



FT House Price Index

May 2006

The FT House Price Index series has been updated with the recent monthly data available from the Land Registry. The latest figures indicate that house prices rose by 0.5% in May and by 5.4% over the past 12 months.

The FT House Price Index comprises the published Land Registry house price data, seasonally and mix adjusted by Acadameetrics, combined with an “Index of Indices” model in order to account for transactions not yet reported to the Land Registry. The FT House Price Index uniquely uses all of the Land Registry data, represents the most factual record available of domestic property prices in England and Wales and provides the best guide to the current trends in the housing market.

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

	House Price	Index	Monthly Change %	Annual Change %
November 2005	£195,708	196.3	0.4	3.3
December 2005	£197,904	198.5	1.1	3.6
January 2006	£199,114	199.7	0.6	3.6
February 2006	£200,580	201.2	0.7	3.5
March 2006	£201,201	201.8	0.3	4.0
April 2006	£202,099	202.7	0.4	4.5
May 2006	£203,080	203.7	0.5	5.4

Gary Styles, Chief Economist and Chairman of Acadameetrics said, “The FT House Price Index continues to show smooth and predictable growth each month. House prices have risen by an average of 0.5% a month since the start of the year and this looks set to continue.

“All regions have experienced some house price growth over the last 12 months and, whilst London has led the way, it has been closely followed by Wales and the northern regions. There is now also evidence of the strong London market rippling out to the South East, East Anglia and the South West.

“We expect the steady and stable performance from house prices and activity to continue over the remainder of 2006 as the outlook for interest rates and employment prospects limit any potential market exuberance.”

Also see www.ft.com/houseprices

www.acadameetrics.co.uk

House prices for the FT House Price Index, up to and including March 2006, are taken from the Land Registry published data and are seasonally adjusted and mix adjusted by Acadameetrics. The house prices are shown on a monthly basis and are smoothed over a rolling 3 month period, in order to minimise volatility and show underlying trends. House prices from April 2006 are the Land Registry house prices, as forecast by Acadameetrics for the months concerned, using our “Index of Indices” methodology, developed at the University of Cambridge and the Sir John Cass Business School, and are smoothed and both seasonally and mix adjusted.

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