



## FT House Price Index - National and Regional August 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 0.3% in August and by 5.7% over the past 12 months.

The FT House Price Index comprises the published Land Registry house price data, smoothed and 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 including cash purchases. It is designed to provide the most factual record available of domestic property prices in England and Wales and a true guide to house price inflation.

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

	House Price	Index	Monthly Change %	Annual Change %
<b>February 2006</b>	£201,177	201.8	1.0	3.9
<b>March 2006</b>	£202,268	202.9	0.5	4.5
<b>April 2006</b>	£203,543	204.1	0.6	5.2
<b>May 2006</b>	£203,850	204.4	0.2	5.8
<b>June 2006</b>	£203,731	204.3	-0.1	5.5
<b>July 2006</b>	£204,005	204.6	0.1	5.6
<b>August 2006</b>	£204,696	205.3	0.3	5.7

**Gary Styles, Economics Director said, "The FT House Price Index continues to move on a steady and predictable path that reinforces the importance of using all of the available Land Registry data including cash purchases when producing house price indices.**

**"Monthly house price growth has strengthened slightly in August to 0.3% following weak performances in June and July. Within this upbeat national picture London and the South East have only seen monthly growth of around 0.1%, therefore a further narrowing in regional differentials seems likely this year.**

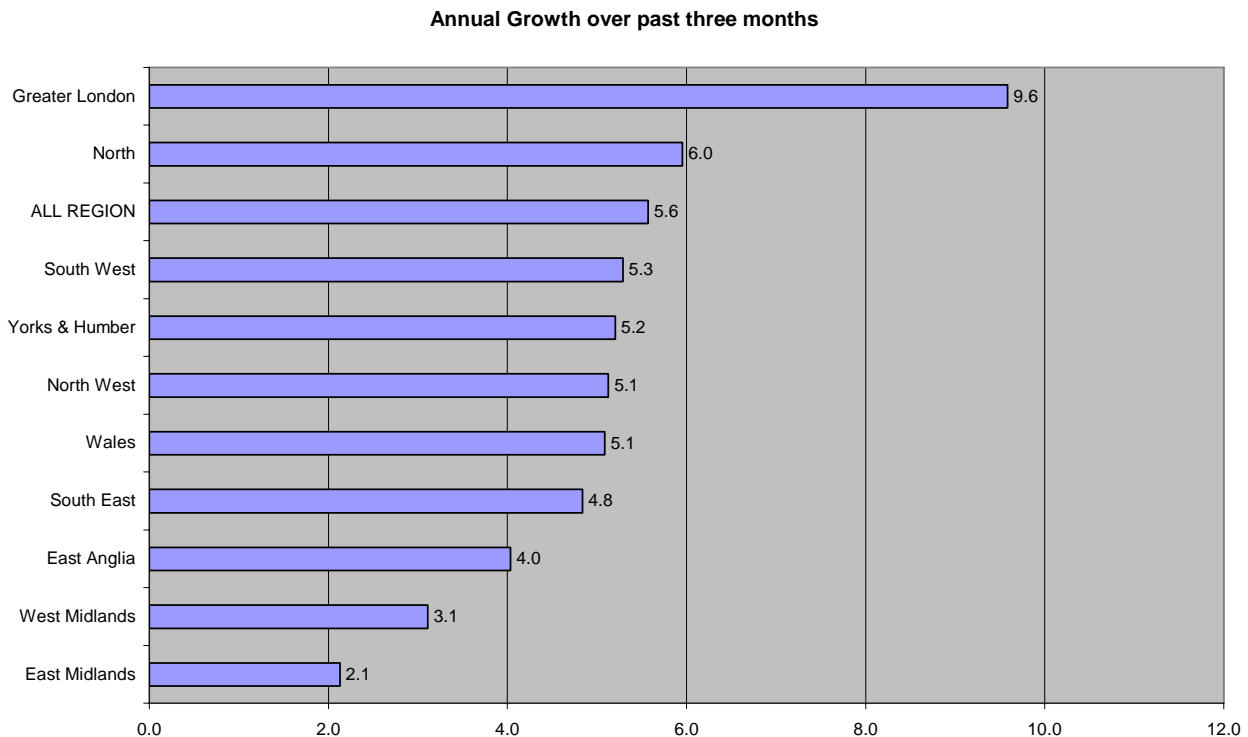
**"We expect to see a steady and stable performance from house prices and activity across the country in the remainder of 2006 as the outlook for interest rates and employment prospects dampen confidence further particularly in the south."**

*Regional Commentary and Data Overleaf .....*

## REGIONS

Our regional index using Land Registry data comprises the only monthly source of smoothed and seasonally as well as mix adjusted Land Registry average house prices for each region.

The national (ALL REGION) index has risen by 0.3% in August and by 5.7% in the last year. The annual rate of growth at a regional level is shown in the chart below. In the latest three months, growth in London (9.6%) still far exceeds other regions. The majority of regions are experiencing 5-6% annual growth with only the midlands showing a much weaker growth performance of 2-3%.



The latest monthly data indicate that we are seeing stronger growth in Wales and the South West as some degree of catch up is experienced. The current picture in the midlands remains weak but some improvement in relative performance is likely by the end of the year.

If we exclude London from the overall regional assessment, house price growth has shown very little regional variation when compared with recent history. The 0.25% interest rate rise in August should have a larger impact in the higher mortgaged London and south than in other regions. This is likely to further narrow the performance spread across regions in the coming months with London a bellwether for the rest of the country.

Monthly house price growth in London has eased in recent months and the annual rate of inflation should fall back to between 7% and 8% by the end of the year, much closer to the national average.

***National and Regional Data Overleaf.....***

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

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

# FT HOUSE PRICE INDEX REGIONAL DATA TABLE

## FTHPI - Mix adjusted and Seasonally adjusted

Region	North			North West			East Midlands			West Midlands		
Month	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%
Aug-05	£135,395	0.3	8.6	£145,456	0.1	6.3	£157,653	0.0	4.3	£165,223	-0.3	3.2
Sep-05	£136,780	1.0	8.4	£145,996	0.4	5.8	£158,843	0.8	3.7	£164,560	-0.4	2.1
Oct-05	£138,763	1.4	9.2	£146,729	0.5	5.5	£159,278	0.3	2.8	£165,991	0.9	2.0
Nov-05	£139,643	0.6	9.1	£147,437	0.5	6.4	£159,542	0.2	2.5	£167,111	0.7	3.1
Dec-05	£141,096	1.0	10.5	£148,335	0.6	5.9	£158,824	-0.5	1.3	£167,990	0.5	3.2
Jan-06	£141,520	0.3	9.1	£149,558	0.8	6.3	£158,956	0.1	0.7	£169,292	0.8	4.0
Feb-06	£142,725	0.9	8.6	£150,363	0.5	5.2	£159,895	0.6	1.1	£170,480	0.7	3.8
Mar-06	£142,664	0.0	7.2	£152,400	1.4	6.9	£161,105	0.8	2.7	£171,014	0.3	4.7
Apr-06	£142,917	0.2	7.2	£152,416	0.0	6.8	£161,303	0.1	3.5	£171,279	0.2	4.2
May-06	£142,766	-0.1	6.8	£152,898	0.3	7.0	£160,816	-0.3	2.9	£170,800	-0.3	3.8
Jun-06	£142,838	0.1	6.3	£151,908	-0.6	5.4	£160,615	-0.1	2.3	£171,157	0.2	2.6
Jul-06	£142,897	0.0	5.9	£152,377	0.3	4.8	£160,597	0.0	1.9	£170,685	-0.3	3.0
	<b>Wales</b>			<b>Yorks &amp; Humber</b>			<b>South West</b>			<b>East Anglia</b>		
	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%
Aug-05	£147,926	1.0	8.8	£145,376	0.6	6.9	£200,645	-0.2	1.7	£178,948	0.1	4.8
Sep-05	£148,721	0.5	7.6	£147,115	1.2	6.3	£200,905	0.1	0.8	£179,792	0.5	4.0
Oct-05	£150,451	1.2	7.1	£148,071	0.6	6.1	£202,031	0.6	0.2	£180,521	0.4	3.5
Nov-05	£150,819	0.2	6.6	£148,818	0.5	6.0	£203,500	0.7	0.4	£179,738	-0.4	2.8
Dec-05	£152,077	0.8	6.4	£149,722	0.6	6.4	£205,440	1.0	0.6	£180,838	0.6	2.7
Jan-06	£151,639	-0.3	6.1	£151,163	1.0	6.1	£205,728	0.1	1.0	£180,426	-0.2	1.7
Feb-06	£153,624	1.3	6.7	£152,407	0.8	6.2	£207,030	0.6	1.1	£182,616	1.2	1.7
Mar-06	£154,385	0.5	7.7	£152,996	0.4	6.5	£208,352	0.6	2.1	£184,795	1.2	2.3
Apr-06	£154,001	-0.2	6.8	£153,020	0.0	6.7	£209,740	0.7	2.7	£187,428	1.4	3.4
May-06	£153,167	-0.5	6.2	£152,881	-0.1	6.9	£210,212	0.2	3.9	£187,640	0.1	3.8
Jun-06	£153,021	-0.1	5.2	£152,215	-0.4	5.8	£210,536	0.2	4.5	£186,307	-0.7	3.8
Jul-06	£154,314	0.8	5.4	£152,018	-0.1	5.2	£211,719	0.6	5.3	£186,037	-0.1	4.0
	<b>South East</b>			<b>Greater London</b>			<b>ALL REGION</b>					
	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%			
Aug-05	£228,435	0.3	2.9	£292,005	0.6	4.9	£193,731	0.3	4.3			
Sep-05	£228,410	0.0	2.4	£291,603	-0.1	4.3	£194,117	0.2	3.7			
Oct-05	£229,357	0.4	1.9	£291,694	0.0	3.9	£195,031	0.5	3.3			
Nov-05	£230,155	0.3	1.5	£292,662	0.3	4.1	£195,802	0.4	3.3			
Dec-05	£232,260	0.9	1.9	£301,439	3.0	5.6	£198,041	1.1	3.7			
Jan-06	£233,592	0.6	2.2	£305,223	1.3	5.1	£199,262	0.6	3.7			
Feb-06	£235,463	0.8	2.8	£310,460	1.7	5.5	£201,177	1.0	3.9			
Mar-06	£236,650	0.5	3.4	£311,237	0.3	5.6	£202,268	0.5	4.5			
Apr-06	£238,359	0.7	4.0	£315,599	1.4	7.7	£203,543	0.6	5.2			
May-06	£238,784	0.2	4.8	£317,418	0.6	9.2	£203,850	0.2	5.8			
Jun-06	£238,990	0.1	4.5	£317,599	0.1	9.8	£203,731	-0.1	5.5			
Jul-06	£239,160	0.1	5.0	£318,073	0.1	9.6	£204,005	0.1	5.6			
Aug-06							£204,696	0.3	5.7			

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### FOOTNOTE:

The above average house prices and Monthly % and Annual % changes are based upon Land Registry data. Smoothed over a rolling 3 month period and using all reported transactions, they are designed to minimise volatility in seasonally and mix adjusted monthly results even at regional level. House prices for the current quarter are forecast using our academic "Index of Indices" model (developed at the University of Cambridge and the Sir John Cass Business School) and are updated monthly to include data for transactions reported to LR only after the month in which they occurred. Our results thus develop and reach "ultimate" once all or virtually all transactions are reported, 4 months after any given month. Significant updates from the Land Registry will be reflected in our data but, even at regional/county level, we would not expect these for all but the current or prior month. Because of lack of LR data for the current month, we provide data by region only for the prior months.

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

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