



Under embargo until 00:01 Thursday 11th February 2016

January 2016

## House prices jump £700 in January

- Home values rose 0.2% (£688) last month, as the average house price in England and Wales breaks the £290,000 barrier
- Property prices now increasing at twice the pace of earnings, up 5.5% annually compared to 2.1% salary growth
- Biggest monthly boost in Bournemouth with a 2.9% (£7,371) upswing – driven by more tech jobs in the city
- Strongest sales surge found in the North West, up 8.8% year-on-year as buyers seek more property for their money

House Price	Index	Monthly Change %	Annual Change %	Annual Change % (excluding London & SE)
£290,642	281.7	0.2	5.5	3.8

**Adrian Gill, director of Reeds Rains and Your Move estate agents, comments:** “Existing homeowners have seen a satisfying New Year’s nudge in the value of their homes, making a positive start to 2016. While the 0.2% rise may seem small, we’ve now broken through the £290,000 barrier in average home values across England and Wales. Last June, average prices crossed the £280,000 marker, but we have to go back to August 2014 for the crossing of the £270,000 threshold. We’re now passing these milestones in quicker and quicker succession, as prices pick up pace. This hastening is good news for homeowners, but means it’s getting harder for those still hoping for homeownership. In the last twelve months there’s been a 5.5% upswing in average property prices compared to just a 2.1% rise in average earnings. However, aspiring buyers now have much more support to help get a foothold on the ladder, with the launch of the Help to Buy ISA in December and the new Starter Homes scheme this year. But in the long-term there has to be a huge breakthrough in housebuilding if we’re going to meet the growing demand for homes and keep house price growth sensible.

“While the South East remains the region with the fastest year-on-year price rise at 7.7%, London has now swept to second place. The typical property in London has increased in value by £34,485 in the last year – almost equal to the £35,333 median gross annual earnings in the capital. This 6.2% hike in the capital’s home values has been driven by activity in the more affordable outer boroughs. The cheapest eleven boroughs have seen the biggest boost in property prices, up 14% (£47,052) year-on-year, with a typical home in Newham now costing £63,429 (23%) more than in December 2014. As London workers attempt to find affordable places to buy, prices are rising in the nearby commuter towns as well. The fastest growth year-on-year across the country has been experienced in Luton where home values are up 17.5%, with trains here only taking 23 minutes to get into St Pancras Station.

“Bournemouth has seen the highest house price rises on a monthly basis across England and Wales, up 2.9% (£7,000) in December – equivalent to £226 each day. This upswing has been propelled by the expanding tech sector in the city. Last year Bournemouth was named the fastest-growing digital economy in the UK. This ‘silicon beach’ surge has created more well paid tech jobs in the area – spurring the recent rise in home values, as more people look to move into the neighbourhood.

“Home sales have seen the usual seasonal slump in January, falling 26% from the previous month’s level. However, this is better than expected, with sales typically dropping by 28% between these two months. Regionally, there has been a significant upswing in sales in the North West, rising 8.8% in the last quarter of 2015, compared to the same period in 2014. We are now seeing faster growth in sales in lower-priced areas, as buyers seek more property for their money.

“When looking at the type of property selling successfully, there has been a turnaround in the trend seen in recent years. Sales of detached homes are now rising fastest, up 5% year-on-year in the final quarter of 2015. There was a total of 900,650 home sales in 2015, a decline of 2.6% from the previous year, but sales in the second half of the year were above the same period in 2014. We may see this pattern reversed in 2016, as sales increase before April’s buy to let tax changes.”

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

For a more detailed market analysis by Acadata, see page 3.

# House price index: historical data



Table 1. Average House Prices in England & Wales for the period January 2015 – January 2016

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
January	2015	£275,414	266.9	0.5	7.9
February	2015	£276,394	267.9	0.4	7.2
March	2015	£276,849	268.3	0.2	6.2
April	2015	£277,730	269.2	0.3	5.9
May	2015	£278,968	270.4	0.4	5.2
June	2015	£280,845	272.2	0.7	4.8
July	2015	£282,005	273.3	0.4	4.6
August	2015	£285,058	276.3	1.1	5.0
September	2015	£286,902	278.1	0.6	5.0
October	2015	£289,233	280.3	0.8	5.5
November	2015	£289,372	280.5	0.0	5.5
December	2015	£289,954	281.0	0.2	5.8
January	2016	£290,642	281.7	0.2	5.5

---

## Press Contacts:

Melanie Cowell, LSL Property Services  
Richard Sumner, Acadata  
Henry Conner, Instinctif Partners

01904 698860  
020 8392 9082  
020 7427 2024

[melanie.cowell@lsps.co.uk](mailto:melanie.cowell@lsps.co.uk)  
[richard.sumner@acadata.co.uk](mailto:richard.sumner@acadata.co.uk)  
[Henry.Conner@instinctif.com](mailto:Henry.Conner@instinctif.com)



**Peter Williams, Chairman of Acadata and John Tindale, Acadata housing analyst comment:**

## House prices

House prices in January 2016 rose by an average £688, or 0.2%, to a new high of £290,642. This is the thirteenth month in succession in which prices have increased. On an annual basis, prices are £15,228, or 5.5% higher than a year earlier. This can be compared with the average increase in total pay (including bonuses) of 2.1% over the year, indicating that housing affordability continues to be a problem at the start of 2016, as house prices rise at a faster rate than earnings - although offset to a degree by continued low interest rates.

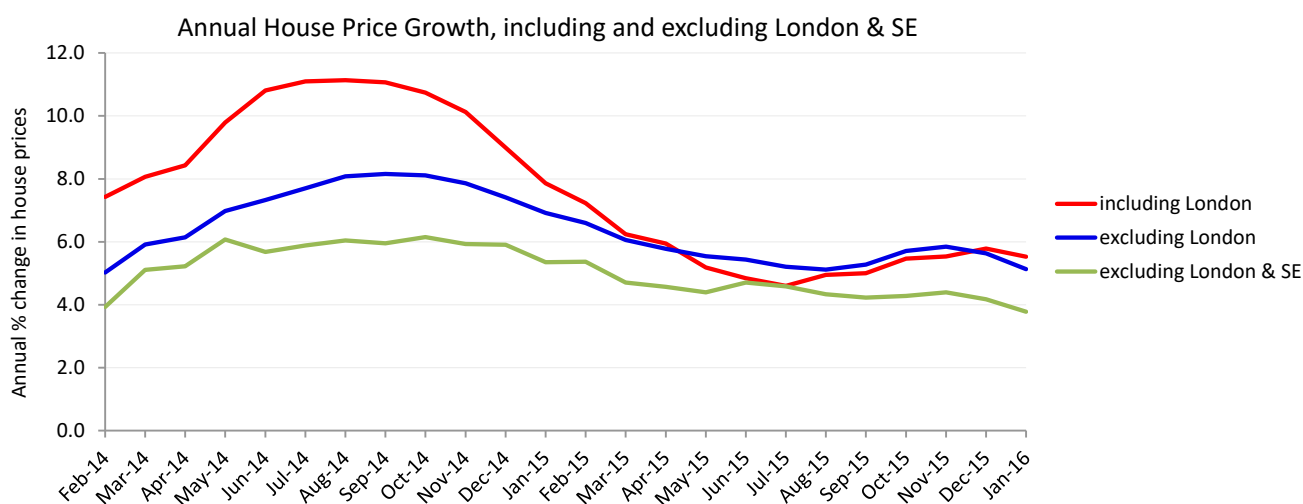


Figure 1. The Annual Rate of House Price Growth in England & Wales by month February 2014 – January 2016, including and excluding London and the South East [link to source Excel](#)

There is perhaps one small consolation for those currently aspiring to purchase a home, in that the annual rate of growth in house prices has fallen marginally to 5.5% in January, from 5.8% in December. This slight fall in rates is just discernible in the above graph, with the lines on the right hand side of the chart all pointing in a downward direction. The graph also illustrates how growth rates in house prices have fallen over the last year-and-a-half, from a peak of 11.1% reached in July and August 2014, to half this rate in January 2016. The Bank of England “Forecasts for the UK economy, a comparison of independent forecasts”, published in January 2016, shows that the average of the (independent) forecasts for House Prices in 2016 is 5.4%, i.e. approximately the same rate as is currently being experienced.

## The Housing Market

Further interventions in the England and Wales housing markets will yet again make for difficulties in understanding the changes we are reporting on. The Help-to-Buy ISA began in December 2015, and then others are coming through in 2016. These will include the Starter Home initiative (due as homes come on site), the Help-to-Buy London 40% equity loan scheme (from 1st February, 2016) and the planned introduction of the new additional 3% Stamp Duty levy on the purchase of investment properties and second homes on or after April 1st 2016.

This new tax will probably result in some transactions being brought forward to avoid it (and conversely there will be a decline in transactions in the period after April 1st). There are now 16 schemes listed on the Government Own Your Home site (<https://www.ownyourhome.gov.uk/schemes-all/>), giving a real sense of the scale of activity around the promotion of home ownership. Alongside these are the sustained moves to curb the Buy-to-Let sector via the new tax mentioned above plus the phased reduction in tax reliefs and allowances from 2017/18 onwards. In addition, there is the possibility of stronger regulatory intervention by the Financial Policy Committee on the Buy-to-Let market.

These moves are seen by government as reducing any advantages investors have enjoyed over first time buyers in the housing market (even though in tax terms home ownership is already favoured over rental ownership). However, the scale of this displacement may well be exaggerated. A recent Sunday Times analysis in conjunction with a major estate agency suggested that from the sales the firm recorded in 2015, only a third of homes sold to investors attracted any kind of offer from someone who wanted the property as a main residence (whether first time buyer or not), and that investor purchases made up around 15% of total sales. Clearly this varies by market – investors were more likely to be competing with owner-occupiers in the London market and less likely to be so doing in Wales, the North and the Midlands.



The National Landlords Association has reported that confidence in the Buy-to-Let sector is now lower than in the recent financial crisis, and forecasts that we will see 500,000 rented homes sold off in 2016 with a further 100,000 sales in each year 2017 to 2021, thus shrinking the sector by 136,000 homes: this is in place of its earlier prediction of the continued growth of the private rented sector by another million households over the next five years. Somewhat in contrast was a YouGov survey published by the CML in January, suggesting that 75% of landlords felt they could cope with planned changes with only 13% saying they would reduce or sell their portfolios. Clearly, there will be some sales and some exits from the sector, but with limited returns elsewhere, Buy-to-Let remains an attractive investment opportunity for many despite the reduction in yield over time. Demand to rent remains strong. The recent Savills report *Rental Britain* suggests that the rental market will still grow by one million households to 2021. Savills also highlight the recent growth in institutional investment in the sector, a core theme in the government's thinking around shifting the focus from the so called 'amateur' to professional landlords.

This discussion highlights the tensions playing out in the housing market, which will bear down on prices and transactions. The government is working hard to rebuild the home ownership sector, but as a recent commentary from the National Institute of Economic and Social Research makes clear it is facing acute difficulties. The NIESR argues that there are two priorities for action - improved taxation of housing and a better housing finance system - but it is not clear that there is any real appetite in government circles to address either of these.

## Housing Transactions

We estimate that the number of housing transactions in England & Wales for the month of January 2016, as recorded by the Land Registry, will total some 57,750. This total is nearly identical to the 57,600 transactions that occurred in January 2015, and represents a 26% fall from the levels recorded in December 2015. Although this reduction appears large, the seasonal fall from December to January is on average 28%, so the January levels in 2016 are marginally above seasonal expectations. The anticipated 'surge' in sales ahead of the introduction of the 3% stamp duty surcharge on 'additional' homes discussed above has yet to materialise in any discernible way.

We should also advise that we have had to adjust our December 2015 estimate - which we made last month - downwards, as sales during the latter end of the month were below our expectations. It is likely that the heavy rainfall (at record-breaking levels) and floods across northern England and North Wales resulted in a reduction in home sales, as potential buyers stayed away from the affected areas. Our latest forecast for the total number of private housing sales in England & Wales in 2015, based on the Land Registry methodology, now stands at 900,650, a reduction of 2.6% from 2014 levels. However, as far as transactions are concerned, 2015 was a year of two halves with the first half of the year seeing transactions below those recorded in 2014, while the second half of the year saw transactions - with the exceptions of August and December - move ahead of 2014 levels. Many attribute the slow sales in the first half of the year to the uncertainties surrounding the outcome of the May 2015 General Election. We tend to concur with these views.

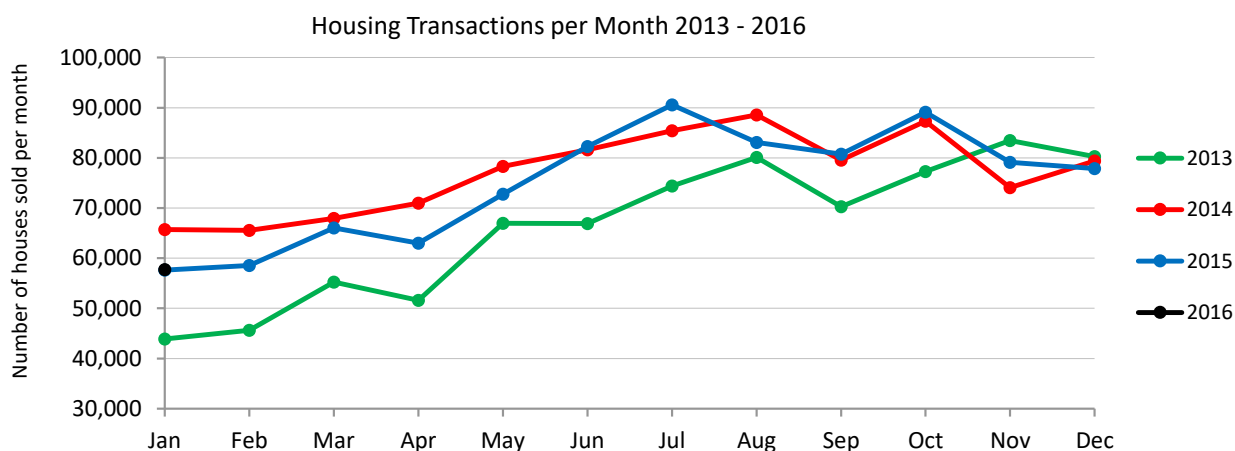


Figure 2. Number of properties sold per month in England & Wales, January 2013 – January 2016. Source Land Registry & Acadata estimates.

The totals shown have not been seasonally adjusted.

[link to source Excel](#)



Table 2 below analyses the number of property transactions that took place in Q4 2015, by Region, compared to Q4 2014, as recorded at the Land Registry. In England & Wales as a whole, transactions in Q4 2015 are marginally ahead of the same period in 2014, by 1.1%; however this single statistic masks the substantial differences that have occurred between the regions. For example, in the North West sales volumes increased by 8.8% in Q4 2015 compared to Q4 2014, whereas in Greater London sales volumes fell by 3.6% over this same period.

REGIONS (SSR)	Oct - Dec 2014	Oct - Dec 2015	% change
NORTH WEST	22,700	24,695	8.8%
WALES	10,575	11,102	5.0%
WEST MIDLANDS	20,011	20,786	3.9%
EAST MIDLANDS	19,943	20,379	2.2%
YORKS & HUMBERSIDE	19,981	20,387	2.0%
EAST ANGLIA	11,376	11,474	0.9%
SOUTH WEST	26,386	26,353	-0.1%
SOUTH EAST	58,074	57,660	-0.7%
NORTH	11,311	10,935	-3.3%
GREATER LONDON	27,662	26,656	-3.6%
ENGLAND & WALES	228,019	230,427	1.1%

Table 2. The % change in the number of housing transactions between Q4 2014 and Q4 2015, analysed by Region. [link to source Excel](#)

In the above Table, with the exception of the North, there is a high degree of correlation between 'affordability' and the increase/decrease in the number of properties sold. Thus properties in the North West and Wales are amongst the most 'affordable', and have seen an increase in sales volumes, while in Greater London and the South East affordability issues are to the fore, with sales numbers falling accordingly. As noted earlier, we attribute the reduction in the number of transactions in the North during Q4 2015 to bad weather and the flooding that took place in Cumbria in December. We should perhaps mention that under the regional definitions that we use, based on the former Standard Statistical Regions (SSR), Cumbria is included in the 'North', whereas under the more recently introduced GOR (Government Offices for the Regions), it is included in the 'North West'. (The Halifax and Nationwide house price indices also both use the SSR definitions for the Regions.)

Table 3. The % change in the number of housing transactions between Q4 2014 and Q4 2015, analysed by property type. [link to source Excel](#)

REGIONS (SSR)	Detached	Semi	Terraced	Flats	All Types
NORTH WEST	11.0%	11.7%	5.7%	5.2%	8.8%
WALES	4.5%	3.7%	7.2%	2.9%	5.0%
WEST MIDLANDS	8.5%	2.4%	3.3%	-1.5%	3.9%
EAST MIDLANDS	5.9%	0.2%	1.5%	-6.8%	2.2%
YORKS & HUMBERSIDE	3.8%	3.7%	-0.1%	-1.0%	2.0%
EAST ANGLIA	5.2%	-4.5%	2.9%	-6.4%	0.9%
SOUTH WEST	2.5%	1.4%	-1.6%	-3.6%	-0.1%
SOUTH EAST	4.9%	-0.2%	-3.7%	-3.7%	-0.7%
NORTH	-5.1%	-1.2%	-1.3%	-12.5%	-3.3%
GREATER LONDON	5.3%	2.4%	-1.3%	-7.1%	-3.6%
ENGLAND & WALES	5.0%	2.3%	0.2%	-4.4%	1.1%

Table 3 shows the % change in the volume of transactions that took place in Q4 2014 and Q4 2015, by region, analysed by property type. As can be seen, the highest increase in sales by type is that for detached properties, up by 5.0%, followed by semi-detached properties up 2.3%. The property type showing the greatest reduction in sales is flats, which have seen a decrease of 4.4% in the number of units sold. These changes in property purchases are almost exactly the opposite of what was happening in Q4 2014, when it was flats and terraces seeing the major increases in transaction numbers, associated with strong activity from first time buyers who were attracted by the assistance granted under the then recently introduced Government's Help to Buy equity loan scheme, particularly outside London, and an expansion in the number of Buy-to-Let landlords. At the same time, the purchase of detached and semi-detached homes was showing a reduction in sales numbers.



In percentage terms, the region with the highest increase in detached sales is the North West, up by 11.0%, followed by the West Midlands showing an increase of 8.5% in the sale of detached properties over this period. The North West also has the highest increase in the purchase of semi-detached homes, up by 11.7%, or 920 properties in the period.

In terms of flats, the North is recording the largest percentage fall in sales at -12.5%, but this only represents a reduction of 146 properties sold over the period, as flats form a relatively small proportion of the overall housing market in the region. In absolute terms it is Greater London that has seen the largest fall in flat sales, down by some 1,068 units over the period, of which 500 fewer sales relate to just three inner London boroughs, Tower Hamlets (-271), Lambeth (-128) and the City of Westminster (-105).



# Comparison of indices

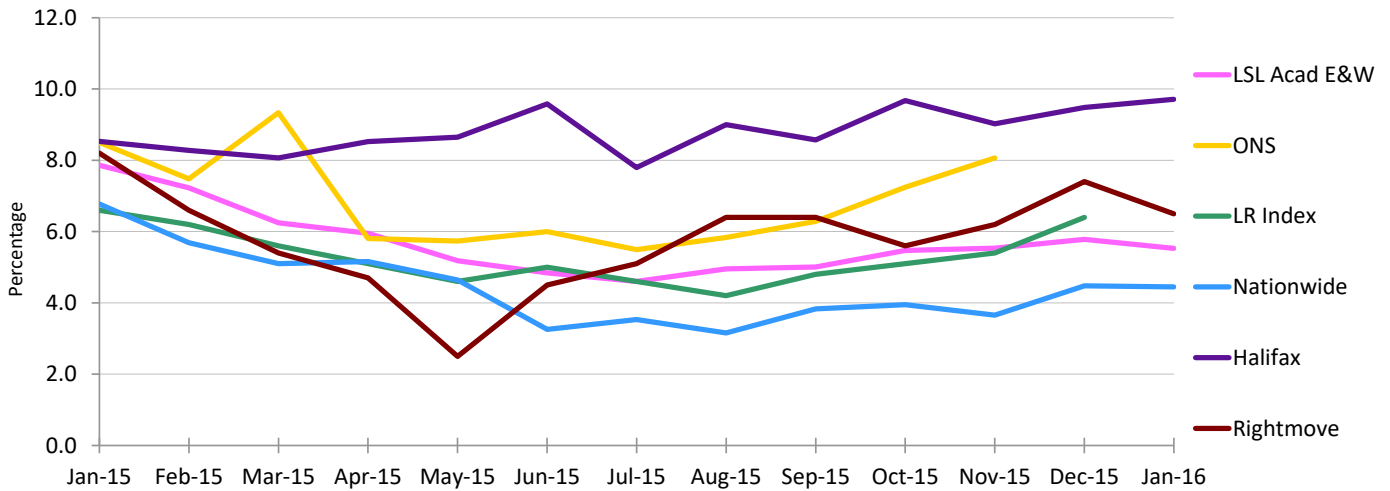


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

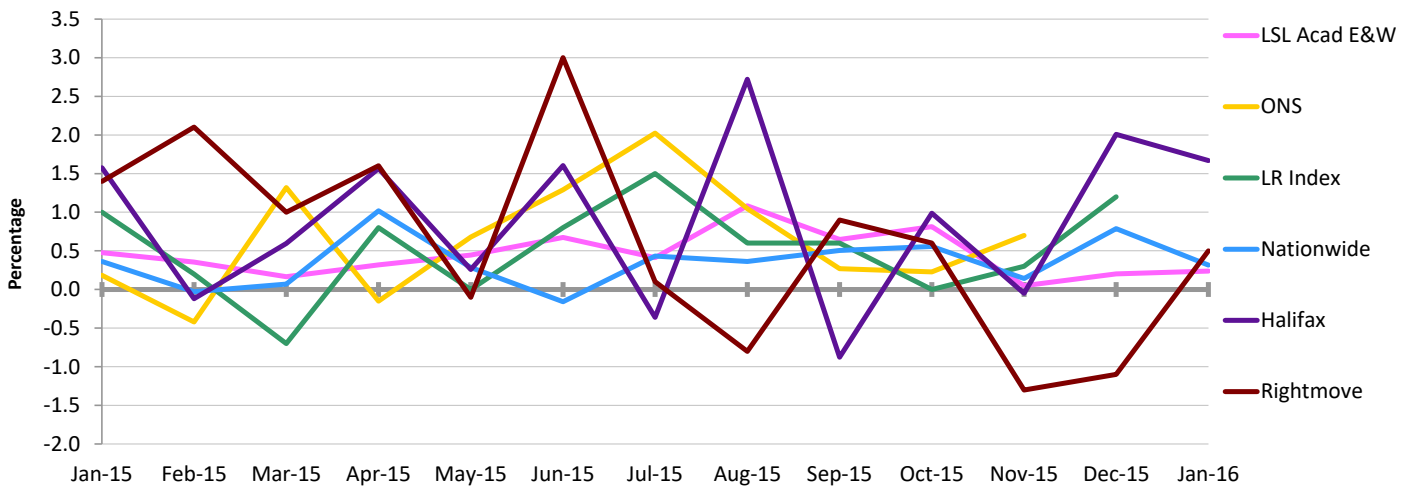


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

As Figure 3 shows, all indices, including both the mix-adjusted and ‘conceptual’ price indices, are recording positive movements over the year in terms of the **annual** change in house prices, with the highest rate being recorded by Halifax this month, at 9.7%, and the lowest rate being recorded by Rightmove in May 2015, at 2.5%. In January 2016, of the four indices that have reported to date, three are in a relatively tight band with Rightmove at 6.5%, LSL Acad at 5.5% and Nationwide at 4.4%. Nationwide has been reporting consistently lower rates than the LSL Acad index for the past twelve months, which might suggest that cash sales are causing upward pressure on house prices in the current market, as Nationwide excludes these from its calculations. However, Halifax, which also excludes cash sales, is reporting much higher house price inflation than all the other indices at 9.7%, with rates of growth double that of Nationwide since June 2015. We discuss this below.

Figure 4 covers the **monthly** change in house prices. Again, in January 2016, Rightmove, Nationwide and LSL Acad are close together, at 0.5%, 0.3% and 0.2% respectively, while Halifax is reporting triple these levels at 1.7%. In its HPI report this month, Halifax cautions its “Monthly house price changes can be volatile. The quarter-on-quarter change (2.2%) is a more reliable indicator of the underlying trend.”

Halifax continues to be significantly out of step with the other index providers in both its annual and monthly rates, with the 9.7% rise on an annual basis being more than double that of the Nationwide at 4.4%. As we discussed last month, our own index climbs by 1.5% if we exclude properties sold in Central London. On the assumption that Halifax does not make significant loans in central London or on other high valued properties in the London area, which are also currently seeing prices fall, it is possible to explain why its Index appears out of kilter with the rest, although the inconsistencies between the Halifax and Nationwide indices continue to pervade.

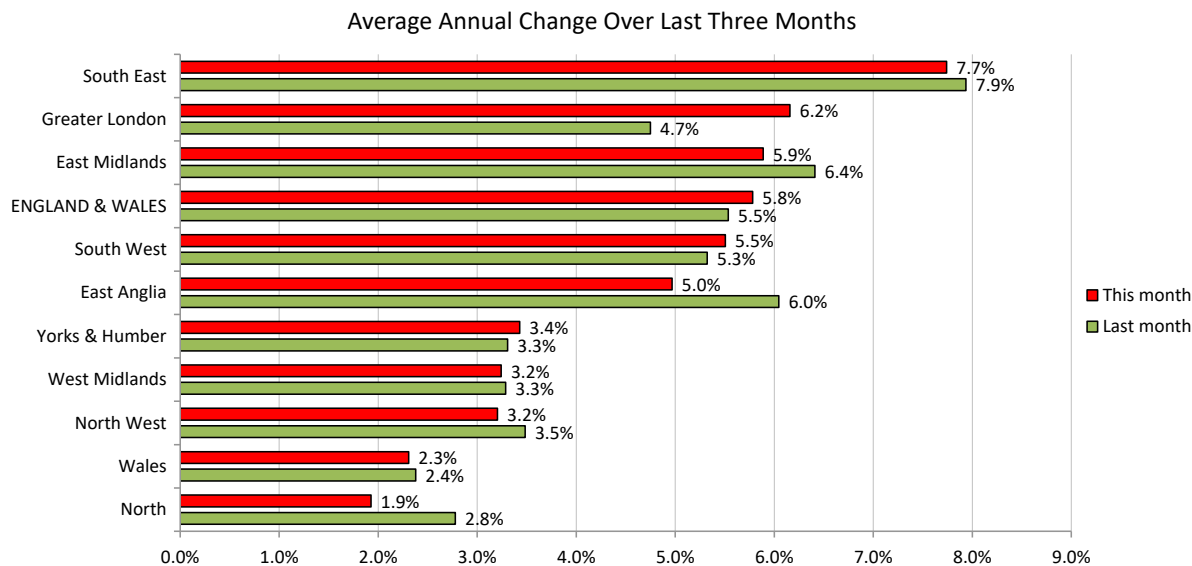


Figure 5. The annual change in the average house price, analysed by region

[link to source Excel](#)

For the third month running, of the ten regions in England & Wales, the South East has the highest rate of house price inflation at 7.7%. All 25 of the unitary authority areas in the South East are recording positive movements in their respective prices, topped by Reading at 14.2%. Greater London has moved up to second place, displacing the East Midlands into third position, although if we were to remove the top five central London Boroughs by price from the calculations, the annual change in prices for London would be 10.4%, easily topping the above regional league table.

Looking at the rate of change in the annual price growth over the month, we have seven regions where prices have slowed, with only three regions where the rate of change has accelerated. The region that saw the largest increase in the rate of annual house price growth was Greater London up by 1.5%, with East Anglia seeing the largest fall at -1.0%.

### London and the South East v the Rest

We highlighted earlier our work on the influence of Greater London and the South East on the average house price growth in England & Wales. As Table 4 below shows, this influence was at a maximum in January 2015 when the annual rate of growth was 7.9% including Greater London and the South East, but only 5.4% if one excluded these two regions. In July 2015 this gap had reduced to 0.0%, meaning that London and the South East did not have any influence over the average growth rate in prices for England & Wales as a whole. However, we can also observe that ‘the gap’ between the rates including and excluding London and the South East is once more beginning to widen, and stands at 1.7% in January 2016.

Month	including London (A)	excluding London (C)	excluding London & SE (B)	difference ‘the gap’ (A) – (B)
Jan-15	7.9	6.9	5.4	2.5
Feb-15	7.2	6.6	5.4	1.8
Mar-15	6.2	6.1	4.7	1.5
Apr-15	5.9	5.8	4.6	1.3
May-15	5.2	5.5	4.4	0.8
Jun-15	4.8	5.4	4.7	0.1
Jul-15	4.6	5.2	4.6	0.0
Aug-15	5.0	5.1	4.3	0.7
Sep-15	5.0	5.3	4.2	0.8
Oct-15	5.5	5.7	4.3	1.2
Nov-15	5.5	5.8	4.4	1.1
Dec-15	5.8	5.6	4.2	1.6
Jan-16	5.5	5.1	3.8	1.7

Table 4. The annual percentage change in house prices in England & Wales, from January 2015 – January 2016, including and excluding Greater London and the South East.

[link to source Excel](#)





## ANNUAL CHANGE IN PRICE BY REGION

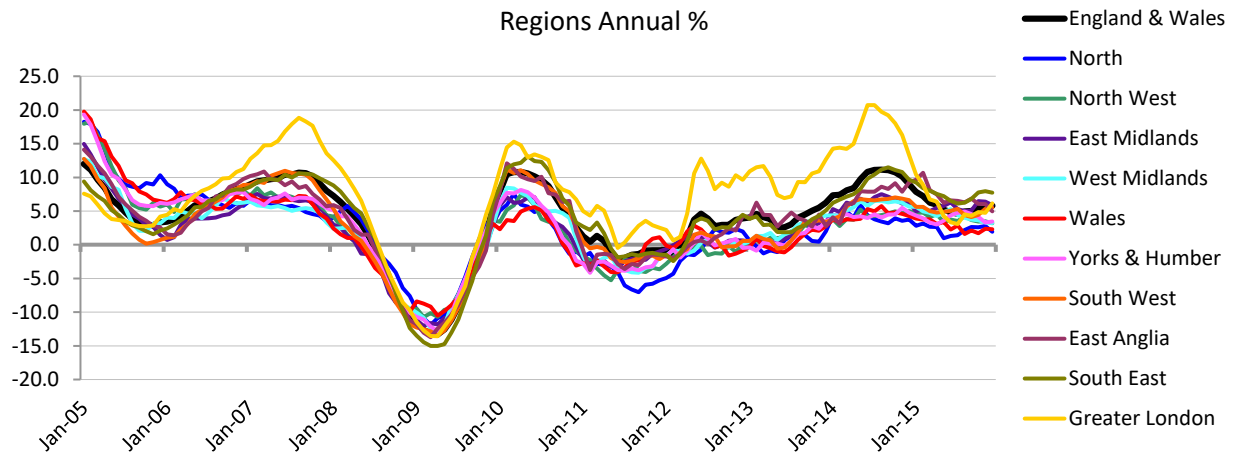


Figure 6. A comparison of the annual change in house prices, by region for the period January 2005 – December 2015

[link to source Excel](#)

Note that individual regions can be compared using our “National and Regional series from 2005 with Interactive Charts”, linked from 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 DataLibrary provides a portfolio of ready-to-use datasets and calculation series updated monthly, based upon the factual Land Registry and/or Registers of Scotland results ([free essential series here](#)). Our comprehensive selections of geography (national/ regional/ unitary authority/ postcodes) and of property types with mean and median prices provide the “off the shelf” historic data series and analyses needed for rapid study and commentary. The DataLibrary is available on subscription for e.g. property portfolio analysis, business planning and advisory purposes. For major lending institutions it shows national and regional trends. For local builders, developers and estate agents it shows stock and new build results within postcode districts and enables analyses at town and street level.
7. Given the postcodes in which a portfolio, fund or trust is invested, or in which a lender has exposure, an Acadata house price index for those postcodes alone indicates the effect of monthly house price changes on collateral. Our associated company MIAC Acadametrics provides loan revaluations, aligned to lender risk profile and regulatory requirements. Hearstone plc uses our regional weights in planning the geography of their property portfolio. Our work has a strong academic foundation and our data are used by government. For more detail see [www.acadata.co.uk](http://www.acadata.co.uk).

# London boroughs, counties and unitary authorities



Table 5. The change in house prices, for the 33 London boroughs, comparing December 2014 and November 2015 with December 2015. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Dec-14	Nov-15	Dec-15	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,798,904	1,684,786	1,744,681	3.6%	-3.0%
2	2	CITY OF WESTMINSTER	1,546,812	1,338,851	1,358,796	1.5%	-12.2%
4	3	CAMDEN	947,893	1,008,766	976,426	-3.2%	3.0%
3	4	HAMMERSMITH AND	993,318	950,178	944,456	-0.6%	-4.9%
5	5	CITY OF LONDON	865,930	801,491	863,185	7.7%	-0.3%
6	6	RICHMOND UPON THAMES	757,781	771,706	770,022	-0.2%	1.6%
7	7	WANDSWORTH	722,642	769,840	762,699	-0.9%	5.5%
8	8	ISLINGTON	672,883	693,588	689,564	-0.6%	2.5%
16	9	HARINGEY	512,931	611,433	626,802	2.5%	22.2%
11	10	SOUTHWARK	530,042	627,663	622,382	-0.8%	17.4%
9	11	BARNET	560,555	606,154	612,676	1.1%	9.3%
10	12	MERTON	531,029	624,333	612,390	-1.9%	15.3%
15	13	EALING	513,413	601,460	597,659	-0.6%	16.4%
17	14	HACKNEY	509,020	585,115	587,848	0.5%	15.5%
12	15	LAMBETH	523,106	555,605	551,414	-0.8%	5.4%
14	16	BRENT	514,400	548,639	549,828	0.2%	6.9%
13	17	KINGSTON UPON THAMES	519,607	511,020	512,927	0.4%	-1.3%
20	18	TOWER HAMLETS	449,603	508,661	507,625	-0.2%	12.9%
19	19	HOUNSLOW	450,156	493,450	493,890	0.1%	9.7%
18	20	HARROW	450,867	486,748	484,076	-0.5%	7.4%
21	21	BROMLEY	424,497	453,613	450,133	-0.8%	6.0%
22	22	GREENWICH	393,385	448,675	447,863	-0.2%	13.8%
23	23	LEWISHAM	386,525	437,389	441,960	1.0%	14.3%
26	24	HILLINGDON	369,910	421,884	421,646	-0.1%	14.0%
25	25	ENFIELD	371,156	414,481	420,920	1.6%	13.4%
24	26	REDBRIDGE	377,515	416,087	415,196	-0.2%	10.0%
27	27	WALTHAM FOREST	357,535	411,938	414,661	0.7%	16.0%
28	28	SUTTON	336,114	378,992	379,623	0.2%	12.9%
29	29	CROYDON	328,691	364,696	371,518	1.9%	13.0%
30	30	HAVERING	299,799	342,092	345,888	1.1%	15.4%
32	31	NEWHAM	275,262	339,008	338,691	-0.1%	23.0%
31	32	BEXLEY	283,406	313,617	319,119	1.8%	12.6%
33	33	BARKING AND DAGENHAM	228,855	260,075	262,799	1.0%	14.8%
		ALL LONDON	559,994	592,996	594,479	0.3%	6.2%

The analysis of Greater London house prices in Table 5 relates to December 2015, and compares these prices to one month and one year earlier. On an annual basis, house prices in London overall were 6.2% higher in December 2015 than 12 months earlier, an increase of £34,485 over the year. This annual increase in average house prices almost equates to the Median Gross Annual Earnings of full time employees in Greater London, which amounts to £35,333. Thus the median annual salary in London has been absorbed by the increase in average house prices over the year.

If we split the above table into thirds ranked by price, the first eleven boroughs saw an annual increase in prices of £9,677, or 1.1%, the second eleven boroughs saw an annual increase of £46,388, or 9.7%, while the bottom eleven boroughs saw an annual increase of £47,052, or 14.0%. Thus it is the lowest-priced areas in London that have seen prices rise at the fastest rate, exceeding the level of gross annual earnings of those working in the London area.

There were just 11 boroughs in December that set new peak prices, down from the 22 in November, which are highlighted in grey in the above table. Of these 11, 8 are ranked in the lowest priced boroughs in London, which provides further evidence of the inverse position of the London market, with the highest increase in prices taking place in the lower priced boroughs, while the higher priced boroughs continue to see prices fall.

In terms of transaction numbers, London has seen a fall of 3.6% in the last three months of 2015, compared to one year earlier. The largest fall in the number of properties sold has been in Tower Hamlets, where volumes are down in Q4 2015 by 25% compared to Q4 2014, and Islington, down by 16% over this same period. Flats in both these boroughs represent a high proportion of the local property market, being 91% and 82% respectively. The boroughs of the City of Westminster (89% flats) and Kensington and Chelsea (82% flats) have also seen transactions fall by 12% and 15% each.

# London boroughs, counties and unitary authorities



## Counties and Unitary Authorities

Table 6. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing December 2014 and November 2015 with December 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	Dec-14	Nov-15	Dec-15	Monthly change	Annual Change
17	18	CAMBRIDGESHIRE	280,483	299,313	294,805	-1.5%	5.1%
65	61	CITY OF PETERBOROUGH	171,988	181,092	181,644	0.3%	5.6%
45	50	NORFOLK	208,544	214,563	215,597	0.5%	3.4%
39	36	SUFFOLK	225,784	237,435	240,487	1.3%	6.5%
		<b>EAST ANGLIA</b>	<b>230,288</b>	<b>241,571</b>	<b>241,727</b>	<b>0.1%</b>	<b>5.0%</b>
84	79	CITY OF DERBY	152,439	162,700	161,265	-0.9%	5.8%
95	91	CITY OF NOTTINGHAM	134,063	151,208	148,538	-1.8%	10.8%
66	64	DERBYSHIRE	171,463	181,941	181,399	-0.3%	5.8%
86	81	LEICESTER	150,378	156,850	160,561	2.4%	6.8%
49	52	LEICESTERSHIRE	202,203	214,013	210,656	-1.6%	4.2%
68	68	LINCOLNSHIRE	170,791	179,405	179,181	-0.1%	4.9%
50	49	NORTHAMPTONSHIRE	200,603	217,098	215,916	-0.5%	7.6%
70	60	NOTTINGHAMSHIRE	169,768	182,618	181,811	-0.4%	7.1%
10	19	RUTLAND	325,362	290,129	294,382	1.5%	-9.5%
		<b>EAST MIDLANDS</b>	<b>178,597</b>	<b>190,114</b>	<b>189,112</b>	<b>-0.5%</b>	<b>5.9%</b>
		<b>GREATER LONDON</b>	<b>559,994</b>	<b>592,996</b>	<b>594,479</b>	<b>0.3%</b>	<b>6.2%</b>
67	70	CUMBRIA	171,194	176,824	176,876	0.0%	3.3%
91	92	DARLINGTON	139,964	148,180	147,671	-0.3%	5.5%
99	98	DURHAM	123,971	124,661	125,977	1.1%	1.6%
93	95	HARTLEPOOL	135,944	131,327	134,071	2.1%	-1.4%
100	99	MIDDLESBROUGH	123,502	125,286	125,242	0.0%	1.4%
61	62	NORTHUMBERLAND	180,648	182,272	181,611	-0.4%	0.5%
96	97	REDCAR AND CLEVELAND	133,733	129,829	131,711	1.4%	-1.5%
85	85	STOCKTON-ON-TEES	151,098	155,410	155,026	-0.2%	2.6%
82	84	TYNE AND WEAR	153,120	156,431	155,971	-0.3%	1.9%
		<b>NORTH</b>	<b>151,793</b>	<b>154,620</b>	<b>154,718</b>	<b>0.1%</b>	<b>1.9%</b>
101	101	BLACKBURN WITH DARWEN	122,476	120,723	120,694	0.0%	-1.5%
106	105	BLACKPOOL	106,704	107,720	109,361	1.5%	2.5%
36	41	CHESHIRE	230,980	232,418	230,994	-0.6%	0.0%
73	72	GREATER MANCHESTER	163,219	170,424	170,310	-0.1%	4.3%
90	90	HALTON	146,133	152,805	149,364	-2.3%	2.2%
79	77	LANCASHIRE	158,704	161,490	161,680	0.1%	1.9%
89	86	MERSEYSIDE	147,092	154,193	154,960	0.5%	5.3%
56	56	WARRINGTON	186,757	196,289	198,693	1.2%	6.4%
		<b>NORTH WEST</b>	<b>166,902</b>	<b>172,235</b>	<b>172,249</b>	<b>0.0%</b>	<b>3.2%</b>
23	23	BEDFORDSHIRE	260,598	272,950	277,025	1.5%	6.3%
8	9	BRACKNELL FOREST	332,632	364,275	368,348	1.1%	10.7%
7	8	BRIGHTON AND HOVE	354,036	369,139	372,017	0.8%	5.1%
3	3	BUCKINGHAMSHIRE	401,798	440,668	441,354	0.2%	9.8%
20	20	EAST SUSSEX	267,671	286,786	289,363	0.9%	8.1%
16	15	ESSEX	281,112	305,838	306,101	0.1%	8.9%
14	13	HAMPSHIRE	301,551	317,104	316,298	-0.3%	4.9%
4	5	HERTFORDSHIRE	377,418	415,201	413,310	-0.5%	9.5%
48	45	ISLE OF WIGHT	203,360	221,699	223,300	0.7%	9.8%
19	17	KENT	273,885	297,686	297,587	0.0%	8.7%
59	46	LUTON	185,688	216,681	218,100	0.7%	17.5%
47	42	MEDWAY	205,614	225,830	227,292	0.6%	10.5%
30	25	MILTON KEYNES	244,260	266,955	268,684	0.6%	10.0%
6	6	OXFORDSHIRE	361,904	379,868	379,686	0.0%	4.9%
55	55	PORTSMOUTH	187,969	198,511	199,902	0.7%	6.3%
18	14	READING	276,392	310,444	315,697	1.7%	14.2%
22	21	SLOUGH	264,532	287,127	288,627	0.5%	9.1%
51	53	SOUTHAMPTON	195,585	206,839	204,468	-1.1%	4.5%
27	26	SOUTHEND-ON-SEA	248,300	265,679	266,565	0.3%	7.4%

# London boroughs, counties and unitary authorities



2	2	SURREY	472,395	497,855	501,311	0.7%	6.1%
42	34	THURROCK	220,418	245,912	245,075	-0.3%	11.2%
9	7	WEST BERKSHIRE	331,576	371,458	375,654	1.1%	13.3%
13	11	WEST SUSSEX	317,263	335,609	338,249	0.8%	6.6%
1	1	WINDSOR AND MAIDENHEAD	503,197	560,950	536,455	-4.4%	6.6%
5	4	WOKINGHAM	372,394	422,152	419,904	-0.5%	12.8%
		<b>SOUTH EAST</b>	<b>319,527</b>	<b>343,638</b>	<b>344,258</b>	<b>0.2%</b>	<b>7.7%</b>
12	10	BATH AND NORTH EAST SOMERSET	320,921	345,894	345,080	-0.2%	7.5%
28	28	BOURNEMOUTH	247,634	253,861	261,232	2.9%	5.5%
33	27	CITY OF BRISTOL	239,733	262,415	265,587	1.2%	10.8%
62	63	CITY OF PLYMOUTH	174,497	182,090	181,602	-0.3%	4.1%
34	38	CORNWALL	233,861	239,395	239,717	0.1%	2.5%
26	29	DEVON	252,624	259,426	260,947	0.6%	3.3%
15	16	DORSET	286,947	297,223	299,451	0.7%	4.4%
24	24	GLOUCESTERSHIRE	255,281	267,912	271,885	1.5%	6.5%
29	31	NORTH SOMERSET	244,924	252,983	256,810	1.5%	4.9%
11	12	POOLE	322,223	328,879	333,227	1.3%	3.4%
41	43	SOMERSET	221,673	225,220	227,016	0.8%	2.4%
32	30	SOUTH GLOUCESTERSHIRE	242,378	259,618	258,293	-0.5%	6.6%
54	48	SWINDON	188,667	215,334	216,240	0.4%	14.6%
53	54	TORBAY	190,415	204,041	203,441	-0.3%	6.8%
21	22	WILTSHIRE	265,064	283,031	286,169	1.1%	8.0%
		<b>SOUTH WEST</b>	<b>246,897</b>	<b>258,427</b>	<b>260,490</b>	<b>0.8%</b>	<b>5.5%</b>
108	108	BLAENAU GWENT	90,199	88,657	89,642	1.1%	-0.6%
81	87	BRIDGEND	155,937	154,794	154,514	-0.2%	-0.9%
98	96	CAERPHILLY	129,442	134,554	132,676	-1.4%	2.5%
46	47	CARDIFF	206,434	215,638	217,056	0.7%	5.1%
88	89	CARMARTHENSHIRE	147,537	148,454	149,821	0.9%	1.5%
58	57	CEREDIGION	185,858	188,388	189,059	0.4%	1.7%
72	73	CONWY	164,540	169,814	169,914	0.1%	3.3%
77	75	DENBIGHSHIRE	160,207	163,846	165,244	0.9%	3.1%
69	71	FLINTSHIRE	170,347	173,133	171,304	-1.1%	0.6%
80	83	GWYNEDD	157,372	158,058	157,781	-0.2%	0.3%
63	69	ISLE OF ANGLESEY	173,820	177,493	178,687	0.7%	2.8%
104	107	MERTHYR TYDFIL	109,015	108,121	107,021	-1.0%	-1.8%
35	33	MONMOUTHSHIRE	231,773	243,128	245,535	1.0%	5.9%
102	102	NEATH PORT TALBOT	120,114	118,564	119,961	1.2%	-0.1%
76	82	NEWPORT	161,815	160,635	159,393	-0.8%	-1.5%
60	66	PEMBROKESHIRE	181,868	175,733	180,499	2.7%	-0.8%
52	59	POWYS	192,946	186,034	185,877	-0.1%	-3.7%
103	103	RHONDDA CYNON TAFF	115,129	120,302	119,540	-0.6%	3.8%
83	78	SWANSEA	152,708	161,804	161,527	-0.2%	5.8%
43	44	THE VALE OF GLAMORGAN	217,201	228,850	223,421	-2.4%	2.9%
94	94	TORFAEN	134,484	140,765	139,546	-0.9%	3.8%
78	80	WREXHAM	159,460	158,117	161,028	1.8%	1.0%
		<b>WALES</b>	<b>164,343</b>	<b>167,982</b>	<b>168,135</b>	<b>0.1%</b>	<b>2.3%</b>
37	39	HEREFORDSHIRE	229,933	237,807	237,006	-0.3%	3.1%
44	51	SHROPSHIRE	213,349	216,322	214,845	-0.7%	0.7%
57	58	STAFFORDSHIRE	185,992	189,425	188,084	-0.7%	1.1%
107	104	STOKE-ON-TRENT	106,513	112,131	111,296	-0.7%	4.5%
25	32	WARWICKSHIRE	254,381	253,686	253,240	-0.2%	-0.4%
71	67	WEST MIDLANDS	169,185	178,322	179,440	0.6%	6.1%
40	40	WORCESTERSHIRE	222,036	228,594	231,032	1.1%	4.1%
74	76	WREKIN	162,283	161,811	162,361	0.3%	0.0%
		<b>WEST MIDLANDS</b>	<b>191,072</b>	<b>196,896</b>	<b>197,267</b>	<b>0.2%</b>	<b>3.2%</b>
105	106	CITY OF KINGSTON UPON HULL	107,738	108,625	108,982	0.3%	1.2%
64	65	EAST RIDING OF YORKSHIRE	173,737	182,285	180,522	-1.0%	3.9%
97	100	NORTH EAST LINCOLNSHIRE	129,633	126,196	124,938	-1.0%	-3.6%



92	93	<b>NORTH LINCOLNSHIRE</b>	137,031	143,690	143,188	-0.3%	4.5%
38	35	<b>NORTH YORKSHIRE</b>	227,905	236,118	241,057	2.1%	5.8%
87	88	<b>SOUTH YORKSHIRE</b>	147,751	153,050	151,637	-0.9%	2.6%
75	74	<b>WEST YORKSHIRE</b>	161,899	168,235	168,492	0.2%	4.1%
31	37	<b>YORK</b>	244,040	241,900	240,168	-0.7%	-1.6%
		<b>YORKS &amp; HUMBER</b>	<b>168,930</b>	<b>174,521</b>	<b>174,723</b>	<b>0.1%</b>	<b>3.4%</b>
		<b>ALL ENGLAND &amp; WALES</b>	<b>274,105</b>	<b>289,372</b>	<b>289,954</b>	<b>0.2%</b>	<b>5.8%</b>

Table 6 shows the average property price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for December 2014, November 2015 and December 2015. It also records the percentage change in these prices over the last month and year, highlighting the great diversity that exists across the markets in England & Wales. In December 2015, the monthly rate of price inflation in England & Wales is 0.2% and the headline annual increase in prices for England & Wales in December 2015 is 5.8%, up from 5.5% in November one month earlier.

### Annual Trends

On an annual basis, prices have increased in 94 of the 108 unitary authority areas, six less than last month, but this still represents some 87% of the England & Wales unitary authority areas. Of the 14 areas where prices are falling, 7 are located in Wales, 2 are located in the North, 2 in Yorkshire & Humber, and 1 each in the North West and the East and West Midlands.

In the above table we have highlighted in turquoise those areas which have set a new peak price in the month; there are 26 such locations, which is 14 fewer than last month, being an indicator of a general slowing in prices towards the end of last year. Of these 26 local authority areas, 13 are based in the South East, which represents just over half of the areas in that region.

Table 7 below shows the annual rate of property price growth outside Greater London, ordered by quartiles in terms of the average price of each unitary authority area. The table highlights the fact that the most expensive unitary authority areas in England & Wales are seeing the highest increase in house prices. Comparing the figures this month with the equivalent for those produced last month, we can see that the rate of price inflation has been decreasing across all segments of the housing market, with the lowest quartile seeing the largest fall of 1.0% in the rate of change in annual prices compared to the previous month.

Table 7. Trends in the distribution of house prices changes in the 108 unitary authority/counties, excluding Greater London, for the period December 2014 to December 2015, by quartile, based on average house prices.

Quartile	Price range	Average price change over the 12 months	Last month's equivalent price change over 12 months
1st Quartile	£0 - £160,269	1.7%	2.7%
2nd Quartile	£160,269 - £201,672	3.4%	3.8%
3rd Quartile	£201,672 - £262,321	5.5%	6.2%
4th Quartile	Above £262,321	7.4%	7.9%

### Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in December 2015 shows an increase of 0.2%, which is up from the no-change position of 0.0% seen in the previous month. In December, there were price rises over the month in 58 of the 108 unitary authority areas (fifteen fewer than the previous month).

### Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, in December it is Luton at 17.5% that tops the league with the highest annual rate of change in prices. Luton's transport infrastructure has been boosted by the introduction of fast train services to London St Pancras (23 minutes) and Blackfriars (42 minutes), which makes the town one of the most affordable areas with good access to London. This is the third time in 2015 that Luton has appeared as the area with the highest annual rise in house prices: however, Luton stands behind Reading in having the most frequent appearance at the top of the leader board, with Reading taking this position on five separate occasions in 2015, and Bracknell Forest in third position, having taken the title twice.





By way of contrast, the area with the largest reduction in annual prices is Rutland, where prices have fallen by 9.5%. However, Rutland has the lowest number of sales of any Unitary Authority Area in England - for example in December 2015 only 60 sales were recorded in the area, which tends to result in volatile changes in price when expressed in percentage terms. Next to Rutland, it was Powys that had the largest fall in annual prices, at -3.7%. Powys has seen a reduction of £10k in the price of detached homes sold over the year, which represent over 50% of all properties sold in the county, resulting in the £7k fall in average prices observed in Table 6.

## Transactions

In terms of transactions, looking at the volume of sales for the three months October – December 2015 and comparing with the same three months in 2014, 45 of the 108 unitary authorities in England & Wales have seen a decline in sales volumes over the period, compared to 36 last month. This provides further evidence that there has been a 'slow-down' in sales across the country in the last few months of 2015 compared to the previous year, as we noted in Figure 2 above.

The area that recorded the highest increase in transactions for the period Oct – Dec 2015, compared to the same three months in 2014, was the Vale of Glamorgan, up by 25%, or 120 homes. The Vale borders Cardiff to the north-east, Rhondda Cynon Taff to the north and Bridgend to the north-west. It is ranked second of all the principal areas in Wales in terms of average house prices, just behind Monmouthshire which is in first place. It is a pleasant rural area for people commuting into Cardiff. The most popular property type in the Vale of Glamorgan is the detached home, which has seen an increase of 38% in transactions over the last year, assisted by new housing developments of detached properties in Rhoose and Barry.

The area in England with the largest decline in transactions over the three months was Slough, down 35%, with a reduction in the number of flats sold from 220 units in Oct – Dec 2014 to 120 units in the same three months of 2015. However, the price of flats in Slough increased by 9% over this same period, suggesting that the fall in the number of flats sold is a factor of supply as opposed to one of demand.



# Regional data table



Table 8. Average house prices by region, January 2015 – January 2016, 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
Jan-15	£152,990	0.8	2.8	£168,136	0.7	4.8	£180,155	0.9	5.0	£192,162	0.6	5.6
Feb-15	£155,104	1.4	3.2	£169,080	0.6	4.8	£182,174	1.1	5.3	£192,487	0.2	4.9
Mar-15	£156,184	0.7	2.7	£169,315	0.1	4.1	£183,081	0.5	5.0	£192,739	0.1	4.7
Apr-15	£154,778	-0.9	2.6	£169,533	0.1	4.5	£183,334	0.1	5.5	£192,123	-0.3	4.2
May-15	£153,200	-1.0	1.0	£169,002	-0.3	3.3	£184,207	0.5	5.8	£193,457	0.7	4.8
Jun-15	£153,009	-0.1	1.3	£169,459	0.3	3.7	£185,625	0.8	6.3	£195,016	0.8	5.3
Jul-15	£152,854	-0.1	1.4	£169,971	0.3	3.5	£185,614	0.0	5.3	£195,424	0.2	4.4
Aug-15	£154,212	0.9	2.2	£172,281	1.4	4.2	£186,184	0.3	5.0	£196,209	0.4	4.0
Sep-15	£153,763	-0.3	2.6	£172,760	0.3	3.7	£187,910	0.9	5.1	£196,065	-0.1	3.7
Oct-15	£155,142	0.9	2.6	£173,100	0.2	3.5	£190,049	1.1	6.5	£197,329	0.6	3.6
Nov-15	£154,620	-0.3	2.8	£172,235	-0.5	3.5	£190,114	0.0	6.4	£196,896	-0.2	3.3
Dec-15	£154,718	0.1	1.9	£172,249	0.0	3.2	£189,112	-0.5	5.9	£197,267	0.2	3.2

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jan-15	£164,670	0.2	3.9	£169,159	0.1	4.3	£245,780	-0.5	5.6	£233,183	1.3	9.6
Feb-15	£165,946	0.8	3.7	£168,805	-0.2	3.9	£248,288	1.0	5.6	£237,895	2.0	10.7
Mar-15	£165,969	0.0	3.8	£169,007	0.1	3.3	£249,542	0.5	5.0	£237,983	0.0	8.1
Apr-15	£164,538	-0.9	3.1	£168,580	-0.3	3.0	£251,346	0.7	4.8	£238,640	0.3	7.5
May-15	£163,949	-0.4	3.4	£169,996	0.8	3.6	£251,986	0.3	4.9	£237,796	-0.4	6.2
Jun-15	£163,560	-0.2	2.3	£171,172	0.7	4.4	£251,729	-0.1	5.0	£239,190	0.6	6.6
Jul-15	£164,523	0.6	2.8	£172,184	0.6	4.7	£253,731	0.8	5.3	£240,096	0.4	6.5
Aug-15	£164,856	0.2	1.6	£173,531	0.8	4.9	£254,677	0.4	4.4	£241,852	0.7	6.3
Sep-15	£166,246	0.8	2.1	£174,103	0.3	4.6	£255,562	0.3	4.1	£242,810	0.4	6.8
Oct-15	£167,404	0.7	1.7	£175,028	0.5	4.1	£257,260	0.7	4.4	£242,690	0.0	6.1
Nov-15	£167,982	0.3	2.4	£174,521	-0.3	3.3	£258,427	0.5	5.3	£241,571	-0.5	6.0
Dec-15	£168,135	0.1	2.3	£174,723	0.1	3.4	£260,490	0.8	5.5	£241,727	0.1	5.0

	South East			Greater London			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Jan-15	£322,182	0.8	9.2	£561,317	0.2	10.4		£275,414	0.5	7.9
Feb-15	£323,997	0.6	8.4	£558,235	-0.5	8.9		£276,394	0.4	7.2
Mar-15	£326,042	0.6	8.0	£555,313	-0.5	6.7		£276,849	0.2	6.2
Apr-15	£327,031	0.3	7.6	£559,477	0.7	6.4		£277,730	0.3	5.9
May-15	£328,983	0.6	7.2	£563,581	0.7	4.3		£278,968	0.4	5.2
Jun-15	£330,186	0.4	6.5	£572,069	1.5	3.3		£280,845	0.7	4.8
Jul-15	£332,039	0.6	6.1	£573,603	0.3	3.1		£282,005	0.4	4.6
Aug-15	£335,069	0.9	6.3	£584,936	2.0	4.5		£285,058	1.1	5.0
Sep-15	£338,438	1.0	6.8	£589,114	0.7	4.3		£286,902	0.6	5.0
Oct-15	£342,328	1.1	7.8	£593,797	0.8	4.9		£289,233	0.8	5.5
Nov-15	£343,638	0.4	7.9	£592,996	-0.1	4.7		£289,372	0.0	5.5
Dec-15	£344,258	0.2	7.7	£594,479	0.3	6.2		£289,954	0.2	5.8
Jan-16								£290,642	0.2	5.5



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 NOTE 6 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.

[information@acadata.co.uk](mailto:information@acadata.co.uk)

© Acadata Limited