



FT House Price Index - National and Regional July 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 0.2% in July 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. It 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 %
January 2006	£199,309	199.9	0.6	3.7
February 2006	£201,279	201.9	1.0	3.9
March 2006	£202,165	202.7	0.4	4.4
April 2006	£203,226	203.8	0.5	5.0
May 2006	£203,268	203.9	0.0	5.5
June 2006	£203,197	203.8	0.0	5.2
July 2006	£203,640	204.2	0.2	5.4

Gary Styles, Economics Director said, "The FT House Price Index continues to move on a smooth and predictable path each month.

"Monthly house price growth has eased significantly in the last 3 months as concerns about indebtedness, interest rates and bankruptcies have affected confidence. However the London market has shown only tentative signs of slowing in the face of this negative sentiment.

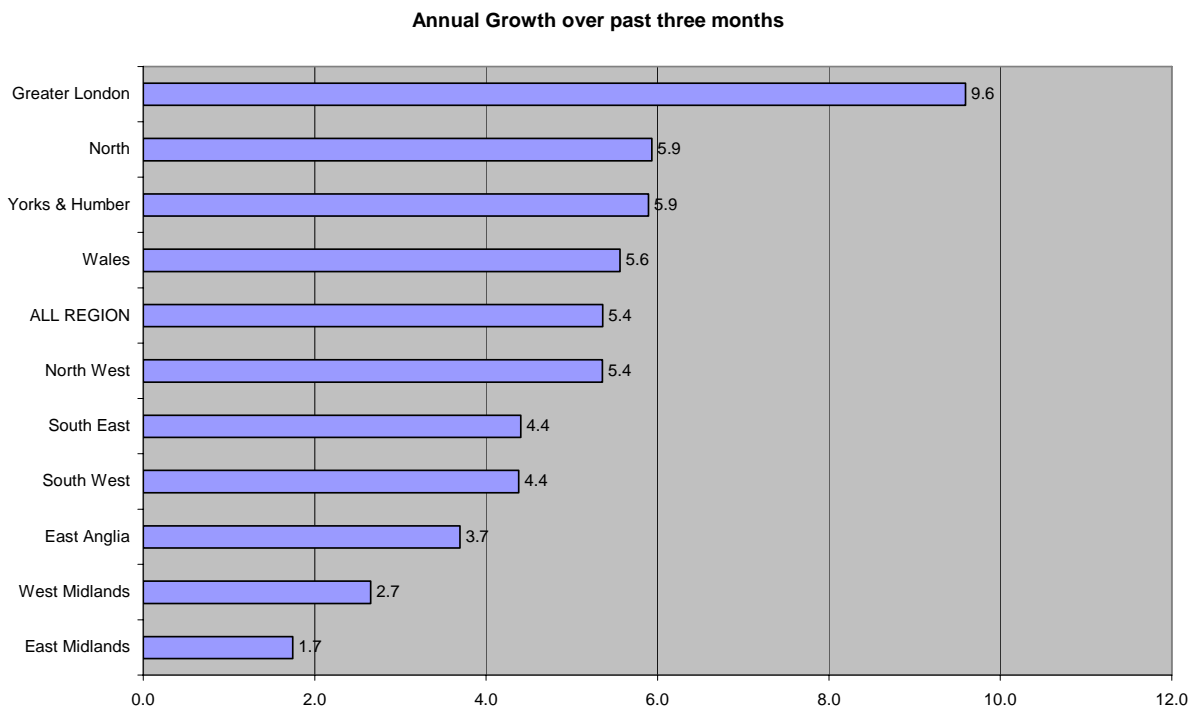
"We expect to see a steady and stable performance from house prices and activity across the country in the remainder of 2006 as the outlook for interest rates and employment prospects dampen confidence further. On balance, we also anticipate the gap between London and the rest of the country to narrow over the remainder of the year."

Regional Commentary and Data Overleaf

REGIONS

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

The national (all regions) index has risen by 0.2% in July and by 5.4% 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%) far exceeds other regions. The following group of 5 regions comprising the North (5.9%), Yorkshire (5.9%), Wales (5.6%) and North West (5.4%) are showing solid rates of growth. The remaining regions in the south and the midlands have seen more modest annual growth of around 2% and 4%.



The latest data indicate that we may see stronger growth in Wales and the South West in the next couple of months as some degree of catch up is experienced. The picture in the midlands remains weak and some further easing in prices looks likely.

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 last week should have a larger impact in the higher mortgaged London and south than in other regions. This is likely to 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 shown tentative signs of easing in the last couple of months and the annual rate of inflation should fall back to 7-8% by the end of the year, much closer to the national average.

National and Regional Data Overleaf.....

FT HOUSE PRICES: DATA

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%
Jul-05	£134,976	0.4	9.0	£145,347	0.9	8.6	£157,635	0.4	5.6	£165,680	-0.7	5.4
Aug-05	£135,399	0.3	8.6	£145,434	0.1	6.3	£157,661	0.0	4.3	£165,229	-0.3	3.2
Sep-05	£136,768	1.0	8.4	£145,960	0.4	5.8	£158,862	0.8	3.7	£164,538	-0.4	2.0
Oct-05	£138,714	1.4	9.2	£146,718	0.5	5.5	£159,287	0.3	2.8	£165,943	0.9	2.0
Nov-05	£139,604	0.6	9.1	£147,417	0.5	6.4	£159,556	0.2	2.5	£166,993	0.6	3.0
Dec-05	£141,069	1.0	10.5	£148,251	0.6	5.8	£158,842	-0.4	1.4	£167,917	0.6	3.1
Jan-06	£141,505	0.3	9.1	£149,556	0.9	6.4	£159,677	0.5	1.2	£169,258	0.8	3.9
Feb-06	£142,776	0.9	8.7	£150,278	0.5	5.1	£160,622	0.6	1.6	£170,383	0.7	3.7
Mar-06	£142,483	-0.2	7.0	£151,923	1.1	6.6	£161,524	0.6	3.0	£170,707	0.2	4.5
Apr-06	£142,513	0.0	7.0	£151,774	-0.1	6.3	£160,874	-0.4	3.2	£170,614	-0.1	3.8
May-06	£142,109	-0.3	6.3	£152,152	0.2	6.5	£160,065	-0.5	2.4	£170,148	-0.3	3.4
Jun-06	£142,252	0.1	5.9	£151,399	-0.5	5.1	£159,675	-0.2	1.7	£170,276	0.1	2.0
	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%
Jul-05	£146,469	0.7	9.5	£144,397	0.3	8.4	£201,098	-0.2	2.9	£178,838	-0.3	5.8
Aug-05	£147,928	1.0	8.8	£145,349	0.7	6.9	£200,654	-0.2	1.7	£178,923	0.0	4.8
Sep-05	£148,763	0.6	7.6	£147,102	1.2	6.3	£200,926	0.1	0.8	£179,780	0.5	4.0
Oct-05	£150,458	1.1	7.2	£148,138	0.7	6.1	£202,067	0.6	0.2	£180,460	0.4	3.5
Nov-05	£150,836	0.3	6.6	£148,828	0.5	6.0	£203,494	0.7	0.4	£179,679	-0.4	2.8
Dec-05	£152,055	0.8	6.4	£149,802	0.7	6.5	£205,401	0.9	0.6	£180,751	0.6	2.6
Jan-06	£151,628	-0.3	6.1	£151,220	0.9	6.2	£205,699	0.1	1.0	£180,330	-0.2	1.7
Feb-06	£153,555	1.3	6.6	£152,473	0.8	6.2	£207,145	0.7	1.1	£183,341	1.7	2.1
Mar-06	£154,368	0.5	7.7	£152,829	0.2	6.4	£208,483	0.6	2.1	£185,176	1.0	2.6
Apr-06	£154,192	-0.1	6.9	£152,762	0.0	6.6	£209,787	0.6	2.8	£187,583	1.3	3.5
May-06	£153,334	-0.6	6.3	£152,613	-0.1	6.7	£210,052	0.1	3.8	£186,903	-0.4	3.3
Jun-06	£152,997	-0.2	5.2	£152,100	-0.3	5.7	£210,042	0.0	4.2	£185,902	-0.5	3.6
	South East			Greater London			ALL REGION					
	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%	Av HP	Monthly%	Annual%			
Jul-05	£227,831	-0.3	3.4	£290,046	0.3	5.2	£193,217	0.0	5.3			
Aug-05	£228,420	0.3	2.9	£291,890	0.6	4.8	£193,708	0.3	4.3			
Sep-05	£228,374	0.0	2.4	£291,529	-0.1	4.3	£194,097	0.2	3.7			
Oct-05	£229,325	0.4	1.9	£291,599	0.0	3.9	£195,011	0.5	3.3			
Nov-05	£230,113	0.3	1.4	£292,604	0.3	4.1	£195,769	0.4	3.3			
Dec-05	£232,246	0.9	1.9	£301,501	3.0	5.6	£198,029	1.2	3.7			
Jan-06	£233,546	0.6	2.2	£305,249	1.2	5.2	£199,309	0.6	3.7			
Feb-06	£235,387	0.8	2.8	£310,662	1.8	5.6	£201,279	1.0	3.9			
Mar-06	£236,421	0.4	3.3	£311,176	0.2	5.5	£202,165	0.4	4.4			
Apr-06	£237,693	0.5	3.7	£315,844	1.5	7.8	£203,226	0.5	5.0			
May-06	£237,766	0.0	4.3	£317,152	0.4	9.1	£203,268	0.0	5.5			
Jun-06	£238,004	0.1	4.1	£317,805	0.2	9.9	£203,197	0.0	5.2			
Jul-06							£203,640	0.2	5.4			

The above average house prices and Monthly % and Annual % changes are based upon Land Registry data and designed to provide the most accurate guide to residential property prices at regional level in England and Wales. Most transactions are not reported to the Land Registry in the month in which they occur. Our data are updated monthly to reflect every transaction whenever it may be reported. Our numbers thus "develop" and grow closer to the "ultimate truth" as the flow of transactions for any given month to the Land Registry slows. Very occasionally, a significant update from the Land Registry will be reflected in our data.

Acadameetrics Press Contacts: Troy Martin 01444 230325
troy.martin@acadameetrics.co.uk

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

FOOTNOTE:

House prices for the FT House Price Index – Regions, up to and including June 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 July 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.

Also see www.ft.com/houseprices

www.acadameetrics.co.uk