

# LSL Property Services/Acadametrics England & Wales House Price Index

FEBRUARY 2012

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 9TH MARCH



## February First-Time Buyers Drive 0.2% Increase in House Prices

- House prices rise £500 in February as first-time buyers hit market with urgency
- Transactions rise by 13%, 10% more than normal seasonal increase

House Price	Index	Monthly Change %	Annual Change %
£219,844	223.8	0.2	-1.8

**Richard Sexton, director of e.surv comments:** “The looming stamp duty holiday deadline has injected real urgency into the first-time buyer market, which has contributed to transactions increasing by 10% more than the normal seasonal February rise. But the stamp duty rush has not been the sole cause of the improvement in the housing market. Despite the threat posed by the eurozone crisis, lenders have been showing increasing confidence, stepping up their lending to the lower end of the market.

“The annual decline in prices may have accelerated to 1.8% in February, but the comparison highlights the spike in demand and prices in the prime property in the run-up to last April as buyers rushed to beat a new 5% tax band for £1m properties – rather than a worsening outlook for the current housing market. In fact, against a wider backdrop of more positive national economic news and falling inflation - easing the strain on buyers’ finances - buyer sentiment has shown welcome signs of picking-up.

“The passing of the first-time buyer stamp duty tax deadline will certainly put the recent progress to the test in the short-term, but historically affordable mortgage rates available for new buyers – not to mention the introduction of the NewBuy mortgage scheme – should help cushion the financial blow. In the longer-term, any concerted rise in transactions will be tied to the fallout of the financial crisis abroad and subsequently banks’ and building societies’ abilities to support the mortgage market’s growth.

“However, it is clear that regional disparities are growing and London remains in a league of its own. Without London the national picture would look far gloomier. In fact, Wales is the only other region that has seen prices rise in the past year. Despite steadily improving mortgage finance provision, cash buyers are still underpinning the market’s strength, with high value property in the capital seen as insulated against the adverse economic conditions in Europe.”

For detailed analysis by Dr Peter Williams, housing market specialist and Chairman of Acadametrics, see page 3.

# House price index: historical data



Table 1. Average House Prices in England & Wales for the period March 2011 – February 2012

		House Price	Index	Monthly Change %	Annual Change %
March	2011	£224,406	228.5	0.2	1.0
April	2011	£222,129	226.2	-1.0	0.3
May	2011	£219,132	223.1	-1.3	-1.1
June	2011	£217,468	221.4	-0.8	-2.2
July	2011	£218,772	222.7	0.6	-2.0
August	2011	£220,405	224.4	0.7	-1.6
September	2011	£220,360	224.3	0.0	-1.6
October	2011	£220,750	224.7	0.2	-1.0
November	2011	£219,693	223.7	-0.5	-0.8
December	2011	£219,696	223.7	0.0	-0.9
January	2012	£219,361	223.3	-0.2	-1.3
February	2012	£219,844	223.8	0.2	-1.8

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**Dr Peter Williams, housing market specialist and Chairman of Acadametrics, comments:**

## House prices

The average house price in England and Wales now stands at 219,844, showing only a 0.2% increase of £483 over January prices. Over the last nine months, there has been little change in our smoothed average prices, with monthly movements being less than  $\pm 1.0\%$  and the price, at the end of the nine month period, just 0.3% higher than at the start. To all intents and purposes, we can justifiably describe the current market as being stable, despite the various financial crises - in particular those that relate to the Eurozone - that have taken place during 2011.

However, as one drills down to look at the housing market on a regional or even more local level, as we do in the graph below and in our analyses on pages 8 - 13, it is evident that the lack of change at national level masks significant regional movements in price.

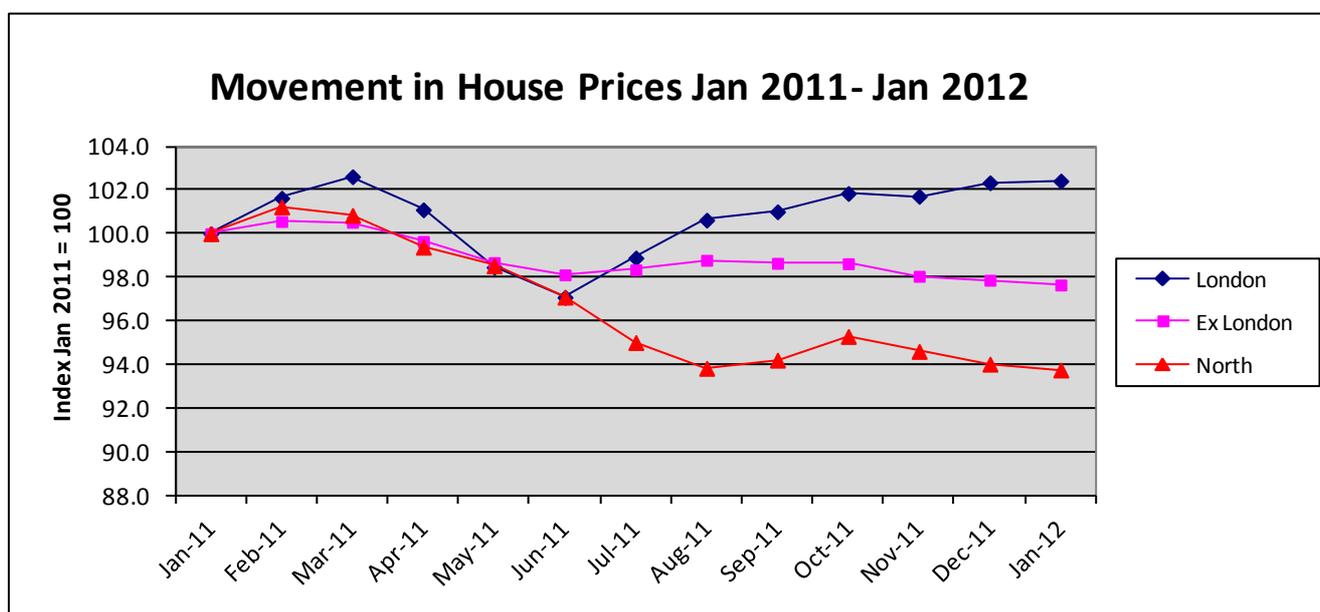


Figure 1. Comparison of house price movements in England & Wales, Jan 2011 – Jan 2012

Figure 1 compares the movement of house prices for the year from January 2011 (Index = 100.0) to January 2012. The graph compares Greater London with all regions in England & Wales, excluding Greater London, and the North. The pattern of house price movement in Greater London over the year is complicated by the effects of the introduction of a higher band of stamp duty (SDLT) on properties costing £1 million or more, which was introduced on 6th April 2011. Prices climbed to a peak in March 2011, probably as buyers sought to purchase such properties prior to the introduction of this higher rate of tax, and fell away thereafter. Given that Greater London has proportionately more high value properties than the rest of England and Wales, we would expect to see a stronger effect in London than elsewhere.

By May 2011 the three series above had converged but, from June 2011, prices in Greater London began to climb at a faster rate than in the rest of the country, whilst prices in the North continued to decline. Over the last few months of the year, prices in Greater London have continued to advance, although at a slower rate than that seen during the summer, whilst prices outside London continued to fall. By the end of the twelve months, prices in London had increased by 2.4%, whilst on average, prices excluding London were down -2.4% and prices in the North had fallen by -6.3%. The differences in price movements in these three areas indicate that, underneath a 'stable' market at national level, significant regional variations exist.



On an annual basis, average property prices have fallen by -1.8%, an increase over the -1.3% fall recorded in January. This is because the apparent sizeable fall this month is a consequence of price changes a year ago, when a higher proportion of purchasers were buying the £1 million plus properties, mentioned above, to avoid paying the new SDLT rates applicable from 6th April 2011. The resulting price rises, seen in February and March last year, were not replicated this year. Interestingly, as we discuss below, further changes to the SDLT rules, which will occur next month, are already having an influence on this month's housing market.

On a regional basis, Table 5 shows that both Greater London and Wales have experienced an increase in prices on an annual basis with all other regions seeing price falls. On a monthly basis, the South West and Greater London have seen price increases, prices in the West Midlands and Yorks & Humber have remained flat, with prices declining in all other regions.

The patterns of movement are complex and likely to continue. In the forthcoming Budget, the government is tightening rules to prevent SDLT avoidance and there is clearly a debate inside the Coalition about the reform of SDLT, partly as a consequence of further Liberal Democrat pressure regarding the so called Mansion Tax to be applied to homes valued at more than £2 million. Furthermore, the Scottish government announced this week that it will cease to collect SDLT in Scotland from April 2015 and will design a new property tax. The Scotland Bill, currently going through the UK Parliament, transfers control over SDLT to Holyrood, and revenue raised from this tax will remain in Scotland for use by the Scottish Government. Holyrood will, thus, be able to design a brand new land tax scheme, including rates and thresholds, to fit with its objectives for the Scottish property market.

The Westminster government has already rejected a revaluation of property for Council Tax purposes, highlighting the sensitivity that exists, given that the last revaluation in England was in 1991. In Wales, a revaluation for the Council Tax took effect in April 2005, based on April 2003 property values, and a ninth band paying 2.33 times the Band D rate was introduced. With revenues under pressure, no doubt reform of property taxation has moved considerably higher up the agenda.

The upturn in transactions discussed below and the January 2012 increase in mortgage approvals has led to a modest increase in market optimism, albeit this is from a very low base and influenced by the special factors applying around changes in SDLT. Quite clearly, there are a myriad of factors at play but, if there is better economic news in the spring months to come and mortgage supply continues to improve, there is a sense that the market could continue to move forward. The issue then might be dealing with the very obvious pent up demand.

## Housing Transactions

Table 2. The number of housing transactions per month, for the period March 2010 – February 2012, compared with the long term average (1995 – 2011).

Transactions	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
2010/2011	52,223	52,972	52,891	63,627	68,248	62,340	58,285	59,432	57,040	57,630	36,388	43,064
2011/2012 est	47,350	51,300	49,500	58,250	62,900	64,900	64,300	58,750	61,350	64,750	46,000	52,000
Long Term (1995 – 2011)	82,107	82,188	89,433	96,188	100,471	99,127	89,991	91,780	89,504	89,958	64,304	66,341
2010/11 % of long term	64%	64%	59%	66%	68%	63%	65%	65%	64%	64%	57%	65%
2011/12 % of Long Term	58%	62%	55%	61%	63%	65%	71%	64%	69%	72%	72%	78%

Source: Land Registry data and Acadametrics estimates



We currently estimate that housing transactions in England & Wales for February 2012 will total some 52,000 properties, which represents an increase of 13% over January 2012 levels and is 21% up on the same month last year. The main spur to this increase in housing activity is probably the ending of the SDLT holiday for first time buyers, which is currently due to cease on 24th March this year. The legislation currently gives a tax break for the first time buyer on properties costing between £125,000 and £250,000, which, at a SDLT rate of 1%, will provide a saving of between £1,250 and £2,500. The tax incentive, plus more competitive mortgage products coming to the market for the first time buyer, has seen an increase in activity amongst this group.

Ordinarily we would expect to see a 3% rise in transactions in February over January levels, so the extra 10% increase in the number of buyers this year represents an additional 4,600 properties being purchased across England & Wales.

We would suggest, however, that it was not just the tax break for first time buyers that caused the flurry of activity in February. As Figure 2 below indicates, there has been a steady increase in property sales since October 2011.

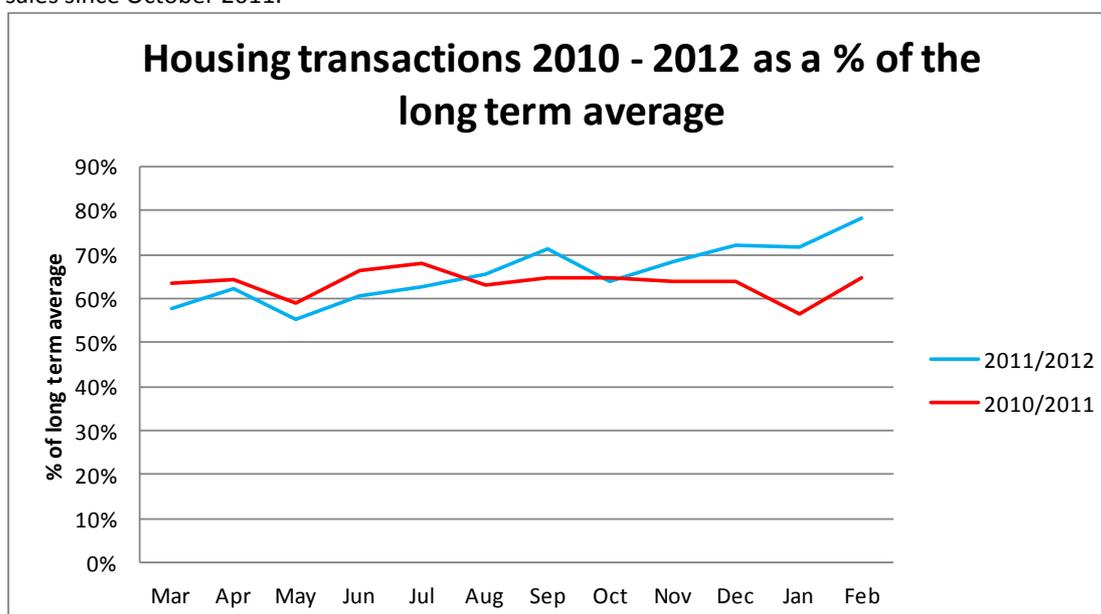


Figure 2. The number of housing transactions per month expressed as a percentage of the long term average.

Figure 2 shows that, during 2010, the monthly number of properties sold were relatively constant at 65% of the long term average. In January 2011, housing transactions dipped to 57% of the average and, until August 2011, ran at 5% below 2010 levels. Monthly sales then rose above the average in August 2011 and, with the exception of October 2011, have remained so in every month since then.

Some of this increase in activity has undoubtedly come from first time buyers seeking to take advantage of the stamp duty holiday. That said, we have also seen a pick-up in the buy to let sector of the market and, with perhaps more competitive mortgage products available, we are seeing a slow return towards more normal levels. It will be interesting to observe the extent to which the market falls away in April 2012, once the SDLT tax holiday for first time buyers has ended.

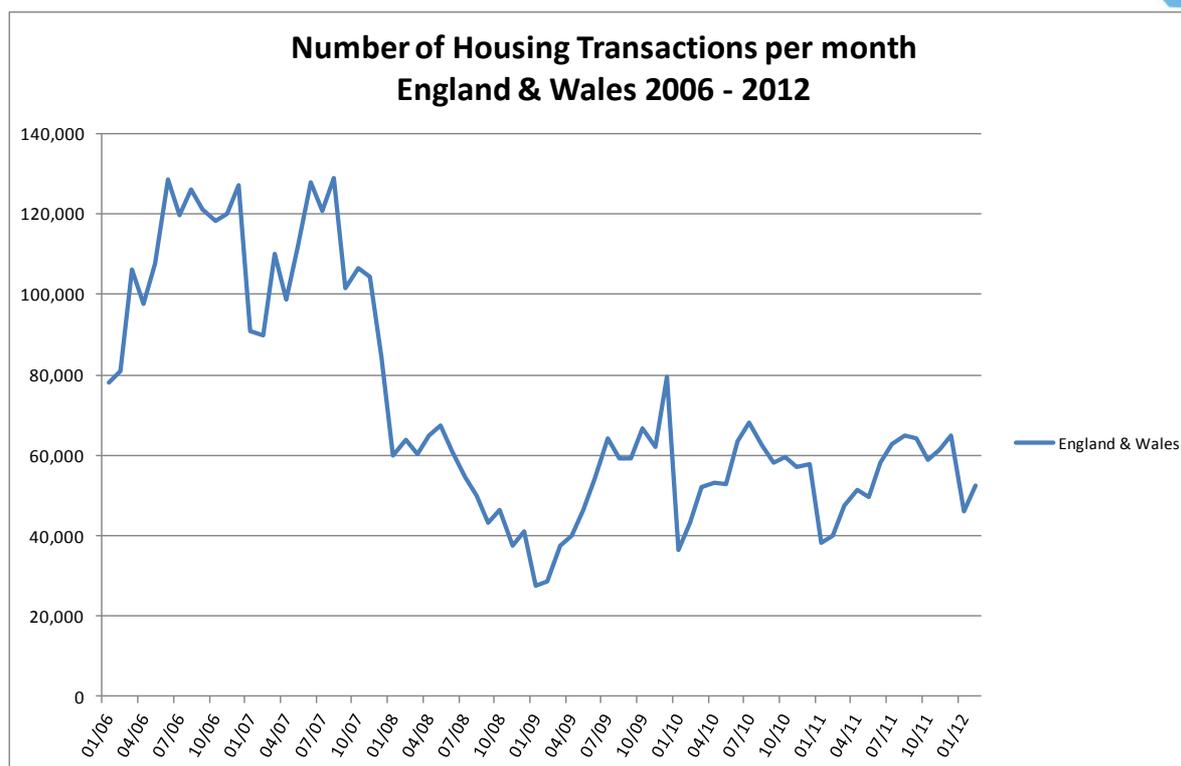


Figure 3. The number of housing transactions by month in England & Wales, 2006 - 2012 (not seasonally adjusted)

In normal years, a small (3%) increase in transaction levels in February over those in January would be expected, even though these two months are typically the quietest of the year, with sales not rebounding until March. This year, we have seen an increase of 13% in February property sales probably as a consequence of the first time buyer activity discussed above. In general, it is the lack of first time buyers that has resulted in transaction levels being some 35% below the long term average, although, over the last six months, we have seen some indications that the market is beginning to move back towards previously achieved levels.

The strengthening of the first time buyer market remains the key to a return to historic levels of house purchases, and the new government/industry mortgage indemnity scheme for first time buyers and other buyers of new homes will help a little. It is also evident that we need to see an easing of mortgage availability for second time buyers who still need high LTV loans. As the recent Halifax *Second Steppers* report makes clear, some 61% of existing owners who are seeking to sell their first home and move have been unable to do so over the last 12 months. This is a significant blockage in terms of added liquidity in the market. Here the efforts, by lenders and local authorities, to expand a local authority indemnified higher LTV scheme is very important.

#### NOTES

- LSL Acad E&W HPI is the only house price index to use:
  - the **actual** prices at which every property in England & Wales was transacted, including prices for properties bought with cash, using the factual Land Registry data as opposed to valuation estimates or asking prices
  - the price of **every** single relevant transaction, as opposed to prices based upon samples
- LSL Acad E&W HPI is a price series as opposed to a value series.
- the current month LSL Acad E&W HPI comprises a forecast of the LR outcome, using an academic "index of indices" model, pending release of sufficient real data from the Land Registry.
- LSL Acad E&W HPI forecasts are progressively replaced with real data, until every transaction reported to the Land Registry has been recorded and we have provided our LSL Acad E&W HPI "ultimate" data. All LSL Acad E&W HPI numbers, published prior to receipt of all transaction data, are subject to change; in publishing precise numbers for a number of reasons, we do not claim precision.
- the accuracy of our forecasts is shown monthly on the Acadametrics website [www.acadametrics.co.uk](http://www.acadametrics.co.uk) in our "[Development of Forecasts](#)" and in our "[Comparison of Indices](#)", which shows how each index, including the LSL Acad E&W HPI "forecast", compares with the LSL Acad E&W HPI, once sufficient factual Land Registry data have replaced forecast data, to enable LSL Acad E&W HPI to approach the "ultimate" results.
- the Acadametrics website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.
- Acadametrics is an independent privately owned consultancy working with Dr Stephen Satchell, Economics Fellow Trinity College Cambridge, and specialises in the assessment of risk in property and mortgage portfolios.
- Acadametrics Prices and Transactions ([sample here](#)), which exclude any forecast element, underlie the LSL Acad E&W HPI data and are available upon subscription for organisations needing the factual month by month Land Registry prices, at county/London borough level by property type, for e.g. property portfolio valuation, planning and advisory purposes.

# Comparison of indices

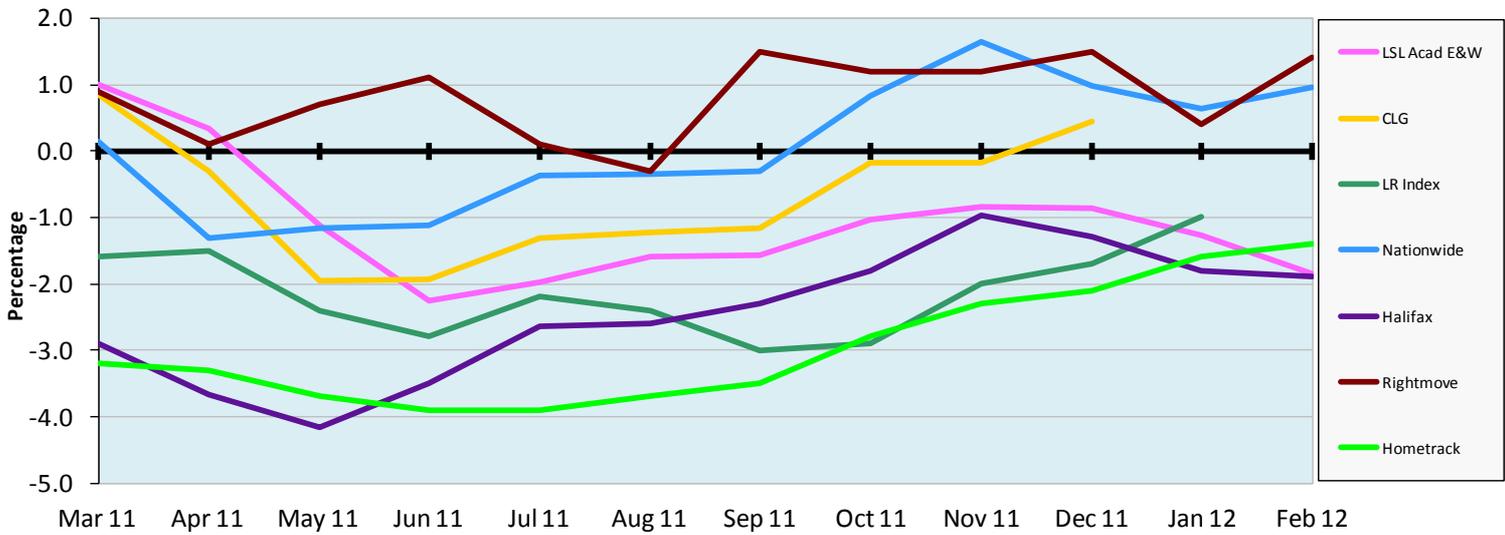


Figure 4. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

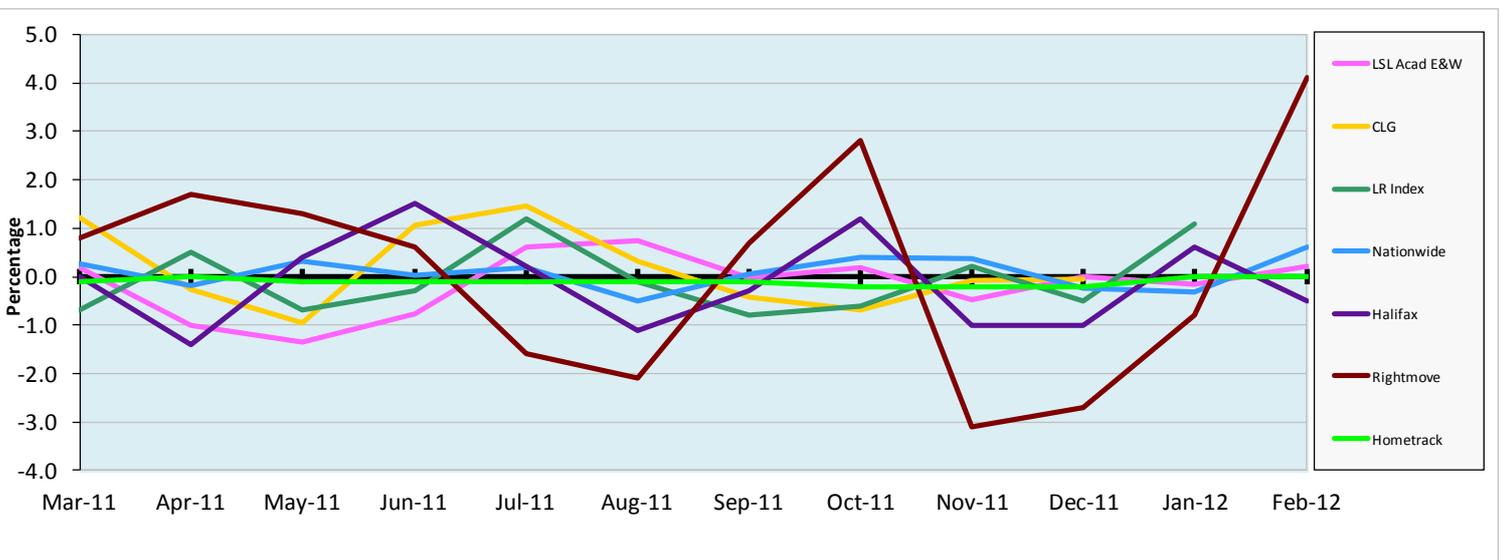


Figure 5. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

# Regional analysis of house prices



The fact that we average our house price changes over each past three month period, in order to minimise volatility, is especially helpful in examining trends at regional level where monthly changes might otherwise mask trends. The results show that both Greater London and Wales are experiencing year on year price growth, whilst all other regions have seen a decline in prices. Only two regions, the West Midlands and the South West, have seen price falls moderate this month, compared to last. The North and North West regions continue to have the most severe decline in prices, but are now joined, somewhat unexpectedly, by falling prices in the South East.

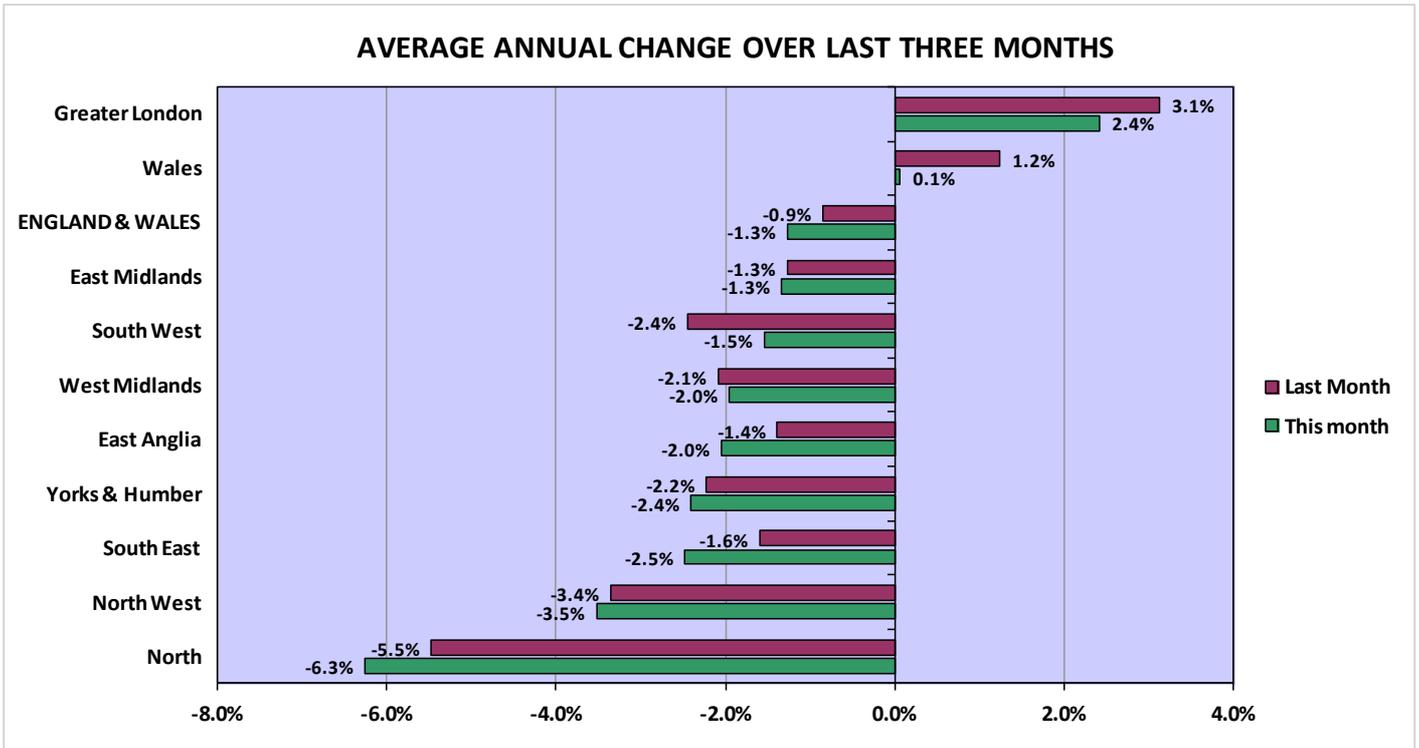


Figure 6. The annual change in the average house price, analysed by region

## ANNUAL CHANGE IN PRICE BY REGION

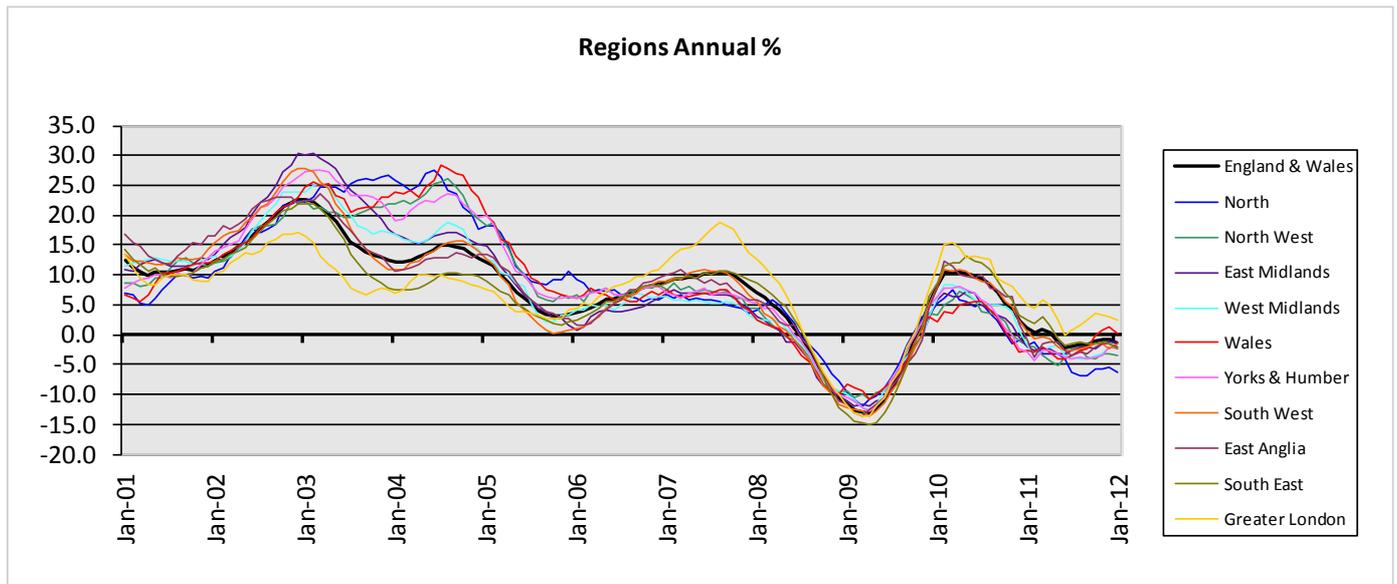


Figure 7. A comparison of the annual change in house prices, by region for the period Jan 2001 - Jan 2012

Note that individual regions can be compared using our "National and Regional series from 1995 with Interactive Charts", linked from page 6 NOTE 5 above and from our covering email; timescales can be varied for clarity. Numerous other comparisons are facilitated in this and other interactive charts available through the same links.



Table 3. The annual change in mix adjusted house prices, for the 33 London boroughs, over the period January 2011 - 2012.

AVERAGE HOUSE PRICES BY LONDON BOROUGH				
RANK BY PRICE	LONDON BOROUGH	Jan-11	Jan-12	% Change
1	KENSINGTON AND CHELSEA	1,171,111	1,327,336	13.3%
2	CITY OF WESTMINSTER	857,779	893,132	4.1%
3	CAMDEN	701,903	666,599	-5.0%
4	HAMMERSMITH AND FULHAM	584,978	609,549	4.2%
5	RICHMOND UPON THAMES	554,779	571,915	3.1%
6	CITY OF LONDON	572,989	516,815	-9.8%
7	WANDSWORTH	463,711	494,888	6.7%
8	ISLINGTON	494,421	488,933	-1.1%
9	BARNET	428,025	443,547	3.6%
10	SOUTHWARK	411,366	400,149	-2.7%
11	EALING	378,721	391,225	3.3%
12	MERTON	376,286	386,876	2.8%
13	HARINGEY	396,104	380,887	-3.8%
14	HACKNEY	364,309	375,145	3.0%
15	BRENT	359,640	371,124	3.2%
16	LAMBETH	359,388	368,232	2.5%
17	TOWER HAMLETS	349,265	359,841	3.0%
18	KINGSTON UPON THAMES	344,521	353,396	2.6%
19	HOUNSLOW	354,779	336,866	-5.0%
20	HARROW	320,377	319,158	-0.4%
21	BROMLEY	305,683	316,529	3.5%
22	HILLINGDON	277,998	283,479	2.0%
23	GREENWICH	284,803	282,281	-0.9%
24	ENFIELD	286,312	281,293	-1.8%
25	REDBRIDGE	295,076	281,105	-4.7%
26	SUTTON	246,876	265,725	7.6%
27	LEWISHAM	255,001	258,370	1.3%
28	CROYDON	244,347	238,405	-2.4%
29	WALTHAM FOREST	223,817	237,958	6.3%
30	HAVERING	235,421	237,655	0.9%
31	NEWHAM	209,864	223,362	6.4%
32	BEXLEY	217,820	211,353	-3.0%
33	BARKING AND DAGENHAM	182,034	176,316	-3.1%
	ALL LONDON	385,074	394,380	2.4%

This month, we publish the average house price for each of the 33 London boroughs for both January 2011 and 2012 and show the percentage change over the year. Over this period, the average price for London as a whole has risen by 2.4%, but there is considerable variation, from +13.3% to -9.8%, at the individual borough level. The four boroughs highlighted have all reached a new peak price, exceeding the levels recorded during the property boom of 2007. It is interesting that these four boroughs are in the top half of all London boroughs in terms of price, but none are of central prime location. The influence of foreign purchasers in these boroughs is less than for central London, suggesting that domestic home demand is also a strong factor in these inner city areas.

This month, 13 of the 33 London boroughs have seen average prices fall, which is the same number as last month. Based upon this relatively simplistic statistic, as a quick guide to the state of the market, we conclude that there has been little change over the last month.



Table 4. The annual change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England and Wales, over the period January 2011 – 2012

## AVERAGE HOUSE PRICES BY COUNTY / UNITARY AUTHORITY SORTED BY REGION

RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Jan-11	Jan-12	% Change
21	CAMBRIDGESHIRE	235,546	228,374	-3.0%
81	CITY OF PETERBOROUGH	139,917	141,946	1.5%
51	NORFOLK	183,249	178,750	-2.5%
41	SUFFOLK	201,301	198,697	-1.3%
	<b>EAST ANGLIA</b>	<b>198,541</b>	<b>194,472</b>	<b>-2.0%</b>
89	CITY OF DERBY	133,235	132,901	-0.3%
100	CITY OF NOTTINGHAM	115,111	111,816	-2.9%
66	DERBYSHIRE	161,676	156,985	-2.9%
84	LEICESTER	141,201	137,669	-2.5%
47	LEICESTERSHIRE	183,078	182,632	-0.2%
71	LINCOLNSHIRE	151,633	151,821	0.1%
52	NORTHAMPTONSHIRE	178,970	177,648	-0.7%
67	NOTTINGHAMSHIRE	158,526	154,637	-2.5%
10	RUTLAND	294,167	282,015	-4.1%
	<b>EAST MIDLANDS</b>	<b>161,576</b>	<b>159,413</b>	<b>-1.3%</b>
	<b>GREATER LONDON</b>	<b>385,074</b>	<b>394,380</b>	<b>2.4%</b>
62	CUMBRIA	177,038	159,675	-9.8%
90	DARLINGTON	153,430	130,563	-14.9%
96	DURHAM	123,378	119,991	-2.7%
102	HARTLEPOOL	120,480	106,284	-11.8%
98	MIDDLESBROUGH	105,542	116,682	10.6%
65	NORTHUMBERLAND	181,137	157,428	-13.1%
92	REDCAR AND CLEVELAND	133,286	128,011	-4.0%
78	STOCKTON-ON-TEES	145,506	144,126	-0.9%
88	TYNE AND WEAR	139,443	134,044	-3.9%
	<b>NORTH</b>	<b>146,439</b>	<b>137,279</b>	<b>-6.3%</b>
97	BLACKBURN WITH DARWEN	118,055	119,635	1.3%
104	BLACKPOOL	104,140	104,472	0.3%
39	CHESHIRE	207,577	202,095	-2.6%
77	GREATER MANCHESTER	152,892	144,780	-5.3%
93	HALTON	125,796	127,873	1.7%
80	LANCASHIRE	148,281	143,560	-3.2%
83	MERSEYSIDE	142,792	139,042	-2.6%
48	WARRINGTON	182,996	181,423	-0.9%
	<b>NORTH WEST</b>	<b>154,662</b>	<b>149,210</b>	<b>-3.5%</b>
32	BEDFORDSHIRE	216,465	208,243	-3.8%
12	BRACKNELL FOREST	277,801	258,603	-6.9%
11	BRIGHTON AND HOVE	261,663	268,763	2.7%
3	BUCKINGHAMSHIRE	342,606	339,096	-1.0%
20	EAST SUSSEX	235,065	230,756	-1.8%
17	ESSEX	244,147	236,914	-3.0%
13	HAMPSHIRE	267,752	257,442	-3.9%
5	HERTFORDSHIRE	308,868	304,893	-1.3%
44	ISLE OF WIGHT	206,328	194,082	-5.9%
22	KENT	237,502	226,054	-4.8%
69	LUTON	150,868	153,192	1.5%
63	MEDWAY	160,474	158,949	-1.0%

# Counties and unitary authorities



RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Jan-11	Jan-12	% Change
36	MILTON KEYNES	204,481	204,299	-0.1%
6	OXFORDSHIRE	318,247	302,186	-5.0%
60	PORTSMOUTH	165,856	161,577	-2.6%
25	READING	221,637	219,586	-0.9%
42	SLOUGH	195,013	198,029	1.5%
54	SOUTHAMPTON	178,410	170,176	-4.6%
38	SOUTHEND-ON-SEA	199,864	202,869	1.5%
2	SURREY	385,881	384,340	-0.4%
53	THURROCK	174,548	173,698	-0.5%
8	WEST BERKSHIRE	308,973	288,203	-6.7%
14	WEST SUSSEX	267,051	256,901	-3.8%
1	WINDSOR AND MAIDENHEAD	401,955	399,698	-0.6%
4	WOKINGHAM	317,395	308,784	-2.7%
	<b>SOUTH EAST</b>	<b>266,200</b>	<b>259,601</b>	<b>-2.5%</b>
7	BATH AND NORTH EAST SOMERSET	295,875	292,538	-1.1%
30	BOURNEMOUTH	202,662	212,490	4.8%
31	CITY OF BRISTOL	200,945	209,876	4.4%
68	CITY OF PLYMOUTH	154,762	153,657	-0.7%
28	CORNWALL	233,179	215,442	-7.6%
19	DEVON	244,056	232,101	-4.9%
15	DORSET	256,602	256,063	-0.2%
18	GLOUCESTERSHIRE	243,459	233,052	-4.3%
29	NORTH SOMERSET	218,235	214,445	-1.7%
9	POOLE	259,395	283,506	9.3%
34	SOMERSET	205,417	207,356	0.9%
35	SOUTH GLOUCESTERSHIRE	206,293	207,072	0.4%
57	SWINDON	163,551	166,704	1.9%
50	TORBAY	180,434	178,804	-0.9%
16	WILTSHIRE	247,021	239,042	-3.2%
	<b>SOUTH WEST</b>	<b>225,005</b>	<b>221,525</b>	<b>-1.5%</b>
108	BLAENAU GWENT	73,898	82,060	11.0%
86	BRIDGEND	137,846	136,969	-0.6%
95	CAERPHILLY	124,474	121,257	-2.6%
45	CARDIFF	181,753	186,013	2.3%
85	CARMARTHENSHIRE	142,087	137,398	-3.3%
46	CEREDIGION	190,275	182,965	-3.8%
64	CONWY	162,249	157,801	-2.7%
82	DENBIGHSHIRE	143,984	140,959	-2.1%
70	FLINTSHIRE	156,386	152,555	-2.4%
61	GWYNEDD	152,154	159,939	5.1%
58	ISLE OF ANGLESEY	168,096	165,923	-1.3%
106	MERTHYR TYDFIL	100,815	94,325	-6.4%
26	MONMOUTHSHIRE	208,333	219,467	5.3%
101	NEATH PORT TALBOT	116,752	108,184	-7.3%
75	NEWPORT	148,442	148,137	-0.2%
55	PEMBROKESHIRE	171,657	170,150	-0.9%
49	POWYS	181,629	179,871	-1.0%
103	RHONDDA CYNON TAFF	105,073	105,215	0.1%
79	SWANSEA	148,063	143,777	-2.9%
33	THE VALE OF GLAMORGAN	187,223	207,554	10.9%
91	TORFAEN	126,157	129,917	3.0%

# Counties and unitary authorities



RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Jan-11	Jan-12	% Change
72	WREXHAM	160,248	150,935	-5.8%
	<b>WALES</b>	<b>152,099</b>	<b>152,200</b>	<b>0.1%</b>
27	HEREFORDSHIRE	213,273	215,864	1.2%
40	SHROPSHIRE	210,935	199,848	-5.3%
56	STAFFORDSHIRE	176,819	166,860	-5.6%
105	STOKE-ON-TRENT	95,022	98,543	3.7%
23	WARWICKSHIRE	215,626	222,753	3.3%
73	WEST MIDLANDS	153,572	149,828	-2.4%
37	WORCESTERSHIRE	207,456	203,415	-1.9%
76	WREKIN	152,878	146,719	-4.0%
	<b>WEST MIDLANDS</b>	<b>173,390</b>	<b>169,997</b>	<b>-2.0%</b>
107	CITY OF KINGSTON UPON HULL	100,282	94,272	-6.0%
59	EAST RIDING OF YORKSHIRE	168,829	163,802	-3.0%
99	NORTH EAST LINCOLNSHIRE	113,762	114,812	0.9%
94	NORTH LINCOLNSHIRE	128,534	125,736	-2.2%
24	NORTH YORKSHIRE	222,165	221,483	-0.3%
87	SOUTH YORKSHIRE	139,926	134,991	-3.5%
74	WEST YORKSHIRE	152,980	149,011	-2.6%
43	YORK	201,639	196,920	-2.3%
	<b>YORKS &amp; HUMBER</b>	<b>156,972</b>	<b>153,195</b>	<b>-2.4%</b>
	<b>ALL ENGLAND &amp; WALES</b>	<b>222,186</b>	<b>219,361</b>	<b>-1.3%</b>

This month we publish the average house price for each of the 108 Counties and Unitary Authorities in England & Wales, for both January 2011 and 2012, and show the percentage change over the year. Over this period, the average house price in England & Wales, as a whole, has fallen by -1.3%, but considerable variation, from +11.0% (Blaenau Gwent) to -14.9% (Darlington) occurs at the individual Unitary Authority level. Over the year, 81 of the 108 Unitary Authority areas, some 75%, have witnessed a decline in prices. Last month the equivalent figure was 80.

# Regional data table



Table 5. Average house prices by region, February 2011 - January 2012, with monthly and annual % growth

	North			North West			East Midlands			West Midlands		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Feb-11	£148,240	1.2	-1.4	£154,713	0.0	-2.2	£161,523	0.0	-2.7	£172,259	-0.7	-3.7
Mar-11	£147,669	-0.4	-3.1	£153,251	-0.9	-3.5	£160,700	-0.5	-2.2	£171,830	-0.2	-2.6
Apr-11	£145,530	-1.4	-3.1	£152,274	-0.6	-4.4	£159,642	-0.7	-2.3	£171,068	-0.4	-2.1
May-11	£144,278	-0.9	-3.3	£150,584	-1.1	-5.1	£158,617	-0.6	-3.3	£170,974	-0.1	-1.7
Jun-11	£142,174	-1.5	-4.2	£151,127	0.4	-3.9	£159,403	0.5	-3.3	£169,407	-0.9	-3.5
Jul-11	£139,123	-2.1	-6.2	£152,568	1.0	-2.4	£159,811	0.3	-2.6	£168,571	-0.5	-3.7
Aug-11	£137,392	-1.2	-6.7	£153,313	0.5	-2.4	£160,253	0.3	-2.2	£169,628	0.6	-4.1
Sep-11	£137,940	0.4	-7.0	£152,627	-0.4	-3.8	£160,153	-0.1	-2.2	£169,431	-0.1	-4.2
Oct-11	£139,534	1.2	-5.9	£151,796	-0.5	-4.0	£159,870	-0.2	-2.3	£170,523	0.6	-3.5
Nov-11	£138,528	-0.7	-5.8	£151,199	-0.4	-3.3	£160,205	0.2	-1.5	£169,185	-0.8	-3.2
Dec-11	£137,671	-0.6	-5.5	£150,289	-0.6	-3.4	£159,548	-0.4	-1.3	£170,008	0.5	-2.1
Jan-12	£137,279	-0.3	-6.3	£149,210	-0.7	-3.5	£159,413	-0.1	-1.3	£169,997	0.0	-2.0

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Feb-11	£152,798	0.5	-2.9	£155,811	-0.7	-4.3	£226,505	0.7	-0.6	£198,766	0.1	-3.9
Mar-11	£152,582	-0.1	-2.2	£156,502	0.4	-2.8	£224,256	-1.0	-0.4	£200,232	0.7	-1.6
Apr-11	£150,614	-1.3	-3.0	£155,925	-0.4	-2.6	£223,999	-0.1	-0.7	£199,756	-0.2	-1.2
May-11	£148,837	-1.2	-4.0	£154,252	-1.1	-3.2	£222,076	-0.9	-2.1	£200,053	0.1	-1.3
Jun-11	£149,017	0.1	-4.2	£152,789	-0.9	-3.8	£220,439	-0.7	-2.6	£198,169	-0.9	-2.7
Jul-11	£149,869	0.6	-3.5	£152,671	-0.1	-4.0	£220,397	0.0	-2.7	£198,058	-0.1	-3.6
Aug-11	£151,773	1.3	-2.5	£154,087	0.9	-3.8	£220,642	0.1	-2.4	£198,000	0.0	-3.1
Sep-11	£151,979	0.1	-2.4	£153,734	-0.2	-4.0	£222,177	0.7	-2.0	£197,833	-0.1	-3.2
Oct-11	£154,752	1.8	-0.1	£153,091	-0.4	-3.7	£222,214	0.0	-1.6	£197,587	-0.1	-2.2
Nov-11	£154,243	-0.3	0.7	£152,534	-0.4	-3.5	£221,179	-0.5	-1.4	£196,717	-0.4	-1.4
Dec-11	£153,796	-0.3	1.2	£153,262	0.5	-2.2	£220,904	-0.1	-2.4	£195,745	-0.5	-1.4
Jan-12	£152,200	-1.0	0.1	£153,195	0.0	-2.4	£221,525	0.3	-1.5	£194,472	-0.7	-2.0

	South East			Greater London			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Feb-11	£269,916	1.4	2.0	£391,348	1.6	4.3		£223,969	0.8	0.2
Mar-11	£271,481	0.6	3.0	£395,145	1.0	5.7		£224,406	0.2	1.0
Apr-11	£267,511	-1.5	1.6	£389,300	-1.5	5.0		£222,129	-1.0	0.3
May-11	£263,749	-1.4	-0.6	£379,144	-2.6	2.5		£219,132	-1.3	-1.1
Jun-11	£261,783	-0.7	-1.8	£373,821	-1.4	-0.2		£217,468	-0.8	-2.2
Jul-11	£263,531	0.7	-1.7	£380,780	1.9	0.6		£218,772	0.6	-2.0
Aug-11	£265,174	0.6	-1.4	£387,472	1.8	1.7		£220,405	0.7	-1.6
Sep-11	£263,912	-0.5	-1.6	£388,947	0.4	2.6		£220,360	0.0	-1.6
Oct-11	£263,202	-0.3	-1.4	£392,184	0.8	3.6		£220,750	0.2	-1.0
Nov-11	£260,837	-0.9	-1.3	£391,675	-0.1	3.3		£219,693	-0.5	-0.8
Dec-11	£260,197	-0.2	-1.6	£394,078	0.6	3.1		£219,696	0.0	-0.9
Jan-12	£259,601	-0.2	-2.5	£394,380	0.1	2.4		£219,361	-0.2	-1.3
Feb-12								£219,844	0.2	-1.8



1. LSL Acad E&W HPI is derived from Land Registry (LR) house price data, seasonally and mix adjusted by property type. © Crown copyright material reproduced with the permission of Land Registry. The prices are smoothed to show underlying trends. LSL Acad E&W HPI includes cash purchase prices and is the only index based upon the **complete, factual**, house price data for England & Wales, as opposed to a sample.
2. most indices employ data available to the provider as result of its business; index methodologies are designed to exploit the advantages and overcome the disadvantages of each particular dataset; a valuation series (whether the values are professionally estimated at e.g. time of mortgage offer or by an estate agent) is not the same as a price series; price series (LSL Acad E&W HPI, CLG and LR) can be prepared only when the prices at which properties have been transacted have been recorded at LR (LSL Acad E&W HPI and LR) or when firm prices at mortgage completion (CLG) have been made available by lenders; valuation series can be prepared whenever the data e.g. asking or mortgage offer prices are available to the provider; publicity accrues to those indices which are released first; indices published at or before month end are likely to employ data for the current and prior months. LR overcomes the delay in availability of full LR transaction data by using only the prices of properties for which two prices are recorded at LR and the published American Case Shiller methodology, developed to prepare indices for metropolitan districts, since the USA lacks a central Land Registry. LSL Acad E&W HPI overcomes the above delay with an “index of indices” forecasting model, purpose developed by Dr Stephen Satchell Economics Fellow Trinity College Cambridge and Dr George Christodoulakis, then at the Sir John Cass Business School; of the price series, LSL Acad E&W HPI, LR and CLG are published in that order.
3. LSL Acad E&W HPI provides prices at national and regional level to 1995 and, at county/London borough level, to 2000; back-cast national prices for graphing are available to 1987.
4. at **national** level, only some 60,000 monthly transactions now occur compared with at least 100,000 in past markets. For any given month, c.33% (20,000) of these will be reported to LR by month end. When monthly sales were c.100,000, we found that using the initial 15,000 transactions then reported to LR, introduced volatility into our first LSL Acad E&W HPI result. Rather than rely upon a small sample, likely to be unrepresentative, LSL Acad E&W HPI therefore employs the above “index of indices”, and a series of auto regression and averaging models. After the elapse of one month, LR provides c.85% of the transactions for the prior month, used to replace the initial LSL Acad E&W HPI “forecast” with a first LSL Acad E&W HPI “update” result. A further month later, LR provides c.90% of transactions, used to replace the first, with a second, LSL Acad E&W HPI “update” result. Three months after any given month, LR provides c.95 % of the month’s transactions, sufficient to enable us to describe our next update as an LSL Acad E&W HPI “final” index, closely approximating the LSL Acad E&W HPI “ultimate” results; LSL Acad E&W HPI “ultimate” includes the price of virtually every single LR transaction for the month, smoothed, seasonally and mix adjusted; the first LSL Acad E&W HPI “update” now uses c.37,000 real transactions for the month (as well as, by smoothing, c.40,000 transactions for the prior month); only CLG with, this year, 28,000 mortgage completions (and the Rightmove asking price index) have specified comparable data volumes; lender index data volumes are not quantified; the Halifax HPI employs three month smoothing for annual change results but not for other results; Hometrack provides survey data and specifies that theirs is a survey, not an index; current results are showing a divide between indices with more, and indices with less, data volumes.
5. in each of the 10 **regions**, an average of only some 6,000 transactions now occur monthly; hence, we wait one month, pending receipt from LR of the c.85% sample and provide monthly results one month in arrears of the most recent month. In our Regional data table, **red** data represent LSL Acad E&W HPI “forecast” results, **blue** data represent LSL Acad E&W HPI “update” results and black data represent the LSL Acad E&W HPI “final” index.
6. at **county and London borough** levels, c.60,000 national monthly transactions, spread over 10 regions and 108 counties and 33 London boroughs, provide an average of only c.425 house prices monthly within each sub-district. Even delayed one and smoothed over three months, LSL Acad E&W HPI is indicative until we are able to publish the LSL Acad E&W HPI “final” index using the LR 95% sample. LSL Acad E&W HPI data are calculated on a consistent basis from county and London borough through to region and ultimately to national level; at every level, the current month price represents the average of the prices for the current month and for the prior and subsequent months (“three month, centre month smoothed”). LR employs a “four month, end month smoothed”, process for county/London borough data, but not for national and regional results.
7. **data limitations** are not confined to volumes. LSL Acad E&W HPI and the LR index are unable to distinguish between 3, 4 or 5 bedroom houses or between those with 2, 1 or even no bathroom; the lender hedonic indices and the CLG mix adjusted index do so. LR data exclude commercial and, thus, auction sales and do not reflect repossession prices on the grounds that such prices do not reflect those between a willing buyer and a willing seller; some feel that auction prices represent true market prices; others believe that the repossession price of a recent new build flat in Manchester is not (at least not yet) reflected in the price of a flat in an upmarket area.
8. LSL Acad E&W HPI is prepared from Land Registry data using a methodology designed to provide a “true measure of house price inflation”; Acadametrics does not guarantee the accuracy of the LSL Acad E&W HPI results and Acadametrics shall not be liable for any loss or damage, whatsoever, consequential upon any error, incorrect description of or inadequacy in the data; persons using the data do so entirely at their own risk; LSL Acad E&W HPI is freely provided for publication with due attribution to Acadametrics. Permission is required for any commercial use of the data.
9. The monthly, smoothed, average Land Registry prices at regional, county and London borough level by property type, which underlie LSL Acad E&W HPI, together with historic data are available from Acadametrics as in page 5 NOTE 7 above.
10. LSL Acad E&W HPI was published under the name FTHPI from September 2003 until December 2009.