



FT House Price Index MA

November 2005

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 November has slowed to 2.1%, its lowest level since June 1996. House prices have shown no overall growth since February this year and have risen by only 0.2% in the last 3 months.

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 % |
|-----------------------|-------------|-------|------------------|-----------------|
| November 2005 | £193,513 | 193.5 | 0.1 | 2.1 |
| October 2005 | £193,283 | 193.3 | 0.1 | 2.5 |
| September 2005 | £193,185 | 193.2 | 0.0 | 3.4 |
| August 2005 | £193,256 | 193.3 | 0.2 | 4.3 |
| July 2005 | £192,951 | 193.0 | 0.0 | 5.4 |
| June 2005 | £192,912 | 192.9 | 0.3 | 6.5 |
| May 2005 | £192,361 | 192.4 | -0.5 | 7.2 |

Gary Styles, Chief Economist and Chairman of Acadameetrics said, “UK house prices continue to move on a predictable and smooth path. Our index has hardly changed in the last 3 months and this is very consistent with reports from estate agents of sticky house prices in most regions. Higher levels of mortgage activity and housing transactions have not been translated into higher house prices.

“The differences in regional performance remain narrow, with the North the strongest growing region experiencing annual house price inflation of 8% and the weakest region the South West seeing no overall house price growth in the last 12 months.

“London and the South East are usually a useful bellwether to the state of the overall UK market. Interestingly, London and the South East have seen prices ease further in the last 3 months.

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

Also see www.ft.com/houseprices

www.acadameetrics.co.uk