



FT House Price Index

February 2006

The new FT House Price Index MA has been updated with the latest data available from Land Registry and shows that annual house price inflation was 3.4% in February. The monthly rate of growth was 0.8% although outside London it was only 0.5%. The strengthening in housing market activity in London has resulted in prices rising by 6.3% in this region in the last 12 months compared to a national rise of 3.4%.

The FT House Price Index MA is calculated by Acadameetrics and is designed to provide the most accurate guide to the real trends in residential property prices using Land Registry data (the only complete data source for domestic property prices in England and Wales).

We estimate the FT House Price Index MA, on a seasonally and mix adjusted basis, as follows:

| | House Price | Index | Monthly Change % | Annual Change % |
|----------------|-------------|-------|------------------|-----------------|
| August 2005 | £193,595 | 194.2 | 0.2 | 4.3 |
| September 2005 | £194,032 | 194.6 | 0.2 | 3.6 |
| October 2005 | £194,932 | 195.5 | 0.5 | 3.2 |
| November 2005 | £195,585 | 196.1 | 0.3 | 3.2 |
| December 2005 | £197,267 | 197.8 | 0.9 | 3.3 |
| January 2006 | £198,688 | 199.3 | 0.7 | 3.4 |
| February 2006 | £200,255 | 200.8 | 0.8 | 3.4 |

Gary Styles, Chief Economist and Chairman of Acadameetrics said, “After a period of broad stability in UK house prices, the market now appears to be strengthening led by London. We could now be set for a pattern of smooth and steady adjustment in national house prices if the increases seen in London spread to other regions.

“The house price gains in London in the last 3 months have been much stronger than any other region at over 5% and this has completely overshadowed the performance of the rest of the south. Whilst the South West and Yorkshire have experienced house price growth of over 2% in the last quarter this has not been widespread. The majority of regions have seen prices grow only modestly by around 0.5% to 1.0% in the same period and East Midlands has actually experienced a fall.

“We expect house prices to show further modest growth in the coming months as market expectations become more upbeat and the medium term economic prospects improve.”

Also see www.ft.com/houseprices

www.acadameetrics.co.uk