

22 May 2012

Supplementary forecast information release

The OBR will as far as possible also meet ongoing requests to release supplementary forecast information, where this will improve the quality of public debate on the public finances. We are releasing the information which is detailed below as a result of a request for further detail underlying the March 2012 *Economic and fiscal outlook*.

We assume that house prices rise in line with the median outside forecast of those external organisations who forecast Communities and Local Government (CLG) house prices over the next two calendar years.¹ In the medium term we expect house price inflation to rise broadly in line with the long-term average rate of earnings growth.

House price inflation²

	House price inflation (quarter on the same quarter a year ago)
2011 Q1	0.2
2011 Q2	-1.6
2011 Q3	-1.3
2011 Q4	-0.2
2012 Q1	0.3
2012 Q2	0.4
2012 Q3	-1.7
2012 Q4	-0.8
2013 Q1	-0.5
2013 Q2	-0.1
2013 Q3	0.3
2013 Q4	0.6
2014 Q1	1.2
2014 Q2	2.0
2014 Q3	3.0
2014 Q4	4.0
2015 Q1	4.4
2015 Q2	4.5
2015 Q3	4.5
2015 Q4	4.5
2016 Q1	4.5
2016 Q2	4.5
2016 Q3	4.5
2016 Q4	4.5
2017 Q1	4.5

¹HM Treasury, *Forecasts for the UK economy: a comparison of independent forecasts*, February 2012. House price inflation is defined as the Q4 on Q4 annual percentage change in house prices.

²Outturn data is from the Department for Communities and Local Government (DCLG) House Price Index, now published by the ONS.