection for this publication has been affected. As a result, there may be increased volatility in this month's estimates, particularly at the lower geographical levels where transaction volumes are smaller.

The ONS remains committed to providing the best and most accurate information we can, serving the public good at a time when it is needed the most. The ONS and the joint producers have taken the decision to temporarily suspend the UK House Price Index (HPI) publication from the April 2020 index (due to be released 17 June 2020) until further notice.

The impact of the coronavirus is expected to greatly reduce the amount of housing transactions that took place in April 2020, making it very difficult to produce a measure of UK house prices that would be representative of any true transaction activity within the housing market. We will continue to closely monitor the flow of transaction data and carry out analysis to assess the impact of the coronavirus on the House Price Index, including deciding on the best approach to reinstate the UK HPI as early as is practicable. We will ensure that users of the UK HPI are kept informed of the plans for reinstatement.

The ONS has released a [public statement](#) on the coronavirus and the production of statistics. Specific queries must be directed to the [Media Relations Office](#).

### After EU withdrawal

As the UK leaves the EU, it is important that our statistics continue to be of high quality and are internationally comparable. During the transition period, those UK statistics that align with EU practice and rules will continue to do so in the same way as before 31 January 2020. After the transition period, we will continue to produce our inflation statistics in line with the UK Statistics Authority's [Code of Practice for Statistics](#) and in accordance with internationally agreed statistical guidance and standards.

### Data sources

The main sources of data used in the UK are HM Land Registry for England and Wales, Registers of Scotland, and HM Revenue and Customs' (HMRC's) Stamp Duty Land Tax data for the Northern Ireland HPI.

### Methods

The standard average house price is calculated by taking the geometric mean price in January 2015 and then recalculating it in accordance with the index change back in time and forward to the present day.

The UK HPI applies a hedonic regression model that uses the various sources of data on property price and attributes to produce up-to-date estimates of the change in house prices in each period.

## Upcoming changes

In our next release the following change to local authorities will be made:

- Aylesbury Vale (E07000004), Chiltern (E07000005), South Bucks (E07000006) and Wycombe (E07000007) will merge to create a new local authority “Buckinghamshire” (E06000060).

## Quality

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [guidance page](#) of the main release published by HM Land Registry on GOV.UK.

# 9 . Strengths and limitations

## Extent of data coverage

The UK House Price Index (UK HPI) can provide a wide coverage of both cash and mortgage transactions and a large data source. Data are available at a local authority level as well as by property type, buyer status, funding statistics and property status.

## Time lags

As sales only appear in the UK HPI once the purchases have been registered (based on completed sales rather than advertised or approved prices), there can be a delay before transactions feed into the index. Estimates for the most recent months are provisional and likely to be updated as more data are incorporated into the index. While changes to estimates are small at the headline level, these can be larger changes at lower geographies owing to fewer transactions being used. Caution is therefore advised when interpreting price changes in the most recent periods. Further information is provided in our [revisions policy](#).

## 10 . Related links

### [UK House Price Index: report](#)

Report | Released 20 May 2020

Complete report for the UK House Price Index (HPI) for England, Scotland, Wales and Northern Ireland, including in CSV format. Includes commentary, historical data tables and analytical tools.

### [Land Registry Interactive tool](#)

Search tool | Released 20 May 2020

Find access to background information on the UK HPI, help and support, and other index-linked data.

### [Index of Private Housing Rental Prices](#)

Bulletin | Released 20 May 2020

An experimental price index tracking the prices paid for renting property from private landlords in the UK.

### [House price statistics for small areas](#)

Bulletin | Released 19 March 2020

House prices and number of transactions for property sales in England and Wales, on an annual basis, updated quarterly.

### [Consumer price inflation](#)

Bulletin | Released 20 May 2020

Price indices, percentage changes and weights for the different measures of consumer price inflation.