



UK House prices	February 2011 (seasonally adjusted)
Annual change	-2.8%
Quarterly change	-0.4%
Monthly change	-0.9%
Average Price	£162,657

**Commenting, Martin Ellis, housing economist, said:**

"House prices, as measured by the underlying trend, continue to fall slightly with prices in the three months to February 0.4% lower than in the previous three months.

"There has, however, been little change in house prices over the first two months of 2011 as a whole. February's monthly decline of 0.9% offset January's 0.8% gain.

"Overall, we expect a modest 2% decrease in house prices in 2011. Uncertainty over the economic outlook is likely to weigh down on housing demand this year.

"Fewer properties have been coming onto the market in recent months. This trend, if sustained, should improve the balance between demand and supply and help to prevent a more significant fall in house prices."

### Key facts

- **House prices in the three months to February were 0.4% lower than in the previous three months, showing a continuing slight decline in prices.** This measure of the underlying trend shows that the pace at which prices are falling remains significantly lower than the 5-6% quarterly declines recorded during the second half of 2008.
- **Prices in February were 2.8% lower than a year ago as measured by the average for the three months to February against the same period a year earlier.** This is the biggest annual decline since October 2009.
- **The decline in properties coming onto the market continues.** The latest RICS survey showed a reduction in new seller instructions for the fourth successive month in January. This trend, if sustained, should improve the balance between demand and supply and help to prevent a more significant fall in house prices.

#### 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

- **House sales remain low.** The number of mortgages approved to finance house purchase – a leading indicator of completed house sales – increased by 7% between December and January on a seasonally adjusted basis, according to Bank of England industry-wide figures. Despite this increase, approvals remain historically low with the total number in the three months to January being 4% lower than in the preceding three months.

Halifax House Price Index is prepared from information that we believe is collated with care, but we do not make any statement as to its accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance. © Bank of Scotland plc all rights reserved 2011.

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## UK House Prices: Historical Data

### All Houses, All Buyers (Seasonally Adjusted)

	Index 1983=100 1	Standardised Average Price £ 2	Monthly Change %	Quarterly Change %*	Annual Change %**	Price/ Earnings Ratio 3
Period						
Feb	540.3	166,928	-0.9	1.7	4.5	4.63
Mar	545.1	168,433	0.9	0.6	5.2	4.65
Apr	544.4	168,212	-0.1	0.0	6.6	4.70
May	541.4	167,287	-0.5	0.1	6.9	4.67
Jun	538.4	166,351	-0.6	-0.3	6.3	4.63
Jul	542.2	167,536	0.7	-0.5	4.9	4.65
Aug	544.1	168,124	0.4	-0.4	4.6	4.65
Sep	524.2	161,974	-3.7	-1.0	2.6	4.47
Oct	533.9	164,949	1.8	-1.2	1.2	4.55
Nov	532.8	164,622	-0.2	-2.1	-0.7	4.53
Dec	526.9	162,803	-1.1	-0.9	-1.6	4.48
Jan 2011	531.3	164,145	0.8	-0.7	-2.4	4.50 <sup>e</sup>
Feb	526.4	162,657	-0.9	-0.4	-2.8	4.46 <sup>e</sup>

#### EDITORS' NOTES

\* House price data on a quarterly basis provides the clearest indication of overall market trends, smoothing out the monthly volatility caused by the reduced number of monthly transactions used to calculate all house price indices.

\*\* 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 month's 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). <sup>e</sup> Halifax estimates.

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