



UK House prices	February 2012 (seasonally adjusted)
Annual change	-1.9%
Quarterly change	-1.1%
Monthly change	-0.5%
Average Price	£160,118

Commenting, Martin Ellis, housing economist, said:

"House prices in the three months to February were 1.1% lower than in the previous three months. There was a 0.5% decline in prices in February, largely offsetting January's 0.6% rise."

"Overall, prices nationally are at broadly the same level as last spring. This stability in prices is explained by the fact that market conditions have changed very little over this period with demand supported by low interest rates and supply remaining tight."

"Falling inflation should relieve some of the pressure on household finances over the coming months. Many of the economic statistics released in recent weeks have also been encouraging, suggesting that the UK may avoid slipping back into recession. These developments are positive for the housing market outlook. Significant uncertainties, however, persist and the prospects for house prices during 2012 will, to a large extent, depend on events in the Eurozone and the potential knock-on effects on the UK."

Key facts

- **House prices in the three months to February were 1.1% lower than in the previous three months.** This was a little lower than in January (-0.9%) and the fifth consecutive month that this measure of the underlying trend has been slightly negative.
- **On a monthly basis, house prices fell by 0.5% in February.** This followed January's 0.6% increase and continues the mixed monthly pattern seen over the past year.
- **Prices in the three months to February were 1.9% lower than in the same period a year earlier.** This measure of the annual rate was little changed from the previous month (-1.8%) and has been between -1% and -2% for the last five months.
- **Nationally, the average level of house prices is very little changed to last spring.** The UK average price in February, at £160,118, was similar to that in April 2011 (£160,393).

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





House price index

- **The proportion of house purchasers who are first-time buyers increased for the second successive month in February.** This, together with a 7% increase in the industry-wide number of mortgage approvals for house purchase in January, suggests that the scheduled ending of the temporary increase in the starting threshold of stamp duty for first-time buyers from £125,000 to £250,000 later this month is encouraging some to buy before the threshold reverts to the lower level.
- **Falling inflation should ease some of the pressure on household incomes.** Householders' real incomes fell in 2011, largely as a result of the pick-up in inflation. The annual rate of consumer price inflation has fallen in recent months from a peak of 5.2% in September 2011 to 3.6% in January 2012 and is expected to decline further in the coming months. Lower inflation should reduce some of the pressure on household incomes, helping to support housing demand.

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.

For more information on our housing market research, click on 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
Period						
Feb 2011	526.6	162,715	-0.5	-0.2	-2.8	4.46
Mar	526.6	162,712	0.0	-0.9	-2.9	4.45
Apr	519.1	160,393	-1.4	-1.2	-3.7	4.39
May	521.2	161,039	0.4	-1.2	-4.2	4.40
Jun	528.9	163,430	1.5	-0.5	-3.5	4.47
Jul	530.0	163,765	0.2	0.5	-2.6	4.48
Aug	524.1	161,926	-1.1	1.0	-2.6	4.41
Sep	522.3	161,368	-0.3	0.1	-2.3	4.39
Oct	528.3	163,227	1.2	-0.3	-1.8	4.43
Nov	522.9	161,556	-1.0	-0.6	-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	-0.9	-1.8	4.32 ^e
Feb	518.2	160,118	-0.5	-1.1	-1.9	4.31 ^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.

For further information please contact:

Helpline No 08456 045404

Email housingeconomics@lloydsbanking.com

Press Office Contacts:

For further information please contact the Halifax press team:

Clare Mortimer 01902 302252 / 07768 541555 claremortimer@halifax.co.uk

Emma Partridge 01902 325180 / 07824471951 emmapartridge1@halifax.co.uk

Nick Osbourne 0207 356 1714 / 07872819065 nicholas.osbourne@halifax.co.uk

For more information on our housing market research, click on www.Lloydsbankinggroup.com