



FT House Price Index - National and Regional January 2007

The latest FT House Price Index, updated with the most recent monthly data from the Land Registry, shows that house prices rose by 0.7% in January and by 6.9% over the past 12 months.

Peter Williams, Chairman of Acadameetrics, notes that, “Monthly house price growth at 0.7% and annual growth at 6.9% are both in line with the December figures and support the view that nationally house prices have reached a plateau. Prices in London and the South of England continue to have a large impact on overall performance of the market but price increases in some regions are now quite muted.

“There is some evidence to suggest that the three rates rises since August 2006 are impacting upon the market and there is an expectation that price rises will moderate during the year. The market in London will probably be slower to react as demand continues to outstrip supply. For the year 2006, the FT index shows that house prices overall rose by just under 7% a significantly lower figure than the 9.5% used by the Bank in its own deliberations.

“In the last 3 months the regional markets in England and Wales have experienced an average growth rate that is either at or below the national rate of 7%, whilst the annual rate in London, although having fallen slightly, still stands at 10%. This performance alongside interest rate increases will impact upon expectations in 2007.”

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 %
July 2006	£205,623	206.2	0.3	6.4
August 2006	£206,969	207.6	0.7	6.8
September 2006	£208,417	209.0	0.7	7.4
October 2006	£209,765	210.4	0.6	7.5
November 2006	£210,508	211.1	0.4	7.5
December 2006	£211,674	212.3	0.6	6.8
January 2007	£213,097	213.7	0.7	6.9

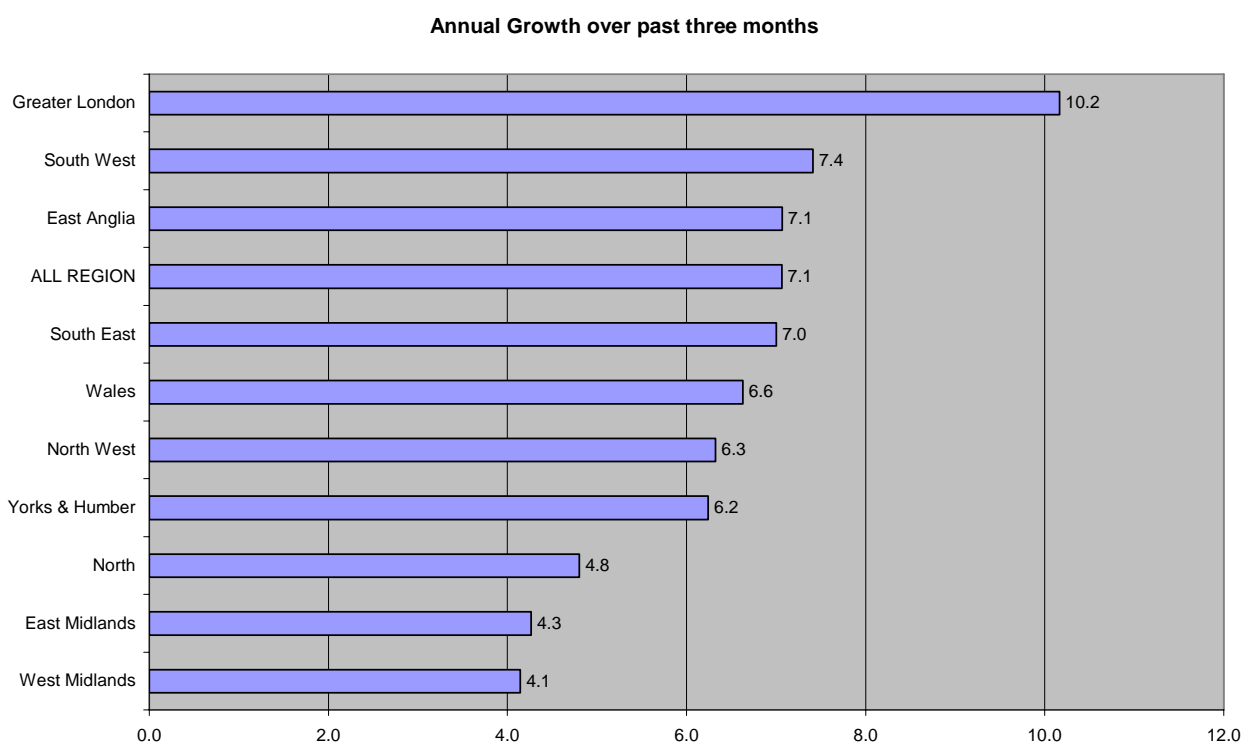
Regional Commentary and Data Overleaf

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REGIONS

The national (ALL REGION) index has risen by 0.7% in January and by 6.9% in the last year. The annual rate of growth at a regional level is shown in the chart below. In the latest three months, annual growth in London (10.2%), whilst falling back somewhat from a high of over 12%, still far exceeds other regions as the chart shows. In rank order, the South East (7.0%), East Anglia (7.1%) and South West (7.4%) lead the way amongst the other regions with the North (4.8%), West Midlands (4.1%) and the East Midlands (4.3%) at the bottom end.



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. From next month, in addition to the regional picture, Acadametrics will be reporting the key price movements for counties in England and Wales and London boroughs.

National and Regional Data Overleaf.....

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FT HOUSE PRICE INDEX REGIONAL DATA TABLE

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%
Jan-06	£141,547	0.3	9.1	£149,828	0.8	6.5	£159,153	0.1	0.8	£169,449	0.8	4.0
Feb-06	£142,751	0.9	8.7	£150,676	0.6	5.3	£160,034	0.6	1.2	£170,687	0.7	3.9
Mar-06	£142,570	-0.1	7.1	£152,707	1.3	7.1	£161,571	1.0	3.0	£171,355	0.4	4.9
Apr-06	£143,201	0.4	7.5	£152,999	0.2	7.1	£161,972	0.2	3.9	£172,172	0.5	4.7
May-06	£143,540	0.2	7.4	£153,959	0.6	7.8	£162,542	0.4	3.9	£172,481	0.2	4.8
Jun-06	£144,319	0.5	7.4	£153,507	-0.3	6.5	£163,034	0.3	3.8	£173,571	0.6	4.0
Jul-06	£143,741	-0.4	6.5	£154,145	0.4	6.0	£163,791	0.5	3.8	£173,647	0.0	4.8
Aug-06	£143,858	0.1	6.2	£155,385	0.8	6.8	£163,977	0.1	3.9	£174,745	0.6	5.8
Sep-06	£144,678	0.6	5.7	£156,227	0.5	7.0	£165,188	0.7	3.9	£175,040	0.2	6.4
Oct-06	£146,082	1.0	5.2	£157,359	0.7	7.2	£165,500	0.2	3.9	£175,097	0.0	5.4
Nov-06	£146,904	0.6	5.2	£157,338	0.0	6.6	£166,074	0.3	4.0	£174,883	-0.1	4.6
Dec-06	£147,342	0.3	4.4	£158,057	0.5	6.4	£165,674	-0.2	4.2	£175,167	0.2	4.2
Wales	Yorks & Humber			South West			East Anglia					
Month	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%
Jan-06	£151,598	-0.3	6.0	£151,278	1.0	6.2	£205,753	0.2	1.0	£180,237	-0.3	1.6
Feb-06	£153,582	1.3	6.6	£152,575	0.9	6.3	£207,165	0.7	1.2	£182,449	1.2	1.6
Mar-06	£154,338	0.5	7.7	£153,426	0.6	6.8	£208,716	0.7	2.2	£184,171	0.9	1.9
Apr-06	£153,941	-0.3	6.7	£153,670	0.2	7.2	£210,355	0.8	3.1	£187,310	1.7	3.3
May-06	£153,518	-0.3	6.5	£153,931	0.2	7.6	£211,366	0.5	4.5	£187,949	0.3	3.9
Jun-06	£154,081	0.4	5.9	£153,843	-0.1	6.9	£211,681	0.1	5.0	£188,172	0.1	5.0
Jul-06	£155,054	0.6	5.9	£154,282	0.3	6.8	£212,422	0.4	5.6	£188,668	0.3	5.6
Aug-06	£155,877	0.5	5.4	£155,238	0.6	6.8	£213,188	0.4	6.2	£191,989	1.8	7.3
Sep-06	£156,765	0.6	5.4	£156,455	0.8	6.3	£214,361	0.6	6.7	£192,706	0.4	7.2
Oct-06	£159,010	1.4	5.6	£157,951	1.0	6.7	£216,537	1.0	7.2	£193,636	0.5	7.3
Nov-06	£160,225	0.8	6.2	£158,639	0.4	6.6	£218,086	0.7	7.2	£192,090	-0.8	7.0
Dec-06	£161,556	0.8	6.3	£159,314	0.4	6.4	£220,154	0.9	7.2	£193,028	0.5	6.8
South East	Greater London			ALL REGION								
Month	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%			
Jan-06	£233,877	0.6	2.3	£305,177	1.3	5.1	£199,388	0.6	3.7			
Feb-06	£235,830	0.8	3.0	£310,313	1.7	5.5	£201,331	1.0	3.9			
Mar-06	£237,110	0.5	3.6	£311,052	0.2	5.6	£202,499	0.6	4.6			
Apr-06	£238,949	0.8	4.2	£314,451	1.1	7.4	£203,866	0.7	5.4			
May-06	£240,135	0.5	5.4	£315,262	0.3	8.5	£204,593	0.4	6.2			
Jun-06	£241,010	0.4	5.4	£314,702	-0.2	8.8	£204,915	0.2	6.1			
Jul-06	£242,288	0.5	6.3	£315,517	0.3	8.8	£205,623	0.3	6.4			
Aug-06	£243,386	0.5	6.6	£319,077	1.1	9.3	£206,969	0.7	6.8			
Sep-06	£245,089	0.7	7.3	£322,644	1.1	10.6	£208,417	0.7	7.4			
Oct-06	£246,348	0.5	7.4	£324,894	0.7	11.4	£209,765	0.6	7.5			
Nov-06	£247,209	0.3	7.4	£326,828	0.6	11.7	£210,508	0.4	7.5			
Dec-06	£248,474	0.5	6.9	£329,757	0.9	9.4	£211,674	0.6	6.8			
Jan-07							£213,097	0.7	6.9			

Acadametrics Press Contacts:

Troy Martin 01444 230325
troy.martin@acadametrics.co.uk

David Thorpe 020 8392 9082
david.thorpe@acadametrics.co.uk

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.

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