

10th February 2006



## FT House Price Index

January 2006

The new FT House Price Index MA is now calculated on a mix adjusted as well as a seasonally adjusted basis. It shows that house price inflation in January has slowed to 1.8%, its lowest level since April 1996.

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 %
July 2005	£193,093	193.6	0.0	5.2
August 2005	£193,526	194.1	0.2	4.2
September 2005	£193,907	194.5	0.2	3.6
October 2005	£194,611	195.2	0.4	3.1
November 2005	£194,715	195.3	0.1	2.7
December 2005	£195,183	195.7	0.2	2.2
January 2006	£195,697	196.3	0.3	1.8

Gary Styles, Chief Economist and Chairman of Acadameetrics said, "UK house prices continue to move on a smooth and steady path. Our index has increased by an average of 0.2% a month for the last six months (or around 2.4% annualised). These small positive gains in house prices are very consistent with the rise in mortgage activity and housing transactions seen in recent months.

"The regional pattern remains largely unchanged with the North experiencing the highest annual growth of 8% and the South West and South East the lowest at 0.5%.

"We expect house prices to show modest growth in the next 12 months as the market adjusts to the high level of personal debt and stretched affordability. Several segments of the housing market still require a prolonged period of price stability to bring real house prices back to more sustainable levels."

Also see [www.ft.com/houseprices](http://www.ft.com/houseprices)

[www.acadameetrics.co.uk](http://www.acadameetrics.co.uk)

FT House Price Index results to Dec 05 are based on Land Registry published data, smoothed, seasonally and mix adjusted, and revised with updated LR results as available. From Jan 06, FT House Price Index monthly forecasts of updated LR house price results are shown. FTHPI MA cb/cms