

House prices have gone up for the third consecutive month in September, according to the Halifax House Price Index.

The Index shows that house prices rose by 1.6% in the month and 2.8% in Quarter 3, the first quarterly rise for two years (2007 Quarter 3) and the biggest since 2007 Quarter 1 (2.9%).

It is the third consecutive month house prices have gone up, giving an annual change of -7.4%, up from a low of -17.7% in April. House prices have risen by 1.7% since the end of 2008.

Commenting, Martin Ellis, housing economist, said: "The combination of increased demand and a low level of properties available for sale has pushed up house prices in recent months. The marked improvement in affordability due to the reduction in both property prices and interest rates since mid 2007 has been a key factor in stimulating higher demand.

"Continuing increases in unemployment and low earnings growth are likely to constrain the rise in demand. There are also some signs that the improvement in market conditions is encouraging more people to put their properties up for sale. This development could loosen market conditions by alleviating the current shortage of supply and curb the pace of house price growth evident in recent months."