



UK House prices	March 2011 (seasonally adjusted)
Annual change	-2.9%
Quarterly change	-0.6%
Monthly change	0.1%
Average Price	£162,912

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

"House prices continue to fall at a modest pace as measured by the quarterly rate of change, the best measure of the underlying trend in price movements. Prices in the first quarter of 2011 were 0.6% lower than in the fourth quarter of 2010. There was a 0.1% rise in prices in March and prices were a similar amount above those at the end of 2010.

"The overall decrease in prices in the first quarter of 2011 compared with the previous quarter was a little lower than the quarterly falls recorded in the third and fourth quarters of 2010. The recent increase in employment, particularly those in full-time jobs, may have been an important factor supporting the market.

"Our forecast remains for a 2% decrease in house prices in 2011 as a whole. Uncertainty over the general economic outlook and individual financial circumstances are likely to constrain housing demand, resulting in some modest downward pressure on prices."

### Key facts

- **House prices in the first three months of 2011 were 0.6% lower than in the previous three months, showing a continuing modest decline in prices according to this measure of the underlying trend.** This was the fourth consecutive quarterly fall, but it was an improvement on the decreases in the third and fourth quarters of 2010 (-1.0% and -1.1% respectively).
- **Prices in March were marginally (0.1%) higher than at the end of 2010.** The average UK house price stood at £162,912 in March.
- **Prices in March were 2.9% lower than a year ago as measured by the average for the three months to March against the same period a year earlier.** This is the biggest annual decline since October 2009.

#### 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.

For more information on our housing market research, click on [www.Lloydsbankinggroup.com](http://www.Lloydsbankinggroup.com)





- **House sales show signs of stabilising but at a low level.** The number of mortgages approved to finance house purchase – a leading indicator of completed house sales – recovered further from its December low with a 2% increase between January and February on a seasonally adjusted basis, according to Bank of England industry-wide figures. Approvals were virtually unchanged compared with February 2010, at 47,000, but were 60% lower than four years earlier (116,700 in February 2007).
- **The Budget contained a number of announcements relating directly to the residential property market.** Successful implementation of some of these measures should increase the supply of new homes and boost the number of properties for rent, helping to reduce the size of swings in house price movements over the cycle.
- **The introduction of a new shared equity scheme, known as FirstBuy, will help some first-time buyers to enter the market through the purchase of a newly-built property.** The buyer will put down 5% of the purchase price with a further 20% provided by the government and the housebuilder in the form of a low interest loan. The impact, however, will be limited as it aims to assist 10,000 households – equivalent to 5% of all first-time buyers in 2010.
- **Just 1.1% of residential property sales will be affected by this month's increase in the stamp duty rate from 4% to 5% for homes worth over £1 million.** Unsurprisingly, London has the highest proportion of million pound home buyers (4.7%). The increase will add £10,000 to the total stamp duty bill for someone paying £1 million for a home.
- **Some signs of improvement in the labour market.** The number of people in employment increased by 32,000 in the three months to January compared with the previous three months, according to the latest figures from the ONS. This rise was entirely due to an increase in the number in full-time employment (75,000) whilst part-time employment fell by 43,000. Total employment has risen by 296,000 over the past year with a 90,000 increase in full-time employment.

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.

For more information on our housing market research, click on [www.Lloydsbankinggroup.com](http://www.Lloydsbankinggroup.com)

## 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
<b>Period</b>						
Mar 2010	545.1	168,435	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	-0.2	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
Feb	526.6	162,697	-0.9	-0.4	-2.8	4.46 <sup>e</sup>
Mar	527.3	162,912	0.1	-0.6	-2.9	4.45 <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.

For further information please contact:

**Helpline No** 08456 045404

**Email** [housingeconomics@lloydsbanking.com](mailto:housingeconomics@lloydsbanking.com)

#### Press Office Contacts:

Emma Partridge Tel: 01902 325 180 Mobile: 07824 471 951

Nick Osbourne Tel: 0207 356 1714 Mobile: 07872 819 065

Clare Mortimer Tel: 01902 302 252 Mobile: 07768 541 555

For more information on our housing market research, click on  
[www.Lloydsbankinggroup.com](http://www.Lloydsbankinggroup.com)