

It's all very well taking house price inflation into ac...

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The [FT has noted](#):

The UK's top statistician has said the nation should focus its attention on a little-used measure of inflation that includes housing costs, instead of overwhelmingly concentrating on CPI and RPI.

In a letter to the UK Statistics Authority, John Pullinger, national statistician and head of the Office for National Statistics, promised to pump resources into improving the CPIH measure, which takes account of owner-occupied housing costs such as mortgages and insurance.

It would become "focal point of ONS commentary in due course", he said.

Three points. First, does the Bank of England agree for inflation targeting purposes?

Second, is this a precursor to falling house prices, which many expect (although which does not seem to be happening in the South East a yet)?

Third, if this measure becomes negative for reason of falling house prices what will the implication be? Pensioners are protected by the triple lock for now. But what of everyone else?

Much as I see the relevance of taking house prices into consideration I also see enormous problems when many have little control over changing their costs, barring moving, which in itself is enormously expensive.

Has anyone thought the policy implications of this through?