



UK House prices	AUGUST 2009 (seasonally adjusted)
Annual change	-10.1%
Monthly change	0.8%
Average Price	£160,973

Commenting, Martin Ellis, housing economist, said:

"The average UK house price rose by 0.8% in August. This was the second successive monthly increase and the fourth in the first eight months of 2009. Overall, house prices nationally are very similar to the level at the end of last year.

Demand for housing has increased since the start of the year due to better affordability and low interest rates. This, together with low levels of property available for sale, has boosted house prices over the last few months."

Key facts

- **House prices increased by 0.8% in August.** This was the second successive monthly rise and the fourth in the first eight months of 2009.
- **Prices largely unchanged over the first eight months of 2009 as a whole.** The average house price in August was £160,973 compared to £160,861 in December 2008.
- **Prices in the three months to August compared to the previous three months were 1.7% higher.** This is the biggest increase on this underlying basis since July 2007.
- **House prices in August were 10.1% lower on an annual basis.** The annual rate of change (measured by the average for the latest three months against the same period a year earlier) improved for the fourth successive month and has fallen from -17.7% in April. It is at its lowest since July 2008 (-8.8%).
- **The proportion of disposable earnings devoted to mortgage payments – a key affordability measure - has fallen significantly over the past 21 months.** Nationally, typical mortgage payments for a new borrower have fallen from a peak of 48% of average disposable earnings in 2007 Quarter 3 to 29% in August 2009. Notably, mortgage payments relative to earnings are now below the long-term average of 35% recorded over the past 25 years.

ABOUT THE HALIFAX HOUSE PRICE INDEX

The Halifax House Price Index is the UK's longest running monthly house price series with data covering the whole country going back to January 1983. From this data, a "standardised" house price is calculated and property price movements on a like-for-like basis (including seasonal adjustments) are analysed over time. The annual change is calculated as an average for the latest three months compared with the same period a year earlier. These figures provide a better picture of the underlying trend compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

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House price index

- **Housing market activity continues to improve, but remains less than half the level in mid 2007.** Bank of England industry-wide figures show that the number of mortgages approved to finance house purchase – a leading indicator of completed house sales - increased for the sixth successive month in July, on a seasonally adjusted basis. Approvals were 53% higher than in July 2008, at 50,123, but were 55% lower than in July 2007 (112,446).

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UK House Prices: Historical Data
All Houses, All Buyers (Seasonally Adjusted)

Period	Index 1983=100 1	Standardised Average Price £ 2	Monthly Change %	Annual Change %*	Price/ Earnings Ratio 3
Aug 2008	563.9	174,241	-1.6	-10.9	4.86
Sep	556.8	172,027	-1.3	-12.4	4.79
Oct	543.5	167,934	-2.4	-13.7	4.66
Nov	529.0	163,458	-2.7	-14.9	4.56
Dec	520.6	160,861	-1.6	-16.2	4.50
Jan 2009	531.2	164,126	2.0	-17.2	4.65
Feb	519.1	160,390	-2.3	-17.7	4.52
Mar	509.2	157,320	-1.9	-17.5	4.37
Apr	500.0	154,490	-1.8	-17.7	4.25
May	513.1	158,541	2.6	-16.3	4.38
Jun	511.0	157,876	-0.4	-15.0	4.36
Jul	516.9	159,709	1.2	-12.1	4.36 ^e
Aug	521.0	160,973	0.8	-10.1	4.39 ^e

EDITORS' NOTES

* The annual change numbers are the quarterly year-on-year figures. These figures provide a better picture of underlying trends compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

1. INDEX

The standardised index is seasonally adjusted using the U.S. Bureau of the Census XII moving-average method based on a rolling 84-month series. Each month, the seasonally adjusted figure for the same month a year ago and last's month figure are subject to revision.

2. STANDARDISED AVERAGE PRICE

The standardised average price is calculated using the Halifax's mix adjusted methodology.

3. PRICE/EARNINGS RATIO

Ratio of the Halifax standardised average price to national average earnings for full-time male employees. Price Earnings ratios revised to reflect new data in the Annual Survey of Hours and Earnings (ASHE). ^e Halifax estimates.

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ISDN facilities are available for broadcast media interviews

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