



FT House Price Index

JUNE 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 June and by 5.6% 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 %
December 2005	£197,923	198.5	1.1	3.6
January 2006	£199,086	199.7	0.6	3.6
February 2006	£200,774	201.4	0.8	3.7
March 2006	£201,548	202.1	0.4	4.1
April 2006	£202,614	203.2	0.5	4.7
May 2006	£203,347	203.9	0.4	5.5
June 2006	£203,950	204.5	0.3	5.6

Gary Styles, Chief Economist and Chairman of Acadameetrics said, "The FT House Price Index continues to move on a smooth and predictable path each month.

"Monthly house price growth has eased to 0.3% from 0.4% and 0.5% in the previous two months. This slowing picture is seen across most regions with the exception of London where prices continue to power ahead. Annual growth in London has now reached 10%, nearly twice the national average and four times the weakest performing region.

"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 limit any potential market exuberance. However, we accept that London may continue to show exceptional strength for the next few months as supply shortages support prices."

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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