



Under embargo until 00:01 Thursday 11th August 2016

July 2016

### Housing market continues to hold its breath

- **Brexit vote uncertainty continues, as annual price growth slows to 5.5% in July**
- **Transactions down 20% over the quarter compared to Q2 2015**
- **However, transactions levels and prices continue to edge up**
- **East of England is top performing region with 9.3% annual growth**

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London & the SE)
£293,318	285.8	0.2	5.5	4.8

There's consensus in the housing market over Brexit: it's still too early to tell what the long-term impact will be. While the vote to leave has definitely resulted in uncertainty, there's near unanimity among commentators that the impact is yet to show in the figures. For now, we're left with mixed signals.

On the one hand, house price inflation on an annual basis continues to slow. A gradual decline from February, when it was running at 8.9%, has seen it fall to 5.5% for the 12 months to the end of July. On the other hand, last month saw the market continue its fight back following price falls in March to May. July saw a modest gain after June's 0.5% rise, with average prices up 0.2% or £700. Overall, this means prices remain £3,386 below their February peak, but £15,422 above their July 2015 levels. The trend in prices remains modest, but upwards sloping.

Transaction levels present a similarly complex story. These, too, have slowed, with levels for Q2 2016 20% below the same period last year. However, this has less to do with the referendum vote than the surge in activity to beat the 3% stamp duty surcharge introduced in April on second homes and buy-to-let properties. The spike in sales in March was followed by a massive decline the following month, from which the market has since been recovering. Transaction volumes have grown every month since April and are now well above February levels. Moreover, the exceptional sales level in March 2016 more than compensates for the decline since. Overall, for the first six months of each year, we estimate transactions in 2016 at some 4% higher than in 2015. Sales volumes continued to increase in July, but again this still tells us little about the referendum vote, since transactions recorded at the Land Registry for the month mostly relate to offers made by purchasers in June, or even earlier.

In fact, the April stamp duty change may also account for much of the apparent slowdown in prices. Prices increased above trend from January to March after the announcement of the change in the Autumn Statement last year. Meanwhile, from April 2016, with the new tax in place, a reduction in the number of higher-valued properties being sold saw a significant reduction in the average price. Price increases since have been slow, but essentially continue to climb at roughly the same rate as before the tax shake-up was announced.

How that trend will be affected by the Brexit vote remains to be seen, but external commentaries and the LSL Acadata HPI data suggest that any slow-down is unlikely to be of the scale suggested by HM Treasury in the run up to the vote. Support for higher prices can be found in the decline in the value of sterling, lower interest rates, and a continued underlying demand and supply imbalance.

There will also continue to be significant regional variations. For now, the East of England continues to lead the charge in price increases, with an average annual rise of 9.3% (up from 9.1% last month). Greater London, meanwhile, has fallen back to third position with inflation at 6.0%, against 7.2% in the South East.

**Adrian Gill, director of Your Move and Reeds Rains estate agents, says:** "Brexit may well have an impact on the housing market, but it's not showing yet. Even when it does, there will be positive as well as negative influences on the market, which clearly has some strong long-term drivers for continued house price inflation."

**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.



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

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
July	2015	£277,896	273.3	0.4	4.7
August	2015	£280,798	276.3	1.0	5.0
September	2015	£282,864	278.1	0.7	5.2
October	2015	£285,817	280.5	1.0	5.9
November	2015	£286,322	280.3	0.2	6.1
December	2015	£288,561	281.2	0.8	6.9
January	2016	£290,884	283.5	0.8	7.2
February	2016	£296,704	289.1	2.0	8.9
March	2016	£295,740	288.2	-0.3	8.4
April	2016	£294,752	287.2	-0.3	7.7
May	2016	£291,247	283.8	-1.2	5.9
June	2016	£292,620	285.2	0.5	5.7
July	2016	£293,318	285.8	0.2	5.5

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

## House prices

Frustratingly it is still too early in the housing timeline for any definitive conclusions to be drawn about the effect on the UK's property markets of the decision to leave the EU. Halifax in its HPI release this month stated "Overall, it remains too early to determine if there has been any impact on the housing market as a result of June's EU referendum result". Nationwide adopted a similar approach stating "This is the first month's data following the EU referendum. However, it is important to note that in constructing the index we use data at the mortgage offer stage – this means any impact from the vote may not be fully evident in July's figures, as there is a short lag between a buyer making the decision to purchase a property and applying for a mortgage". Similarly Rightmove noted "it is in our opinion too early to draw any medium or long-term conclusions". And as we stated last month "Given that the vote was not until June 23rd, and bearing in mind the gap between the decision to sell [a property] and the sale actually taking place, we may well have to wait until the end of August before we can start making conclusive statements about how the Brexit vote has influenced property sales". Rarely has there been such unanimity among the index providers as to the current state of the housing market!

Aside from the uncertainty generated by the referendum result, one of the other main factors still evident in the July market is the after-effect of the introduction of the 3% stamp duty surcharge on second homes and buy-to-let properties in April 2016. As we discuss on page 5, housing transactions for Q2 2016 were 20% below 2015 levels, largely due to the high number of sales that were brought forward into March 2016 to avoid paying this additional tax. This meant that activity which otherwise would have taken place during the subsequent three months was absent, and the reduced sales that have been observed continued into July, albeit at a lesser rate. Moreover, we should note that in the rush to buy, cash buyers outnumbered mortgaged buyers by 2 to 1.

In July, house prices rose by £700, or 0.2%, to an average £293,318. This price is still £2,400 below that recorded in March 2016, immediately prior to the introduction of the 3% stamp duty surcharge. On an annual basis, the rate of growth of prices to July 2016 for England & Wales was 5.5%, down from 5.7% in June. This is the fifth month in succession in which the annual rate has fallen, although the 5.5% increase still represents a gain of £15,422 in average prices over the last 12 months. Thus the market was contracting pre Brexit and the question remains how will it perform post Brexit vote (and ultimately on exit)?

## The Housing Market

While accepting that it remains difficult to predict fully what the impact of Brexit will be on the housing market in the medium to long term, we can start to piece together recent commentaries which together begin to make some more sense of what is happening following the vote. The Bank of England's *Inflation Report* and the discussion in the press conference linked to it highlighted the way sentiment in the market had changed. Drawing on the latest RICS housing survey, the Bank noted that 'forward-looking indicators suggest that both housing transactions and house price inflation may decline further' with agents' expectations of prices at their lowest level since 2011, the balance of sales expectations at its lowest ever level and the net balances of reported new enquiries and selling instructions falling. The Knight Frank IHS Markit *House Price Sentiment Index* reported for July (survey of 1,500 households that took place between 14th and 18th July) reinforced this, noting that the index had fallen to 50.3 from 67.7 in June, and that households were now expecting more modest increases.

As the Bank rightly reminded us, the relatively large costs associated with buying and selling houses are such that, given this uncertainty, some households will delay buying or moving house. Also that if this is associated with reduced expectations of future income, that will impact on their demand for housing and the price buyers are prepared to pay. While the evidence is that lending will exist to support transactions, the Bank's expectation is that on balance (between unwinding of the stamp duty effect and the impact of Brexit) transactions may remain flat, and house prices will 'decline a little over the near term'. PWC's *July Housing Market Outlook* offered up a valuable re-forecast of the market, halving their expected price rises over the period 2016-2018 – that for 2016 was down to 3.1% from a pre Brexit 5.2%, for 2017 0.9% from 5.3% and for 2018 4.0% from 5.6%. So a weakening outlook in the short term though still positive. Capital Economics published its *UK Housing Market Focus* on 12th July. The report drew heavily on one obvious hard indicator, housebuilder share prices, which they suggest 'tend to lead house prices by nine months'. While noting these had fallen by 30%, Capital Economics did not see this as a likely outcome, arguing instead that transactions rather than prices might bear the brunt of the correction now coming through and that house prices 'will now stagnate but not collapse'. Their forecast is for house price inflation 'to slow to around 2% nationally over the next year or two and to zero in London'.

There has been much discussion of a possible recession and rising unemployment. The Bank and the government hope to head both off, though the latter is certainly forecast to rise. The question then is what impact might rising unemployment have on the housing market? The very low rates of interest on mortgages should help cushion the impact of any



increase, and that may well be supported by lender forbearance and government assistance. Certainly at present the forecast rises in unemployment do not seem to be at the scale where they will threaten the market.

Overall, the evidence from external commentaries and the LSL Acadata HPI is that we will see a slowing in price growth, but this is unlikely to be of the scale suggested by HM Treasury in the run up to the vote. There will be regional variations and central London might see a bigger adjustment than elsewhere, though even in the capital there are counterbalancing factors that support higher prices, eg, the falling value of sterling. The underlying demand and supply imbalance remains, and as confidence returns supported by lower interest rates, the market recovery indicated above is likely to flow through. Of course there remain many unknowns, and the way the market reacts in September, October and November will be key to understanding where we really are now.

## Non-smoothed data

In compiling the LSL Acad HPI, our normal practice is to smooth the monthly and annual house prices over a three-month period. This smoothing process is introduced to iron out the irregularities that occur in the house price series over time, and helps to provide a better understanding of the trends that exist in the underlying data. Occasionally however, if one wishes to explore a spike in prices in more detail, it is useful to examine the non-smoothed data, as we do here.

Figure 1 below shows the average house price in England and Wales over the last year on a “non-smoothed” basis, together with a linear trend line for the same period. As can be seen, house prices for July and August 2015 were below trend, but climbed back up to the trend for the period October – December 2015. At the end of November 2015, George Osborne, the then Chancellor, announced in his Autumn Statement that a 3% stamp duty surcharge on second homes and buy-to-let properties would be introduced on April 1st 2016. From January 2016 onwards we can see that prices began to climb above the trend, as the purchasers of second homes and buy-to-let properties sought to avoid paying this additional tax. In April 2016 the new tax was introduced, resulting in a fall-off in the number of higher-valued properties being sold and, as can be seen in Figure 1, a very readily apparent reduction in the average house price. House prices have remained below trend for the period April – July 2016, although prices are continuing to climb at the same rate as before, indicated by the slope of the red line over the last three months being comparable to the trend.

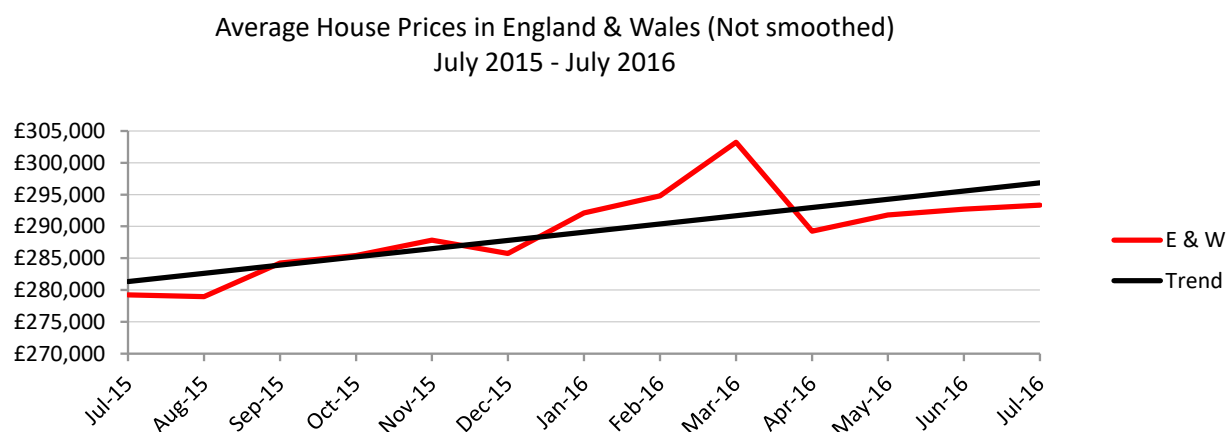


Figure 1. The average house price in England & Wales, for the thirteen months July 2015 – July 2016.

[link to source Excel](#)



## Housing Transactions

The transaction statistics for the Q2 2016 housing market are startling, as they show sales are 20% lower than the equivalent period in 2015. Taken on their own, this would be indicative of a major correction in the housing market - however, as Figure 2 below illustrates, the exceptional level of sales that took place in March 2016 more than compensates (in volume terms) for the lack of sales from April through to June 2016. Looking at the first six months of each year, we estimate that overall transactions are some 4% higher in 2016 than 2015.

As we have explained, the unusually high levels of sales in March 2016 were due to buyers bringing forward their purchases. The March surge has been followed by three months of relatively low levels of sales in April, May and June. But as we can see from the graph, the 'gap' between sales volumes in 2016 and the most recent 'normal year' 2014 has been narrowing, from -22,430 fewer properties sold in May 2016 compared to May 2014, to -7,428 fewer sold in July 2016. The reason that we compare the figures with 2014, as opposed to 2015, is that there was a General Election in May 2015, which distorted the sales numbers during the post-election summer months.

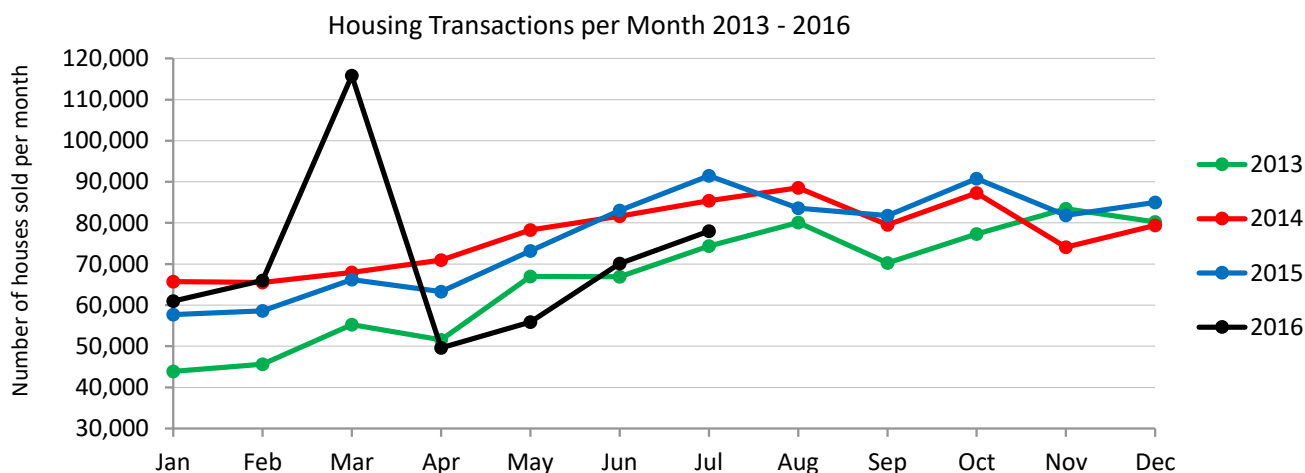


Figure 2. Number of properties sold per month in England & Wales, January 2013 – July 2016. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted.

[link to source Excel](#)

As yet it is still too early for us to be precise on how the Brexit vote has affected sales volumes. Transactions recorded at the Land Registry during July will mostly relate to 'offers' made by the purchaser in June, or even earlier, so it will be another month before we will start to get a reliable indication of how sales volumes have changed. Early indications from RICS suggest that sales volumes will be lower as new buyer enquiries have diminished in the wake of the EU referendum. However, there are difficulties in the interpretation of the statistics in splitting the decline in sales following the March 2016 surge, which we describe above, from any potential downturn in demand which may have arisen following the Brexit vote. We will endeavour to keep readers informed as more data from the Land Registry become available.

# Comparison of indices

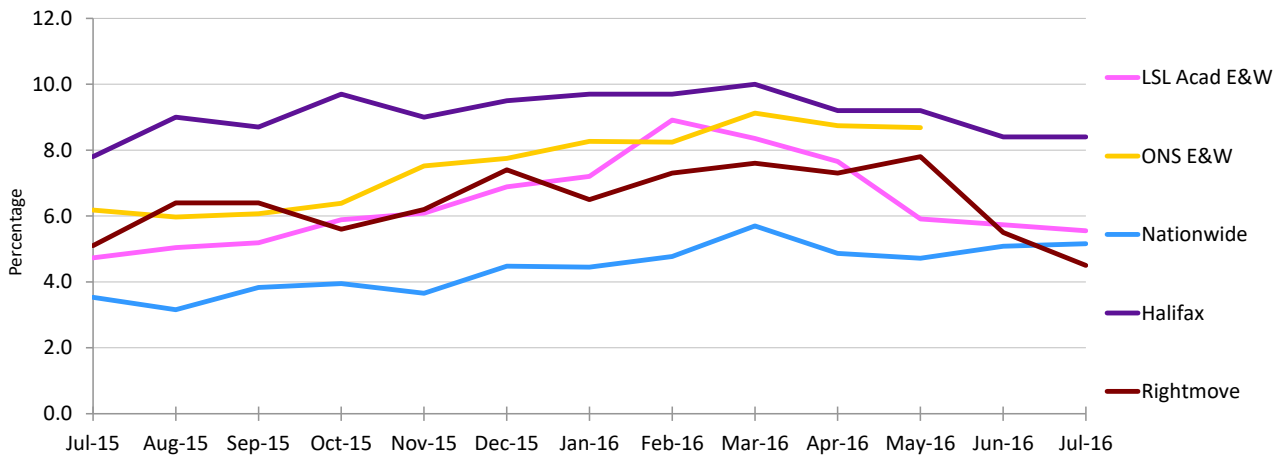


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

As Figure 3 shows, all house price 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. The Halifax Index has consistently reported the highest rates of annual house price inflation over the past twelve months, with July's figure at 8.4% still higher than the rest. However, the new ONS UK HPI (for England & Wales) is approaching the same levels as Halifax, which possibly reflects a strengthening of prices in the middle sectors of the market while higher priced homes are falling in value. Nationwide, with an annual rate of 5.2%, is no longer reporting the lowest annual change in prices, having been displaced in this regard by Rightmove at 4.5% whose prices reflect seller sentiment as opposed to achieved sales. This suggests that existing homeowners in the current market are willing to reduce asking prices to reflect the present uncertainties.

Of the four indices that have published annual rates for July, three are in a relatively tight range from 4.5% (Rightmove), 5.2% (Nationwide), to 5.5% (LSL Acad), while Halifax continues to be the one exception at 8.4%.

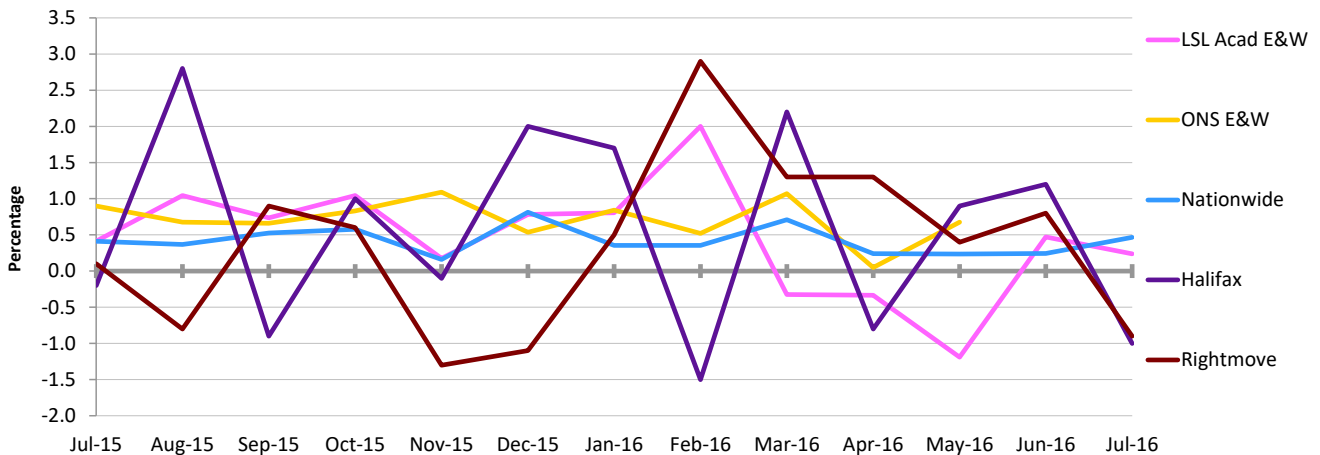


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

Figure 4 covers the **monthly** change in house prices. In July, two of the indices are reporting a positive movement in prices and two are in negative territory. The two negative indices are in close accord, with Halifax at -1.0% and Rightmove at -0.9%. Rightmove advises that "the fall of 0.9% is within the range that we have seen at this time of year since 2010" – in other words 'don't panic over Brexit'. The two positive indices are also reasonably close to each other, with Nationwide at +0.5% and LSL Acad at +0.2%. The LSL Acad monthly figure of 0.2% matches that of Nationwide for the previous month. Given that Nationwide's figures are based on the date of mortgage offer, while LSL Acad figures are based on contract completion, a delay of one month between the two indices can be expected.

The New ONS UK HPI has now been published and we have two months of 'new' data, plus a back-cast to 1995 of previous months' figures. The average prices quoted are based on the "geometric" mean as opposed to the "arithmetic" mean. Acadata has published a briefing note on the "UK House Price Index" which includes an explanation of the main differences between the geometric and arithmetic means. The briefing paper can be viewed or downloaded for free by clicking [here](#).



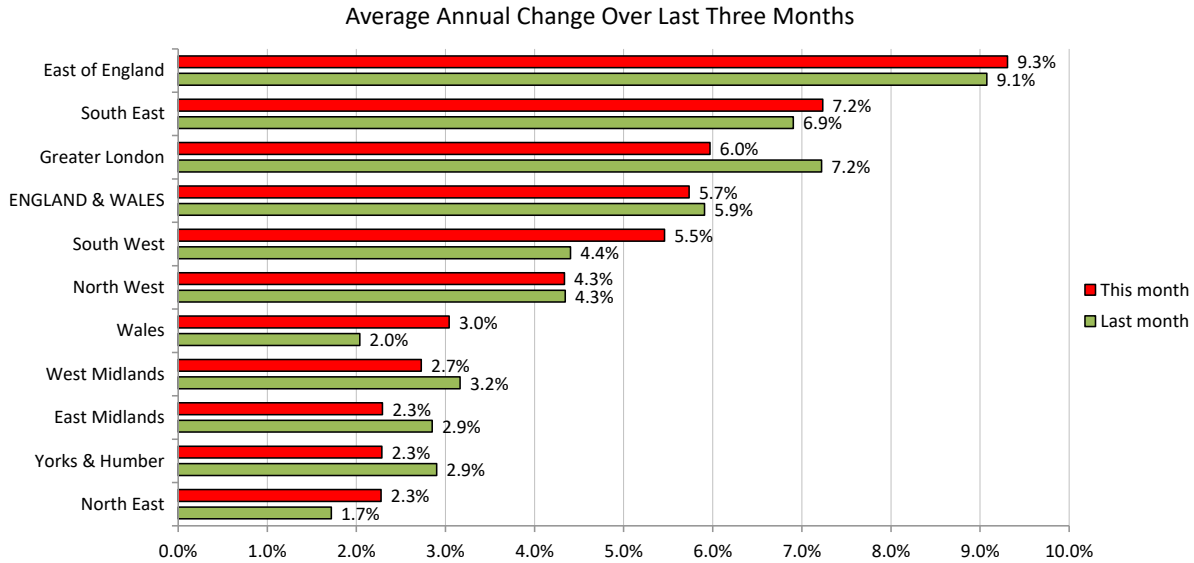


Figure 5. The annual change in the average house price for the three months centered on June 2016, analysed by region [link to source Excel](#)

In June, the East of England tops the leader board for the second month in succession as being the region having the highest annual increase in average house prices, at 9.3%, of all the ten regions in England & Wales. Greater London has fallen back into third position with inflation at 6.0%, with the South East moving up to second place, at 7.2%. The South West and North West remain in positions 4 and 5, while Wales has climbed 3 places up to 6th position at 3.0%, resulting in the West Midlands falling into 7th place at 2.7%. The last three regions are in joint 8th position at 2.3%.

For the three months centred on June 2016, six regions have seen an increase in the rate of annual house price growth, with the largest rise taking place in the South West, up 1.1%, followed by Wales, up 1.0%. Of the four regions where the rate of house price growth fell, the largest reduction was in Greater London at -1.2%. It is unusual to see both the South East and the East of England house price growth moving in a different direction to Greater London, suggesting that other factors are occurring in the capital, which have yet to ripple out to the suburbs. In June 2016, only one of the ten regions set a new peak average price, being the East of England, assisted by four of its constituent areas setting their own peak prices, those being Luton, Thurrock, Hertfordshire and Bedfordshire.



Figure 6. Heat Map of the annual change in the average house price, analysed by region, June 2016

This month there is a distinct north/south divide to the 'heat map' showing the annual change in house prices in England & Wales, with the southern regions seeing almost double the rate of house price inflation of those experienced in the north.

The three eastern regions to the north of the Wash all have identical house price inflation at 2.3%, while the West Midlands and Wales have slightly higher rates at 2.7% and 3.0% respectively.

As with last month, the North West is challenging the trend with house price inflation above those of its neighbours. In the North West, it is Greater Manchester and Cheshire that are seeing the largest price growth, at 7.6% and 7.3% respectively.

Excluding Greater London, the South East and the East of England from the statistics, the annual rate of house price inflation for the remainder of England & Wales would be 3.6%, in place of the average 5.7% recorded for the two countries as a whole. This is indicative of the impact these regions have on the overall index and the need to recognise the strong regional and national variations that exist. The Treasury's analysis of the geography of the Brexit impact suggests the greatest job losses would be in London and the South East, which of course might strike directly at the market in these areas and with follow-on consequences for trends elsewhere.

# London boroughs, counties and unitary authorities



Table 2. The change in house prices, for the 33 London boroughs, comparing June 2015 and May 2016 with June 2016.

[link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Jun-15	May-16	Jun-16	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,979,477	1,754,207	1,767,794	0.8%	-10.7%
2	2	CITY OF WESTMINSTER	1,305,399	1,381,527	1,386,826	0.4%	6.2%
3	3	CAMDEN	1,037,928	1,017,821	1,036,954	1.9%	-0.1%
5	4	HAMMERSMITH AND FULHAM	911,332	870,832	868,086	-0.3%	-4.7%
6	5	RICHMOND UPON THAMES	740,025	772,528	805,461	4.3%	8.8%
4	6	CITY OF LONDON	939,668	843,619	782,103	-7.3%	-16.8%
7	7	ISLINGTON	708,781	758,623	758,658	0.0%	7.0%
8	8	WANDSWORTH	700,674	714,898	703,494	-1.6%	0.4%
13	9	BARNET	537,351	639,446	622,511	-2.6%	15.8%
16	10	HARINGEY	501,751	603,057	611,121	1.3%	21.8%
9	11	MERTON	580,647	621,334	595,572	-4.1%	2.6%
12	12	LAMBETH	552,285	592,183	594,422	0.4%	7.6%
10	13	SOUTHWARK	568,181	592,192	585,218	-1.2%	3.0%
17	14	KINGSTON UPON THAMES	490,300	560,730	578,448	3.2%	18.0%
11	15	HACKNEY	557,635	556,381	553,194	-0.6%	-0.8%
15	16	BRENT	519,204	572,840	552,875	-3.5%	6.5%
14	17	EALING	523,017	521,363	531,553	2.0%	1.6%
18	18	TOWER HAMLETS	475,837	498,241	516,601	3.7%	8.6%
19	19	HARROW	466,032	485,535	487,423	0.4%	4.6%
21	20	BROMLEY	440,704	466,026	474,510	1.8%	7.7%
22	21	LEWISHAM	400,505	453,540	457,251	0.8%	14.2%
20	22	HOUNSLOW	455,879	462,705	449,496	-2.9%	-1.4%
27	23	WALTHAM FOREST	380,732	438,276	446,315	1.8%	17.2%
26	24	ENFIELD	382,439	440,549	440,278	-0.1%	15.1%
25	25	HILLINGDON	383,784	438,147	437,744	-0.1%	14.1%
24	26	REDBRIDGE	384,344	433,619	437,148	0.8%	13.7%
23	27	GREENWICH	394,723	422,136	421,520	-0.1%	6.8%
28	28	SUTTON	361,291	400,439	399,577	-0.2%	10.6%
29	29	CROYDON	341,626	382,093	383,202	0.3%	12.2%
30	30	HAVERING	317,196	358,258	367,733	2.6%	15.9%
31	31	NEWHAM	308,650	351,318	349,591	-0.5%	13.3%
32	32	BEXLEY	294,333	345,660	343,968	-0.5%	16.9%
33	33	BARKING AND DAGENHAM	243,926	289,415	290,102	0.2%	18.9%
		ALL LONDON	556,961	588,763	590,203	0.2%	6.0%

The analysis of Greater London house prices in Table 2 relates to June 2016, i.e. primarily pre-Brexit, and compares these prices to one month and one year earlier. In June 2016, the average price paid for a property in London increased marginally by £1,440, or 0.2% in the month, with the average price rising to £590,203. 18 of the 33 boroughs in London witnessed price rises in June, compared with only 12 boroughs seeing increases in May.

In June, unlike recent patterns that we have observed in London, if we split the boroughs into three groups ranked by average house prices, then it is the middle-priced boroughs that have seen the largest increase in prices in the month, up 0.5% (+£2,791), compared to a 0.4% increase (+£1,730) in the 11 lowest-priced boroughs, and a fall of -0.5% (-£4,519) in the 11 top-priced boroughs. The previous pattern had been one of the greatest increases taking place in the lowest-priced boroughs, followed by the middle tier, with the higher-priced boroughs experiencing price falls. Some commentators have suggested that the current uncertainty in the market, following the Brexit vote, presents an ideal opportunity for second and subsequent movers to trade-up their homes, as demand for properties is currently slacker than over recent months, with interest rates on mortgages continuing to be set at an all-time low.

On an annual basis, it is still the lowest- (and thus most affordable) priced boroughs that have seen the largest price rises over the year, at an average 13.6%, or £47,491. The middle-sector boroughs have seen prices rise by 6.9%, or £33,471, while the top sector of the market has seen prices rise by an average 1.8%, or £15,692. There are six boroughs this month which have seen prices fall over the year, with four of these being ranked in the top 6 boroughs by price.

There are 8 boroughs in June that have set new record prices, highlighted in grey in the above table, compared to 10 in May. Again, the distribution of these boroughs in June, in terms of their average price, is more widespread than in recent months, when most boroughs setting new records were at the lower end of the market in terms of price.

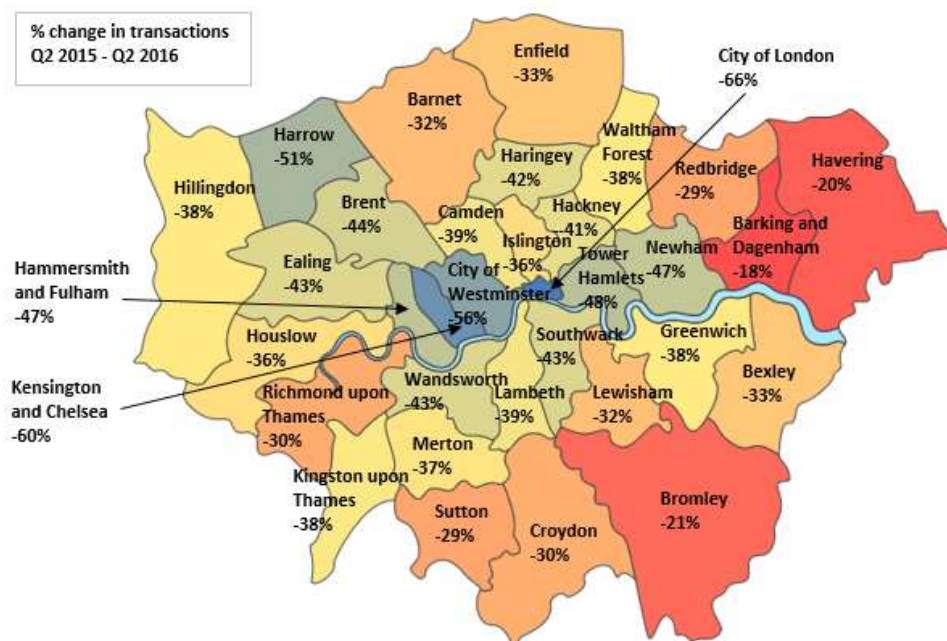




In terms of transactions, looking at Q2 2016 and comparing with the same three months one year earlier, we are currently seeing a 35% reduction in transactions in London, or -9,150 fewer properties sold, although this figure will change marginally as more data emerge, particularly relating to June 2016 sales. As we discussed earlier, this reduction is a consequence of the surge in sales that took place in March 2016, immediately prior to the introduction of the 3% surcharge in stamp duties on second homes and buy-to-let properties in April. Sales were brought forward into March at the expense of sales in the following three months.

The largest reductions in sales were in Kensington and Chelsea, down 60%, followed by the City of Westminster, down by 56%, with flats being the predominant property type in both boroughs. All 33 boroughs in London saw a reduction in sales in Q2 2016 compared to Q2 2015, with the smallest decline in sales being in Barking and Dagenham, but even here sales dipped by 18% over this 3-month period. As we showed in Figure 2 on page 5, sales are making a recovery from the low levels recorded in April 2016, and taken over a period of 6 months, 2016 sales in London as a whole are only marginally below the same period in 2015.

## London Q2 2015 vs Q2 2016 Transactions Heat Map



The 'heat map' above shows the % change in the level of transactions between Q2 2015 and Q2 2016, by London borough. All the percentages are negative indicating lower levels of sales in 2016 than in 2015. The three areas shaded in red have seen the lowest fall in transactions; they are located to the east of London, with Barking and Dagenham and Havering being among the lowest priced boroughs in Greater London. The three areas shaded in blue are at the opposite end of the spectrum, located in central London - they have the highest average priced properties in the capital and are seeing the highest fall in transactions of all the London boroughs over this period.

The three central London boroughs appear to be encircled by the areas shaded in khaki, where transaction levels in Q2 2016 are -40% to -50% below those of Q2 2015. Finally, with the exception of the three 'red' boroughs and Harrow, those boroughs on the outskirts of Greater London are showing transaction levels down by -25% to -39%. This has huge implications for SDLT tax receipts flowing to the Government (and potentially for the GLA which has argued that those receipts should flow to the authority).

# London boroughs, counties and unitary authorities



Table 3. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing June 2015 and May 2016 with June 2016. 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	Jun-15	May-16	Jun-16	Monthly change	Annual Change
100	100	COUNTY DURHAM	£128,921	£123,099	£123,351	0.2%	-4.3%
90	85	DARLINGTON	£147,552	£153,657	£157,795	2.7%	6.9%
96	98	HARTLEPOOL	£133,659	£135,591	£134,562	-0.8%	0.7%
98	99	MIDDLESBROUGH	£133,059	£135,221	£130,008	-3.9%	-2.3%
60	61	NORTHUMBERLAND	£180,566	£179,979	£184,789	2.7%	2.3%
94	93	REDCAR AND CLEVELAND	£135,589	£144,742	£143,687	-0.7%	6.0%
86	88	STOCKTON-ON-TEES	£153,508	£158,238	£155,694	-1.6%	1.4%
84	81	TYNE AND WEAR	£154,516	£162,105	£161,761	-0.2%	4.7%
		<b>NORTH EAST</b>	<b>£149,900</b>	<b>£153,110</b>	<b>£153,314</b>	0.1%	2.3%
101	101	BLACKBURN WITH DARWEN	£123,510	£120,714	£120,528	-0.2%	-2.4%
106	105	BLACKPOOL	£108,139	£114,398	£114,073	-0.3%	5.5%
41	37	CHESHIRE	£227,582	£245,500	£244,184	-0.5%	7.3%
82	90	HALTON	£157,430	£154,147	£154,121	0.0%	-2.1%
50	56	WARRINGTON	£207,845	£202,005	£200,272	-0.9%	-3.6%
68	69	CUMBRIA	£174,159	£174,455	£177,063	1.5%	1.7%
75	67	GREATER MANCHESTER	£166,349	£178,337	£179,044	0.4%	7.6%
79	83	LANCASHIRE	£159,981	£158,987	£159,343	0.2%	-0.4%
85	84	MERSEYSIDE	£153,855	£158,160	£158,820	0.4%	3.2%
		<b>NORTH WEST</b>	<b>£170,689</b>	<b>£177,668</b>	<b>£178,089</b>	0.2%	4.3%
62	62	EAST RIDING OF YORKSHIRE	£178,799	£185,020	£183,173	-1.0%	2.4%
105	107	KINGSTON UPON HULL, CITY OF	£108,791	£109,988	£106,825	-2.9%	-1.8%
99	97	NORTH EAST LINCOLNSHIRE	£130,524	£135,391	£137,566	1.6%	5.4%
91	92	NORTH LINCOLNSHIRE	£145,624	£143,522	£143,705	0.1%	-1.3%
33	33	YORK	£242,069	£255,638	£256,424	0.3%	5.9%
39	40	NORTH YORKSHIRE	£228,277	£235,859	£237,669	0.8%	4.1%
87	91	SOUTH YORKSHIRE	£151,188	£150,665	£149,745	-0.6%	-1.0%
76	74	WEST YORKSHIRE	£165,445	£169,305	£169,999	0.4%	2.8%
		<b>YORKS &amp; HUMBER</b>	<b>£171,658</b>	<b>£175,426</b>	<b>£175,582</b>	0.1%	2.3%
78	79	DERBY	£161,061	£161,770	£163,937	1.3%	1.8%
89	78	LEICESTER	£148,233	£161,435	£164,487	1.9%	11.0%
93	94	NOTTINGHAM	£137,118	£143,869	£143,625	-0.2%	4.7%
18	19	RUTLAND	£282,415	£302,542	£298,818	-1.2%	5.8%
61	63	DERBYSHIRE	£179,436	£179,441	£181,626	1.2%	1.2%
46	51	LEICESTERSHIRE	£213,132	£216,624	£215,017	-0.7%	0.9%
63	65	LINCOLNSHIRE	£178,769	£179,877	£180,204	0.2%	0.8%
47	47	NORTHAMPTONSHIRE	£212,833	£221,364	£222,315	0.4%	4.5%
66	70	NOTTINGHAMSHIRE	£174,675	£177,359	£177,031	-0.2%	1.3%
		<b>EAST MIDLANDS</b>	<b>£186,350</b>	<b>£190,163</b>	<b>£190,623</b>	0.2%	2.3%
40	45	HEREFORDSHIRE	£228,186	£233,533	£231,081	-1.0%	1.3%
44	53	SHROPSHIRE	£219,491	£215,151	£213,494	-0.8%	-2.7%
104	104	STOKE-ON-TRENT	£113,047	£114,892	£114,318	-0.5%	1.1%
74	76	TELFORD & WREKIN	£167,169	£163,959	£166,933	1.8%	-0.1%
56	57	STAFFORDSHIRE	£193,097	£194,996	£195,925	0.5%	1.5%
31	32	WARWICKSHIRE	£246,794	£261,071	£260,754	-0.1%	5.7%
65	64	WEST MIDLANDS	£175,867	£179,396	£181,311	1.1%	3.1%
37	39	WORCESTERSHIRE	£230,467	£239,520	£239,408	0.0%	3.9%
		<b>WEST MIDLANDS</b>	<b>£195,913</b>	<b>£200,480</b>	<b>£201,260</b>	0.4%	2.7%
23	21	BEDFORDSHIRE	£264,753	£294,901	£297,543	0.9%	12.4%
54	42	LUTON	£199,786	£235,159	£235,606	0.2%	17.9%
67	59	PETERBOROUGH	£174,335	£185,599	£186,373	0.4%	6.9%
26	24	SOUTHEND-ON-SEA	£256,311	£283,145	£284,896	0.6%	11.2%
38	31	THURROCK	£229,656	£261,166	£265,014	1.5%	15.4%
14	20	CAMBRIDGESHIRE	£291,733	£297,385	£297,973	0.2%	2.1%
15	15	ESSEX	£291,217	£317,409	£320,067	0.8%	9.9%
5	5	HERTFORDSHIRE	£392,972	£437,967	£443,423	1.2%	12.8%
45	46	NORFOLK	£213,239	£224,716	£227,418	1.2%	6.6%

# London boroughs, counties and unitary authorities



35	35	<b>SUFFOLK</b>	£239,296	£251,810	£250,616	-0.5%	4.7%
		<b>EAST OF ENGLAND</b>	<b>282144.4</b>	<b>306016.4</b>	<b>£308,407</b>	0.8%	9.3%
		<b>GREATER LONDON</b>	<b>£556,961</b>	<b>£588,763</b>	<b>£590,203</b>	0.2%	6.0%
9	9	<b>BRACKNELL FOREST</b>	£344,908	£372,083	£376,419	1.2%	9.1%
8	7	<b>BRIGHTON AND HOVE</b>	£351,830	£379,704	£385,558	1.5%	9.6%
49	50	<b>ISLE OF WIGHT</b>	£208,094	£216,656	£215,025	-0.8%	3.3%
48	38	<b>MEDWAY</b>	£211,121	£236,498	£239,515	1.3%	13.4%
25	25	<b>MILTON KEYNES</b>	£256,709	£284,102	£282,407	-0.6%	10.0%
52	48	<b>PORTSMOUTH</b>	£200,784	£212,838	£220,538	3.6%	9.8%
17	14	<b>READING</b>	£290,190	£327,291	£328,611	0.4%	13.2%
21	16	<b>SLOUGH</b>	£272,004	£320,328	£312,610	-2.4%	14.9%
57	55	<b>SOUTHAMPTON</b>	£193,061	£208,319	£206,890	-0.7%	7.2%
7	8	<b>WEST BERKSHIRE</b>	£361,610	£378,826	£381,481	0.7%	5.5%
1	1	<b>WINDSOR AND MAIDENHEAD</b>	£527,174	£576,268	£574,053	-0.4%	8.9%
4	4	<b>WOKINGHAM</b>	£394,770	£439,010	£447,224	1.9%	13.3%
3	3	<b>BUCKINGHAMSHIRE</b>	£422,756	£448,371	£452,950	1.0%	7.1%
22	22	<b>EAST SUSSEX</b>	£271,969	£294,133	£294,399	0.1%	8.2%
13	13	<b>HAMPSHIRE</b>	£315,032	£333,891	£337,537	1.1%	7.1%
19	18	<b>KENT</b>	£280,718	£298,857	£301,090	0.7%	7.3%
6	6	<b>OXFORDSHIRE</b>	£374,696	£383,176	£392,035	2.3%	4.6%
2	2	<b>SURREY</b>	£466,188	£494,501	£491,779	-0.6%	5.5%
11	12	<b>WEST SUSSEX</b>	£326,539	£346,051	£347,853	0.5%	6.5%
		<b>SOUTH EAST</b>	<b>£333,296</b>	<b>£355,270</b>	<b>£357,404</b>	0.6%	7.2%
12	10	<b>BATH AND NORTH EAST SOMERSET</b>	£324,243	£355,721	£366,032	2.9%	12.9%
28	27	<b>BOURNEMOUTH</b>	£252,526	£271,700	£279,722	3.0%	10.8%
30	26	<b>BRISTOL , CITY OF</b>	£249,414	£276,340	£281,799	2.0%	13.0%
36	43	<b>CORNWALL</b>	£237,147	£231,424	£235,333	1.7%	-0.8%
32	28	<b>NORTH SOMERSET</b>	£246,429	£267,968	£271,182	1.2%	10.0%
64	66	<b>PLYMOUTH</b>	£177,398	£179,705	£180,173	0.3%	1.6%
10	11	<b>POOLE</b>	£340,469	£348,877	£350,149	0.4%	2.8%
29	30	<b>SOUTH GLOUCESTERSHIRE</b>	£250,713	£265,809	£266,912	0.4%	6.5%
55	49	<b>SWINDON</b>	£198,797	£218,726	£219,367	0.3%	10.3%
53	54	<b>TORBAY</b>	£200,502	£206,479	£210,737	2.1%	5.1%
20	23	<b>WILTSHIRE</b>	£273,852	£291,975	£292,733	0.3%	6.9%
24	34	<b>DEVON</b>	£257,401	£255,580	£256,285	0.3%	-0.4%
16	17	<b>DORSET</b>	£290,482	£298,512	£304,241	1.9%	4.7%
27	29	<b>GLOUCESTERSHIRE</b>	£253,429	£268,358	£268,807	0.2%	6.1%
42	41	<b>SOMERSET</b>	£222,547	£238,120	£237,332	-0.3%	6.6%
		<b>SOUTH WEST</b>	<b>£251,556</b>	<b>£262,846</b>	<b>£265,287</b>	0.9%	5.5%
73	68	<b>ISLE OF ANGLESEY</b>	£169,379	£175,109	£177,404	1.3%	4.7%
71	75	<b>GWYNEDD</b>	£169,474	£160,842	£167,073	3.9%	-1.4%
72	73	<b>CONWY</b>	£169,440	£170,207	£173,613	2.0%	2.5%
81	82	<b>DENBIGHSHIRE</b>	£158,007	£163,808	£159,401	-2.7%	0.9%
69	71	<b>FLINTSHIRE</b>	£171,083	£173,979	£175,240	0.7%	2.4%
80	80	<b>WREXHAM</b>	£158,505	£165,067	£163,730	-0.8%	3.3%
59	60	<b>POWYS</b>	£180,573	£183,982	£185,282	0.7%	2.6%
58	58	<b>CEREDIGION</b>	£183,802	£187,738	£194,671	3.7%	5.9%
70	72	<b>PEMBROKESHIRE</b>	£170,285	£176,885	£174,849	-1.2%	2.7%
95	96	<b>CARMARTHENSHIRE</b>	£135,386	£139,032	£138,607	-0.3%	2.4%
83	86	<b>SWANSEA</b>	£154,593	£153,320	£156,529	2.1%	1.3%
102	103	<b>NEATH PORT TALBOT</b>	£117,720	£117,107	£117,525	0.4%	-0.2%
88	89	<b>BRIDGEND</b>	£148,832	£155,105	£155,097	0.0%	4.2%
43	44	<b>VALE OF GLAMORGAN</b>	£221,486	£230,022	£233,878	1.7%	5.6%
51	52	<b>CARDIFF</b>	£204,900	£213,956	£213,584	-0.2%	4.2%
103	102	<b>RHONDDA CYNON TAFF</b>	£115,095	£120,249	£118,743	-1.3%	3.2%
107	106	<b>MERTHYR TYDFIL</b>	£104,798	£110,077	£109,832	-0.2%	4.8%
97	95	<b>CAERPHILLY</b>	£133,617	£133,951	£139,277	4.0%	4.2%
108	108	<b>BLAENAU GWENT</b>	£92,644	£94,383	£92,079	-2.4%	-0.6%
92	87	<b>TORFAEN</b>	£142,837	£155,482	£156,359	0.6%	9.5%



34	36	<b>MONMOUTHSHIRE</b>	£241,679	£241,840	£245,049	1.3%	1.4%
77	77	<b>NEWPORT</b>	£162,012	£164,227	£165,757	0.9%	2.3%
		<b>WALES</b>	<b>£163,611</b>	<b>£167,460</b>	<b>£168,588</b>	0.7%	3.0%
		<b>ENGLAND &amp; WALES</b>	<b>£276,748</b>	<b>£291,247</b>	<b>£292,620</b>	0.5%	5.7%

Table 3 above shows the average property price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary based on the GOR (Government Office Regions), for June 2015, May 2016 and June 2016. 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 June 2016, the monthly rate of house price inflation in England & Wales was 0.5% and the headline annual increase in prices for England & Wales was 5.7%.

## Annual Trends

On an annual basis, prices in June 2016 have increased in England & Wales by 5.7%, marginally down from the 5.9% in May, one month earlier. 92 of the 108 unitary authority areas have recorded price rises over the year, three more than last month, which represents some 85% of the England & Wales unitary authority areas. Of the 16 areas where prices have fallen, 4 are in the North West, 3 each are in Yorks and Humber and Wales, and 2 each are in the North East, the West Midlands and the South West. All the constituent areas of the East Midlands, the East of England and the South East are recording positive movements in their prices over the year.

## Peak Prices

In Table 3, we have highlighted in turquoise those areas which have set a new peak price in the month; there are 19 such locations, up by 3 from last month. Of the 19 unitary authority areas that recorded a new peak, 6 are based in the South East, 5 are in the South West, 4 are in the East of England, with 2 in the West Midlands, and 1 each in the North West and Yorks & Humber. As we discussed earlier, there is one region in England & Wales setting a new peak average price in June 2016 - this is the East of England, its previous peak having been recorded in April 2016.

## Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in June 2016 shows an increase of 0.5%, which has stopped the decline seen in the monthly rate over the previous three successive months. This decline was associated with the introduction of the 3% surcharge in stamp duty on second homes and buy-to-let properties, which led to the surge in purchases in March.

In June, there were price rises over the month in 69 of the 108 unitary authority areas, this is up from the 37 areas seeing increases in prices in the previous month, which is another indication of how prices have changed in June, reversing the fall in prices that were seen in the aftermath of the tax surcharge.

## Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, in June it is Luton, at 17.9%, that tops the league with the highest annual rate of change in prices. Last month Luton was in second place behind Slough, but their respective positions have reversed in June, with Slough in second place at 14.9%. What is clear is that both these towns are within a relatively short train journey from Central London and are seeing an increase in prices as their affordability, compared to most of London suburbia, makes them an attractive proposition for would-be commuters.

By way of contrast, the authority with the largest reduction in prices over the year is, for the second month running, County Durham, where prices have fallen by 4.3%. The average price paid for a property in County Durham in June 2016 was £123,351, which is 12% below the peak price of £140,079 seen in the county in March 2008.

## Transactions

Looking at the change in property transactions between Q2 2015 and Q2 2016, there has been a 20% reduction in sales. As we discussed on page 5, this reduction is a result of sales having been brought forward into March, with a subsequent lack of purchases in the following months. On a regional basis, the largest fall in sales has been in London at -35%, followed by the South West at -26%, the South East at -24% and the North East at -23%. The six remaining regions all saw transactions fall by -15% to -17%. Flats saw the largest reduction in sales at -33% and semi-detached the least at -16%, with detached at -22% and terraces -20%.

Thurrock was the only one of the 108 unitary authority areas where transactions climbed, by 12% when comparing Q2 2015 to Q2 2016, while Slough saw the largest fall in transaction numbers over the period, at -36%.



## ANNUAL CHANGE IN PRICE BY REGION

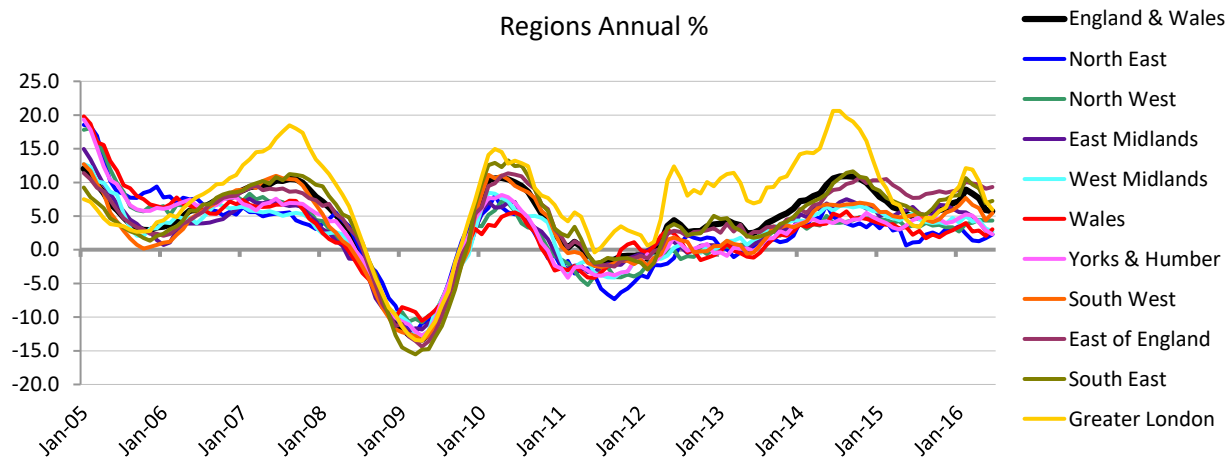


Figure 7. A comparison of the annual change in house prices, by region for the period January 2005 – June 2016

[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.



# Regional data table



Table 4. Average house prices by region, July 2015 – July 2016, with monthly and annual % growth

[link to source Excel](#)

	North East			North West			Yorks & Humber			East Midlands		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jul-15	£149,302	-0.4	1.1	£171,223	0.3	3.4	£172,592	0.5	4.7	£186,338	0.0	5.4
Aug-15	£150,648	0.9	2.3	£173,489	1.3	4.0	£173,982	0.8	4.9	£186,879	0.3	5.1
Sep-15	£150,501	-0.1	2.6	£173,850	0.2	3.6	£174,802	0.5	4.7	£188,626	0.9	5.2
Oct-15	£151,307	0.5	2.1	£174,756	0.5	3.7	£176,191	0.8	4.6	£190,884	1.2	6.6
Nov-15	£151,778	0.3	3.1	£173,315	-0.8	3.3	£176,070	-0.1	4.0	£190,992	0.1	6.6
Dec-15	£153,313	1.0	3.0	£173,848	0.3	3.3	£176,484	0.2	4.2	£190,063	-0.5	6.1
Jan-16	£155,064	1.1	3.5	£174,198	0.2	2.7	£177,645	0.7	4.7	£190,805	0.4	5.6
Feb-16	£156,684	1.0	2.4	£176,942	1.6	3.9	£178,238	0.3	5.3	£192,898	1.1	5.6
Mar-16	£155,804	-0.6	1.4	£177,702	0.4	4.0	£177,942	-0.2	5.1	£192,769	-0.1	5.0
Apr-16	£154,990	-0.5	1.3	£178,179	0.3	4.4	£175,880	-1.2	4.1	£191,628	-0.6	4.2
May-16	£153,110	-1.2	1.7	£177,668	-0.3	4.3	£175,426	-0.3	2.9	£190,163	-0.8	2.9
Jun-16	£153,314	0.1	2.3	£178,089	0.2	4.3	£175,582	0.1	2.3	£190,623	0.2	2.3

	West Midlands			East of England			Greater London			South East		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jul-15	£196,257	0.2	4.5	£283,554	0.5	7.7	£558,696	0.3	3.4	£335,115	0.5	5.3
Aug-15	£197,168	0.5	4.1	£288,240	1.7	8.3	£568,932	1.8	4.7	£336,852	0.5	5.2
Sep-15	£197,143	0.0	4.0	£290,445	0.8	8.4	£574,162	0.9	4.7	£340,692	1.1	6.1
Oct-15	£198,880	0.9	4.1	£293,032	0.9	8.7	£581,674	1.3	5.8	£344,981	1.3	7.3
Nov-15	£198,694	-0.1	3.9	£291,858	-0.4	8.5	£584,071	0.4	6.3	£346,597	0.5	7.5
Dec-15	£200,906	1.1	4.7	£294,742	1.0	8.7	£590,034	1.0	8.4	£349,369	0.8	8.0
Jan-16	£200,624	-0.1	4.0	£298,811	1.4	8.9	£597,418	1.3	9.4	£352,121	0.8	8.1
Feb-16	£202,909	1.1	5.0	£306,478	2.6	10.1	£609,708	2.1	12.1	£361,722	2.7	10.6
Mar-16	£201,521	-0.7	4.2	£306,888	0.1	9.8	£605,520	-0.7	11.9	£361,040	-0.2	9.7
Apr-16	£201,407	-0.1	4.4	£307,635	0.2	9.7	£600,378	-0.8	10.2	£360,135	-0.3	9.1
May-16	£200,480	-0.5	3.2	£306,016	-0.5	9.1	£588,763	-1.9	7.2	£355,270	-1.4	6.9
Jun-16	£201,260	0.4	2.7	£308,407	0.8	9.3	£590,203	0.2	6.0	£357,404	0.6	7.2

	South West			Wales			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Jul-15	£253,535	0.8	5.4	£164,630	0.6	2.8		£277,896	0.4	4.7
Aug-15	£254,361	0.3	4.5	£165,082	0.3	1.7		£280,798	1.0	5.0
Sep-15	£255,142	0.3	4.1	£166,568	0.9	2.3		£282,864	0.7	5.2
Oct-15	£257,066	0.8	4.5	£167,734	0.7	1.9		£285,817	1.0	5.9
Nov-15	£258,536	0.6	5.5	£168,270	0.3	2.5		£286,322	0.2	6.1
Dec-15	£261,023	1.0	5.9	£169,212	0.6	2.9		£288,561	0.8	6.9
Jan-16	£261,495	0.2	6.6	£170,364	0.7	3.4		£290,884	0.8	7.2
Feb-16	£266,945	2.1	7.7	£172,635	1.3	4.0		£296,704	2.0	8.9
Mar-16	£265,751	-0.4	6.6	£170,686	-1.1	2.7		£295,740	-0.3	8.4
Apr-16	£266,545	0.3	6.2	£169,359	-0.8	2.8		£294,752	-0.3	7.7
May-16	£262,846	-1.4	4.4	£167,460	-1.1	2.0		£291,247	-1.2	5.9
Jun-16	£265,287	0.9	5.5	£168,588	0.7	3.0		£292,620	0.5	5.7
Jul-16								£293,318	0.2	5.5



## NOTES

1. LSL Acad E&W HPI uses:
  - the **actual** price 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 initially 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. For more detail see [www.acadata.co.uk](http://www.acadata.co.uk).
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 specialising in house price data. Its associated company MIAC Acadametrics Limited is an independent asset valuation service provider, specialising in behavioural modelling, stress testing and collateral valuation for the financial services industry.
6. LSL Acad E&W HPI may not be used for commercial purposes. Specifically it may not be used to measure the performance of investments or to determine the price at which investments may be bought or sold.
7. The Acadata Library 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 sample here](#)). Our comprehensive selections of geography (national/ regional/ unitary authority/ postcodes) and of property types with arithmetic mean and median prices provide the “off the shelf” historic data series and analyses needed for rapid study and commentary. Acadata Library is available on subscription or on a one-off basis. It may not be used to measure the performance of investments or to determine the price at which investments may be bought or sold, neither may it be used to determine interest payable on loans. Subscribers may use it for business planning and advisory purposes and for this 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.

For further footnotes and a description of the methodology used in the LSL Acad Index please click [here](#).