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February 2015

## House prices £34,000 above pre-crisis high

- At £273,528, home values now £34,192 higher than at height of the housing boom in February 2008
- But over half of that value (£17,340) added in the past year, following annual rise of 6.8%
- London buyers at top-end brace for General Election, but lower rungs of ladder keep moving
- Completed home sales in the opening two months of 2015 down 9% compared to a year ago

House Price	Index	Monthly Change %	Annual Change %	Annual Change % (excluding London & SE)
£273,528	268.2	0.5	6.8	4.6

**Adrian Gill, director of Reeds Rains and Your Move estate agents, comments:** “Seven years on, and the average house price across England and Wales is £34,192 higher than at the pinnacle of the housing boom in February 2008. We’re performing well by yesterday’s standards, but we’ve got to keep an eye on the trajectory of our current recovery. Average house prices are currently 6.8% (£17,340) higher than they were last year – but this is the smallest annual increase witnessed for fourteen months, as the market mellows from the extraordinary noise of the past year. So far in 2015, completed home sales are 9% lower than over the same period twelve months ago, but demand hasn’t faded out of view. February still marks a 4% improvement on January activity levels, and in recent weeks, we’ve seen agreed sales climb above 2014 levels, as activity comes into focus.

“After storming ahead of the rest of the country in the whirlwind of last year, the conditions have calmed in London and the South East. Their combined lead on the rest of the UK hit a summer-peak in July 2014 – when this corner of the country hoisted the wider England and Wales annual change to 5.4% higher than it would have been otherwise – but in February this growth gap has fallen to less than half its former glory, to only 2.2%. Annual house price growth in England and Wales stood at just 4.6% in February excluding these weighty regions.

“The capital has already had the first taste of added pressure placed on prime property in the form of revised Stamp Duty, and the £1.5m to £5m slice of the market has also been hit by cold feet in the run up to the General Election, with the threat of a potential mansion tax. This let-up of high-end activity has brought down the average London house price, but beneath the surface, the lower rungs of the ladder are thriving. For instance, the borough of Newham – where the typical property value currently stands at £273,727 – saw an enviable 2.1% monthly price rise, more than double the overall 1.0% average London price jump. In terms of annual growth, more affordable areas like Barking and Dagenham (+16.5%), Bexley (+15.6%) and Waltham Forest (+16.8%) are punching well above their weight, coming in ahead of the year-on-year improvements seen in high-end areas like Kensington and Chelsea, where prices have fallen 7.4% in the past twelve months.

“In the south of the country overall we’re seeing a very orderly market, with buyers and sellers on more of an even keel. Rates of annual growth have slowed across the board in England and Wales, but it is regions with the lowest average property prices which are dragging their feet. The North saw the smallest annual uplift in January, with home values just 1.9% higher year-on-year, while in Yorkshire and The Humber prices stagnated over the month.

“On a monthly basis, house prices are trundling along overall, climbing 0.5% since January to reach a new record. The housing shortage may be propping up property price growth, but more needs to be done to stave off this winter lull and invigorate the property market recovery. It’s pivotal that the Chancellor recognises the importance of expanding the UK’s property stock in the upcoming Budget. Measures like the Help to Buy scheme and reforming Stamp Duty have airlifted support to the bottom end of the market, but unless more new homes are built, he’s practically playing a zero-sum game: reshuffling a deck doesn’t leave you with more cards.”

**NB: The LSL/Acadata house price index incorporates all transactions, including cash.**

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

# House price index: historical data



Table 1. Average House Prices in England & Wales for the period February 2014 – February 2015

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
<b>February</b>	<b>2014</b>	£256,191	250.2	0.8	6.9
<b>March</b>	<b>2014</b>	£258,558	252.8	0.9	7.4
<b>April</b>	<b>2014</b>	£259,358	254.3	0.3	7.5
<b>May</b>	<b>2014</b>	£262,089	257.2	1.1	8.7
<b>June</b>	<b>2014</b>	£264,911	260.1	1.1	9.8
<b>July</b>	<b>2014</b>	£266,595	261.5	0.6	10.1
<b>August</b>	<b>2014</b>	£268,586	263.5	0.7	10.1
<b>September</b>	<b>2014</b>	£270,642	264.9	0.8	10.3
<b>October</b>	<b>2014</b>	£271,415	266.1	0.3	9.9
<b>November</b>	<b>2014</b>	£271,756	266.3	0.1	9.5
<b>December</b>	<b>2014</b>	£270,930	265.7	-0.3	8.3
<b>January</b>	<b>2015</b>	£272,243	266.9	0.5	7.1
<b>February</b>	<b>2015</b>	£273,528	268.2	0.5	6.8

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

## House prices

In February 2015, the average price paid for a home in England & Wales was £273,528. This was an increase of £1,285, or 0.5% over January. This price sets another record for the England & Wales housing market and is comfortably higher than the price of £239,336 seen at the peak of the previous boom in February 2008.

On an annual basis house price growth in February was 6.8%, with the average price of a home being £17,340 higher than a year earlier. However, as is evident in Figure 1 below, the annual rate of house price growth has been slowing over the last five months, from a peak of 10.3% recorded in September 2014, to the 6.8% seen this month.

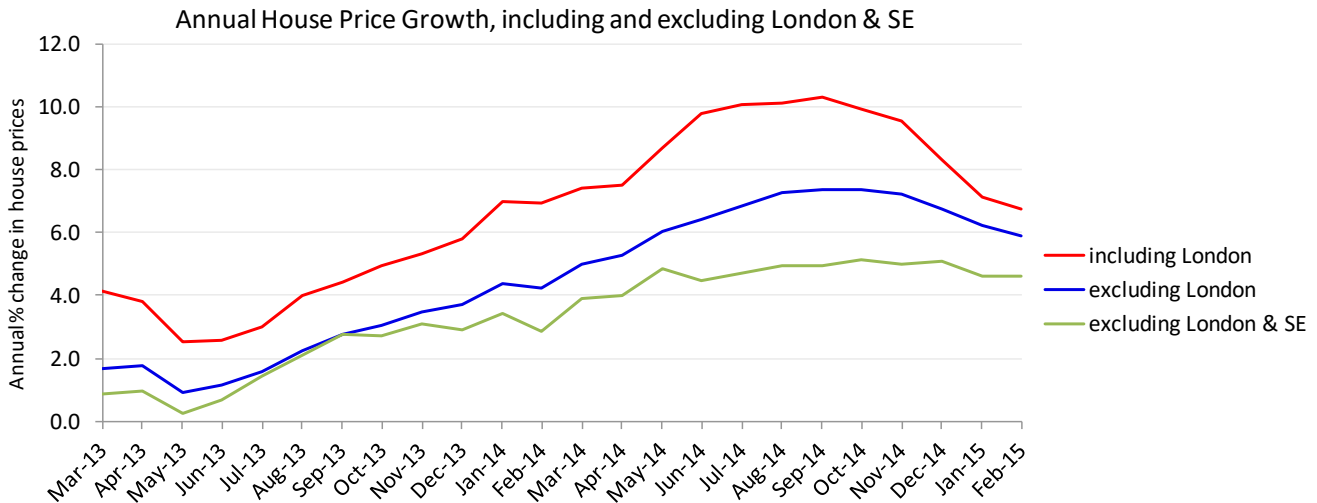


Figure 1. The Annual Rate of House Price Growth in England & Wales by month March 2013 – February 2015, including and excluding London & SE [link to source Excel](#)

Figure 1 illustrates one of the striking features of the current market - the rate of house price inflation in London and the South East has been falling at a faster rate than in the rest of the country. The gap between the rates when including London and the South East, compared to price rises for the remainder of England and Wales (and excluding London and South East) reached a maximum in July 2014, at 5.4%; however, in February 2015 this differential had fallen by over 50% to 2.2%. On page 9 we show that the decline in the annual rate of house price growth is being experienced across all of the regions in England, suggesting that the slowdown in London prices has now rippled out across the remainder of the country.

For the most part – and in nominal terms – house prices are now back at previous peaks. Clearly this will not be universal and some households remain in negative equity, though well below the estimated 500,000 in early 2014. However, as will be evident from the latest *UK Housing Review* published in early March 2015, when measured on a consistent basis by number of bedrooms, the picture is less clear (comparing 2007 with 2013) with prices still lagging behind in different regions. The diversity of the market is often overlooked, as is the extent to which the market now is rather different than in the past. Recent figures from the *English Housing Survey* point to the rise in outright ownership, the decline in home buying and the rise of renting. There are now more outright owners in England than home buyers, and private renting now exceeds the numbers renting from a social landlord. So the balance of tenures and the likely future trajectories are changing. Much of course turns on the state of the economy and wages but the fact is that some households are now choosing to rent rather than buy. In part this reflects labour market change with households having to move more frequently, and partly it is that households can often rent better homes in better locations than they can buy. Also, of course, there is a view that prices are easing back, at least in some locations, thus reducing the pressure to buy immediately. All of this adds to the picture of uncertainty we discussed last month.

In the next weeks we will see the housing proposals of the different political parties being set out in their General Election manifestos. Increased housing supply will probably feature strongly, along with measures to assist first time buyers. None of this will be immediately transformative, but it does suggest that we will see action on both the demand and supply fronts - and the balance between them (along with what happens to interest rates and much more) will impact upon price trends later in the year and into 2016.



## Housing Transactions

We estimate that the number of housing transactions in England & Wales in February 2015, as recorded by the Land Registry, will total some 64,500. This is 4% higher than the level seen in January 2015, compared to a typical seasonal increase of 3% for the time of year. Perhaps more importantly, comparing the sales volumes in February 2015 to February 2014, there was a fall of 7% in the number of properties sold. Sales levels during the first two months of 2015 were 9% lower than during the same two months of 2014, although as Figure 2 below demonstrates, the sales levels in 2015 are some 20,000 higher than those seen during the first two months of the previous three 'recovery' years, 2011 – 2013. Market observers suggest that the mildly subdued sales market, compared to 2014, is a by-product of both the hopefully shorter term uncertainties surrounding the forthcoming General Election (which should disappear once the result has been determined), and what could be a longer term secular change in the annual number of transactions.

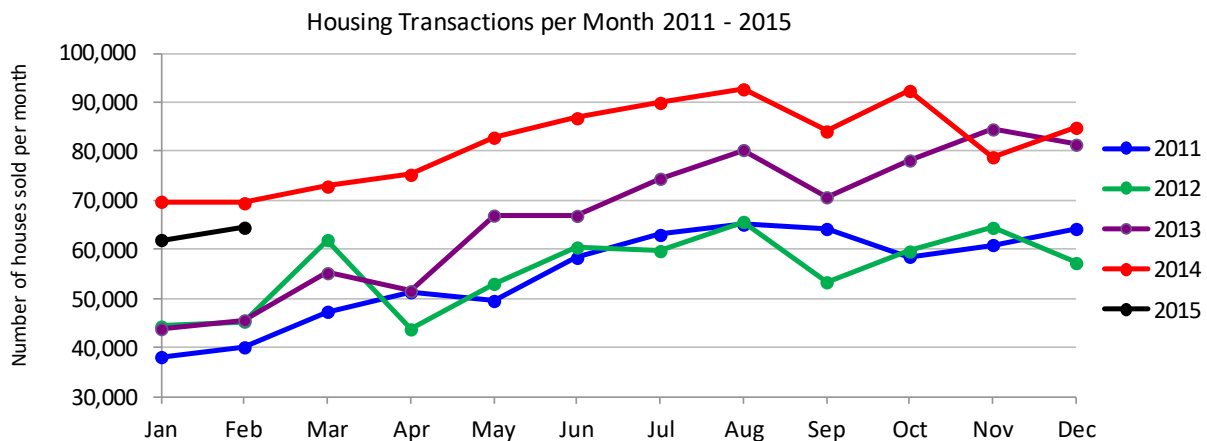


Figure 2. Number of properties sold per month in England & Wales, January 2011 – February 2015. Source Land Registry [link to source Excel](#)

This latter consideration may reflect later entry into home ownership, greater longevity and the rising private rental market where landlords retain their properties longer than home owners. Depending upon the source, the long term annual average of transactions for England & Wales is between 977,000 (Land Registry) and 1.3m (HMRC). By contrast in what was a relatively buoyant year, in 2014 the Land Registry data shows 836,116 transactions in the first 11 months (perhaps 915,000 for all 2014) for England & Wales, while HMRC recorded 1,102,000.

The CML has recently published its analysis of the housing market in 2014. The number of loans to the different sectors of the market is given in the following table:-

Table 2. The CML analysis of the number of loans taken out in 2014 for house purchase

Sector	Number of loans in 2014 for house purchase	% change on 2013
First time buyers	311,500	+15%
Home movers	365,400	+8%
Buy-to-let	100,100	+21%

Source: CML

Table 2 shows that in volume terms home movers were the largest sector of the market in 2014, but saw the smallest expansion in the number of properties purchased compared to the previous year (+8%). Home movers were followed by first time buyers, who secured 311,500 loans for home purchases in 2014. This was the highest number of first time buyer purchases since 2007. The table also shows the importance of first time buyers to the overall housing market in 2014, representing some 40% of the total number of loans taken out to purchase a property, and somewhat challenging the view that access to the market was impossible. Certainly, first time buyer numbers remain low by historic standards – the annual average over the last 35 years is 415,000 and in the peak year 1986 was 613,000. First time buyers were assisted by a number of government schemes in 2014, including Help to Buy, where 78% of the 40,079 loans to 31st December 2014 went to first time buyers (Source HM Treasury Quarterly Statistics). The CML has recently estimated that 48% of first time purchasers in 2014 did so without parental help (though this included government help).



Buy-to-let loans represented the smallest sector of the market in 2014, but saw the largest growth in numbers over the year. This will not be lost on the Bank of England – the Buy-to-let market is on its watch list and not least because it remains an unregulated mortgage market. In 2015 it is anticipated that there will be a further increase in the number of properties purchased for buy-to-let, as the reform to the rules for pensions takes effect from April onwards. This will make it easier for pensioners to purchase property as an investment vehicle, as a substitute for pension annuities. From March 2016 some Buy-to-Let loans (the so called ‘accidental landlords’, eg via inheritance) will become regulated, which might impact a little on this market, as also might a continued strong economic recovery which in turn may help more households to buy rather than rent.



## CHANGE IN MIX ADJUSTMENT

This month we have changed the basis of the mix adjustment that we use to calculate the average house price for England & Wales. It is the House Price Index equivalent of changing the basket of goods that comprise the calculations for the Retail Price Index. The purpose in changing the mix is to ensure that our average prices continue to reflect current market behaviour. It is our intention to change this mix on an annual basis.

Over the last year the Acadata house price index has been based on a weighting of property type and location given by the number of housing transactions that took place in England & Wales between January 2010 and December 2013, some 2.8 million in number. This mix of property type and location has been kept constant over this last year to enable a comparison of prices to take place irrespective of the volume and type of sales that occurred in any one month.

This month we have recalculated these weights to reflect the number of transactions that took place in England & Wales between January 2011 and December 2014, some 3.1 million in number. We summarise the differences in the weightings in Tables 3, 4 & 5 below. We have subsequently recalculated all values of our house prices in our various series on the basis of the new weightings, which has had the effect of decreasing the average house price in December 2014 by £4,770.

Average House Prices 2005 - 2014

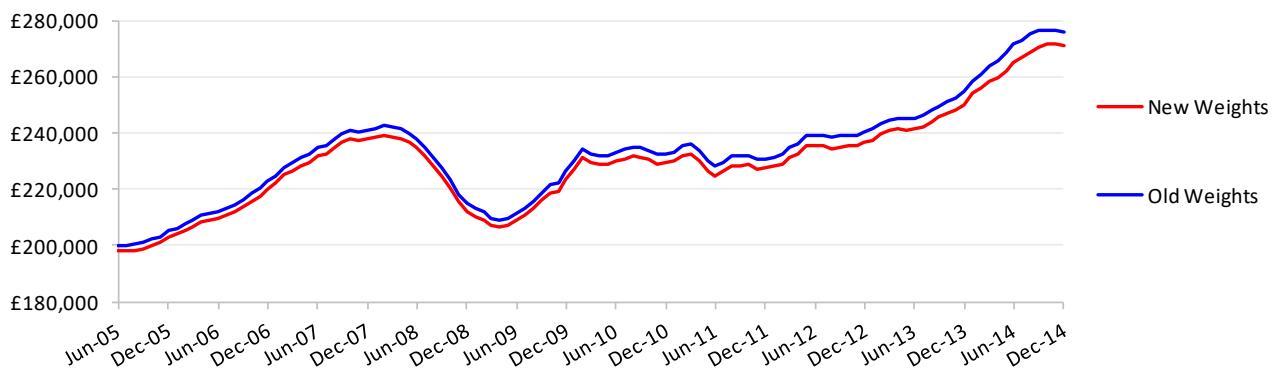


Figure 3. Average House Prices in England & Wales, 2005-2014, comparing values using new & old weights

[link to source Excel](#)

As can be seen from Figure 3, the movement in the average value of house prices using both the new and old weights match closely, with a general downward shift in prices over the entire period associated with the new weightings. Overall, the new weights show a decrease in average prices of between £2.1k and £6.4k compared to the old weights, with the more recent observations showing the larger differences.

The increase in the market share of flats and terraced properties, at the expense of semi-detached and detached properties, is the main explanation for the change in the average house prices experienced over the last year. A comparison of the property composition of the change in weights is given in the following table:-

Table 3. The change in the LSL Acadata England & Wales HPI weights 2014 vs 2013 by property type

[link to source Excel](#)

Property Type	New Weights	Old Weights	change
Detached	24.0%	24.2%	-0.2%
Semi-detached	27.2%	27.9%	-0.7%
Terraced	29.6%	29.3%	0.3%
Flats	19.2%	18.6%	0.6%
All Property Types	100.0%	100.0%	0.0%

As can be seen the market share of flats in the England & Wales housing market has increased over the period by 0.6%, with a 0.7% decline in the market share of semi-detached properties.

# Change in mix adjustment



Within Greater London, as with all the other regions, we have also updated the weightings to take account of the changes in the market share of the differing property types.

Table 4. The change in the LSL Acadata HPI weights for Greater London 2014 vs 2013 by property type

[link to source Excel](#)

Property Type	New Weights	Old Weights	change
Detached	4.5%	4.6%	-0.1%
Semi-detached	14.1%	15.0%	-0.9%
Terraced	27.3%	28.1%	-0.8%
Flats	54.1%	52.3%	1.8%
All Property Types	100.0%	100.0%	0.0%

As Table 4 shows there has been a relatively high increase in the market share of flat sales in Greater London, with the other property types all seeing a decline in market share. This has had the effect of reducing the average house price in Greater London, as flats tend to have a lower sales value when compared to semi-detached and terraced properties. There has also been a shift in market share away from the Prime Central London areas to the outer boroughs of Greater London. For example, the top four London boroughs by price have collectively seen a 0.4% decline in their market share, whereas the lowest four boroughs by price, which are all located to the east of London, have collectively seen an increase of 0.6% in their market share of Greater London property sales.

Thus at £576,236 the average price of a property in London in December 2014 under the revised weightings is some £22,500 lower than that calculated using the old weights.

In addition to the change in the mix of property types, we have also changed the weights relating to regional sales, which are shown in Table 5 below. The respective market shares of the regions have seen minor changes over the year, with the North West seeing an increase of 0.2%, while Greater London has seen a similar drop in its market share of 0.2%. The increase in the weights relating to the North West, where prices are on average 3.4 times lower than in Greater London, will also have contributed to the reduction in average house prices that we now report.

Table 5. The change in the LSL Acadata HPI weights 2014 vs 2013 by region

[link to source Excel](#)

Region	New Weights	Old Weights	change
NORTH	4.8%	4.8%	0.0%
NORTH WEST	9.9%	9.7%	0.2%
YORKS & HUMBER	8.5%	8.4%	0.1%
WALES	4.6%	4.6%	0.0%
WEST MIDLANDS	8.5%	8.5%	0.0%
EAST MIDLANDS	8.3%	8.2%	0.1%
EAST ANGLIA	5.0%	5.1%	-0.1%
SOUTH WEST	11.4%	11.4%	0.0%
SOUTH EAST	25.2%	25.3%	-0.1%
GREATER LONDON	13.8%	14.0%	-0.2%
All England & Wales	100.0%	100.0%	0.0%

For those financial institutions that use the LSL Acad Index as a measure of house price change we should advise that we have chain-linked our Index (Jan 2000 = 100.0) to that recorded in December 2014 at 265.7, using the previously adopted weights. Thus the index from Jan 2000 – Dec 2014 is frozen at the levels recorded over the last fifteen years using the original weights, with changes in the Index post December 2014 reflecting the changes in price that take place using the new weights from January 2015 onwards.



# Comparison of indices

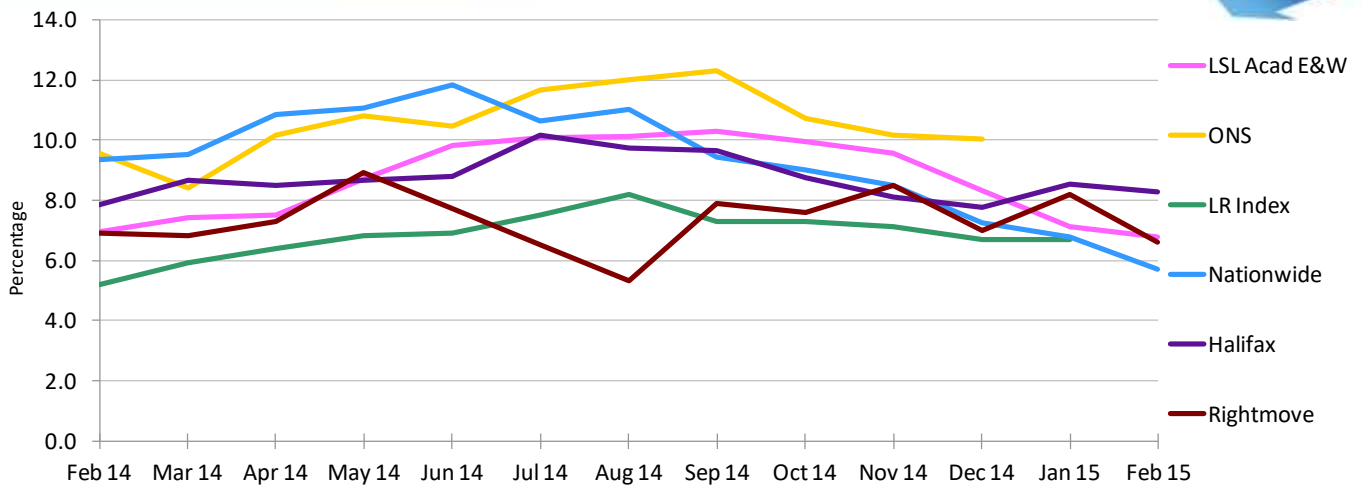


Figure 4. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

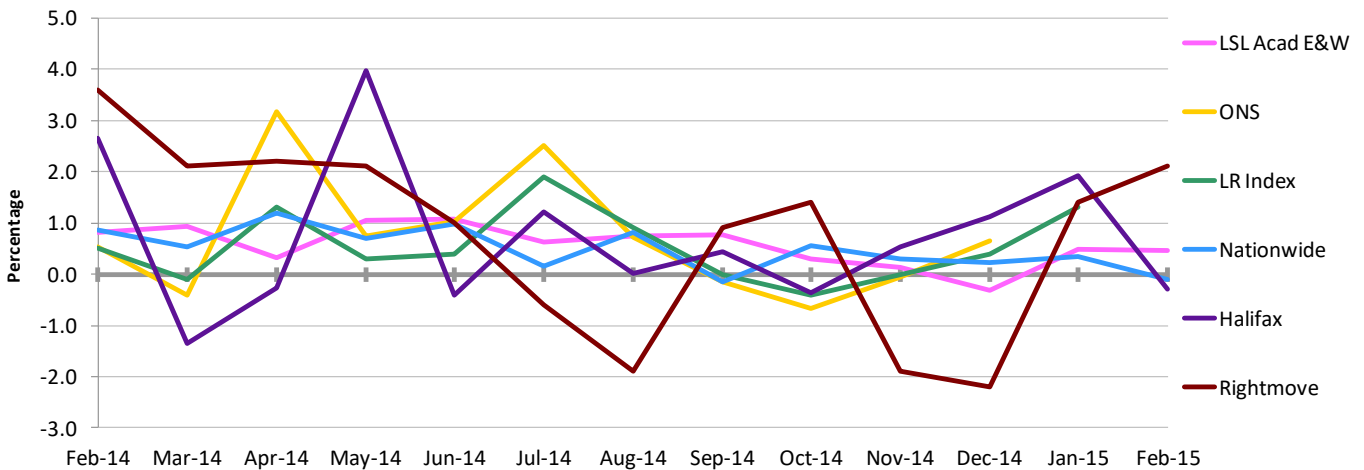


Figure 5. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

All four indices that have published their results to date for February 2015 are showing positive increases in **annual** house price inflation ranging from +8.3% (Halifax) to +5.7% (Nationwide). All four indices are also showing a lower figure in February than the previous month, indicating general agreement that the rate of annual house price increase has fallen during the month. The Halifax has the smallest decline in the rate of annual change (-0.2%), when comparing February rates to January, while Rightmove shows the largest change (-1.6%), but the Rightmove figures tend to be more volatile than the other indices, reflecting market expectations as opposed to achieved prices. It will be interesting to observe whether the ONS figures will fall more in line with the other indices next month as, similar to LSL Acad, the ONS will be updating its mix adjusting weights when reporting the January 2015 outcomes.

In Figure 5, the direction of travel in the **monthly** rate of change in house prices in February is less clear. Both Nationwide and Halifax have reported a fall in prices in February of -0.1% and -0.3% respectively, while LSL Acad and Rightmove are reporting price increases of +0.5% and +2.1% respectively. Again, the Rightmove figure should be considered more as sentiment (based on asking prices) than achieved prices. There is perhaps some puzzlement as to why price rises are slowing down in February, given the general shortage of properties available for sale, the more buoyant conditions in the economy and mortgage rates remaining at record low levels. However, January and February are the two least active months in the year in terms of housing transactions. We can therefore anticipate a clearer indication of trends for the remainder of 2015 once the March figures have been produced.

Acadata has published a [briefing note](#) on the different house price indices and their performance over time. Readers are invited to download this document from our website given that these differences are now a key area for debate and intervention.



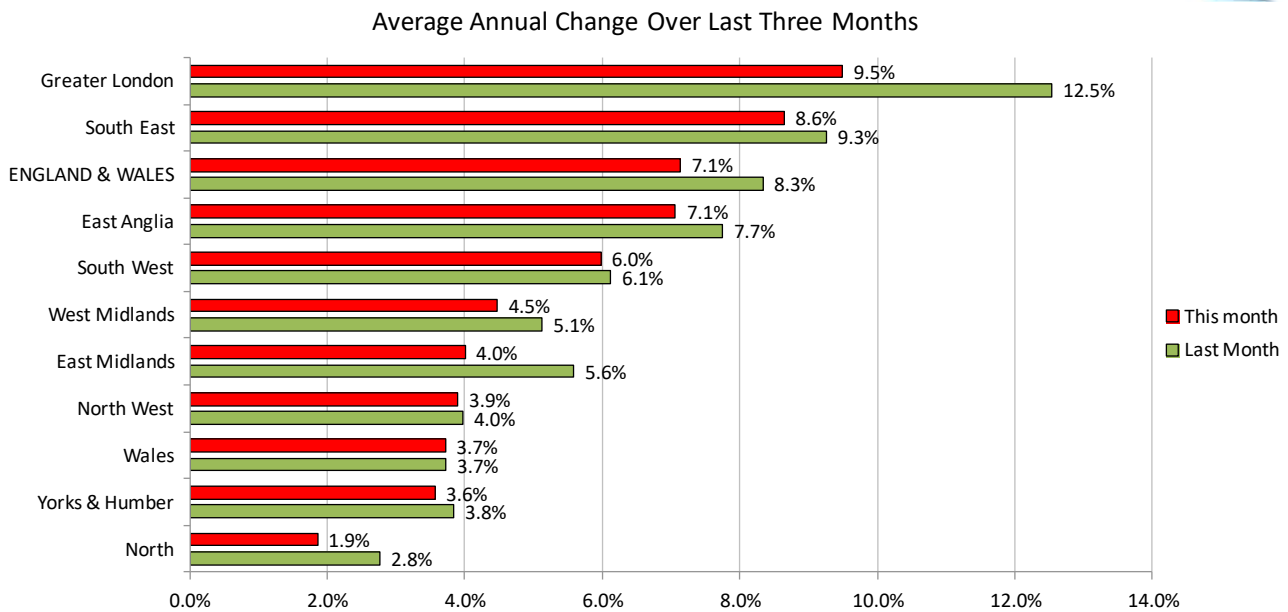


Figure 6. The annual change in the average house price, analysed by region [link to source Excel](#)

Figure 6 above is a key graph this month. It shows the annual rate of change for January 2015, averaged over three months, for each of the ten regions in England & Wales. As can be seen, although all ten regions are showing a positive quarterly movement in house prices, the averaged annual rate of change for each region, except Wales, has fallen in January compared to the previous month. Greater London saw the largest drop in the annual rate of house price growth, down 3.0% compared to the previous month, followed by the East Midlands, down 1.6%. The pattern of change in the housing market which began in London some seven months ago, of a decline in the rate of house price growth, is now being repeated across the remainder of England.

### London and the South East v the Rest

This month we consider the extent to which the annual house price inflation in England & Wales would differ if we were to exclude both Greater London and the South East from the HPI calculations. The results of this analysis are shown in Table 6 below. As expected, the annual rate is lower if we exclude London & the SE from the calculations. It is however noticeable that the gap between the rates including and excluding Greater London and the South East is beginning to diminish. This gap was at its maximum in July 2014 at 5.4%, but has subsequently reduced to 2.2% in February 2015. This accords with the view of the many analysts who have predicted that the price of properties in both Greater London and the South East will fall at a faster rate than the remainder of England & Wales.

Month	including London	excluding London	excluding London & SE
Feb-14	6.9	4.2	2.8
Mar-14	7.4	5.0	3.9
Apr-14	7.5	5.3	4.0
May-14	8.7	6.1	4.8
Jun-14	9.8	6.4	4.5
Jul-14	10.1	6.8	4.7
Aug-14	10.1	7.3	5.0
Sep-14	10.3	7.4	5.0
Oct-14	9.9	7.4	5.1
Nov-14	9.5	7.2	5.0
Dec-14	8.3	6.8	5.1
Jan-15	7.1	6.2	4.6
Feb-15	6.8	5.9	4.6

Table 6. The annual percentage change in house prices in England & Wales, from February 2014 – February 2015, including and excluding Greater London and the South East. [link to source Excel](#)



## ANNUAL CHANGE IN PRICE BY REGION

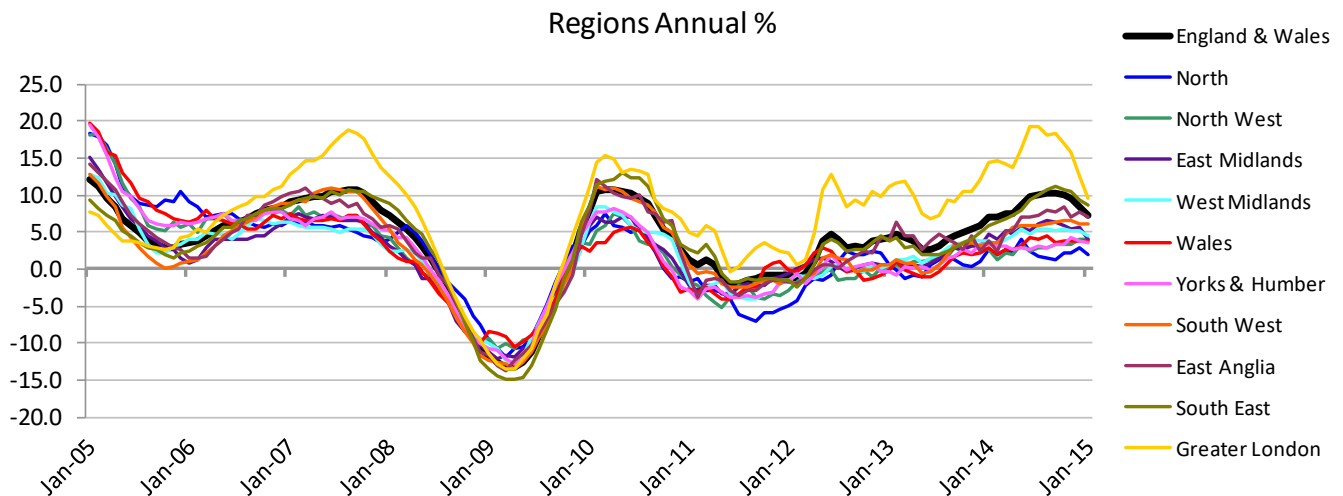


Figure 7. A comparison of the annual change in house prices, by region for the period January 2005 – January 2015

[link to source Excel](#)

Note that individual regions can be compared using our “National and Regional series from 2005 with Interactive Charts”, linked from page 10 NOTE 4 below 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.

### NOTES

1. 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.
2. 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.
3. 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.
4. the Acadata website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.
5. Acadata is an independent privately owned consultancy working with Dr Stephen Satchell, Economics Fellow Trinity College Cambridge, and specialist in the assessment of risk in property and mortgage portfolios.
6. Acadata 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.



Table 7. The change in house prices, for the 33 London boroughs, comparing January 2014 and December 2014 with January 2015. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Jan-14	Dec-14	Jan-15	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,988,229	1,773,115	1,841,707	3.9%	-7.4%
2	2	CITY OF WESTMINSTER	1,387,926	1,549,757	1,579,410	1.9%	13.8%
4	3	HAMMERSMITH AND	849,437	989,807	1,031,576	4.2%	21.4%
5	4	CITY OF LONDON	810,445	915,376	991,880	8.4%	22.4%
3	5	CAMDEN	888,921	938,642	951,095	1.3%	7.0%
6	6	RICHMOND UPON THAMES	649,127	779,147	772,505	-0.9%	19.0%
7	7	WANDSWORTH	632,536	715,009	711,600	-0.5%	12.5%
8	8	ISLINGTON	623,830	659,736	679,967	3.1%	9.0%
10	9	BARNET	508,558	542,835	548,629	1.1%	7.9%
12	10	MERTON	470,329	530,703	540,072	1.8%	14.8%
11	11	SOUTHWARK	485,786	507,583	522,949	3.0%	7.7%
9	12	LAMBETH	540,436	504,486	508,322	0.8%	-5.9%
13	13	EALING	463,724	512,334	504,572	-1.5%	8.8%
17	14	KINGSTON UPON THAMES	438,430	527,392	502,494	-4.7%	14.6%
14	15	HARINGEY	463,505	505,769	501,442	-0.9%	8.2%
15	16	BRENT	462,563	495,141	499,188	0.8%	7.9%
16	17	HACKNEY	458,740	494,060	496,346	0.5%	8.2%
19	18	HARROW	400,924	439,913	450,498	2.4%	12.4%
18	19	TOWER HAMLETS	426,885	435,402	447,451	2.8%	4.8%
20	20	HOUNSLOW	386,124	445,899	433,061	-2.9%	12.2%
21	21	BROMLEY	371,080	417,681	415,855	-0.4%	12.1%
23	22	LEWISHAM	331,501	385,264	380,818	-1.2%	14.9%
22	23	GREENWICH	352,637	370,816	371,952	0.3%	5.5%
24	24	REDBRIDGE	328,356	369,965	369,885	0.0%	12.6%
25	25	HILLINGDON	322,005	367,950	364,634	-0.9%	13.2%
26	26	ENFIELD	319,631	361,643	361,568	0.0%	13.1%
27	27	WALTHAM FOREST	304,721	354,869	355,820	0.3%	16.8%
28	28	SUTTON	296,043	336,881	338,302	0.4%	14.3%
29	29	CROYDON	284,903	325,120	325,146	0.0%	14.1%
30	30	HAVERING	270,380	299,631	304,580	1.7%	12.6%
31	31	BEXLEY	245,171	280,735	283,479	1.0%	15.6%
32	32	NEWHAM	235,542	267,989	273,727	2.1%	16.2%
33	33	BARKING AND DAGENHAM	196,271	225,177	228,583	1.5%	16.5%
		ALL LONDON	510,684	553,694	559,148	1.0%	9.5%

Table 7 above shows the average house price and percentage change (over the last month and year) by London borough for January 2014, December 2014 and January 2015. The rate of annual house price inflation in London in January 2015 was 9.5%, down from a restated 12.5% in December. Housing analysts are anticipating further reductions in the rate of house price inflation in the London market over the next few months, as the higher SDLT rates on properties over £1.1 million and concerns over a possible mansion tax consequent upon the outcome of the General Election begin to have an effect.

In January 2015 there were two London boroughs experiencing declines in the annual rate of house price inflation - Kensington & Chelsea, down 7.4%, and Lambeth down 5.9%. Aside from these two areas, all the boroughs in London have witnessed rising prices on an annual basis, ranging from 22.4% in the City of London to 4.8% in Tower Hamlets.

During the month of January, average house prices rose in London by 1.0%, partly reversing the decline of 1.6% observed in December. The borough with the highest increase in prices in January was the City of London at 8.4%, but here low sales volumes (there were just 21 properties sold in the area in January) tend to result in volatile price movements. The second largest increase in prices was in Hammersmith & Fulham, where an increase in the average price of flats, from £650k to £680k, resulted in an overall 4.2% increase in prices in the borough. The borough with the largest decline in prices in the month was Kingston upon Thames where the average price of both terraces and flats fell by £30k during the month.

In January there were 11 boroughs recording peak average house prices, highlighted in grey in the above table, down from the 14 boroughs with record average prices in December. It is noticeable that 5 of the boroughs with peak prices this month are ranked in the lowest seven London boroughs by average price. Thus it would appear that demand for properties is continuing to put pressure on those in the lower priced boroughs of London, while properties in the more expensive London areas are, with a few exceptions, no longer being sold at record breaking levels.



## Counties and Unitary Authorities

Table 8. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing January 2014 and December 2014 with January 2015. Regions, Counties and Unitary Authorities highlighted in turquoise are currently at a peak price. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Jan-14	Dec-14	Jan-15	Monthly change	Annual Change
21	19	CAMBRIDGESHIRE	252,121	271,731	270,052	-0.6%	7.1%
70	72	CITY OF PETERBOROUGH	161,693	166,422	163,144	-2.0%	0.9%
45	47	NORFOLK	193,703	206,411	207,009	0.3%	6.9%
40	39	SUFFOLK	209,086	223,149	226,385	1.4%	8.3%
		<b>EAST ANGLIA</b>	<b>211,641</b>	<b>226,055</b>	<b>226,595</b>	<b>0.2%</b>	<b>7.1%</b>
84	82	CITY OF DERBY	146,673	149,731	149,011	-0.5%	1.6%
96	92	CITY OF NOTTINGHAM	125,739	135,111	134,571	-0.4%	7.0%
63	67	DERBYSHIRE	166,474	169,106	168,645	-0.3%	1.3%
83	86	LEICESTER	147,133	149,570	149,682	0.1%	1.7%
49	48	LEICESTERSHIRE	191,989	200,636	201,973	0.7%	5.2%
71	68	LINCOLNSHIRE	160,970	168,469	168,681	0.1%	4.8%
48	50	NORTHAMPTONSHIRE	191,500	197,325	198,475	0.6%	3.6%
72	69	NOTTINGHAMSHIRE	161,703	167,211	168,938	1.0%	4.5%
14	10	RUTLAND	278,204	327,067	319,780	-2.2%	14.9%
		<b>EAST MIDLANDS</b>	<b>170,122</b>	<b>176,375</b>	<b>176,932</b>	<b>0.3%</b>	<b>4.0%</b>
		<b>GREATER LONDON</b>	<b>510,684</b>	<b>553,694</b>	<b>559,148</b>	<b>1.0%</b>	<b>9.5%</b>
60	65	CUMBRIA	169,488	169,409	168,519	-0.5%	-0.6%
85	91	DARLINGTON	142,712	138,563	135,110	-2.5%	-5.3%
98	99	DURHAM	120,091	120,937	121,886	0.8%	1.5%
97	95	HARTLEPOOL	120,138	130,033	129,725	-0.2%	8.0%
99	100	MIDDLESBROUGH	116,617	119,279	116,344	-2.5%	-0.2%
66	61	NORTHUMBERLAND	166,836	175,566	177,455	1.1%	6.4%
94	97	REDCAR AND CLEVELAND	130,652	127,272	130,852	2.8%	0.2%
82	87	STOCKTON-ON-TEES	145,061	149,203	147,722	-1.0%	1.8%
87	84	TYNE AND WEAR	146,107	149,457	150,050	0.4%	2.7%
		<b>NORTH</b>	<b>145,782</b>	<b>148,297</b>	<b>148,490</b>	<b>0.1%</b>	<b>1.9%</b>
102	103	BLACKBURN WITH DARWEN	117,559	115,141	114,324	-0.7%	-2.8%
104	104	BLACKPOOL	103,186	106,865	104,865	-1.9%	1.6%
38	38	CHESHIRE	215,517	226,487	226,241	-0.1%	5.0%
78	76	GREATER MANCHESTER	153,569	160,091	161,976	1.2%	5.5%
91	90	HALTON	135,851	143,509	140,334	-2.2%	3.3%
79	77	LANCASHIRE	151,671	155,681	155,552	-0.1%	2.6%
88	88	MERSEYSIDE	141,823	144,964	144,193	-0.5%	1.7%
51	55	WARRINGTON	181,744	184,439	186,817	1.3%	2.8%
		<b>NORTH WEST</b>	<b>158,089</b>	<b>163,734</b>	<b>164,255</b>	<b>0.3%</b>	<b>3.9%</b>
25	25	BEDFORDSHIRE	233,775	255,779	258,497	1.1%	10.6%
11	9	BRACKNELL FOREST	291,294	327,396	335,305	2.4%	15.1%
7	8	BRIGHTON AND HOVE	316,896	347,353	352,181	1.4%	11.1%
3	3	BUCKINGHAMSHIRE	378,791	401,240	403,333	0.5%	6.5%
17	20	EAST SUSSEX	253,250	269,427	274,936	2.0%	8.6%
16	16	ESSEX	258,692	275,514	278,219	1.0%	7.5%
13	14	HAMPSHIRE	282,388	297,686	301,104	1.1%	6.6%
4	4	HERTFORDSHIRE	341,435	374,248	375,418	0.3%	10.0%
43	49	ISLE OF WIGHT	205,380	198,974	200,107	0.6%	-2.6%
19	17	KENT	247,379	271,009	273,340	0.9%	10.5%
59	58	LUTON	166,553	182,478	185,547	1.7%	11.4%
53	46	MEDWAY	179,044	204,482	203,896	-0.3%	13.9%
33	30	MILTON KEYNES	217,751	239,537	242,053	1.1%	11.2%
6	6	OXFORDSHIRE	325,415	357,905	359,868	0.5%	10.6%
57	57	PORTSMOUTH	178,319	184,234	186,808	1.4%	4.8%
18	18	READING	251,126	270,535	272,813	0.8%	8.6%
30	21	SLOUGH	226,575	259,101	259,933	0.3%	14.7%
54	51	SOUTHAMPTON	176,412	193,016	198,440	2.8%	12.5%
29	23	SOUTHEND-ON-SEA	222,538	250,176	247,518	-1.1%	11.2%

# London boroughs, Counties and unitary authorities



2	2	SURREY	440,315	475,801	469,168	-1.4%	6.6%
47	43	THURROCK	193,688	215,941	220,394	2.1%	13.8%
8	7	WEST BERKSHIRE	308,944	334,239	323,540	-3.2%	4.7%
12	12	WEST SUSSEX	289,925	313,568	317,576	1.3%	9.5%
1	1	WINDSOR AND MAIDENHEAD	468,837	518,663	525,130	1.2%	12.0%
5	5	WOKINGHAM	347,334	371,701	365,399	-1.7%	5.2%
		<b>SOUTH EAST</b>	<b>293,212</b>	<b>316,987</b>	<b>318,553</b>	<b>0.5%</b>	<b>8.6%</b>
10	11	BATH AND NORTH EAST SOMERSET	304,833	319,976	325,815	1.8%	6.9%
28	27	BOURNEMOUTH	214,245	245,338	242,098	-1.3%	13.0%
27	31	CITY OF BRISTOL	224,750	239,154	239,788	0.3%	6.7%
69	63	CITY OF PLYMOUTH	165,108	173,200	170,881	-1.3%	3.5%
31	33	CORNWALL	222,404	235,605	239,369	1.6%	7.6%
23	26	DEVON	237,958	250,558	252,573	0.8%	6.1%
15	15	DORSET	264,317	285,230	285,453	0.1%	8.0%
22	24	GLOUCESTERSHIRE	243,779	253,482	252,182	-0.5%	3.4%
26	29	NORTH SOMERSET	229,632	243,809	239,670	-1.7%	4.4%
9	13	POOLE	292,873	313,915	313,554	-0.1%	7.1%
41	41	SOMERSET	212,722	217,572	219,402	0.8%	3.1%
32	35	SOUTH GLOUCESTERSHIRE	221,892	236,309	238,482	0.9%	7.5%
55	53	SWINDON	179,006	187,539	186,253	-0.7%	4.0%
50	56	TORBAY	182,541	187,645	188,930	0.7%	3.5%
20	22	WILTSHIRE	246,266	262,236	260,571	-0.6%	5.8%
		<b>SOUTH WEST</b>	<b>231,503</b>	<b>244,825</b>	<b>245,335</b>	<b>0.2%</b>	<b>6.0%</b>
108	108	BLAENAU GWENT	80,528	88,551	89,406	1.0%	11.0%
86	81	BRIDGEND	145,911	153,048	153,253	0.1%	5.0%
95	96	CAERPHILLY	126,531	127,414	125,038	-1.9%	-1.2%
46	45	CARDIFF	191,689	204,336	205,532	0.6%	7.2%
90	83	CARMARTHENSHIRE	140,625	147,895	149,404	1.0%	6.2%
52	52	CEREDIGION	178,844	189,050	183,286	-3.0%	2.5%
77	64	CONWY	154,513	167,872	164,825	-1.8%	6.7%
80	78	DENBIGHSHIRE	154,326	156,348	155,326	-0.7%	0.6%
68	70	FLINTSHIRE	157,926	169,155	170,130	0.6%	7.7%
64	74	GWYNEDD	156,820	157,313	155,300	-1.3%	-1.0%
62	71	ISLE OF ANGLESEY	169,878	171,024	177,568	3.8%	4.5%
106	105	MERTHYR TYDFIL	101,534	107,755	109,034	1.2%	7.4%
36	34	MONMOUTHSHIRE	214,069	230,080	230,571	0.2%	7.7%
101	102	NEATH PORT TALBOT	114,142	114,929	116,007	0.9%	1.6%
81	80	NEWPORT	150,503	157,027	156,486	-0.3%	4.0%
61	60	PEMBROKESHIRE	162,572	180,294	178,889	-0.8%	10.0%
56	54	POWYS	174,170	190,322	195,201	2.6%	12.1%
103	101	RHONDDA CYNON TAFF	108,501	112,495	111,238	-1.1%	2.5%
74	85	SWANSEA	160,079	148,917	149,130	0.1%	-6.8%
37	42	THE VALE OF GLAMORGAN	215,349	214,956	216,694	0.8%	0.6%
92	94	TORFAEN	140,790	132,387	135,638	2.5%	-3.7%
75	79	WREXHAM	156,429	154,913	154,544	-0.2%	-1.2%
		<b>WALES</b>	<b>156,564</b>	<b>162,154</b>	<b>162,385</b>	<b>0.1%</b>	<b>3.7%</b>
34	36	HEREFORDSHIRE	215,819	227,868	227,903	0.0%	5.6%
44	44	SHROPSHIRE	206,067	210,502	210,602	0.0%	2.2%
58	59	STAFFORDSHIRE	171,188	182,548	183,610	0.6%	7.3%
107	107	STOKE-ON-TRENT	102,378	102,330	102,816	0.5%	0.4%
24	28	WARWICKSHIRE	234,510	249,995	252,109	0.8%	7.5%
67	66	WEST MIDLANDS	162,041	168,191	166,641	-0.9%	2.8%
42	40	WORCESTERSHIRE	209,661	218,923	218,144	-0.4%	4.0%
73	73	WREKIN	151,555	160,021	157,252	-1.7%	3.8%
		<b>WEST MIDLANDS</b>	<b>180,079</b>	<b>188,525</b>	<b>188,139</b>	<b>-0.2%</b>	<b>4.5%</b>
105	106	CITY OF KINGSTON UPON HULL	107,667	104,815	104,698	-0.1%	-2.8%
65	62	EAST RIDING OF YORKSHIRE	167,744	173,023	172,060	-0.6%	2.6%
100	98	NORTH EAST LINCOLNSHIRE	122,112	125,207	126,776	1.3%	3.8%
93	93	NORTH LINCOLNSHIRE	132,454	135,248	135,681	0.3%	2.4%
35	37	NORTH YORKSHIRE	216,750	227,398	225,376	-0.9%	4.0%





89	89	<b>SOUTH YORKSHIRE</b>	141,593	144,897	143,622	-0.9%	1.4%
76	75	<b>WEST YORKSHIRE</b>	154,415	159,061	159,632	0.4%	3.4%
39	32	<b>YORK</b>	215,841	239,755	246,524	2.8%	14.2%
		<b>YORKS &amp; HUMBER</b>	<b>160,547</b>	<b>166,299</b>	<b>166,273</b>	<b>0.0%</b>	<b>3.6%</b>
		<b>ALL ENGLAND &amp; WALES</b>	<b>254,116</b>	<b>270,930</b>	<b>272,243</b>	<b>0.5%</b>	<b>7.1%</b>

Table 8 shows the average house price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for January 2014, December 2014 and January 2015. It also records the percentage change in these prices over the last month and year, highlighting the great diversity that exists across markets in England & Wales.

The headline annual increase in prices for England & Wales in January 2015 was 7.1%, which is down 1.2% from December. This is the fifth month in succession in which the rate of the annual change in house prices has fallen. In January 2015 there were two regions recording peak average prices, being the South East and the South West, with the West Midlands having dropped out of this group during the month. In the South East, 14 of the 25 unitary authorities/counties now have peak prices (highlighted in turquoise in the above table), compared to the 9 seen last month. Outside of Greater London and the South East regions, peak prices are also being recorded in seven (last month nine) unitary authority areas. The seven areas with record peak prices are Norfolk and Suffolk (East Anglia), Northamptonshire (East Midlands), Dorset (South West), Cardiff (Wales), Warwickshire (West Midlands) and finally York (Yorkshire & Humberside).

## Annual Trends

On an annual basis, prices have increased in 97 of the 108 unitary authorities (one less than last month). Thus prices have risen over the year in 90% of the unitary authorities across England & Wales, with annual price rises in double digits, i.e. of 10% or more, now being seen in 20 authorities, compared with 16 last month. Of the eleven unitary authorities having negative house price growth over the year, three are located in the North (Cumbria, Darlington and Middlesbrough), one in the North West (Blackburn with Darwen), one in the South East (Isle of Wight), five in Wales (Caerphilly, Gwynedd, Swansea, Torfaen and Wrexham) and finally one in Yorkshire & Humber (City of Kingston upon Hull).

Table 9 below shows the annual rate of house price growth, outside of Greater London, ordered by quartiles in terms of the average house price of each unitary authority. The table highlights the fact that the most expensive unitary authority areas in England & Wales are seeing the highest increase in house prices. However, comparing the figures this month with the equivalent for those produced last month, we can see that for the second month running all quartiles are showing a decline in their respective annual rates.

Table 9. The change in house prices in the 108 unitary authority/counties, for the period Oct – Dec 2013 to Oct – Dec 2014, analysed by quartile, based on average house prices.

Quartile	Price range	Average price change over the year	Last month's equivalent price change over the year
1st Quartile	£0 - £153,253	1.7%	2.1%
2nd Quartile	£153,253 - £186,816	4.0%	4.5%
3rd Quartile	£186,816 - £246,523	6.5%	6.8%
4th Quartile	Above £246,523	9.0%	9.5%

## Monthly Trends

Turning now to monthly as opposed to annual trends, the headline rate for prices in England & Wales in January 2015 shows a rise in average prices of 0.5%, which cancels out the 0.3% fall in average prices seen in December 2014. The rise in the monthly rate of 0.5% falls to 0.3% if London is excluded from the figures.

In January, there were price rises over the month in 63 unitary authorities and falls in 45. The similar figures for December were 62 authorities with price rises and 46 with price falls, indicating that there has been only a minor change in price sentiment during the month.

## Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, Bracknell Forest tops the league in terms of the highest price changes on an annual basis, at 15.1%, with near neighbour Slough taking third place with prices rising by 14.7%. Terraces and detached houses are the most popular property types in Bracknell Forest, with the latter having risen in average value by £50k over the last year.



By way of contrast, the area with the largest reduction in annual prices is Swansea, down 6.8%. In Swansea, it is semi-detached and terraced properties that are the most popular property types, with the latter having fallen in value by £10k over the last twelve months.

## **Transactions**

In terms of transactions, looking at the three months November 2014 to January 2015 and comparing with the same three months one year earlier, 51 of the 108 unitary authorities in England & Wales have seen a decline in sales volumes over the period, compared to 44 last month. The area with the largest decline in transactions over the period was Poole, down 17.9%, with a 27% decline in the number of detached properties being sold, although the average price of a detached home in Poole at £440k has remained almost constant over the last year.

The area that recorded the highest increase in transactions of any English or Welsh unitary authority was Hartlepool, up by 44%, with the sale of detached properties increasing by 70% over the year. However, transaction numbers in Hartlepool are relatively low, so a small increase in the number of properties sold results in a significant change when expressed as a percentage. However, Hartlepool is followed in the rankings by neighbouring Middlesbrough, up 37% on the year, where a similar increase in the purchase of detached properties took place. Clearly, some of the residents of these two north-east England towns decided that the last few months of 2014/early 2015 was the right time to move.



# Regional data table



Table 10. Average house prices by region, February 2014 – February 2015, 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-14	£146,398	0.4	2.0	£158,033	0.0	1.1	£170,869	0.4	3.9	£180,977	0.5	3.2
Mar-14	£148,236	1.3	2.7	£159,206	0.7	2.1	£171,990	0.7	5.1	£181,716	0.4	4.1
Apr-14	£147,216	-0.7	2.1	£158,591	-0.4	1.9	£171,456	-0.3	4.8	£181,793	0.0	4.5
May-14	£148,072	0.6	3.9	£160,028	0.9	3.4	£171,846	0.2	5.7	£182,007	0.1	5.4
Jun-14	£147,427	-0.4	2.4	£159,792	-0.1	2.4	£172,475	0.4	5.2	£182,586	0.3	4.7
Jul-14	£146,887	-0.4	1.7	£160,971	0.7	2.7	£174,003	0.9	6.0	£184,462	1.0	5.3
Aug-14	£147,201	0.2	1.4	£162,147	0.7	3.0	£175,211	0.7	6.6	£186,068	0.9	5.4
Sep-14	£146,186	-0.7	1.2	£163,574	0.9	3.3	£176,524	0.7	6.3	£186,224	0.1	5.2
Oct-14	£147,679	1.0	2.1	£164,071	0.3	3.3	£176,191	-0.2	5.9	£187,566	0.7	5.4
Nov-14	£147,251	-0.3	2.1	£163,420	-0.4	3.2	£176,429	0.1	5.3	£187,774	0.1	5.1
Dec-14	£148,297	0.7	2.8	£163,734	0.2	4.0	£176,375	0.0	5.6	£188,525	0.4	5.1
Jan-15	£148,490	0.1	1.9	£164,255	0.3	3.9	£176,932	0.3	4.0	£188,139	-0.2	4.5

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Feb-14	£157,410	0.5	2.0	£160,157	-0.2	3.1	£233,159	0.7	3.5	£213,326	0.8	2.5
Mar-14	£157,652	0.2	2.6	£160,734	0.4	3.1	£235,260	0.9	4.8	£218,156	2.3	5.1
Apr-14	£157,545	-0.1	2.7	£160,829	0.1	2.7	£237,470	0.9	5.6	£219,676	0.7	5.2
May-14	£156,904	-0.4	3.1	£161,168	0.2	2.8	£237,927	0.2	5.9	£221,579	0.9	7.0
Jun-14	£157,969	0.7	4.3	£161,090	0.0	2.5	£237,449	-0.2	5.9	£222,204	0.3	6.9
Jul-14	£157,958	0.0	3.9	£161,462	0.2	3.1	£238,674	0.5	5.8	£223,608	0.6	7.2
Aug-14	£160,046	1.3	4.6	£162,567	0.7	2.8	£242,030	1.4	6.1	£225,627	0.9	7.9
Sep-14	£160,621	0.4	3.6	£163,837	0.8	3.4	£243,931	0.8	6.3	£225,466	-0.1	7.7
Oct-14	£162,244	1.0	3.7	£165,175	0.8	3.3	£244,717	0.3	6.5	£226,693	0.5	8.4
Nov-14	£161,958	-0.2	3.7	£166,157	0.6	4.3	£244,102	-0.3	6.6	£225,306	-0.6	7.0
Dec-14	£162,154	0.1	3.7	£166,299	0.1	3.8	£244,825	0.3	6.1	£226,055	0.3	7.7
Jan-15	£162,385	0.1	3.7	£166,273	0.0	3.6	£245,335	0.2	6.0	£226,595	0.2	7.1

	South East			Greater London			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Feb-14	£297,184	1.4	6.4	£515,286	0.9	14.7		£256,191	0.8	6.9
Mar-14	£299,827	0.9	6.7	£521,080	1.1	14.1		£258,558	0.9	7.4
Apr-14	£302,276	0.8	7.2	£521,088	0.0	13.8		£259,358	0.3	7.5
May-14	£304,792	0.8	7.9	£533,541	2.4	16.1		£262,089	1.1	8.7
Jun-14	£308,081	1.1	9.4	£547,540	2.6	19.3		£264,911	1.1	9.8
Jul-14	£311,001	0.9	10.0	£549,930	0.4	19.2		£266,595	0.6	10.1
Aug-14	£313,260	0.7	10.7	£552,700	0.5	18.1		£268,586	0.7	10.1
Sep-14	£314,555	0.4	11.0	£561,230	1.5	18.4		£270,642	0.8	10.3
Oct-14	£315,506	0.3	10.7	£561,131	0.0	17.0		£271,415	0.3	9.9
Nov-14	£316,342	0.3	10.5	£562,928	0.3	15.9		£271,756	0.1	9.5
Dec-14	£316,987	0.2	9.3	£553,694	-1.6	12.5		£270,930	-0.3	8.3
Jan-15	£318,553	0.5	8.6	£559,148	1.0	9.5		£272,243	0.5	7.1
Feb-15								£273,528	0.5	6.8



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, ONS HPI and LR HPI) can be prepared only when the prices at which properties have been transacted have been recorded by the Land Registry (LSL Acad E&W HPI and LR HPI) or when firm prices at mortgage completion (ONS HPI) 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.
3. Typically, only some 38% of transactions are reported to LR at month end. LSL Acad E&W HPI overcomes this 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. LR HPI relies on the sample being reflective of all of the month’s price changes and uses c.40% of these (say c.9,000 price changes) being the prices of properties for which two prices are recorded on the Land Register and a repeat sales regression methodology based on work published by USA academics, notably for the USA S&P Case Shiller HPI. RSR was developed to prepare indices for single family homes using only the limited data volumes available for metropolitan districts, since the USA lacks a central Land Registry. LSL Acad E&W HPI, LR HPI and ONS HPI are published monthly in this order.
4. LSL Acad E&W HPI provides prices at national and regional level back to 1995 and, at county/London borough level, back to 2000; back-cast national prices for graphing are available to 1987. With only some 60,000 monthly transactions now occurring compared with at least 100,000 in past markets, reduced data volumes are a problem for every HPI. LSL Acad HPI employs not only the above “index of indices”, but also a series of auto regression and averaging models. The latter use a rolling 3 months of data to provide an average price for each month to show trends, as mentioned above. After the elapse of one month, LR provides c.88% 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 “updated” result. Two months after any given month, LR provides c.96 % 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 LSL Acad E&W HPI “updated” now uses c.37,000 real transactions for the month (as well as, by smoothing, c.40,000 transactions for the prior month); LR HPI also provides an updated LR “latest” HPI shown in our monthly Comparison of Indices table. ONS HPI with, in 2013, c. 28,000 mortgage completions (and the Rightmove asking price index) are also based upon significant data volumes; lender HPI data volumes are not quantified; the Halifax HPI employs three month smoothing for annual but not for monthly change results; Hometrack provides survey data and specifies that theirs is a survey, not an index.
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.88% 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 “updated” 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 96% 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 HPI are unable to identify different prices according to e.g numbers of bedrooms; the lender hedonic indices and the ONS mix adjusted HPI 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 prices do not.
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”; Acadata does not guarantee the accuracy of the LSL Acad E&W HPI results and Acadata 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 Acadata. 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 Acadata 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. Until the October 2013 LSL Acad E&W HPI was published, it was prepared by Acadametrics. Acadametrics then changed its name to Acadata to reflect its new focus entirely upon house price indices and data following its agreement to sell its 50% holding in MIAC Acadametrics to MIAC Analytics over a 4 year period.