

LSL Property Services/Acadametrics England & Wales House Price Index

JULY 2012

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 10TH AUGUST

Transactions and house prices climb as wealthy buyers drive market

- Transactions rise by 11% in July after June lull
- Prices rise by 3.2% on yearly basis, climbing 0.2% compared to June

House Price	Index	Monthly Change %	Annual Change %
£225,769	229.9	0.2	3.2

David Brown, commercial director of LSL Property Services, comments: “The housing market remains a long way away from the heights it hit before the crunch, but both prices and transactions defied the wider economic gloom in July. Sales activity bounced back following the disruption of the additional Jubilee bank holiday in June, with the monthly rise in transactions twice the normal seasonal increase. While the shortage of properties on the market remains a stumbling block to a more sustained climb in transactions, it is playing a pivotal role in supporting prices in many parts of the country, boosting competition among those buyers who have been able to secure finance.

“However, much of the buyer activity is being driven by the top end of the market rather than the bottom. First-time buyers are bearing the brunt of lenders’ caution and the need for larger deposits, and their numbers remain noticeably subdued. Banks and building societies are targeting those with sizeable deposits or equity, and it is wealthier borrowers – alongside cash buyers – that are contributing towards the ongoing resilience of the housing market. Unlocking the lower tier of the housing market remains key to seeing volume recovery and much rests on the success of the Funding for Lending Scheme and traction of the NewBuy initiative.

“There is by no means a consistent picture across the country. While the average national price has climbed, less prosperous areas such as Hartlepool have seen prices fall by 8.3% in the last 12 months, reflecting lenders’ caution in areas with weaker local economies where higher levels of unemployment may threaten borrowers’ finances.

“In contrast, London’s market is going from strength to strength. House prices in 10 London boroughs have hit new highs, with Kensington & Chelsea seeing capital gains of 38% since last June. While the figures may be flattered by comparison to last year’s hangover after the introduction of the stamp duty in April on properties worth more than £1m, money is pouring into prime areas from cash buyers and international investors looking to store their wealth in bricks and mortar. As demand from wealthy buyers continues and first-time buyer numbers remain subdued, the gap between the opposite ends of the market remains.”

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

House price index: historical data



Table 1. Average House Prices in England & Wales for the period August 2011 - July 2012

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
August	2011	£220,524	224.5	0.8	-1.5
September	2011	£220,483	224.5	0.0	-1.5
October	2011	£220,950	225.0	0.2	-0.9
November	2011	£219,686	223.7	-0.6	-0.8
December	2011	£219,873	223.9	0.1	-0.8
January	2012	£220,522	224.5	0.3	-0.7
February	2012	£221,346	225.4	0.4	-1.2
March	2012	£223,114	227.2	0.8	-0.6
April	2012	£223,806	227.9	0.3	0.7
May	2012	£225,462	229.5	0.7	2.9
June	2012	£225,402	229.5	0.0	3.6
July	2012	£225,769	229.9	0.2	3.2

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

House prices

The LSL Acad E&W HPI records a modest rise of £367 or 0.2% in the average price for properties sold in England & Wales during July, as compared with June. Comparing the July average with the average a year ago (the annual rate), prices rose 3.2%. - marginally below the annual rate (3.6%) rate in June 2012. Prices have now risen every month but one over the last 12 month period.

Our data enable LSL Acadametrics to provide the first estimate of transactions to be published each month and the above relatively positive picture for average prices is supported by our estimate that July transactions show a significant rise over June. This does suggest a more healthy market than some might suggest. This is examined in more detail below.

The LSL Acadametrics HPI results differ from those of Nationwide which report an average price fall of £1,349 (0.7%) in July; 2.6% below their price a year ago. Making sense of monthly rates, annual rates and average prices is not easy at the best of times and the many published house price indices are regularly contradictory. This is because indices use different data at different points in the property sales process to report different prices. In essence there are asking prices, offer prices and completion prices, with only the last being firm; the others are negotiable and, in part, are about expectations and the interplay between buyers and sellers!

To illustrate this, we compare this month's Nationwide index with the LSL Acad HPI. The Nationwide average uses their own mortgage offer prices over four weeks from say the third week in June. The mortgage offer price is in essence the price set by the lender valuation and against which a mortgage offer is made. By comparison, the LSL Acad reports an average of the actual transacted completion prices from the Land Registry over a rolling three months (June, July and the August forecast). The completion price is the one against which stamp duty is charged. The LSL Acad average price includes cash transactions whilst Nationwide's price does not. However, Nationwide can separate out the price of a 2 bedroom detached house from that of a 3 bedroom detached home whilst LSL Acad cannot do so because the Land Registry data on which it is based are more limited. Crucially, Nationwide calculates the average price of a theoretical typical house; LSL Acad calculates an average of all prices paid. How does all of this explain this month's differences?

Timing is a key difference. Nationwide reports on mortgage offers which will be reflected in Land Registry transactions some 2 months later. Thus the 0.2% rise reported by LSL Acad for this July relates not to the 0.7% fall reported by Nationwide in July, but to the 0.3% rise which it reported for May.

These are important differences which go some considerable way to explaining the divergence. However, we should also not lose sight of the fact that the Nationwide index, along with that from Halifax, is driven by mortgage offer data. Given the current constraints on mortgage lending and the rise in cash purchases to upwards of 30% of the overall market and much higher in some sub-markets, the absence of cash sales in the mortgage offer indices means that these do not reflect, for example, the booming London market. This is fuelled by overseas, notionally cash, buyers. Together with the volatility of mortgage-based indices, this means that the lender indices do not necessarily represent house price inflation, every month, in the wider market.

For the statistically minded, the average prices from Halifax HPI, Nationwide HPI and Land Registry HPI (based on a geometric mean of the average prices for the four property types at 2000) lie between the "mode" price, for all transactions (being the price most frequently reported) and the "median" price (being an average which excludes prices which are less frequently seen). These terms are illustrated [here](#). The ONS HPI (ex CLG HPI), LSL Acad HPI and Rightmove HPI (asking) average prices straddle the mean price, which includes every transaction.

As reported in previous LSL Acadametrics monthly News Releases, the Greater London housing market is another country compared with the remainder of the UK. Indeed, this month, we report "stunning" price growth in some London boroughs. Whilst average prices for England & Wales, as a whole, flattened in May, June and July, as Figure 1 below shows, they remain marginally above trend. Will August and September transacted prices decline, as heralded this month by Nationwide's mortgage offer prices? Or will cash purchases, especially those in Greater London, keep the England & Wales average on an even keel? Either way, the Greater London market is likely to continue to move further out of line with all or most of the market in the rest of England & Wales.

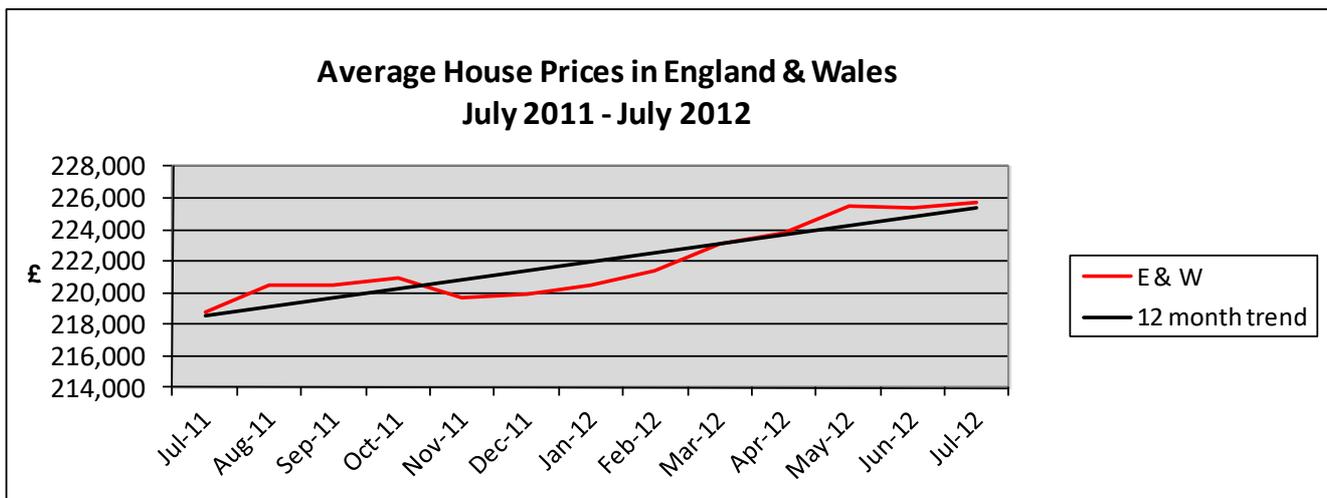


Figure 1. The Average House Price in England & Wales, July 2011 – July 2012

[link to source Excel](#)

Whilst overall transactions in England & Wales rose in July, we would expect the Olympics to have some effect on the market in August, especially in Greater London. Furthermore, average house prices in London are affected by sales of homes worth more than £1 million. Since, anecdotally, many of these are bought with cash, they affect the LSL Acad HPI average prices both for Greater London and for England & Wales. Last year, sales of such properties were affected by a stamp duty rise that came into force in April 2011. This year, properties sold for more than £2 million, particularly important in London, were subjected to a 7% stamp duty from 22nd March 2012. Sales of £1 million plus homes surged last month. What will happen from now on?

A return to a more normal market in Greater London depends on factors which are hard to assess. Estate agents have reported an influx of EU purchasers buying homes in central London; not least, of Italians benefitting from lenient Italian tax laws concerning capital gains. However, one prominent agent has recently reported that the new stamp duty is dampening interest in London's best residences. Will the question marks hanging over the Eurozone and the EC affect transfers of cash from Europe? In any event in the wider market, as mentioned last month, 2011 prices affected by last year's stamp duty changes are beginning to drop out of the annual price change calculations such that this month's small fall may herald a continuing drop in the annual rate.

First Time Buyers remain conspicuously absent. However, we should see some build up in numbers as more transactions flow through the government backed NewBuy scheme although lenders remain cautious about its overall impact and about how it may support prices which prove unsustainable. The International Monetary Fund has recently raised a number of concerns about household indebtedness and house prices in the UK and whether these can be sustained, given a continuing weak recovery. Without doubt there are risks but the continued under-supply of homes and the promise of more mortgage finance do give further support to a more positive view. Our data give little sense of an impending collapse.

Housing Transactions

The estimated 65,500 non-seasonally adjusted transactions in England & Wales are up 11% on June compared with a normal seasonal rise of 5%. This may reflect the return of buyers to the market after taking part in street parties, watching television and enjoying an extra Bank Holiday during the Queen's Jubilee. Such a rise was unexpected, given the continuing wet weather, and will probably not continue through August - though there might be a modest, Olympic induced, 'feel good' bounce across the autumn period.

Overall, we would expect that housing transactions will remain weak at around the 60,000 per month level, extant since January 2009, and shown in Figure 2 below. This shows the number of monthly housing transactions in England & Wales for the period January 2006 - July 2012 and demonstrates how the market has struggled to rise. Indeed, sales fell below 40,000 p.m. for a few months in 2009.

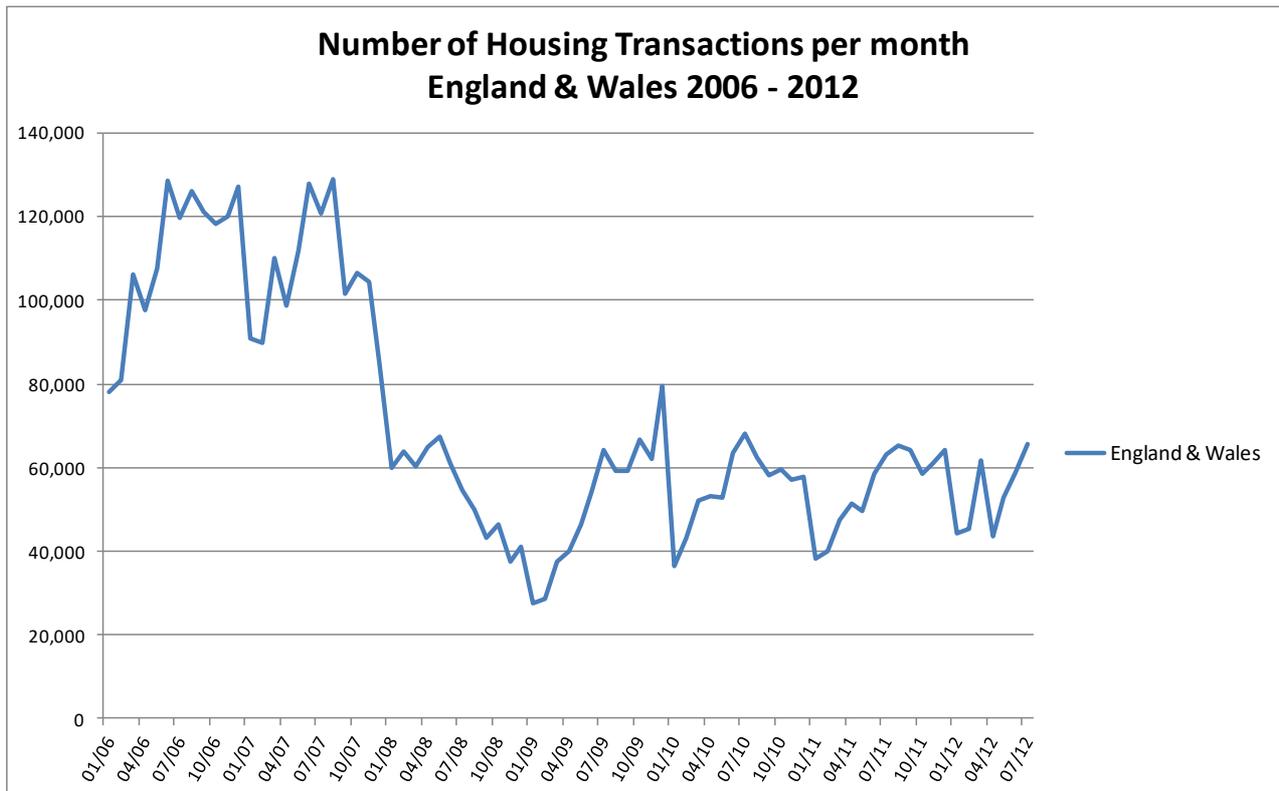


Figure 2. The number of housing transactions by month in England & Wales, 2006- 2012 (not seasonally adjusted) [link to source Excel](#)

NOTES

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

Comparison of indices

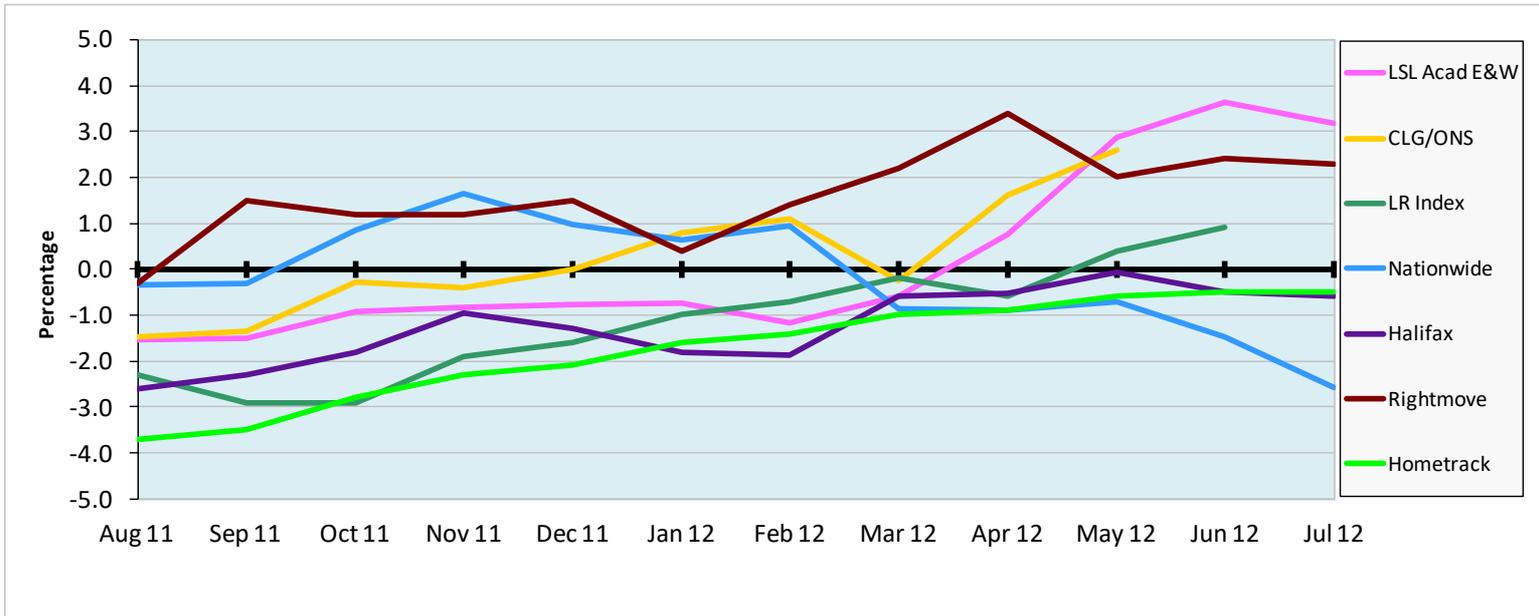


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

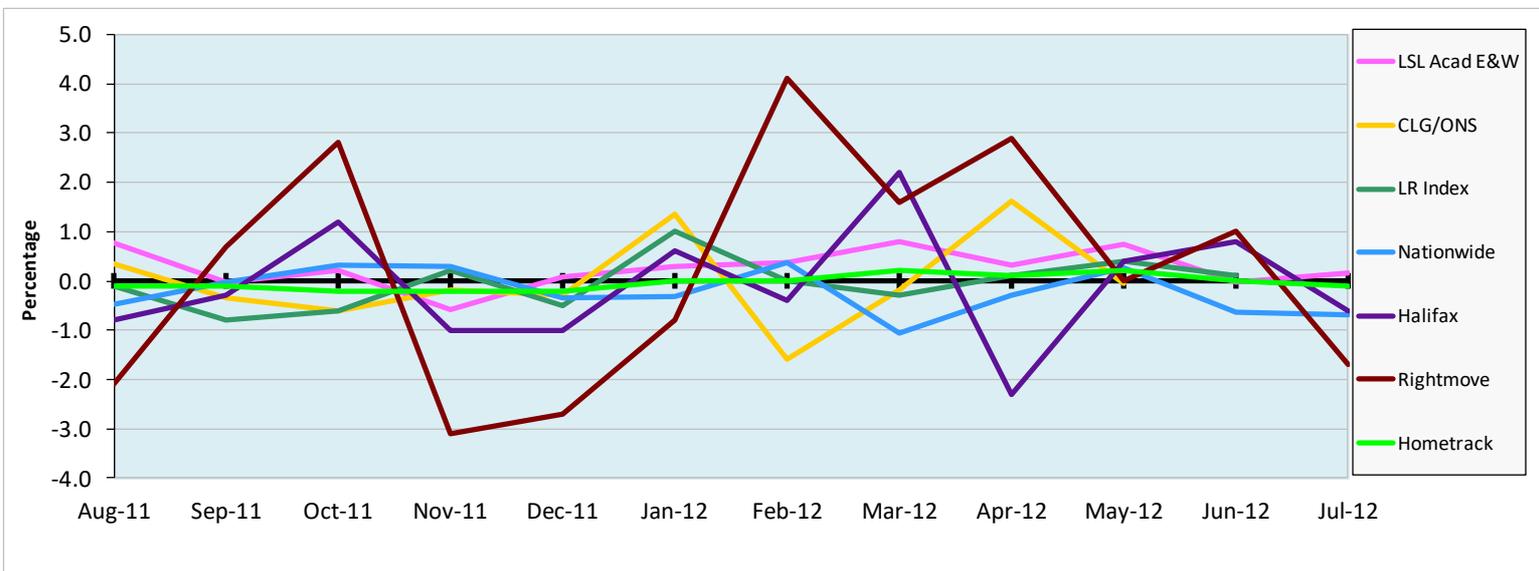


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)



The effect of Greater London on the average house price in England & Wales can be seen in the Figure 5 chart below which shows Average Annual Change Over Last Three Months. Whilst the South East, Wales and the South West make significant contributions, they are eclipsed by the capital. To the extent that Greater London prices are fuelled by overseas buyers and cash, the reliance of the overall market on London and thus on abnormal factors gives the need for caution. Whether the significant rises in stamp duty are a good or a bad thing, they are not positives for a continuing boom in London. Dampening this down would of course be no bad thing for the many who are seeking to enter the London market and as we show below London prices have run far ahead of wage inflation.

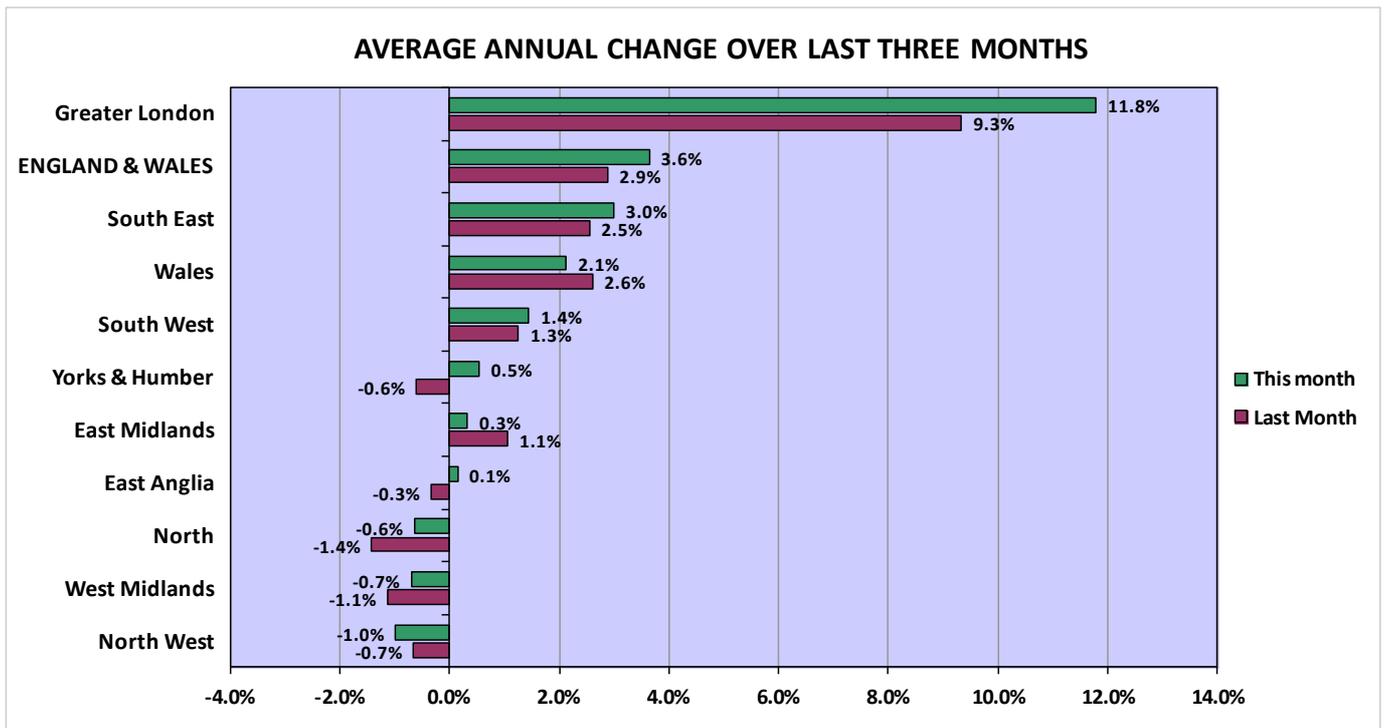


Figure 5. The annual change in the average house price, analysed by region

[link to source Excel](#)

ANNUAL CHANGE IN PRICE BY REGION

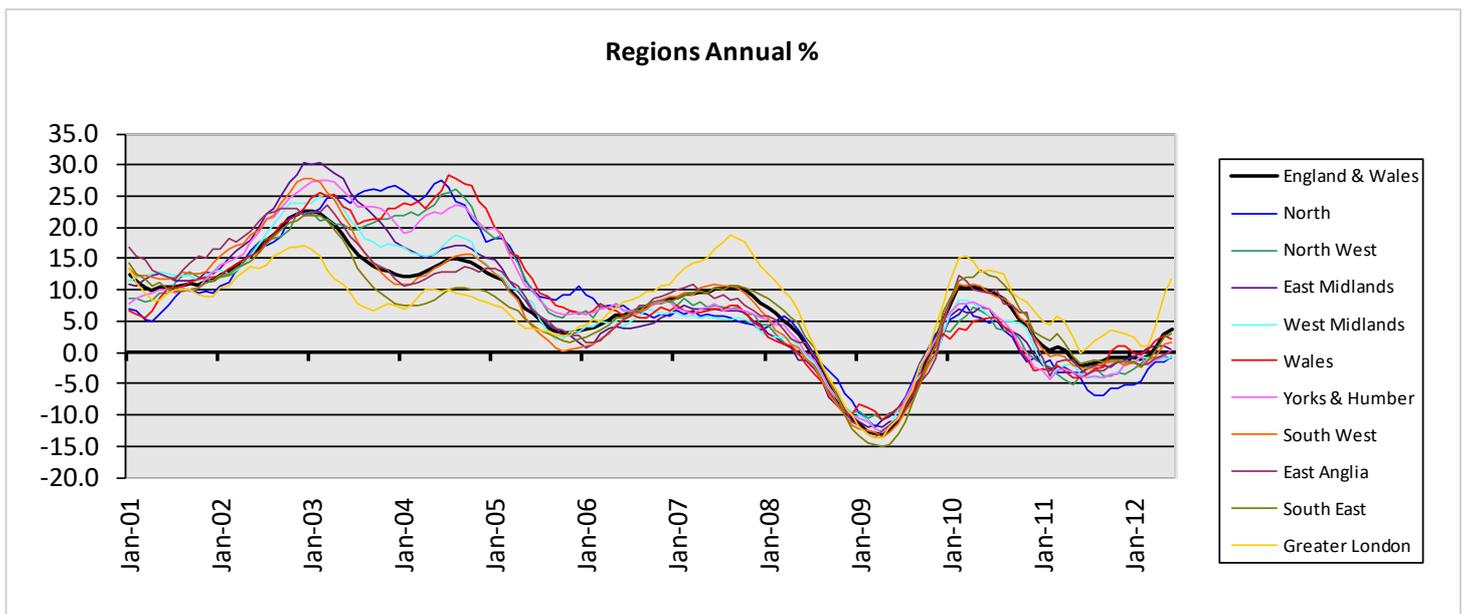


Figure 6. A comparison of the annual change in house prices, by region for the period Jan 2001 - June 2012

[link to source Excel](#)

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



Table 2. The change in mix adjusted house prices, for the 33 London boroughs, comparing June 2011 with June 2012. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Jun-11	Jun-12	% Change
1	1	KENSINGTON AND CHELSEA	1,039,979	1,435,234	38.0%
2	2	CITY OF WESTMINSTER	884,544	1,064,801	20.4%
3	3	CAMDEN	606,534	736,460	21.4%
4	4	HAMMERSMITH AND FULHAM	598,771	659,684	10.2%
5	5	RICHMOND UPON THAMES	532,742	614,963	15.4%
7	6	ISLINGTON	460,564	538,891	17.0%
8	7	WANDSWORTH	456,254	503,086	10.3%
6	8	CITY OF LONDON	496,627	481,907	-3.0%
11	9	MERTON	382,905	452,273	18.1%
12	10	HARINGEY	379,220	445,036	17.4%
10	11	BARNET	386,841	444,343	14.9%
9	12	SOUTHWARK	392,903	419,812	6.8%
13	13	LAMBETH	369,046	402,252	9.0%
15	14	EALING	354,049	394,970	11.6%
14	15	BRENT	361,244	376,903	4.3%
18	16	HACKNEY	339,369	371,677	9.5%
16	17	KINGSTON UPON THAMES	351,224	363,089	3.4%
17	18	HOUNSLOW	339,953	361,424	6.3%
19	19	TOWER HAMLETS	336,317	354,568	5.4%
20	20	HARROW	317,456	329,489	3.8%
21	21	BROMLEY	315,402	323,397	2.5%
23	22	HILLINGDON	279,409	302,235	8.2%
24	23	REDBRIDGE	277,943	291,980	5.1%
22	24	GREENWICH	281,670	289,831	2.9%
27	25	ENFIELD	252,109	271,378	7.6%
26	26	LEWISHAM	256,692	269,943	5.2%
25	27	SUTTON	257,806	257,411	-0.2%
30	28	WALTHAM FOREST	231,393	248,681	7.5%
29	29	CROYDON	238,989	247,942	3.7%
28	30	HAVERING	243,319	244,479	0.5%
31	31	BEXLEY	218,934	227,985	4.1%
32	32	NEWHAM	216,758	217,008	0.1%
33	33	BARKING AND DAGENHAM	175,060	176,745	1.0%
		ALL LONDON	373,819	417,902	11.8%

Table 2 shows the stunning growth in the average price at which properties in Kensington and Chelsea were sold in July this year, compared with the price a year ago. Property owners in the City of Westminster, Camden, Hammersmith and Fulham and Richmond upon Thames are amongst those who may also be congratulating themselves on capital gains that will have far exceeded the rise in average income in their boroughs over the past year. As last month, “the rich are getting richer” etc. The 11.8% rise in the average price across London over the 12 month period gives a clear indication of a market under pressure and, although the trend varies considerably between boroughs, the cost of housing in London remains a serious threat to continued economic success. It is quite clear that the Greater London Authority sees an increase in housing supply as an important priority.

Prices have fallen in only two boroughs. In the City of London, this may be because the highest priced properties available in a borough with few houses may have already been sold. Prices are at record highs in ten boroughs, shown in grey.

Counties and unitary authorities



Table 3. The percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing June 2011 with June 2012 [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Jun-11	Jun-12	% Change
19	18	CAMBRIDGESHIRE	236,020	236,709	0.3%
71	80	CITY OF PETERBOROUGH	153,199	142,025	-7.3%
48	46	NORFOLK	181,383	182,554	0.6%
39	41	SUFFOLK	198,278	200,287	1.0%
		EAST ANGLIA	198,174	198,457	0.1%
85	84	CITY OF DERBY	137,302	136,561	-0.5%
98	96	CITY OF NOTTINGHAM	118,499	119,831	1.1%
65	64	DERBYSHIRE	156,772	160,749	2.5%
92	91	LEICESTER	131,739	128,540	-2.4%
47	47	LEICESTERSHIRE	184,615	181,209	-1.8%
70	70	LINCOLNSHIRE	153,567	152,918	-0.4%
51	51	NORTHAMPTONSHIRE	175,808	178,642	1.6%
69	69	NOTTINGHAMSHIRE	153,757	152,976	-0.5%
15	11	RUTLAND	243,128	272,185	12.0%
		EAST MIDLANDS	159,431	159,955	0.3%
		GREATER LONDON	373,819	417,902	11.8%
63	60	CUMBRIA	161,926	164,991	1.9%
86	86	DARLINGTON	136,925	134,809	-1.5%
96	98	DURHAM	123,800	117,718	-4.9%
94	99	HARTLEPOOL	126,284	115,741	-8.3%
100	100	MIDDLESBROUGH	111,910	114,789	2.6%
50	49	NORTHUMBERLAND	177,685	180,582	1.6%
95	97	REDCAR AND CLEVELAND	124,390	119,342	-4.1%
81	74	STOCKTON-ON-TEES	143,957	151,457	5.2%
84	85	TYNE AND WEAR	137,678	135,493	-1.6%
		NORTH	142,190	141,277	-0.6%
102	95	BLACKBURN WITH DARWEN	108,384	120,756	11.4%
101	103	BLACKPOOL	110,337	106,524	-3.5%
37	40	CHESHIRE	201,265	200,986	-0.1%
79	78	GREATER MANCHESTER	145,766	147,871	1.4%
89	93	HALTON	133,052	124,003	-6.8%
78	82	LANCASHIRE	147,496	140,066	-5.0%
82	81	MERSEYSIDE	142,300	140,241	-1.4%
45	52	WARRINGTON	190,260	177,542	-6.7%
		NORTH WEST	151,185	149,692	-1.0%
32	27	BEDFORDSHIRE	208,550	219,493	5.2%
13	13	BRACKNELL FOREST	254,533	265,894	4.5%
10	10	BRIGHTON AND HOVE	266,327	279,219	4.8%
3	3	BUCKINGHAMSHIRE	348,223	356,648	2.4%
21	20	EAST SUSSEX	227,011	234,394	3.3%
16	16	ESSEX	236,923	240,679	1.6%
9	12	HAMPSHIRE	268,483	269,224	0.3%
5	5	HERTFORDSHIRE	309,702	321,611	3.8%
43	45	ISLE OF WIGHT	192,252	193,520	0.7%
20	23	KENT	234,665	230,623	-1.7%
67	68	LUTON	155,056	153,391	-1.1%
59	61	MEDWAY	165,950	164,573	-0.8%
36	30	MILTON KEYNES	202,025	215,101	6.5%

Counties and unitary authorities



6	4	OXFORDSHIRE	294,671	325,326	10.4%
56	57	PORTSMOUTH	168,074	167,814	-0.2%
25	22	READING	219,684	233,059	6.1%
41	36	SLOUGH	196,643	207,033	5.3%
61	62	SOUTHAMPTON	165,450	163,951	-0.9%
42	42	SOUTHEND-ON-SEA	193,902	199,068	2.7%
2	2	SURREY	377,003	401,865	6.6%
53	56	THURROCK	172,108	168,317	-2.2%
7	8	WEST BERKSHIRE	293,287	298,366	1.7%
11	14	WEST SUSSEX	258,359	264,328	2.3%
1	1	WINDSOR AND MAIDENHEAD	418,115	469,352	12.3%
4	6	WOKINGHAM	331,535	319,590	-3.6%
		SOUTH EAST	261,806	269,654	3.0%
8	7	BATH AND NORTH EAST SOMERSET	285,683	299,177	4.7%
26	26	BOURNEMOUTH	216,292	224,751	3.9%
29	31	CITY OF BRISTOL	210,861	213,284	1.1%
74	66	CITY OF PLYMOUTH	150,744	157,569	4.5%
24	21	CORNWALL	220,460	233,445	5.9%
18	17	DEVON	236,420	237,306	0.4%
12	15	DORSET	257,958	257,282	-0.3%
23	25	GLOUCESTERSHIRE	223,305	225,944	1.2%
28	32	NORTH SOMERSET	213,046	211,381	-0.8%
14	9	POOLE	252,415	281,103	11.4%
33	37	SOMERSET	208,407	204,653	-1.8%
35	38	SOUTH GLOUCESTERSHIRE	205,247	204,018	-0.6%
55	58	SWINDON	168,183	166,658	-0.9%
49	50	TORBAY	180,297	179,214	-0.6%
17	19	WILTSHIRE	236,577	236,148	-0.2%
		SOUTH WEST	220,559	223,755	1.4%
108	108	BLAENAU GWENT	85,235	86,436	1.4%
83	88	BRIDGEND	139,810	133,677	-4.4%
97	94	CAERPHILLY	122,275	122,025	-0.2%
52	48	CARDIFF	173,763	181,180	4.3%
91	92	CARMARTHENSHIRE	131,921	126,307	-4.3%
46	44	CEREDIGION	189,399	193,553	2.2%
58	59	CONWY	166,293	165,056	-0.7%
90	87	DENBIGHSHIRE	132,394	133,935	1.2%
73	76	FLINTSHIRE	151,030	149,107	-1.3%
66	71	GWYNEDD	156,038	152,440	-2.3%
68	65	ISLE OF ANGLESEY	154,339	159,174	3.1%
105	105	MERTHYR TYDFIL	98,031	99,662	1.7%
22	29	MONMOUTHSHIRE	224,366	218,528	-2.6%
103	102	NEATH PORT TALBOT	106,643	107,854	1.1%
80	79	NEWPORT	144,877	147,739	2.0%
57	53	PEMBROKESHIRE	166,512	176,088	5.8%
60	55	POWYS	165,635	170,680	3.0%
104	104	RHONDDA CYNON TAFF	104,068	103,056	-1.0%
77	73	SWANSEA	147,814	151,532	2.5%
44	24	THE VALE OF GLAMORGAN	190,689	228,482	19.8%
93	90	TORFAEN	129,783	130,037	0.2%
72	72	WREXHAM	152,325	152,199	-0.1%
		WALES	149,027	152,195	2.1%
30	33	HEREFORDSHIRE	210,659	211,250	0.3%

Counties and unitary authorities



38	43	SHROPSHIRE	198,677	196,627	-1.0%
54	63	STAFFORDSHIRE	169,335	163,549	-3.4%
107	106	STOKE-ON-TRENT	95,154	94,158	-1.0%
31	28	WARWICKSHIRE	210,180	218,663	4.0%
75	75	WEST MIDLANDS	150,393	149,160	-0.8%
34	39	WORCESTERSHIRE	205,674	202,071	-1.8%
64	67	WREKIN	158,765	153,453	-3.3%
		WEST MIDLANDS	169,421	168,235	-0.7%
106	107	CITY OF KINGSTON UPON HULL	96,478	93,685	-2.9%
62	54	EAST RIDING OF YORKSHIRE	164,647	171,157	4.0%
99	101	NORTH EAST LINCOLNSHIRE	116,179	114,200	-1.7%
87	89	NORTH LINCOLNSHIRE	134,903	131,093	-2.8%
27	34	NORTH YORKSHIRE	215,493	211,064	-2.1%
88	83	SOUTH YORKSHIRE	133,316	137,457	3.1%
76	77	WEST YORKSHIRE	149,329	148,878	-0.3%
40	35	YORK	198,101	209,211	5.6%
		YORKS & HUMBER	152,794	153,616	0.5%
		ALL ENGLAND & WALES	221,568	222,147	0.3%

At county and unitary authority level, 51 of the 108 authorities in England & Wales showed July price falls, compared with 52 in June. The Vale of Glamorgan matched Greater London gains with a rise of 19.8%. Hartlepool suffered the biggest fall at -8.3%. Only in the Vale of Glamorgan and Oxfordshire were average house prices at peak levels.

Regional data table



Table 4. Average house prices by region, July 2011 – June 2012, 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
Jul-11	£139,203	-2.1	-6.1	£152,641	1.0	-2.4	£159,824	0.2	-2.6	£168,565	-0.5	-3.7
Aug-11	£137,355	-1.3	-6.8	£153,377	0.5	-2.4	£160,290	0.3	-2.2	£169,678	0.7	-4.1
Sep-11	£137,945	0.4	-7.0	£152,632	-0.5	-3.8	£160,191	-0.1	-2.2	£169,529	-0.1	-4.1
Oct-11	£139,536	1.2	-5.9	£151,913	-0.5	-3.9	£159,933	-0.2	-2.2	£170,685	0.7	-3.4
Nov-11	£138,701	-0.6	-5.7	£151,127	-0.5	-3.3	£160,224	0.2	-1.4	£169,114	-0.9	-3.2
Dec-11	£137,920	-0.6	-5.3	£150,027	-0.7	-3.5	£159,759	-0.3	-1.1	£170,470	0.8	-1.8
Jan-12	£138,890	0.7	-5.2	£150,480	0.3	-2.7	£160,495	0.5	-0.7	£170,833	0.2	-1.5
Feb-12	£141,583	1.9	-4.5	£152,083	1.1	-1.7	£161,566	0.7	0.0	£171,250	0.2	-0.6
Mar-12	£143,854	1.6	-2.6	£152,228	0.1	-0.7	£161,763	0.1	0.7	£170,388	-0.5	-0.8
Apr-12	£143,317	-0.4	-1.5	£150,696	-1.0	-1.0	£161,471	-0.2	1.1	£169,013	-0.8	-1.2
May-12	£142,203	-0.8	-1.4	£149,596	-0.7	-0.7	£160,318	-0.7	1.1	£169,050	0.0	-1.1
Jun-12	£141,277	-0.7	-0.6	£149,692	0.1	-1.0	£159,955	-0.2	0.3	£168,235	-0.5	-0.7

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jul-11	£149,877	0.6	-3.5	£152,768	0.0	-3.9	£220,557	0.0	-2.6	£198,065	-0.1	-3.6
Aug-11	£151,749	1.2	-2.6	£154,201	0.9	-3.7	£220,795	0.1	-2.4	£198,260	0.1	-2.9
Sep-11	£152,097	0.2	-2.4	£153,859	-0.2	-4.0	£222,265	0.7	-1.9	£198,170	0.0	-3.0
Oct-11	£155,063	2.0	0.1	£153,197	-0.4	-3.6	£222,314	0.0	-1.6	£197,975	-0.1	-2.0
Nov-11	£154,596	-0.3	0.9	£152,701	-0.3	-3.4	£220,834	-0.7	-1.6	£196,733	-0.6	-1.4
Dec-11	£153,653	-0.6	1.1	£153,897	0.8	-1.8	£221,508	0.3	-2.2	£195,500	-0.6	-1.5
Jan-12	£152,099	-1.0	0.0	£154,032	0.1	-1.9	£221,571	0.0	-1.5	£195,267	-0.1	-1.7
Feb-12	£152,266	0.1	-0.4	£154,680	0.4	-0.7	£221,308	-0.1	-2.3	£194,868	-0.2	-2.0
Mar-12	£153,264	0.7	0.4	£153,358	-0.9	-2.0	£221,587	0.1	-1.2	£196,933	1.1	-1.7
Apr-12	£153,338	0.0	1.8	£153,830	0.3	-1.3	£222,429	0.4	-0.7	£197,888	0.5	-0.9
May-12	£152,714	-0.4	2.6	£153,319	-0.3	-0.6	£224,897	1.1	1.3	£199,370	0.7	-0.3
Jun-12	£152,195	-0.3	2.1	£153,616	0.2	0.5	£223,755	-0.5	1.4	£198,457	-0.5	0.1

	South East			Greater London			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Jul-11	£263,580	0.7	-1.6	£380,750	1.9	0.6		£218,820	0.6	-2.0
Aug-11	£265,270	0.6	-1.3	£387,827	1.9	1.8		£220,524	0.8	-1.5
Sep-11	£264,028	-0.5	-1.6	£389,265	0.4	2.6		£220,483	0.0	-1.5
Oct-11	£263,419	-0.2	-1.3	£392,657	0.9	3.7		£220,950	0.2	-0.9
Nov-11	£261,041	-0.9	-1.2	£391,308	-0.3	3.2		£219,686	-0.6	-0.8
Dec-11	£260,379	-0.3	-1.5	£393,988	0.7	3.1		£219,873	0.1	-0.8
Jan-12	£262,290	0.7	-1.5	£394,535	0.1	2.5		£220,522	0.3	-0.7
Feb-12	£263,607	0.5	-2.3	£394,820	0.1	0.9		£221,346	0.4	-1.2
Mar-12	£267,961	1.7	-1.3	£399,576	1.2	1.1		£223,114	0.8	-0.6
Apr-12	£268,315	0.1	0.3	£405,546	1.5	4.2		£223,806	0.3	0.7
May-12	£270,511	0.8	2.5	£414,520	2.2	9.3		£225,462	0.7	2.9
Jun-12	£269,654	-0.3	3.0	£417,902	0.8	11.8		£225,402	0.0	3.6
Jul-12								£225,769	0.2	3.2



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