

House prices rose by 1.2% in January and are up 8.6% year-on-year according to the latest Nationwide house price index.

Commenting on the figures Martin Gahbauer, Nationwide's chief economist, said: "House prices strengthened their upward momentum at the start of 2010, increasing by a seasonally adjusted 1.2% month-on-month in January. The 3 month on 3 month rate of change – usually a smoother indicator of the near term trend – dipped slightly from 2.3% in December to 2.1% in January, but this primarily reflects the smaller price increases recorded in November and December.

"At £163,481, the average price of a typical UK property cost 8.6% more than a year earlier in January, up from 5.9% in December. Unless there is a fall in property values in February, annual house price inflation is likely to move into double-digit territory next month for the first time since May 2007."

Source: Mortgage Introducer