

□ House prices rose by 0.8% in August according to the latest Halifax House Price Index.

The Index shows that:

- House prices increased by 0.8% in August. This was the second successive monthly rise and the fourth in the first eight months of 2009.

- Prices largely unchanged over the first eight months of 2009 as a whole. The average house price in August was £160,973 compared to £160,861 in December 2008.

- Prices in the three months to August compared to the previous three months were 1.7% higher. This is the biggest increase on this underlying basis since July 2007.

- House prices in August were 10.1% lower on an annual basis. The annual rate of change (measured by the average for the latest three months against the same period a year earlier) improved for the fourth successive month and has fallen from -17.7% in April. It is at its lowest since July 2008 (-8.8%).

- The proportion of disposable earnings devoted to mortgage payments – a key affordability measure - has fallen significantly over the past 21 months. Nationally, typical mortgage payments for a new borrower have fallen from a peak of 48% of average disposable earnings in 2007 Quarter 3 to 29% in August 2009. Notably, mortgage payments relative to earnings are now below the long-term average of 35% recorded over the past 25 years.

Commenting, Martin Ellis, housing economist, said: "The average UK house price rose by 0.8% in August. This was the second successive monthly increase and the fourth in the first eight months of 2009. Overall, house prices nationally are very similar to the level at the end of last year.

"Demand for housing has increased since the start of the year due to better affordability and low interest rates. This, together with low levels of property available for sale, has boosted house

House prices up again

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prices over the last few months.”

Source: Mortgage Introducer