



UK House prices	September 2012 (seasonally adjusted)
Annual change	-1.2%
Quarterly change	-0.5%
Monthly change	-0.4%
Average Price	£159,486

Commenting, Martin Ellis, housing economist, said:

"Overall, there has been very little change in the average UK house price so far this year. There is, nonetheless, evidence of a slight deterioration in the trend recently with prices in the three months to September 0.5% lower than in the previous quarter. The average price fell by 0.4% in September; the third successive monthly decline.

"The generally weak economic climate remains a significant constraint on housing demand. The relatively low level of mortgage payments in relation to income, however, continues to provide support for house prices. We expect house prices to be broadly unchanged over the rest of this year and into 2013."

Key facts

- **House prices in the three months to September were 0.5% lower than in the preceding three months.** This compared with a 0.3% decline in August.
- **House prices fell by 0.4% in September.** This was the third consecutive monthly fall. These declines have more than offset the two successive rises in May and June.
- **Prices have fallen very slightly over the first nine months of 2012.** The average UK house price in September 2012 was 0.3% lower than in December 2011, at £159,486.
- **Prices in the three months to September were 1.2% lower than in the same period a year earlier.** This measure of the annual rate has moved outside the narrow range of 0% to -1% for the first time in seven months.
- **Activity remains subdued but stable.** Home sales have been very stable in recent months, at between 75,000 and 77,000 per month between May and August. Overall, sales in the three months to August were 3% higher than in the same period last year. (Source: HMRC)

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

- **The relatively low level of mortgage payments in relation to income continues to provide support for house prices.** Mortgage payments for a new borrower remain significantly below the long-term average as a proportion of disposable earnings. Typical mortgage payments for a new borrower - both first-time buyers and homemovers – at the long-term average loan to value ratio, have nearly halved as a proportion of disposable earnings from a peak of 48% in 2007 Quarter 3 to 26% in the third quarter of 2012. This is significantly below the average of 36% recorded over the past 27 years.

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 2012.



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						
Sep 2011	521.9	161,246	-0.5	0.1	-2.3	4.39
Oct	528.3	163,227	1.2	-0.2	-1.8	4.43
Nov	522.9	161,556	-1.0	-0.4	-1.0	4.37
Dec	517.5	159,888	-1.0	-0.1	-1.3	4.32
Jan 2012	520.8	160,925	0.6	-0.8	-1.8	4.37
Feb	518.9	160,328	-0.4	-1.0	-1.9	4.33
Mar	530.1	163,796	2.2	-0.1	-0.6	4.40
Apr	518.1	160,073	-2.3	0.4	-0.5	4.30
May	520.4	160,781	0.4	0.7	-0.1	4.31
Jun	524.6	162,104	0.8	-0.3	-0.5	4.34
Jul	520.9	160,961	-0.7	-0.1	-0.6	4.31
Aug	518.3	160,142	-0.5	-0.3	-0.9	4.28 ^e
Sep	516.2	159,486	-0.4	-0.5	-1.2	4.25 ^e

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). ^e Halifax estimates.

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