

LSL Property Services/Acadameetrics England & Wales House Price Index

FEBRUARY 2013

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 8TH MARCH 2013

House prices climb £1,355 in February

- The average house price in England & Wales is now only 1% off its previous peak in February 2008
- Sales soar 15% in February as mortgage availability rises and bank funding conditions improve

House Price	Index	Monthly Change %	Annual Change %
£229,544	233.7	0.6	3.7

Richard Sexton, director of e.surv comments: "February's figures paint a much warmer picture for the housing market. Values have climbed £8,154 in the past twelve months and the 0.6% monthly increase in February is one of the biggest monthly increases seen in the past fifteen months.

"The housing market is beginning to change gears and pick up some momentum. February sales leapt up by 15%: that's five times the usual seasonal rise thanks to improved mortgage availability and cheaper funding. The Funding for Lending scheme is allowing lenders to reduce mortgage rates and this has led to a mini-revival in the first time buyer market. High LTV lending is forming a bigger overall share of lending and credit scoring is easing.

"On a regional level, disparities are growing and London remains in a different league to the rest of the country. On the opposite side of the spectrum Wales experienced the largest fall in annual house prices of -0.6%. And there is a word of warning. Despite gradually improving mortgage availability, cash buyers are accounting for around a third of all house sales illustrating the market is still depending on them to help sustain activity, with high value property in London seen as shielded against the difficult economic conditions in Europe.

"And despite the improvements in the mortgage market, funding conditions are still tight for lenders and they are under extreme pressure to increase the mortgage funding on offer. It is also unclear what impact the weak sterling may have on the economy over the next few months.

"There are hopes the government will announce a new mortgage indemnity scheme to encourage higher loan to value lending in this month's budget. If funding conditions remain favourable for banks and if rates remain low, there is good reason to believe the housing market will kick on and see a strong spring growth spurt."

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

House price index: historical data



Table 1. Average House Prices in England & Wales for the period February 2012 – February 2013

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
February	2012	£221,390	225.4	0.4	-1.2
March	2012	£223,378	227.4	0.9	-0.5
April	2012	£224,431	228.5	0.5	1.0
May	2012	£226,900	231.0	1.1	3.5
June	2012	£227,047	231.2	0.1	4.4
July	2012	£226,989	231.1	0.0	3.7
August	2012	£226,206	230.3	-0.3	2.6
September	2012	£226,745	230.9	0.2	2.8
October	2012	£227,175	231.3	0.2	2.9
November	2012	£227,431	231.5	0.1	3.6
December	2012	£227,456	231.6	0.0	3.5
January	2013	£228,189	232.3	0.3	3.5
February	2013	£229,544	233.7	0.6	3.7

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

House prices

The average price paid for a house in February rose by £1,355 (0.6%) from that paid in January. Over the last fifteen months the monthly price index has fallen in only one month (August 2012), with all the other months seeing percentage increases of between 0.0% and 1.1% in the average price. The February rate of +0.6% is the third highest monthly increase in prices over the last fifteen months.

The black trend line in Figure 1 below shows the movement in house prices in England and Wales over the last twelve months, and supports the view of slow growth during the period. However, the red line, which records the actual movement in the average price, shows that over the year there have been two distinct periods in the market. The first shows a relatively high growth in prices of +2.9% from February to May 2012, followed by a slower period of price uplift. The boost in prices in February 2013 has placed the monthly rate slightly ahead of the trend-line. It will be interesting to see whether the rise in prices during the spring months of 2013 will continue at the higher rates of spring 2012. Although higher stamp duty and other costs have had an impact, the London market continues to power ahead, as can be seen in Figure 2. Figures 4 and 5 also show that most if not all indices are now showing positive growth, leading to the conclusion that we are likely to see more house price inflation.

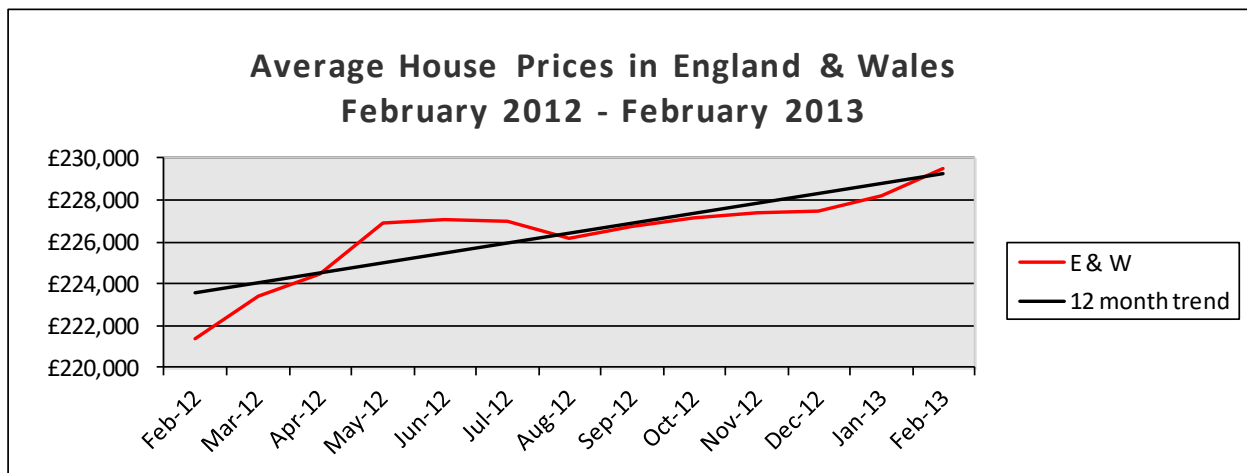


Figure 1. The Average House Price in England & Wales, February 2012 – February 2013

[link to source Excel](#)

Over the last year average house prices in England & Wales have risen by 3.7%, which is just ahead of the annual rate of inflation (RPI was 3.3% in January). The average house price in February 2013 now stands at £229,544, which is £2,285, or 1.0%, below the peak price seen in February 2008. It is worth remembering that prices during the housing crisis fell by 13.6% from the peak, so the current position of 1.0% off that peak shows how the market has recovered over the last five years.

Will the current decline in sterling's value upset the housing market? In the short term the answer is probably not. House prices as expressed in foreign currencies will look increasingly attractive, which is likely to encourage further investment in the London markets by foreign buyers looking for a safe haven for their funds. The Bank of England has overseen a sustained decline in sterling, partly in an attempt to boost exports. However this has proved difficult to achieve, and at the same time a weak pound has helped fuel inflation. The recent discussion concerning negative interest rates is interesting here: this was triggered by comments from Paul Tucker, a member of the MPC and a Deputy Governor, about deposits with the Bank. If a lower base rate ever did come to pass, which seems unlikely at present, we could see savings rates drop further. This would then reduce the capacity to fund mortgages given that retail savings are now the key source of mortgage finance, apart from the temporary Funding for Lending scheme.

Nevertheless, the next Budget is due on March 20th and rumours abound that the government will announce a new mortgage indemnity scheme to support higher loan to value lending. However, raising demand during a period in which new supply continues to be well below any sensible measure of what is needed does raise serious questions. With weak sterling adding to that demand, as well as a clear move by many investors towards property purchase as a hedge against inflation, there are significant stresses and strains in the current market.

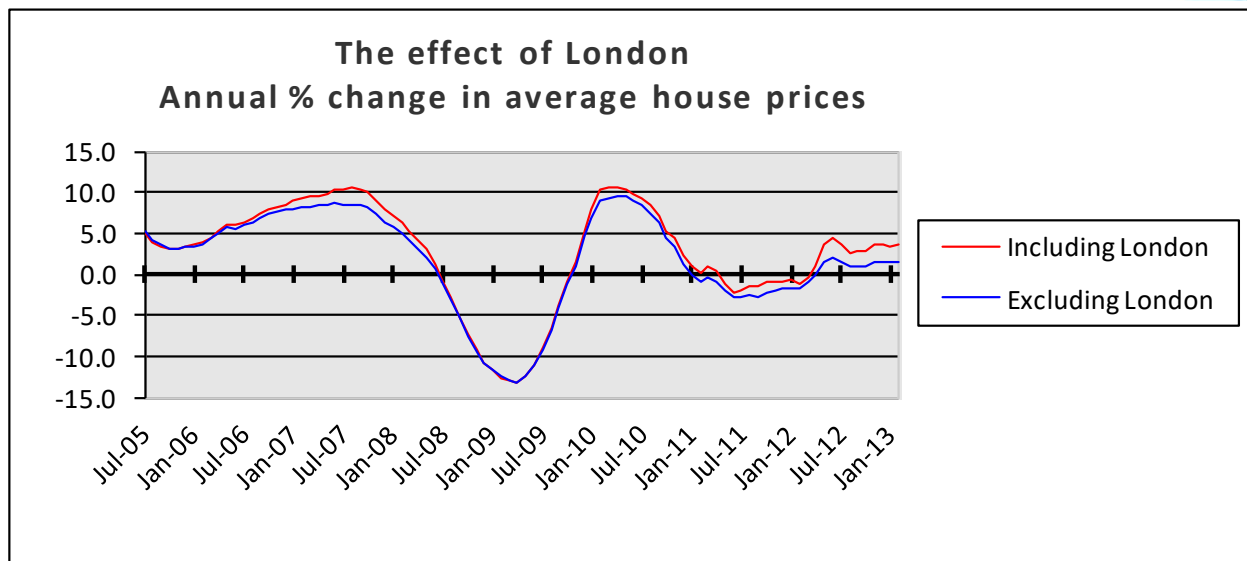


Figure 2. The Average House Price in England & Wales, July 2005 – February 2013, including and excluding Greater London properties [link to source Excel](#)

Housing Transactions

January and February are normally the quietest months of the year for housing transactions. February is the slightly busier of the two months, with January less so due to the Christmas period, and consequent lack of completions the following month. On average, there is a 3% increase in activity in February compared to January, but this year we estimate that the increase will be closer to 15%. This suggests a rally in property transactions, although only time will tell how long this rally will last.

One area of growth reported by the CML is that of the first time buyer, with 2012 seeing the largest number of borrowers buying their first home for five years. Activity during the last quarter of 2012 in the first time buyer sector of the market across the UK was up 14% compared to the fourth quarter of 2011. This compares with figures which show that in the general housing market there was a decline of 1% in the number of properties purchased in the last quarter of 2012 compared to the last quarter of 2011.

The CML are also reporting increased activity among buy-to-let landlords with 12% of all housing mortgages in 2012 being in this sector, compared to a low of 9% of all housing mortgages in 2010. We would expect, subject to any new initiatives by government and lenders, that the buy-to-let market will continue to grow. Although there is unmet demand for home purchase, property investors have access to interest-only loans and can offset mortgage costs in terms of tax liabilities. Given the 'collapse' of the savings market for retail savers, along with the shortage of alternative investment opportunities for institutional investors, we would expect to see strong growth throughout the year in the purchase of properties to rent out. Any government measures to help boost first time buyer demand will only add to price competition, which may bring more existing owners back into the market, hence pushing transaction numbers higher.

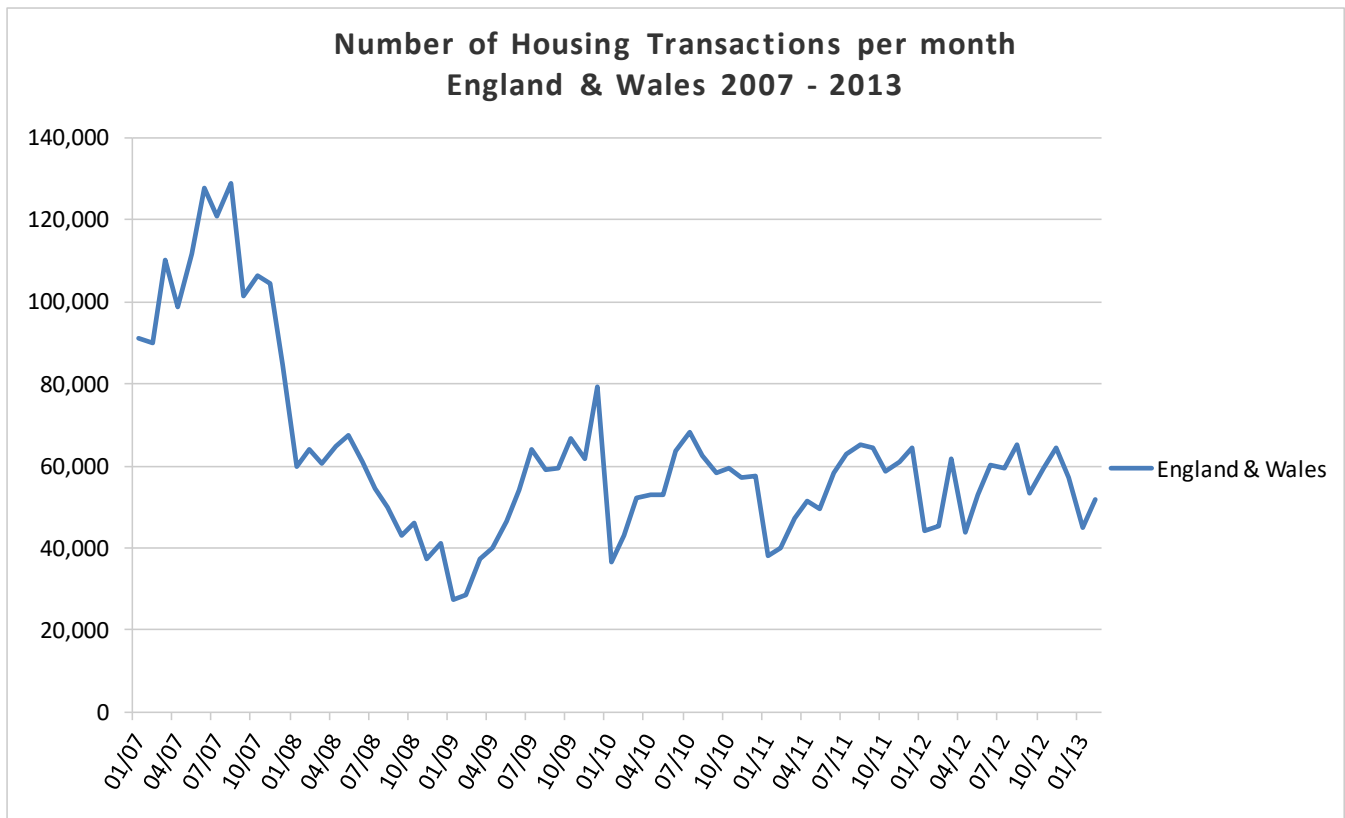


Figure 3. The number of housing transactions by month in England & Wales, 2006- 2013 (not seasonally adjusted) [link to source Excel](#)

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 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

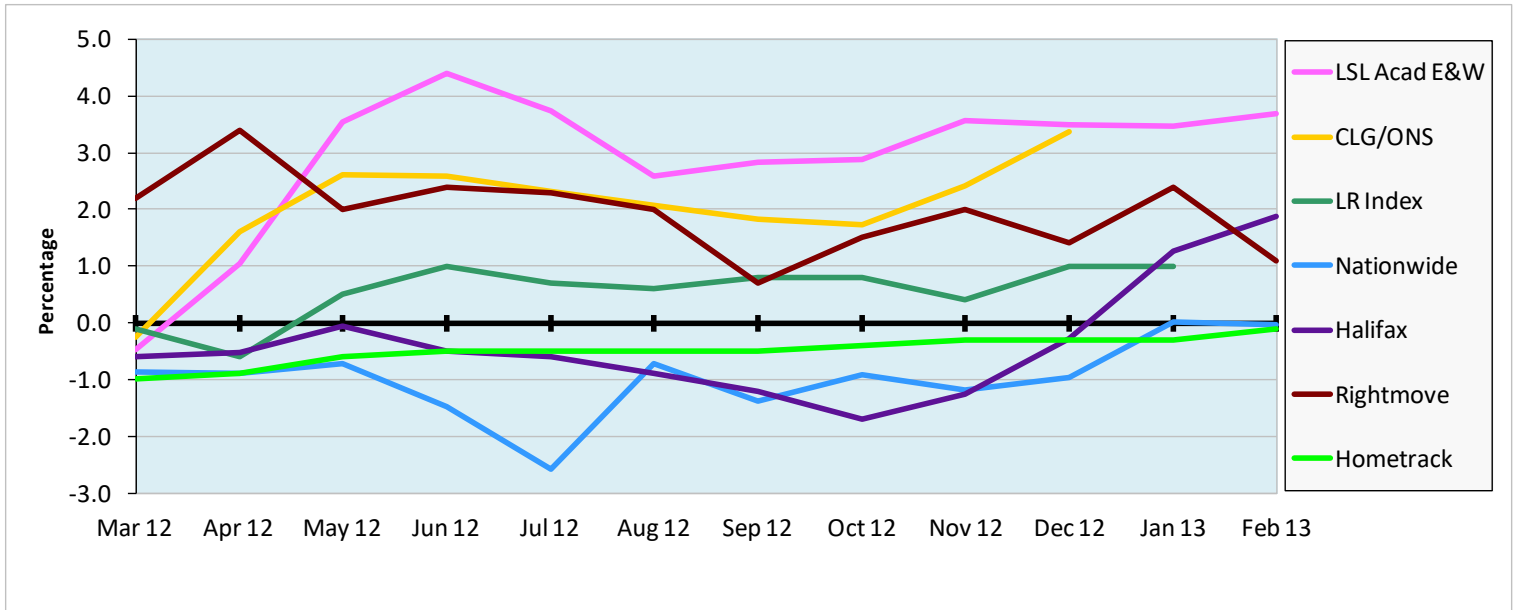


Figure 4. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

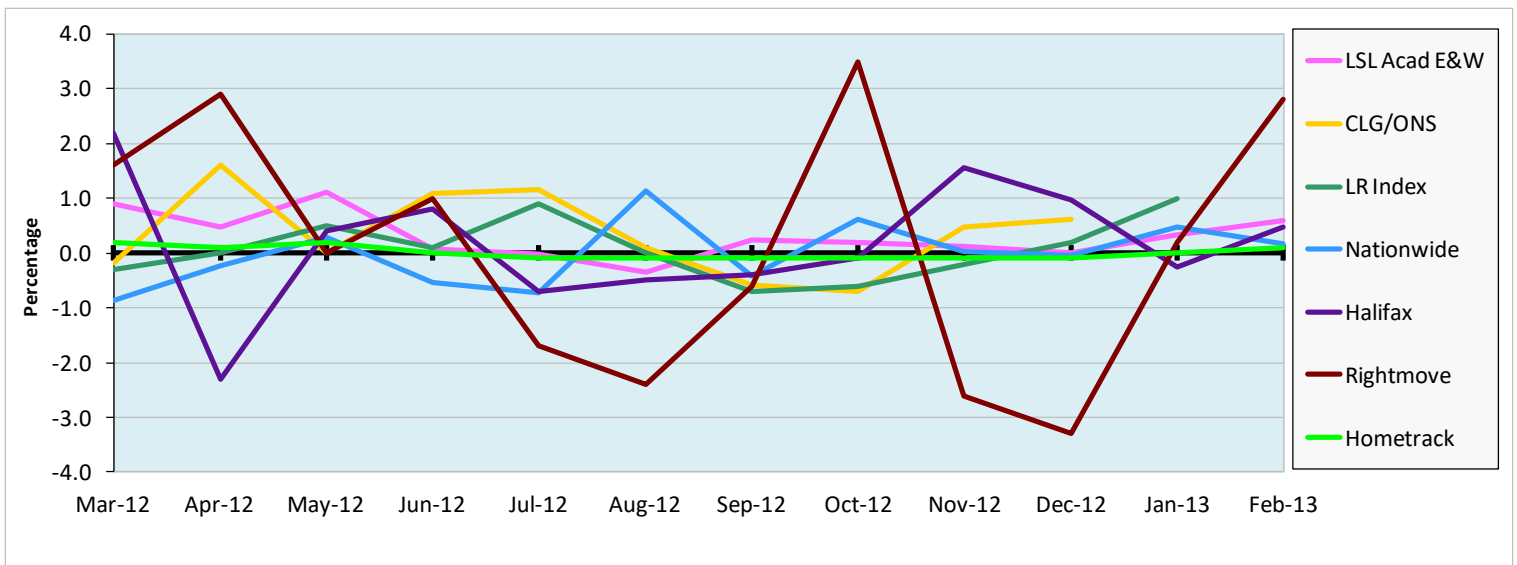


Figure 5. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)



Greater London continues to dominate the housing market in terms of annual price change, with house price inflation almost three times higher than in any other region of England & Wales. This month East Anglia has joined Greater London, now being the only two regions in the country with annual price increases higher than the average for England & Wales as a whole. The region with the largest fall in annual house prices is Wales, although the reduction in prices in the principality is only half that of last month, and now stands at -0.6%. Although there are four regions showing negative price movements on an annual basis, the rate of decline is modest. The last time we had the lowest region showing a decline of -0.6% or above was in October 2010, some 28 months ago.

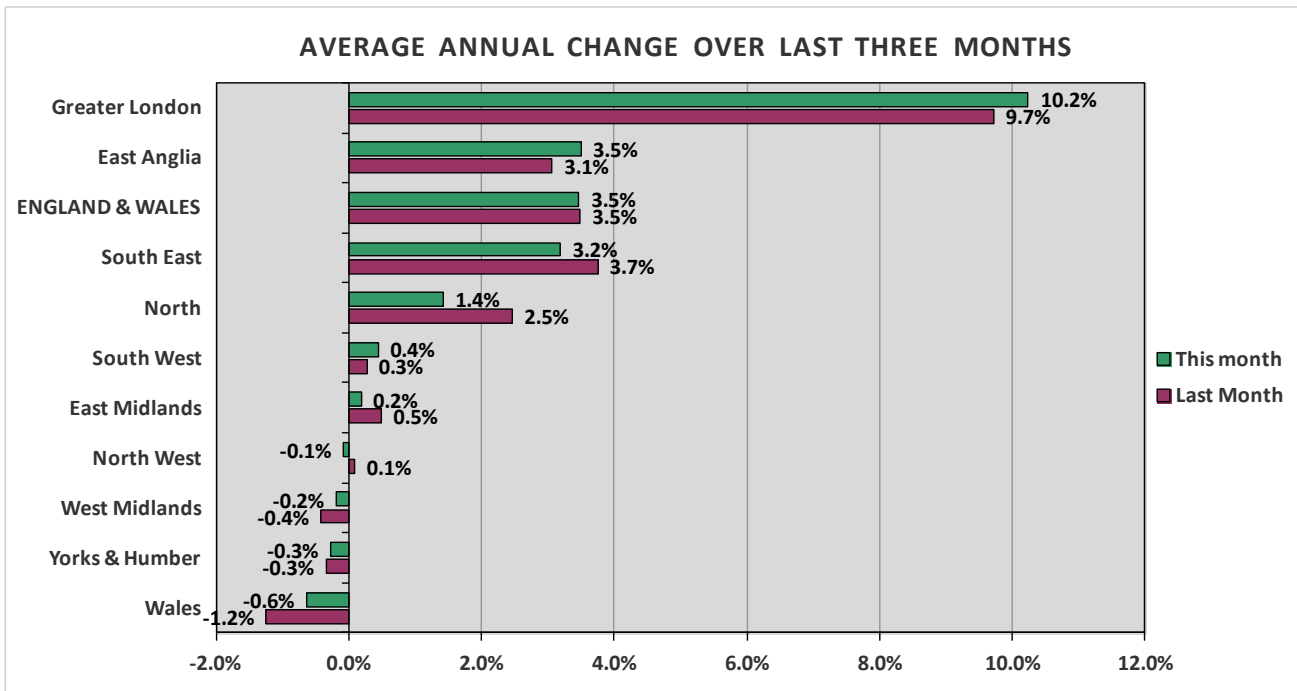


Figure 6. The annual change in the average house price, analysed by region

[link to source Excel](#)

ANNUAL CHANGE IN PRICE BY REGION

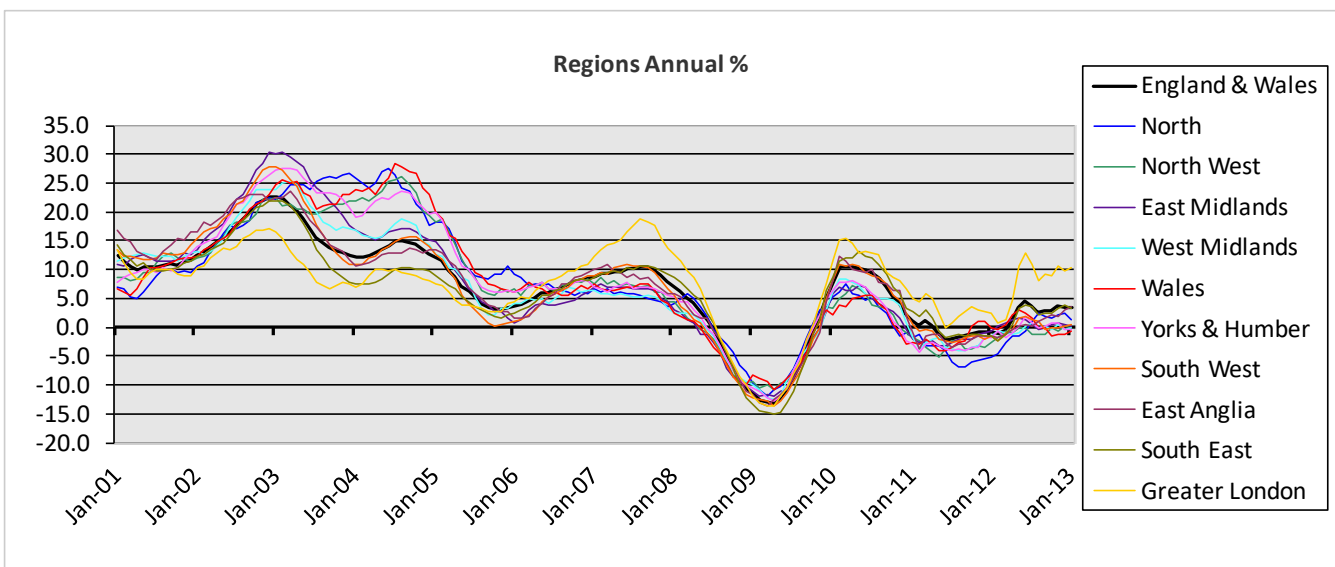


Figure 7. A comparison of the annual change in house prices, by region for the period January 2001 – January 2013

[link to source Excel](#)

Note that individual regions can be compared using our “National and Regional series from 1995 with Interactive Charts”, linked from page 5 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 2. The change in mix adjusted house prices, for the 33 London boroughs, comparing January 2012 with January 2013. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Jan-12	Jan-13	% Change
1	1	KENSINGTON AND CHELSEA	1,287,518	1,451,267	12.7%
2	2	CITY OF WESTMINSTER	866,411	1,199,385	38.4%
3	3	CAMDEN	704,125	776,316	10.3%
4	4	HAMMERSMITH AND FULHAM	626,619	706,641	12.8%
5	5	RICHMOND UPON THAMES	561,603	614,209	9.4%
6	6	CITY OF LONDON	525,378	559,392	6.5%
7	7	ISLINGTON	508,683	541,909	6.5%
8	8	WANDSWORTH	491,796	539,169	9.6%
9	9	BARNET	438,117	462,993	5.7%
15	10	MERTON	377,953	444,534	17.6%
11	11	HARINGEY	390,130	432,715	10.9%
12	12	HACKNEY	385,043	431,957	12.2%
13	13	EALING	378,535	427,421	12.9%
10	14	SOUTHWARK	406,855	427,091	5.0%
16	15	BRENT	371,478	405,352	9.1%
14	16	LAMBETH	378,016	393,990	4.2%
17	17	KINGSTON UPON THAMES	352,258	392,711	11.5%
18	18	TOWER HAMLETS	351,576	378,510	7.7%
19	19	HOUNSLOW	341,791	363,997	6.5%
20	20	HARROW	331,039	355,228	7.3%
21	21	BROMLEY	320,502	322,563	0.6%
22	22	GREENWICH	286,825	306,905	7.0%
25	23	ENFIELD	274,187	295,535	7.8%
24	24	HILLINGDON	283,515	292,660	3.2%
27	25	LEWISHAM	260,939	290,838	11.5%
23	26	REDBRIDGE	286,010	282,716	-1.2%
26	27	SUTTON	266,034	264,065	-0.7%
28	28	CROYDON	239,866	254,071	5.9%
30	29	WALTHAM FOREST	235,190	243,791	3.7%
29	30	HAVERING	236,363	238,436	0.9%
32	31	BEXLEY	215,763	229,073	6.2%
31	32	NEWHAM	226,209	221,460	-2.1%
33	33	BARKING AND DAGENHAM	177,920	184,449	3.7%
		ALL LONDON	394,316	434,681	10.2%

The table above shows the average house price by London borough for January 2012 and January 2013, along with the percentage change over the year. As can be seen, there is price inflation in 30 of the 33 London Boroughs, with only Redbridge, Sutton and Newham having negative movements in their average prices. This month 7 London Boroughs are experiencing peak prices, highlighted in grey above, which is the same number as last month; this month though Greater London as a whole is also experiencing a peak in the average price paid for a property.

As previously highlighted on several occasions, it is the higher priced boroughs that are experiencing the largest growth in house prices. This month 10 boroughs have annual price increases greater than the average 10.2% for London as a whole, of which eight are ranked in the top 13 boroughs in terms of price. The average increase in price of the top seventeen London boroughs in the above table is 11.5%, compared to an average 4.2% for the bottom sixteen boroughs.

Over the three month period November 2012 to January 2013 there has been a 1% increase in housing transactions in Greater London, compared to the same three months in 2011/12. During this period there has been an 8% increase in the sale of detached homes and a 3% increase in the sale of flats, but a 2% decrease in the sale of terraces along with a 4% decrease in the sale of semi-detached properties. It would thus appear that activity in the property market has been taking place at the top and bottom ends of the housing ladder, with less movement among the middle-ranked properties, very much in line with our earlier comments about first time buyers and foreign investors. The highest increase in sales over this period was seen in Redbridge, up 17% and in Hackney, up 14%. Islington meanwhile witnessed a 15% decline in sales, with 105 fewer flats sold there in 2012/13 than in 2011/12.

Counties and unitary authorities



Table 3. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing January 2012 with January 2013 [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Jan-12	Jan-13	Change
21	19	CAMBRIDGESHIRE	226,044	240,363	6.3%
81	80	CITY OF PETERBOROUGH	149,213	145,183	-2.7%
48	47	NORFOLK	178,723	185,591	3.8%
43	38	SUFFOLK	202,000	205,414	1.7%
		EAST ANGLIA	195,466	202,296	3.5%
89	86	CITY OF DERBY	133,078	137,860	3.6%
100	98	CITY OF NOTTINGHAM	111,812	118,809	6.3%
65	65	DERBYSHIRE	162,239	157,403	-3.0%
84	82	LEICESTER	136,886	137,599	0.5%
47	45	LEICESTERSHIRE	180,953	186,703	3.2%
71	72	LINCOLNSHIRE	153,058	149,978	-2.0%
52	51	NORTHAMPTONSHIRE	178,521	179,808	0.7%
68	68	NOTTINGHAMSHIRE	155,578	155,200	-0.2%
9	9	RUTLAND	291,164	287,630	-1.2%
		EAST MIDLANDS	160,596	160,892	0.2%
		GREATER LONDON	394,316	434,681	10.2%
61	53	CUMBRIA	161,128	166,290	3.2%
90	91	DARLINGTON	132,731	129,032	-2.8%
97	93	DURHAM	121,060	120,407	-0.5%
101	97	HARTLEPOOL	114,148	114,827	0.6%
96	100	MIDDLESBROUGH	118,538	107,540	-9.3%
66	57	NORTHUMBERLAND	159,059	170,495	7.2%
93	95	REDCAR AND CLEVELAND	127,066	124,464	-2.0%
80	78	STOCKTON-ON-TEES	146,264	141,191	-3.5%
88	83	TYNE AND WEAR	135,438	138,572	2.3%
		NORTH	138,874	140,847	1.4%
98	99	BLACKBURN WITH DARWEN	113,909	110,908	-2.6%
103	104	BLACKPOOL	103,584	100,965	-2.5%
38	41	CHESHIRE	203,852	200,922	-1.4%
77	76	GREATER MANCHESTER	146,127	149,497	2.3%
91	90	HALTON	131,058	123,577	-5.7%
79	81	LANCASHIRE	145,960	146,157	0.1%
83	87	MERSEYSIDE	139,223	134,341	-3.5%
50	49	WARRINGTON	183,191	183,992	0.4%
		NORTH WEST	150,422	150,299	-0.1%
31	28	BEDFORDSHIRE	213,209	212,949	-0.1%
13	12	BRACKNELL FOREST	257,595	266,600	3.5%
11	10	BRIGHTON AND HOVE	275,818	284,139	3.0%
3	3	BUCKINGHAMSHIRE	343,686	358,765	4.4%
20	20	EAST SUSSEX	233,596	234,802	0.5%
17	16	ESSEX	239,222	244,325	2.1%
14	14	HAMPSHIRE	262,337	262,931	0.2%
5	6	HERTFORDSHIRE	311,576	317,674	2.0%
42	44	ISLE OF WIGHT	194,520	183,255	-5.8%
22	18	KENT	226,824	238,322	5.1%
69	67	LUTON	157,075	157,034	0.0%
62	59	MEDWAY	158,998	165,695	4.2%
39	32	MILTON KEYNES	203,895	211,407	3.7%

Counties and unitary authorities



6	5	OXFORDSHIRE	304,532	323,199	6.1%
60	61	PORTSMOUTH	162,172	167,518	3.3%
24	22	READING	222,020	223,483	0.7%
40	37	SLOUGH	201,142	201,568	0.2%
55	55	SOUTHAMPTON	172,398	169,311	-1.8%
36	42	SOUTHEND-ON-SEA	209,242	198,747	-5.0%
2	2	SURREY	380,304	406,471	6.9%
54	50	THURROCK	176,675	178,131	0.8%
7	7	WEST BERKSHIRE	296,837	323,066	8.8%
12	13	WEST SUSSEX	259,712	268,920	3.5%
1	1	WINDSOR AND MAIDENHEAD	413,539	459,459	11.1%
4	4	WOKINGHAM	317,322	325,926	2.7%
		SOUTH EAST	262,386	270,760	3.2%
8	8	BATH AND NORTH EAST SOMERSET	302,835	288,521	-4.7%
27	29	BOURNEMOUTH	202,439	203,981	0.8%
35	26	CITY OF BRISTOL	212,348	215,005	1.3%
70	71	CITY OF PLYMOUTH	154,775	152,354	-1.6%
29	25	CORNWALL	221,958	223,618	0.7%
18	21	DEVON	233,015	230,750	-1.0%
15	15	DORSET	257,504	258,970	0.6%
19	24	GLOUCESTERSHIRE	233,070	230,371	-1.2%
30	27	NORTH SOMERSET	214,769	219,453	2.2%
10	11	POOLE	267,501	268,173	0.3%
34	34	SOMERSET	201,508	213,813	6.1%
33	35	SOUTH GLOUCESTERSHIRE	211,184	211,884	0.3%
58	60	SWINDON	170,702	169,521	-0.7%
49	48	TORBAY	178,352	179,292	0.5%
16	17	WILTSHIRE	238,377	239,514	0.5%
		SOUTH WEST	221,680	222,660	0.4%
108	108	BLAENAU GWENT	80,469	85,779	6.6%
86	89	BRIDGEND	136,852	137,077	0.2%
95	96	CAERPHILLY	121,506	115,069	-5.3%
45	46	CARDIFF	185,308	191,217	3.2%
85	88	CARMARTHENSHIRE	137,037	134,844	-1.6%
46	54	CEREDIGION	183,960	167,457	-9.0%
63	63	CONWY	159,444	163,403	2.5%
82	84	DENBIGHSHIRE	148,948	139,125	-6.6%
72	64	FLINTSHIRE	153,981	161,461	4.9%
64	79	GWYNEDD	158,324	144,201	-8.9%
56	66	ISLE OF ANGLESEY	162,968	158,757	-2.6%
107	106	MERTHYR TYDFIL	93,730	96,807	3.3%
23	23	MONMOUTHSHIRE	222,606	224,255	0.7%
102	103	NEATH PORT TALBOT	108,882	106,570	-2.1%
74	69	NEWPORT	144,957	147,921	2.0%
53	56	PEMBROKESHIRE	170,309	166,972	-2.0%
51	52	POWYS	170,757	169,067	-1.0%
104	102	RHONDDA CYNON TAFF	105,750	103,794	-1.8%
76	74	SWANSEA	144,166	149,212	3.5%
32	36	THE VALE OF GLAMORGAN	205,034	195,189	-4.8%
92	94	TORFAEN	130,708	123,630	-5.4%
67	75	WREXHAM	152,367	150,541	-1.2%
		WALES	152,068	151,099	-0.6%
28	31	HEREFORDSHIRE	215,955	216,495	0.3%



41	43	SHROPSHIRE	200,504	200,619	0.1%
57	58	STAFFORDSHIRE	168,699	167,620	-0.6%
105	107	STOKE-ON-TRENT	97,924	95,124	-2.9%
26	30	WARWICKSHIRE	223,643	213,627	-4.5%
73	70	WEST MIDLANDS	150,686	153,969	2.2%
37	39	WORCESTERSHIRE	203,190	200,379	-1.4%
78	77	WREKIN	149,310	149,810	0.3%
		WEST MIDLANDS	170,837	170,512	-0.2%
106	105	CITY OF KINGSTON UPON HULL	96,501	100,165	3.8%
59	62	EAST RIDING OF YORKSHIRE	161,383	163,379	1.2%
99	101	NORTH EAST LINCOLNSHIRE	114,759	113,240	-1.3%
94	92	NORTH LINCOLNSHIRE	128,376	126,236	-1.7%
25	33	NORTH YORKSHIRE	220,120	210,866	-4.2%
87	85	SOUTH YORKSHIRE	136,379	136,595	0.2%
75	73	WEST YORKSHIRE	150,230	150,888	0.4%
44	40	YORK	201,311	205,701	2.2%
		YORKS & HUMBER	154,035	153,610	-0.3%
		ALL ENGLAND & WALES	220,536	228,189	3.5%

The Table above shows the average house prices for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for January 2012 and January 2013; it records the annual change in these prices over the year. This month we have two unitary authority areas setting a new peak price, being Brighton & Hove and West Berkshire. Ceredigion is the county furthest off its peak price by some £53,500, although the small number of sales that take place there each year results in volatile average house prices.

The unitary authority with the highest rise in prices over the year is Windsor and Maidenhead, up some 11.1%, followed by West Berkshire up 8.8%. The unitary authority with the largest fall in prices over the year is Middlesbrough, down 9.3%, followed by Ceredigion down 9.0%.

Over the year from January 2012 to January 2013, 63 unitary authorities have seen prices rise while 45 have seen prices fall. As with the London boroughs, it is the higher priced areas in England & Wales that have witnessed price rises, whilst the lowest priced areas have seen the largest price falls. Ranking by quartile based on average prices, the top quartile saw increases of +2.4%, the next quartile saw a price rise of +0.2%, whilst the two lowest quartiles saw prices fall by -0.3% and -1.1% respectively.

A recent [report](#) released by Castle Trust argued that 40% of roughly 500,000 buyers who both bought and sold their home in the period January 2007 to January 2013 will have done so at a loss. As we would expect, the proportion making a loss rose from 26% of those in this category in London to 48% in the North. The report highlighted the reality which Acadametrics has underlined many times, that timing and location are all important in terms of successful property transactions.

Table 4 below shows that most regions are now edging towards positive growth in monthly and/or annual terms, although London continues to outperform all the regions by some margin. The overall direction looks positive.

Regional data table



Table 4. Average house prices by region, February 2012 – February 2013, with monthly and annual % growth

[link to source Excel](#)

	North			North West			East Midlands			West Midlands		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Feb-12	£141,596	2.0	-4.5	£152,090	1.1	-1.7	£161,596	0.6	0.0	£171,184	0.2	-0.6
Mar-12	£143,898	1.6	-2.5	£152,230	0.1	-0.7	£161,727	0.1	0.6	£170,297	-0.5	-0.9
Apr-12	£143,217	-0.5	-1.6	£150,903	-0.9	-0.9	£161,574	-0.1	1.2	£168,959	-0.8	-1.2
May-12	£141,949	-0.9	-1.6	£150,226	-0.4	-0.2	£160,912	-0.4	1.5	£169,540	0.3	-0.8
Jun-12	£141,182	-0.5	-0.7	£151,076	0.6	-0.1	£161,274	0.2	1.2	£169,888	0.2	0.3
Jul-12	£140,731	-0.3	1.1	£150,627	-0.3	-1.3	£160,483	-0.5	0.4	£169,941	0.0	0.8
Aug-12	£140,687	0.0	2.4	£151,563	0.6	-1.2	£159,663	-0.5	-0.4	£169,597	-0.2	0.0
Sep-12	£140,407	-0.2	1.8	£150,862	-0.5	-1.1	£160,238	0.4	0.0	£169,641	0.0	0.1
Oct-12	£141,664	0.9	1.6	£151,684	0.5	-0.2	£160,906	0.4	0.6	£169,936	0.2	-0.4
Nov-12	£141,744	0.1	2.2	£149,970	-1.1	-0.8	£161,452	0.3	0.7	£169,742	-0.1	0.4
Dec-12	£141,290	-0.3	2.5	£150,202	0.2	0.1	£160,719	-0.5	0.5	£169,743	0.0	-0.4
Jan-13	£140,847	-0.3	1.4	£150,299	0.1	-0.1	£160,892	0.1	0.2	£170,512	0.5	-0.2

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Feb-12	£152,268	0.1	-0.4	£154,694	0.4	-0.7	£221,452	-0.1	-2.3	£195,117	-0.2	-1.8
Mar-12	£153,520	0.8	0.6	£153,500	-0.8	-1.9	£221,917	0.2	-1.1	£197,495	1.2	-1.4
Apr-12	£153,869	0.2	2.1	£154,559	0.7	-0.9	£222,889	0.4	-0.5	£198,720	0.6	-0.5
May-12	£153,466	-0.3	3.1	£154,649	0.1	0.3	£225,549	1.2	1.6	£200,255	0.8	0.1
Jun-12	£152,770	-0.5	2.5	£155,579	0.6	1.8	£224,714	-0.4	1.9	£199,043	-0.6	0.4
Jul-12	£152,080	-0.5	1.5	£154,033	-1.0	0.8	£223,684	-0.5	1.4	£198,131	-0.5	0.0
Aug-12	£151,393	-0.5	-0.2	£153,980	0.0	-0.2	£223,273	-0.2	1.1	£200,108	1.0	0.9
Sep-12	£152,046	0.4	0.0	£154,164	0.1	0.2	£221,383	-0.8	-0.4	£201,229	0.6	1.5
Oct-12	£152,596	0.4	-1.5	£154,109	0.0	0.6	£221,906	0.2	-0.2	£202,349	0.6	2.2
Nov-12	£152,464	-0.1	-1.4	£153,985	-0.1	0.8	£220,865	-0.5	0.0	£200,178	-1.1	1.8
Dec-12	£151,690	-0.5	-1.2	£153,305	-0.4	-0.3	£222,247	0.6	0.3	£201,441	0.6	3.1
Jan-13	£151,099	-0.4	-0.6	£153,610	0.2	-0.3	£222,660	0.2	0.4	£202,296	0.4	3.5

	South East			Greater London			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Feb-12	£263,773	0.5	-2.3	£394,663	0.1	0.9		£221,390	0.4	-1.2
Mar-12	£268,507	1.8	-1.1	£400,025	1.4	1.2		£223,378	0.9	-0.5
Apr-12	£269,145	0.2	0.6	£407,294	1.8	4.6		£224,431	0.5	1.0
May-12	£272,344	1.2	3.2	£419,011	2.9	10.5		£226,900	1.1	3.5
Jun-12	£271,587	-0.3	3.7	£421,279	0.5	12.7		£227,047	0.1	4.4
Jul-12	£272,577	0.4	3.4	£422,630	0.3	11.0		£226,989	0.0	3.7
Aug-12	£271,146	-0.5	2.2	£419,099	-0.8	8.1		£226,206	-0.3	2.6
Sep-12	£270,760	-0.1	2.5	£425,001	1.4	9.2		£226,745	0.2	2.8
Oct-12	£270,210	-0.2	2.6	£426,417	0.3	8.9		£227,175	0.2	2.9
Nov-12	£270,006	-0.1	3.4	£431,722	1.2	10.6		£227,431	0.1	3.6
Dec-12	£270,295	0.1	3.7	£431,075	-0.1	9.7		£227,456	0.0	3.5
Jan-13	£270,760	0.2	3.2	£434,681	0.8	10.2		£228,189	0.3	3.5
Feb-13								£229,544	0.6	3.7



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/ONS 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/ONS) 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/ONS 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/ONS 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/ONS 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.

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