

House Price Index

- March 2009

12 May 2009

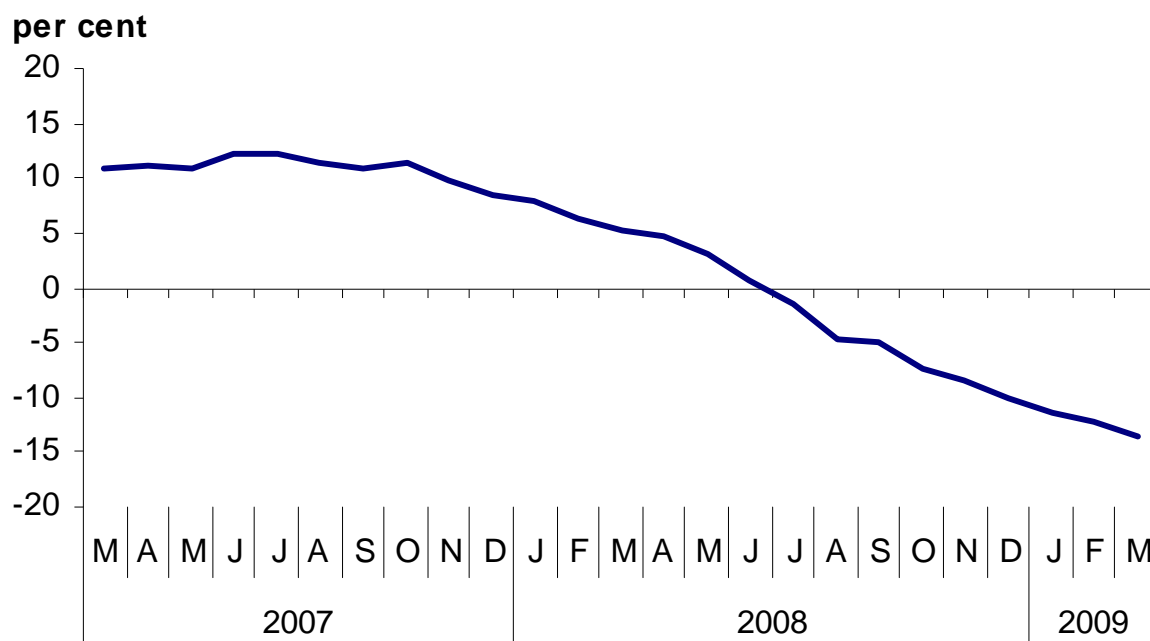
- UK house prices were 13.6 per cent lower than in March 2008.
- The mix-adjusted average house price in the UK stood at £187,193 in March 2009 (not seasonally adjusted).
- UK house prices fell by 3.8 per cent in the quarter ending March 2009. This compares with a fall of 6.4 per cent for the quarter ending December 2008.
- Annual average house prices fell in England (-13.8 per cent), Wales (-13.0 per cent), Scotland (-9.8 per cent) and Northern Ireland (-16.1 per cent).
- Annual average house prices paid by first time buyers in March 2009 were 16.7 per cent lower than a year ago. By comparison average house prices paid by former owner occupiers were 12.4 per cent lower.

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housing

House Price Index: UK

Figure 1: UK annual house price rates of change (all dwellings)



		UK		UK	
		All dwellings		All dwellings	
		Index Feb 02 = 100	% change over 12 months		£
Not seasonally adjusted					
2008	Oct	170.8	-7.4		203,580
	Nov	167.7	-8.5		199,933
	Dec	163.8	-10.2		195,317
2009	Jan ^R	164.2	-11.5		195,114
	Feb ^R	159.7	-12.3		189,747
	Mar	157.5	-13.6		187,193

R=Revised

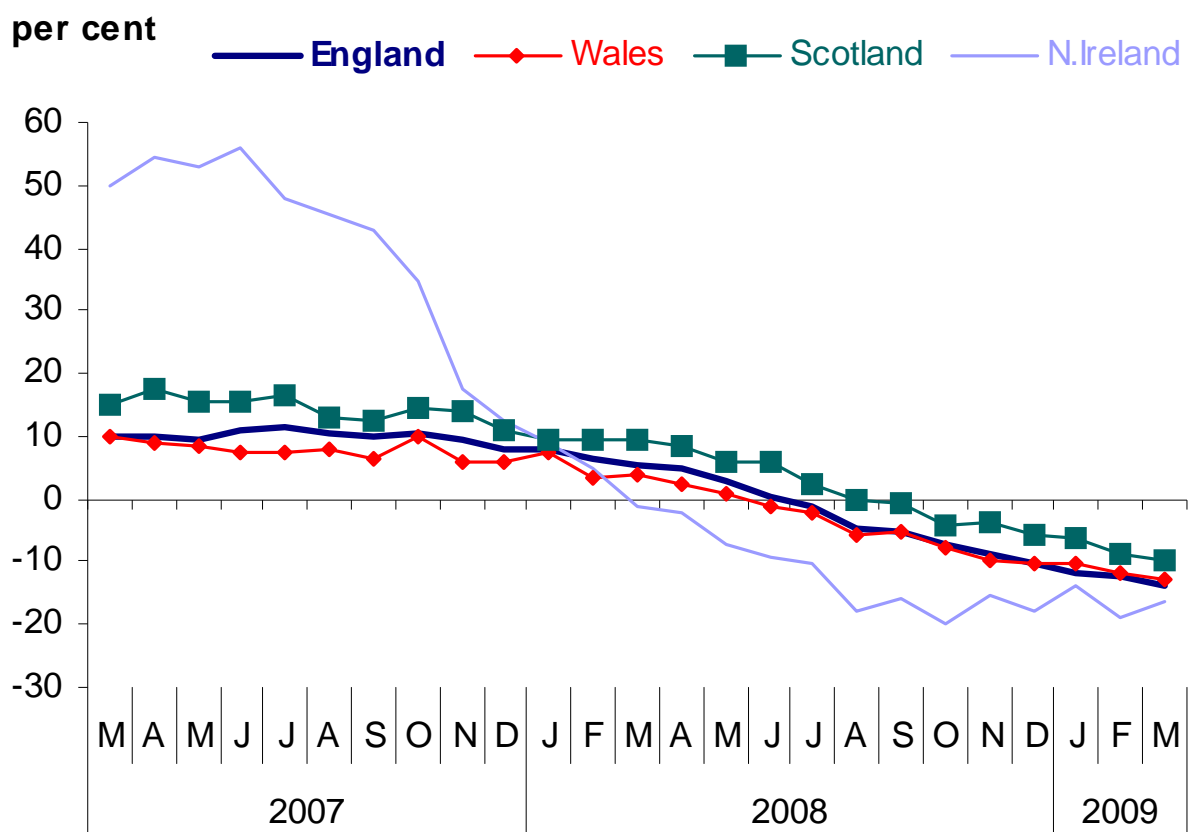
The UK average house price fell by 13.6 per cent in the year to March 2009, compared with a fall of 12.3 per cent in the year to February. Between February and March there was a fall of 1.3 per cent in the prices index of properties bought compared with a rise of 0.1 per cent over the same period last year, resulting in a decrease in the annual rate.

The fall in UK prices between February and March 2009 can be attributed to a decrease in average prices for flats (1.9 per cent), detached houses (1.6 per cent), semi-detached housing (1.3 per cent) and terraced houses (1.1 per cent). The fall is partly offset by a rise in the average price of bungalows (0.4 per cent).

House Price Index: Country

Annual house prices fell in all UK countries in the year to March 2009. Annual house price growth was -13.8 per cent in England, was -13.0 per cent in Wales, was -9.8 per cent in Scotland and was -16.1 per cent in Northern Ireland in March.

Figure 2: House price rates of change by country
12-month percentage change

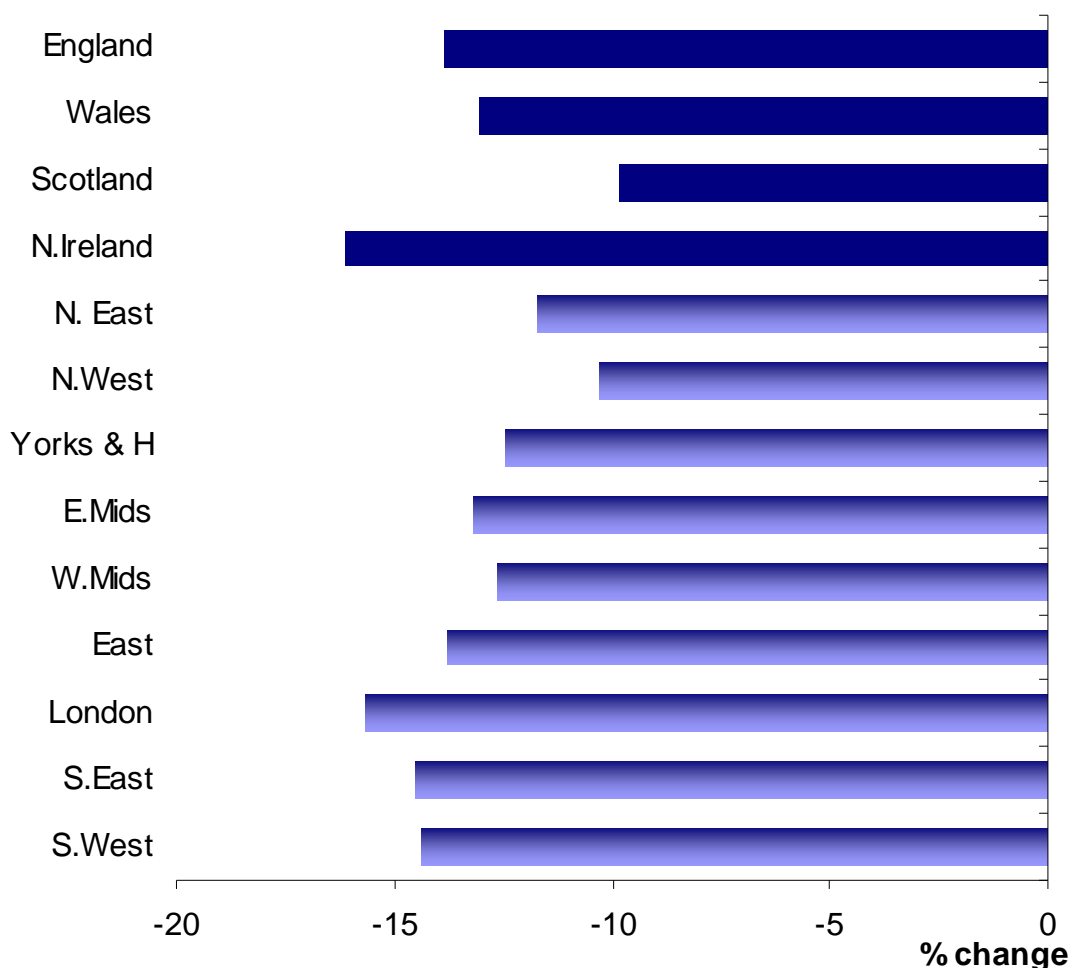


House Price Index: Region

Average house prices rose in the North West but fell in the other eight English regions during March.

The annual house price growth ranged from -10.3 per cent in the North West to -15.7 in London. The annual growth rates in the other regions were -11.7 per cent in the North East, -12.5 per cent in Yorkshire and the Humber, -12.7 per cent in the West Midlands, -13.2 per cent in the East Midlands, -13.8 per cent in the East, -14.4 per cent in the South West and -14.5 per cent in the South East.

Figure 3: Regional house price indices
12-month percentage change for the latest month



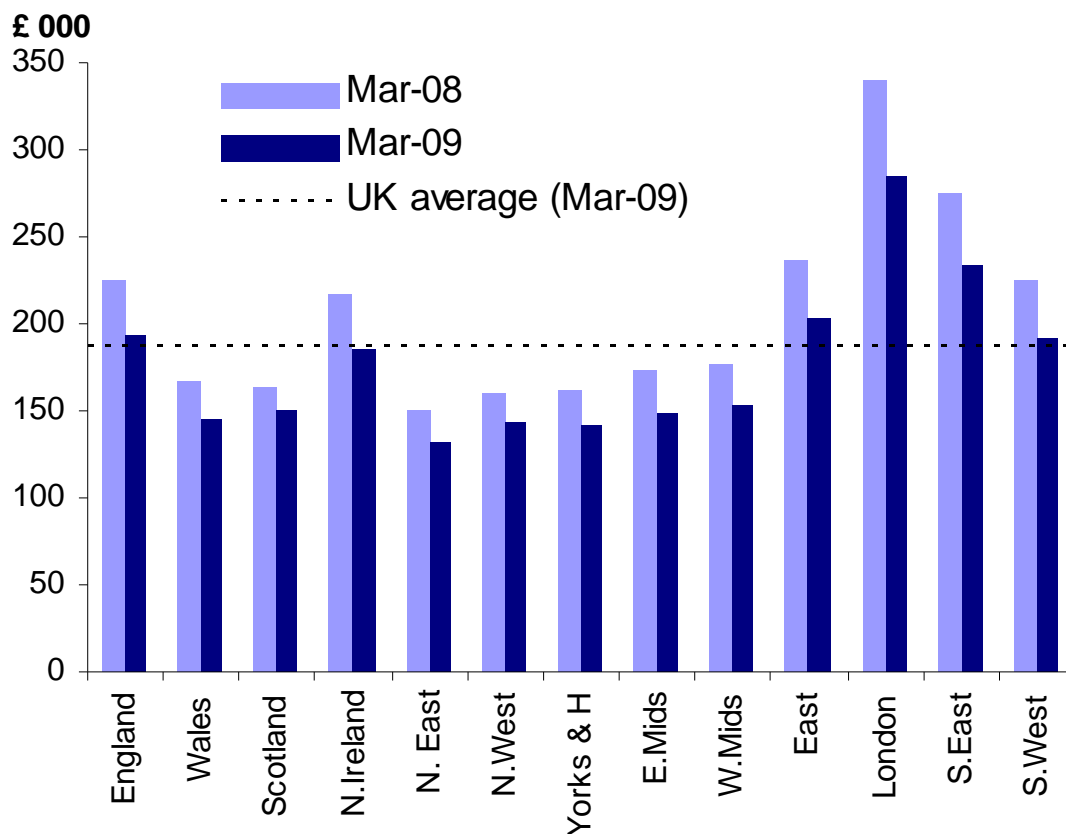
House Prices: Countries and Regions

Mix-adjusted average house prices in March 2009 were £192,625 in England, £144,836 in Wales, £149,685 in Scotland and £185,183 in Northern Ireland.

The English region with the highest average house price in March remains London at £284,482. The lowest average price was in the North East at £131,434.

Of the English regions, only the East, London, South East and the South West had average prices above the UK average.

Figure 4: Mix-adjusted average house prices
Not seasonally adjusted



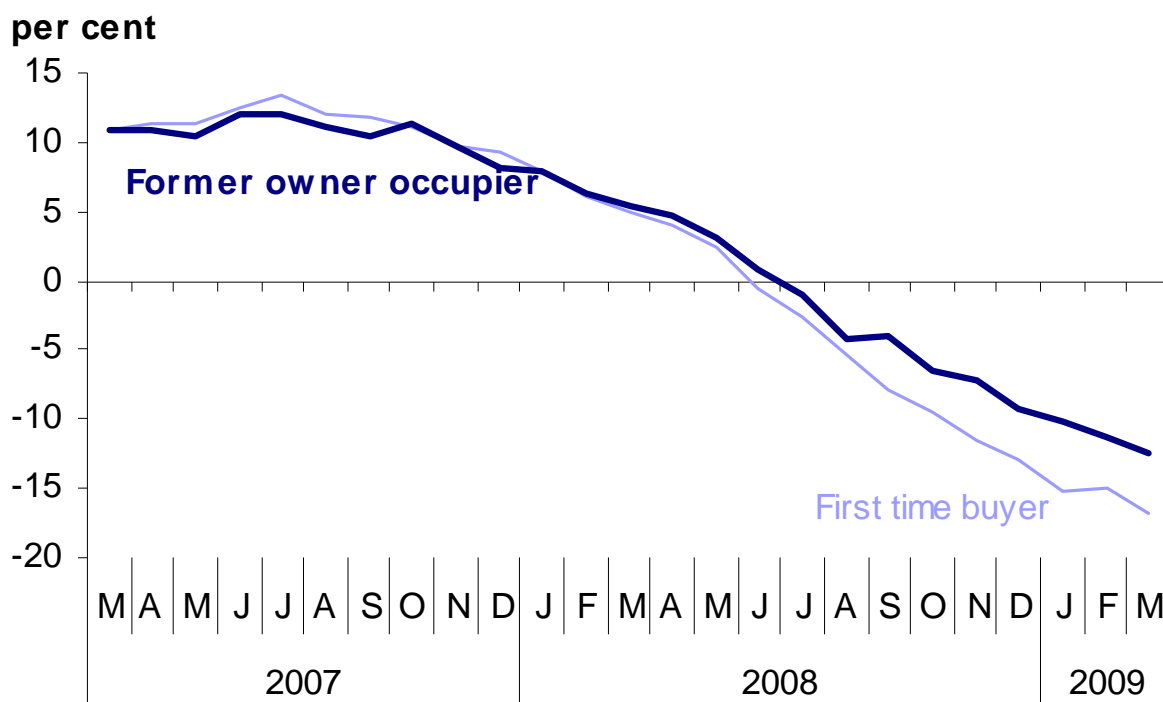
House Price Index: Type of Buyer

The UK annual growth in house prices for first time buyers fell from an average -15.0 per cent in February to -16.7 per cent in March. There was a decrease of 1.7 per cent between February and March in the price of properties bought by first time buyers compared with rise of 0.4 per cent last year resulting in an increase in the annual rate.

The annual house price growth rate for former owner occupiers was -12.4 per cent in March, down from -11.3 per cent in February. The prices index between February and March for properties bought by former owner occupiers fell by 1.2 per cent compared with no change at the same time last year resulting in a decrease in the annual rate.

The average price paid by first time buyers across the whole of the UK was £133,535 in March, while the average price paid by former owner occupiers was £220,235.

Figure 5: UK annual house price rates of change by type of buyer
12-month percentage change



Tables

Tables are from September 2006 to March 2009.

- A1: Mix-adjusted house price index and annual rates of change by region.
- A2: Mix-adjusted average house prices by region.
- A3: Mix-adjusted house price index and annual rates of change by type of buyer, UK
- A4: Mix-adjusted average house prices by type of buyer, UK.

These tables are available at:

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/housingmarket/publications/house-price-index/>

Additional tables and earlier data can be accessed in the 'Live tables' section (housing market and house prices) at:

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/housingmarket/>

Background Notes

1. The mix-adjusted house price series are produced by Communities and Local Government and are being published as official statistics. Development of the methodology underpinning the indices has been undertaken in conjunction with the Office for National Statistics. In light of the recent Statistics and Registration Service Act 2007 we will seek advice from the UK Statistics Authority, at the most appropriate time, to gain accreditation for the index as a 'National Statistic'.
2. Since March 2005 the new mix-adjusted house price index is based on an enlarged sample of completions data (about 50,000 per month during 2007) from about 60 mortgage lenders who supply data through the Regulated Mortgage Survey (RMS) of the Council of Mortgage Lenders (CML)/BankSearch. Prior to this date the index was based on the Survey of Mortgage Lenders (SML) (about 25,000 completions per month). The number of cases received will also be affected by the total number of mortgages that have been completed.
3. In January of each year the index weights are revised to reflect the pattern of property transactions during the previous 3 years. The mix-adjusted average prices for the rest of the year are then determined using these new weights. Consequently whilst house prices **within** the year are comparable – they are all based on the same weights - house prices **between** years cannot be compared because last year's weights and this year's weights are different. The index itself is constructed on a chain-linked basis, which enables year-on-year comparisons to be made. This means that the year-on-year change in the index for March, say, is effectively the change in the average price from March 2008 to December 2008 (using the weights for 2008) combined with the change in the average price from January 2009 to March 2009 using the weights for 2009. Therefore, the year-on-year change in the index is not the same as the year-on-year change in the mix-adjusted average price.
4. The Communities and Local Government index is currently showing a similar trend in annual house price rates to other indices available from commercial sources. Differences will be affected by differences in weighting. The Communities and Local Government index uses expenditure weights, whereas other indices use transaction weights. Consequently, the Communities and Local Government index is influenced by house price growth rates in the higher priced areas (which are currently in the South) where house prices - and therefore total expenditure on house buying - is highest. Similarly, regional rates of change in house prices determined by the Communities and Local Government are more influenced by the market for the higher priced properties (i.e. the demand for detached houses).
5. The Communities and Local Government house price index figures in this issue are based on completions during the month of March. Other recent indicators have been based on asking prices in April or based on mortgages approved during April. Therefore the Communities and Local Government figures are not directly comparable with these other indicators.

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6. House price and annual rates of change figures for January and February 2009 have been revised from those published last month due to the receipt of new data from lenders who provide Information quarterly rather than monthly. The extent of the revisions can be seen by comparing this release with the February release available at www.communities.gov.uk/housepriceindex.
 7. A month on month comparison of the Communities and Local Government index and price is not advised, as the series are not seasonally adjusted and comparisons over periods of less than a year could be affected by seasonal fluctuations.
 8. Further details on the methodology of the index can be found in the "housing statistics by topic" section of Housing Statistics website, at: <http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/housingmarket/>.
 9. Details of officials who receive pre-release access to the CLG House Price Index up to 24 hours before release can be found at: <http://www.communities.gov.uk/documents/statistics/pdf/hpiprereleaseaccess.pdf>
 10. Further quarterly and annual house price data can be found on the Communities and Local Government website in Housing Market Live tables 507, 508 and tables 590 to 594.
 11. The next six release dates are:
 - Tuesday 9 June 2009
 - Tuesday 14 July 2009
 - Tuesday 11 August 2009
 - Tuesday 15 September 2009
 - Tuesday 13 October 2009
 - Tuesday 10 November 2009

Further Information:

Media Enquiries: office hours: 020 7944 5274
020 7944 4299
out of hours: 020 7944 5945
e-mail: press@communities.gsi.gov.uk

Public enquiries: e-mail: Tim Roast at housing.statistics@communities.gsi.gov.uk
telephone: 020 7944 3303

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