

Figures released today by the Nationwide show that in June the average price of a property rose by a seasonally adjusted 0.9% to £156,442, up from £154,016 in May.

This brings the annual rate of decline down to 9.3% in June from 11.3% in May. The three month trend is now positive for the first time since December 2007.

Commenting on the figures Martin Gahbauer, Nationwide's Chief Economist, said: "The price of a typical house rose by a seasonally adjusted 0.9% in June, building upon the improving trend seen over the last several months. At £156,442, the average house price across the UK was still 9.3% lower than a year ago, but this marks the first time since July 2008 that the year-on-year fall has been in single digits. The three month on three month rate of change – a smoother indicator of the short-term price trend – turned positive for the first time since December 2007 to stand at 0.9%, up from -0.4% in May. If the pattern of price movements seen in the first half of the year is repeated over the second half, then prices could show only a small single digit fall for 2009 as a whole. This would represent a stark shift from trends seen at the turn of the year, when most indicators were pointing to a repeat of the large declines seen in 2008."

David Smith, senior partner, property consultancy Carter Jonas, said: "It's still very early to talk about the beginning of a trend, but you could say we're seeing the beginning of the beginning of a trend. Slowly, people are moving back to property, sensing excellent value, while prices are stabilising, propped up by short supply. At the same time, while the economy and consumer confidence remain weak, there is a feeling that we now know where we are and what we are dealing with. The unknown that we were facing only six to nine months ago is now more of a known and this, slowly, is driving property transactions. Demand is by no means strong but it is getting stronger, influenced in part by the feeling that interest rates may soon be rising."