

Statistical bulletin

UK House Price Index: August 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.



Contact:
Natalie Jones
hpi@ons.gov.uk
+44 (0)1633 456400

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1 . Main points

- UK average house prices increased by 2.5% over the year to August 2020, up from 2.1% in July 2020.
- Average house prices increased over the year in England to £256,000 (2.8%), Wales to £173,000 (2.7%), Scotland to £155,000 (0.6%) and Northern Ireland to £141,000 (3.0%).
- The East Midlands was the English region to see the highest annual growth in average house prices (3.6%), while the North East saw the lowest (0.2%).
- The Office for National Statistics (ONS) has released a [public statement](#) on the coronavirus (COVID-19) and the production of statistics; [Section 7: Measuring the data](#) describes the situation in relation to the UK House Price Index (HPI).

2 . UK house prices

UK average house prices increased by 2.5% over the year to August 2020

During July 2020, changes to Stamp Duty Land Tax, Land Transaction Tax and Land and Buildings Transaction Tax were made. 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 August 2020 UK HPI will mainly reflect those agreements that occurred before the tax changes took place.

The [latest house price data published on GOV.UK by HM Land Registry for August 2020](#) show that average house prices in the UK increased by 2.5% in the year to August 2020, up from 2.1% in the year to July 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. The beginning of 2020 saw a pick up in annual growth in the housing market before the coronavirus (COVID-19) restrictions were put in place at the end of March 2020.

Because of the impact of the coronavirus (COVID-19) pandemic on both the number and supply of housing transactions, we might see larger revisions to the published House Price Index estimates than usual. Further information on this can be found in [Section 7: Measuring the data](#).

Figure 1: UK house price growth has generally slowed since mid-2016, but has picked up this year

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

Figure 1: UK house price growth has generally slowed since mid-2016, but has picked up this year

Annual house price rates of change for all dwellings, UK, January 2006 to August 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 at £239,000 in August 2020

Average house price, UK, January 2005 to August 2020

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Average house price, UK, January 2005 to August 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.
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The average UK house price was £239,000 in August 2020; this is £6,000 higher than in August 2019 (Figure 2).

On a non-seasonally adjusted basis, average house prices in the UK increased by 0.7% between July 2020 and August 2020, compared with an increase of 0.3% in the same period a year ago.

On a seasonally adjusted basis, average house prices in the UK increased by 0.5% between July 2020 and August 2020, following a decrease of 0.5% in the previous month.

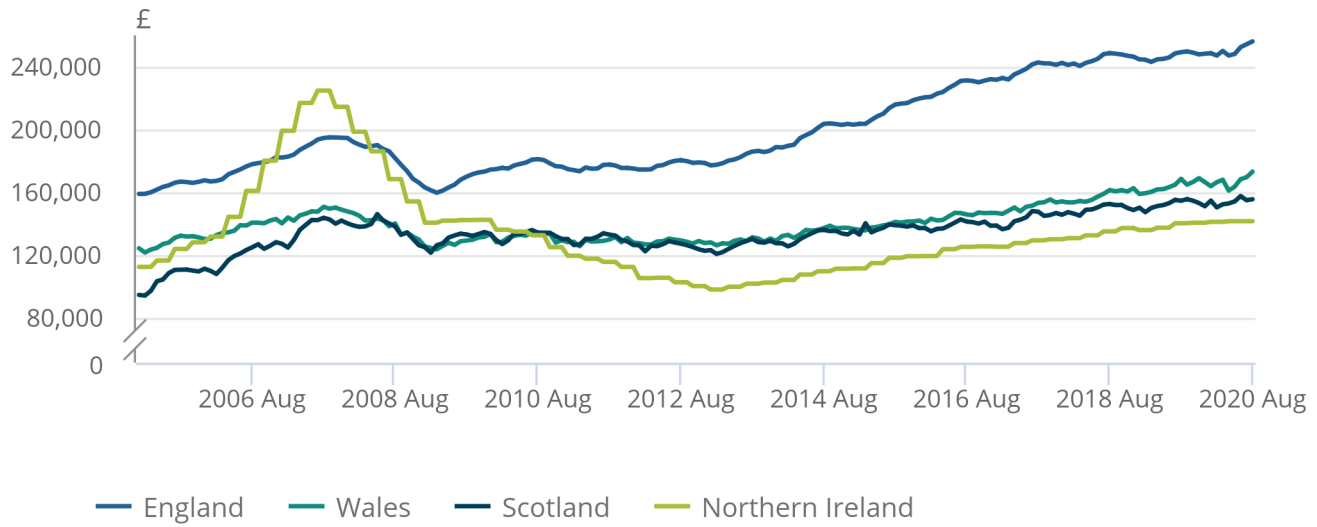
3 . House prices by country

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

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

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Average house price by country, UK, January 2005 to August 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 [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. Northern Ireland data are copied forward until the next quarter's data are available, which will be in the September 2020 bulletin released on 18 November 2020.

The average house price in England increased by 2.8% over the year to August 2020, up from 2.4% in the year to July 2020, with the average house price in England now at £256,000.

House price growth in Wales increased by 2.7% over the year to August 2020, down from 2.9% in July 2020, with the average house price in Wales at £173,000.

The average house price in Scotland increased by 0.6% over the year to August 2020, up from a decrease of 0.2% in the year to July 2020, with the average house price in Scotland now at £155,000.

The average house price in Northern Ireland increased by 3.0% over the year to Quarter 2 (April to June) 2020. Northern Ireland remains the cheapest UK country to purchase a property in, with the average house price at £141,000 (Figure 3).

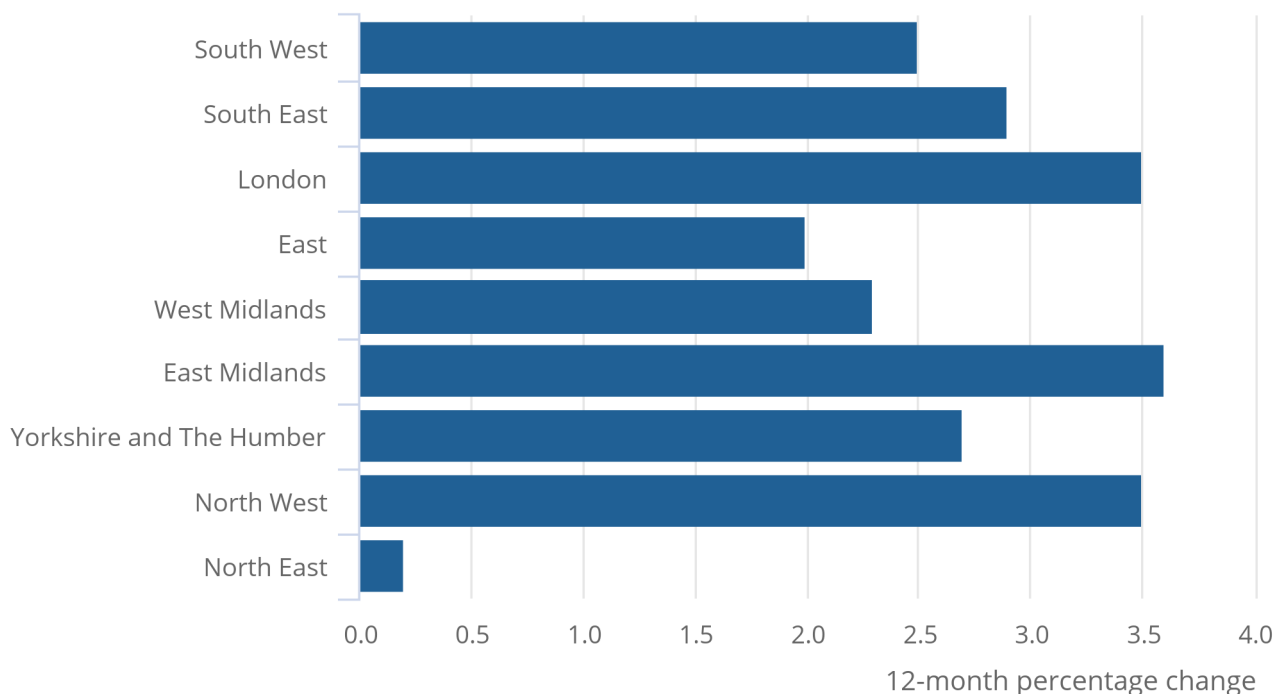
4 . House prices by region

Figure 4: The strongest regional growth was in the East Midlands

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

Figure 4: The strongest regional growth was in the East Midlands

All dwellings annual house price rates of change, by English region, year to August 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.

The East Midlands was the English region with the highest annual house price growth, with average prices increasing by 3.6% to £202,000 in the year to August 2020, down from 4.0% in July 2020 (Figure 4).

The lowest annual growth was in the North East, where prices increased by 0.2% over the year to August 2020.

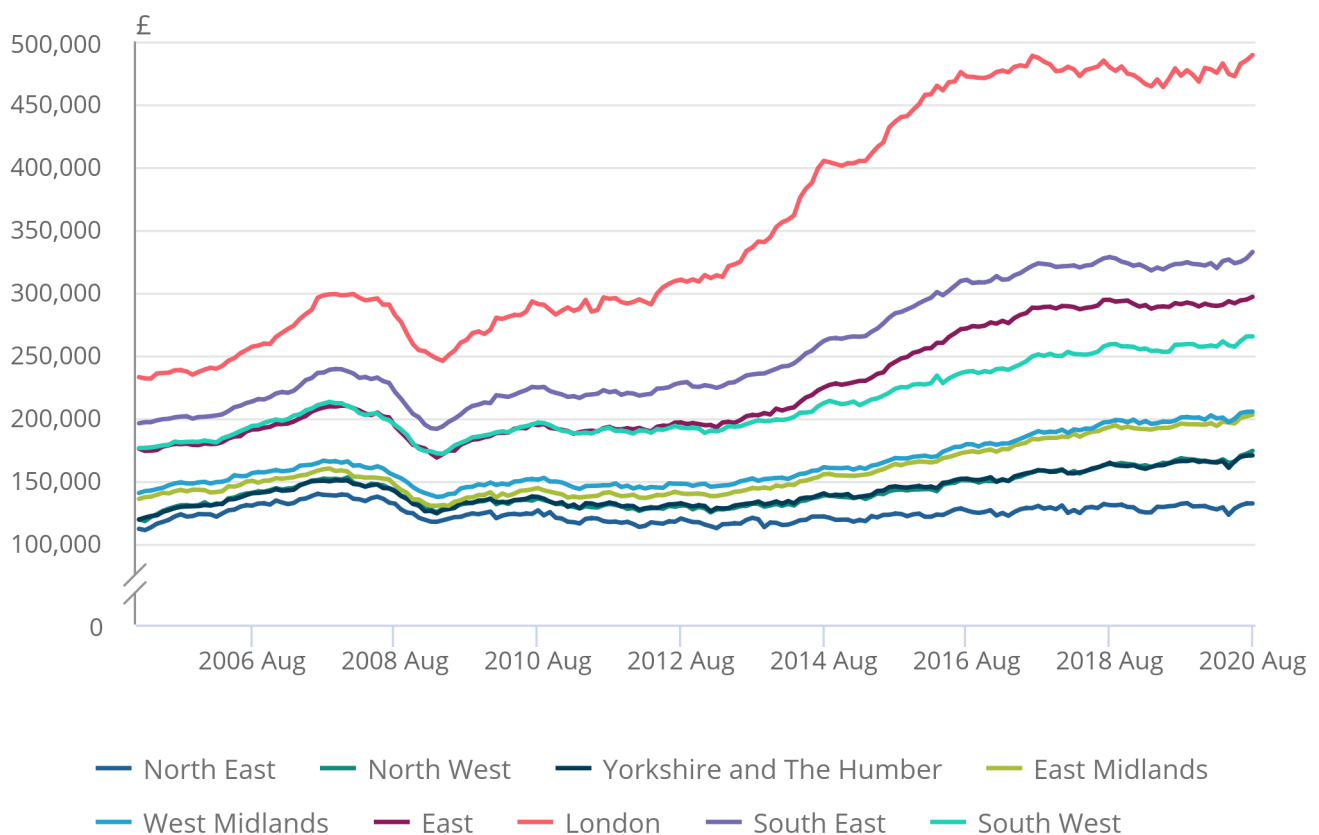
London house prices remain the most expensive at an average of £489,000; this is a joint record high for London, with this price last seen in July 2017. The North East continued to have the lowest average house price, at £132,000, and is the only English region yet to surpass its pre-economic downturn 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 August 2020

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

Average house price, by English region, January 2005 to August 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 . House Price Index data

[UK House Price Index](#)

Dataset | Released 21 October 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 19 August 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 19 August 2020

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

6 . 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 equals 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.

7 . 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 (9:30am, 21 October 2020). It includes full details, including commentary, historical data tables and analytical tools.

Coronavirus

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.

Because of the impact of the coronavirus (COVID-19) pandemic on both the number and supply of housing transactions, some methodology changes have been made. The processing of new build properties has been more affected than the processing of "old build" properties. So, in order to address this, we have had to pool new build transactions for certain months:

- May 2020 includes new build transactions from April 2020 and May 2020 for England and Wales
- June 2020 includes new build transactions from May 2020 and June 2020 for England and Wales
- July 2020 includes new build transactions from June 2020 and July 2020 for England and Wales
- because of the nature of the processing of the new builds, these are never included in the model for the first estimate, so August 2020 has not been affected

These changes might lead to larger revisions to published estimates than usual as we reduce the reliance on pooling. Further information on how we usually process the new build properties can be found in the [Quality and methodology documentation](#).

As per our usual [revisions policy](#), the figures for all months are first estimates and are subject to revision in subsequent periods.

The ONS has released a [public statement](#) on COVID-19 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 utilises 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.

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.

8 . 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](#).

9 . Related links

[UK House Price Index: report](#)

Report | Released 21 October 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 21 October 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 21 October 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 22 July 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 21 October 2020

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