



Under embargo until 00:01 Thursday 9th July 2015

June 2015

House price growth at two-year low, but sales jump 15% in June

- Annual property price growth slows to 4.1% in June – smallest yearly rise since August 2013
- But standing at £278,849, the average house price in England and Wales hits new high
- Home sales soar 15% month-on-month, as buyers spring back into action after General Election lull
- London only ranks seventh in regional growth tally, with annual price rises falling to 1.8% in June

House Price	Index	Monthly Change %	Annual Change %	Annual Change % (excluding London & SE)
£278,849	270.4	0.3	4.1	4.4

Adrian Gill, director of Reeds Rains and Your Move estate agents, comments: “Whilst the vibrancy of house price growth across England and Wales has faded in the past year – with annual rises more than halving – the market still has colour in its cheeks.

“On a monthly basis typical property values have climbed 0.3%, or £966, since May and although growth has slowed, the property market recovery continues to paint an attractive picture for homeowners across the country – and average property values across England and Wales reached a bright new record of £278,849 in June. This is the fifth time already this year that house prices have hit a new high, and in cash terms it adds up to home values being £10,980 higher than a year ago.

“In addition, home sales across England and Wales soared 15% month-on-month in June, reaching a total of 73,000. This is above and beyond the seasonal uplift we’d typically expect at this time of year – and this new buoyancy in activity levels bodes well for the property market in the coming months. It’s clear the General Election distorted the usual tide of the market, with many buyers waiting until afterwards to complete on their purchases. In the first half of 2015, sales are 13% lower than the same period last year. But June’s sharp upward spike shows the start of this calibration back to firmer territory, as confidence in the political landscape solidifies with a majority government.

“The capital is still shaking off the side effects of the pre-election caution, after prices in many higher priced London boroughs were impacted momentarily at the start of May. In a remarkable sea-change, this means our measure of annual house price growth in England and Wales would actually be higher (at 4.4%) if calculated without London and the South East – the first time these regions have affected the average annual rate of change in this way since September 2009. Traditionally the mainstay of the country’s property market, London now only ranks seventh out of the ten regions of England and Wales in terms of property price growth. Annual price rises in the capital have slowed from 20.7% in July 2014 to 1.8% in June 2015.

“But the lower rungs of the ladder never lost their dynamism, and the vigour that we’re seeing at the entry level of the market will soon trickle up the chain. In the cheapest London borough – Barking and Dagenham – house prices have risen 15% over the past year. Overall, the lowest priced boroughs across the capital have seen annual price jumps of 10.1% on average, compared to steadier 2.8% year-on-year rises in the most expensive London locations.

“It is the pricier south of the country which has seen the most significant slowdown in sales – with the volume of properties sold in London and the South East 15% lower than 2014 levels. But healthier activity levels in the North, Yorkshire and Wales should help to balance out some remaining regional disparities in price growth. It’s encouraging that we’re seeing livelier activity where prices need to get back onto their feet – as there are still some pockets of Wales, the North and Yorkshire where house prices are lower than twelve months ago.

“With borrowing cheaper than ever, wages recovering, and government schemes and incentives to lean on, buyers’ purchasing power is stronger than it has been for a long while. As a result of this positivity, higher demand should place some upward pressure on prices in coming months, and keep the momentum of the market moving forward.”

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 June 2014 – June 2015

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
June	2014	£267,865	260.1	1.0	10.8
July	2014	£269,596	261.5	0.6	11.1
August	2014	£271,599	263.5	0.7	11.1
September	2014	£273,212	264.9	0.6	11.1
October	2014	£274,192	266.1	0.4	10.7
November	2014	£274,090	266.3	0.0	10.1
December	2014	£274,001	265.7	0.0	8.9
January	2015	£275,236	266.9	0.5	7.8
February	2015	£276,241	267.8	0.4	7.2
March	2015	£276,366	268.0	0.0	6.1
April	2015	£276,832	268.4	0.2	5.6
May	2015	£277,883	269.4	0.4	4.8
June	2015	£278,849	270.4	0.3	4.1

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

House prices

House prices in England and Wales continue to climb, albeit at a moderate pace. The average price paid for a home in June 2015 was £278,849, an increase over the May figure of £966, or 0.3%. This is the fifth new peak for house prices this year. However, this apparent market buoyancy needs qualifying - the 0.3% rise in June 2015 contrasts with the 1.0% rise a year earlier, giving some indication of the quieter market conditions currently being experienced.

On an annual basis, house price growth at the end of June was 4.1%, with the average price of a home being £10,980 higher than a year earlier. But as is evident from the red line in Figure 1 below, although house prices are still climbing, the annual rate of growth, like the monthly rate, is now only just over a third of that experienced in July/August 2014.

Figure 1 below also illustrates one of the major features of the housing market over the last two years - that London, and to a lesser extent the South East, have been driving the rate of house price inflation across England & Wales, causing the observable gap in the rates of house price growth when comparing the market with and without these two regions. However, London's annual rate of house price inflation has been falling over the last year from 20.7% in July 2014, to an estimated 1.8% in June 2015, which results in the capital now lowering the average rate of annual house price inflation for England & Wales as a whole. Indeed, as we show on Page 6, London is now ranked 7th out of the 10 regions in England & Wales, on the basis of the respective rates of annual house price growth.

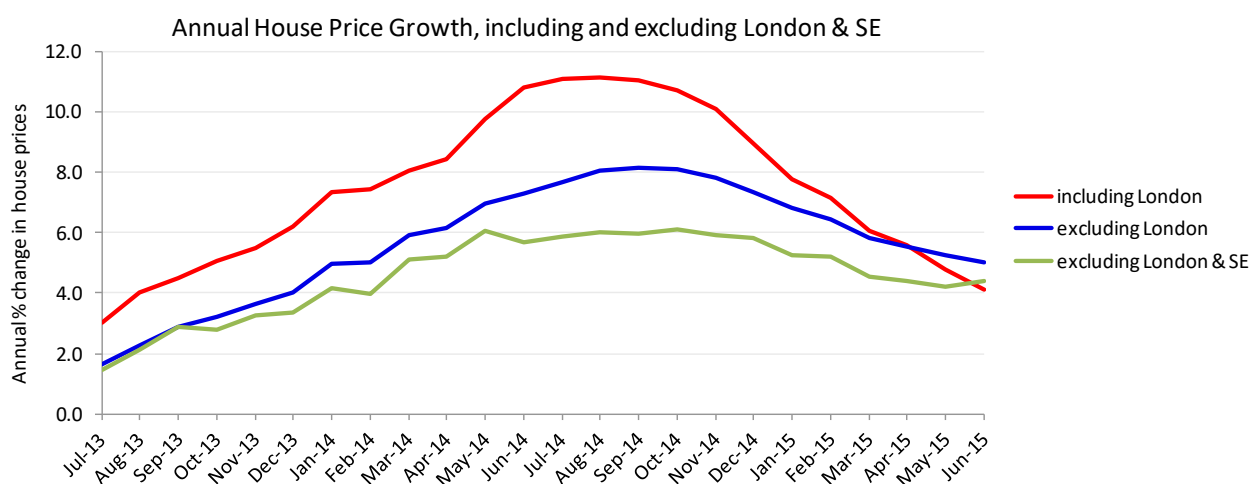


Figure 1. The Annual Rate of House Price Growth in England & Wales by month July 2013 – June 2015, including and excluding London & SE [link to source Excel](#)

The Housing Market

In its June 2015 report, Nationwide noted that ‘house price growth continues to outpace earnings, but the gap is closing, helped by a pickup in annual wage growth, which moved up to 2.7% in the three months to April from 1.9% at the start of the year’. This is important, but is also a potential challenge. Mortgage market competition has driven down borrowing costs, hence as wages recover, so the capacity of buyers to bid more for their homes has increased, thus fuelling the potential for sharper house price rises.

The government is also adding to this momentum, as was evidenced by the recent joint article titled “Here’s how to build a home-owning Britain” by the Prime Minister and the Chancellor of the Exchequer (Times 1st July). This was in advance of the Budget on the 8th July, when a number of measures will be announced (or re-announced) in relation to the housing market (and inheritance tax). There is a clear appetite to boost home ownership, and although the government is working hard to increase new housing supply, the combination of higher wage growth and higher demand will almost certainly add to price pressures.

By contrast, the Bank of England’s recent warnings about the expansion of the buy-to-let market and its impact on financial stability will no doubt be reflected in the forthcoming Treasury consultation on this market. However, though the Bank can’t control house prices or housing supply directly, it will seek to influence these via underwriting standards and the operations of the mortgage market. It will be interesting to see how the rules around this market evolve. The combination of tighter controls across the mortgage market and the possibility of rate rises in 2016 will act as brakes on the overall market, along with lenders taking their own steps to curb lending in the light of emerging trends.



Housing Transactions

We estimate that the number of housing transactions in England & Wales for the month of June 2015, as recorded by the Land Registry, will total some 73,000. This is 15% higher than the level seen in May 2015, compared to a typical seasonal increase of 7% for the time of year. These figures are encouraging, and suggest that a number of buyers had been waiting for the results of the General Election before committing themselves to a house purchase. However, as Figure 2 below shows, the level of transactions in 2015 (the black line) has been consistently below those seen in 2014 (the red line). Our estimates suggest that during the first six months of 2015, transactions are 13% lower than the first six months of the previous year.

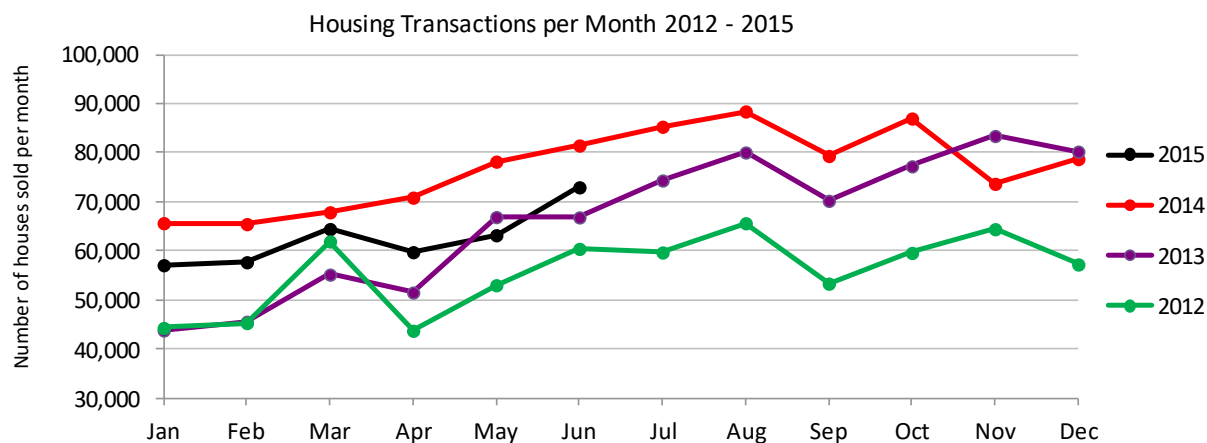


Figure 2. Number of properties sold per month in England & Wales, January 2012 – June 2015. Source Land Registry [link to source Excel](#)

The reduction in transactions over the last year has been more marked in the southern regions of England, with Greater London, East Anglia and the South East seeing falls of up to 15% in the number of properties sold, while in the North, Yorkshire and Humberside and Wales, the decline in sales has been of the order of 3% or less. Flats have seen the largest reduction in units sold, with falls of 16% in London over the year.

In its recent report on the April market, the CML advised that over the year there had been an 8% fall in the number of loans taken out for house purchase in both the first time buyer and home-mover sectors of the market, with the only sector seeing growth being buy-to-let, where there had been a 22% increase in the number of loans taken out year-on-year.

We shall be publishing an in depth analysis of transactions during Q2 2015, compared to Q2 2014, in our news release next month.

Comparison of indices

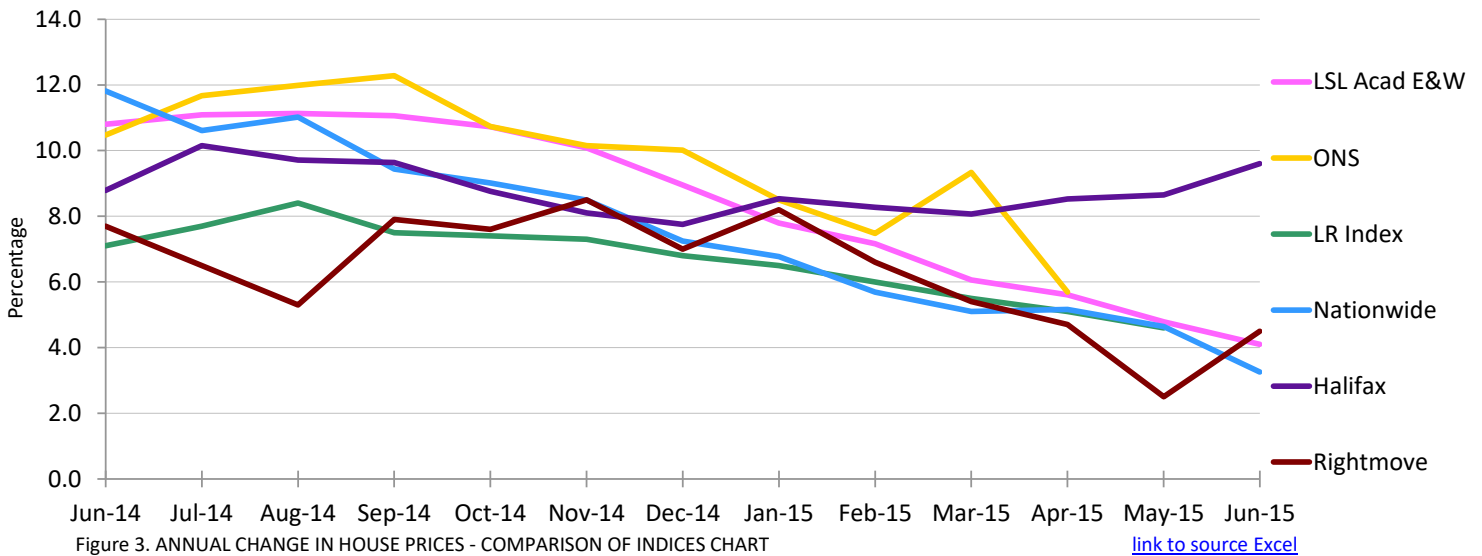


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

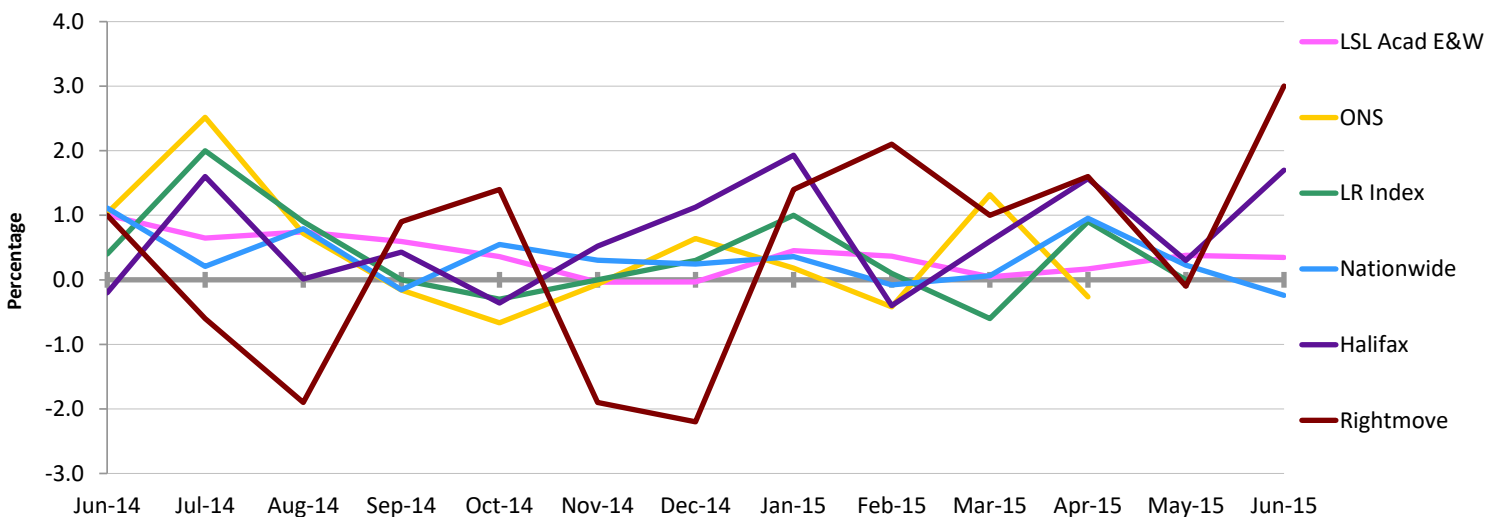


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

As Figure 4 shows, all indices are recording positive movements over the year in terms of the **annual** change in house prices, with the highest rate being recorded by the ONS in Sep 2014 at 12.3%, and the lowest rate being recorded by Rightmove in May 2015, at 2.5%. In June 2015, three of the indices that have reported to date are in a relatively tight band ranging from Rightmove at 4.5%, to Nationwide at 3.3%, with LSL Acad reporting a 4.1% increase. Meanwhile Halifax continues to report a far higher figure at 9.6%. Both LSL Acad and Rightmove include cash sales, which are influenced by transactions in prime central London, where prices are falling. It is likely that Halifax are not strongly represented in these areas and are not therefore reacting to this movement in the market.

Figure 5 covers the **monthly** change in house prices, with the four indices that have published their figures for June being somewhat divided in their opinions. Rightmove, (based on asking prices as opposed to the prices actually achieved) and Halifax (based on mortgage valuation prices) are recording the highest increases at 3.0% and 1.7% respectively. Nationwide (based on mortgage completion prices) is showing a small negative movement in its price change at -0.2%, while LSL Acad (based on sales completions) reports a 0.3% increase in prices during the month. As discussed last month the LSL Acad Index tends to lag the lender indices by one month, thus the 0.2% rise in rates reported by Nationwide in May 2015 is reflected in the LSL Acad figures this month¹.

¹ Acadata has recently produced a paper on the lagging of the LSL Acad index with respect to the other index providers. If you would like to receive a copy of this report, please click [here](#).



Average Annual Change Over Last Three Months

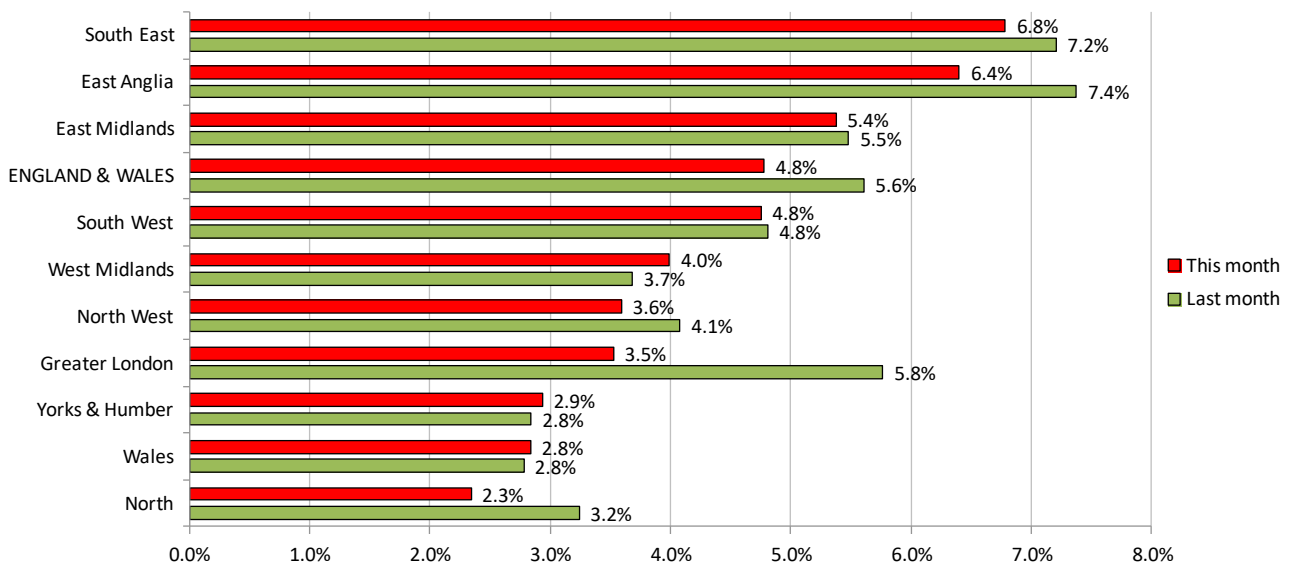


Figure 5. The annual change in the average house price, analysed by region

[link to source Excel](#)

For the third month running, the South East tops the league of regional house price growth, with 6.8% price inflation, followed by East Anglia at 6.4%. Greater London has fallen to seventh place, with a 3.5% increase, having been in fourth position last month, while Yorks & Humber, at 2.9%, has risen from bottom position last month to eighth place this month.

Despite the variations, all ten regions are continuing to show a positive annual movement in house prices (see Figure 5 above and Table 4). In fact, one would need to go back to July 2013 to find the last time that any region/county recorded a negative movement in its rate of annual house price change, that being Wales. This month the rate of house price growth compared to the previous month has risen in two English regions: the West Midlands and Yorkshire and Humberside, along with Wales. The largest rise was observed in the West Midlands, up from 3.7% to 4.0%, while the largest reduction in the rate of house price growth was observed in Greater London, being 2.3% lower this month compared to last.

London and the South East v the Rest

Over the last year we have been paying particular attention to the influence of Greater London and the South East on the average house price growth in England & Wales as a whole. As Table 2 below shows, this influence was at a maximum in July 2014 when the annual rate of growth was 11.1% including Greater London and the South East, but only 5.9% if one excluded these two regions. In June 2015 this gap has turned negative with the rate of house price inflation in England & Wales at 4.4% being higher if one excludes Greater London and the South East from the calculations. This is the first time this 'gap' has been negative since September 2009.

Month	including London (A)	excluding London	excluding London & SE (B)	difference 'the gap' (A) – (B)
Jun-14	10.8	7.3	5.7	5.1
Jul-14	11.1	7.7	5.9	5.2
Aug-14	11.1	8.1	6.0	5.1
Sep-14	11.1	8.1	5.9	5.2
Oct-14	10.7	8.1	6.1	4.6
Nov-14	10.1	7.8	5.9	4.2
Dec-14	8.9	7.3	5.8	3.1
Jan-15	7.8	6.8	5.2	2.6
Feb-15	7.2	6.5	5.2	2.0
Mar-15	6.1	5.8	4.5	1.6
Apr-15	5.6	5.5	4.4	1.2
May-15	4.8	5.3	4.2	0.6
Jun-15	4.1	5.0	4.4	-0.3

Table 2. The annual percentage change in house prices in England & Wales, from June 2014 – June 2015, including and excluding Greater London and the South East.

[link to source Excel](#)



ANNUAL CHANGE IN PRICE BY REGION

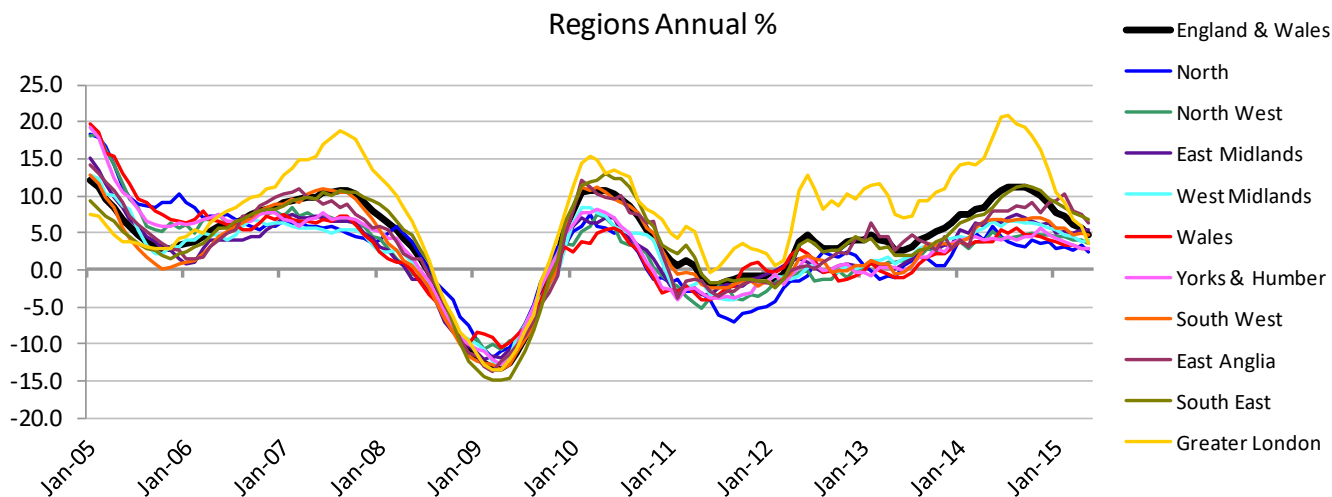


Figure 6. A comparison of the annual change in house prices, by region for the period January 2005 – May 2015

[link to source Excel](#)

Note that individual regions can be compared using our “National and Regional series from 2005 with Interactive Charts”, linked from page 7 NOTE 4 below and from our covering email; timescales can be varied for clarity. Numerous other comparisons are facilitated in this and other interactive charts available through the same links.

NOTES

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

London boroughs, Counties and unitary authorities



Table 3. The change in house prices, for the 33 London boroughs, comparing May 2014 and April 2015 with May 2015.

[link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	May-14	Apr-15	May-15	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,920,597	1,788,303	1,910,363	6.8%	-0.5%
2	2	CITY OF WESTMINSTER	1,399,477	1,252,330	1,239,503	-1.0%	-11.4%
4	3	CITY OF LONDON	826,800	939,419	977,584	4.1%	18.2%
5	4	HAMMERSMITH AND	823,168	928,330	920,573	-0.8%	11.8%
3	5	CAMDEN	941,646	889,290	890,804	0.2%	-5.4%
6	6	RICHMOND UPON THAMES	748,527	781,705	780,535	-0.1%	4.3%
8	7	ISLINGTON	664,442	705,552	727,145	3.1%	9.4%
7	8	WANDSWORTH	710,975	688,133	677,011	-1.6%	-4.8%
11	9	BARNET	530,449	599,226	594,086	-0.9%	12.0%
10	10	MERTON	556,119	597,665	578,973	-3.1%	4.1%
9	11	LAMBETH	592,874	552,246	552,174	0.0%	-6.9%
12	12	SOUTHWARK	516,677	541,503	545,006	0.6%	5.5%
15	13	HACKNEY	493,012	524,344	538,287	2.7%	9.2%
14	14	HARINGEY	500,586	519,326	528,904	1.8%	5.7%
13	15	EALING	501,084	517,953	520,090	0.4%	3.8%
16	16	BRENT	463,186	530,666	513,333	-3.3%	10.8%
17	17	KINGSTON UPON THAMES	454,116	499,724	494,943	-1.0%	9.0%
19	18	HARROW	429,250	475,431	479,302	0.8%	11.7%
20	19	HOUNSLOW	417,437	462,616	474,134	2.5%	13.6%
18	20	TOWER HAMLETS	446,261	456,446	455,266	-0.3%	2.0%
21	21	BROMLEY	403,151	421,834	428,959	1.7%	6.4%
23	22	LEWISHAM	377,608	400,336	408,459	2.0%	8.2%
25	23	HILLINGDON	338,107	391,160	380,003	-2.9%	12.4%
27	24	WALTHAM FOREST	335,108	379,048	379,953	0.2%	13.4%
26	25	REDBRIDGE	337,851	374,856	378,054	0.9%	11.9%
22	26	GREENWICH	386,441	367,982	373,509	1.5%	-3.3%
24	27	ENFIELD	340,227	365,916	367,772	0.5%	8.1%
28	28	SUTTON	323,057	351,760	356,611	1.4%	10.4%
29	29	CROYDON	313,905	338,111	342,195	1.2%	9.0%
30	30	HAVERING	280,738	310,559	312,081	0.5%	11.2%
32	31	NEWHAM	265,183	296,587	298,061	0.5%	12.4%
31	32	BEXLEY	268,319	294,279	297,143	1.0%	10.7%
33	33	BARKING AND DAGENHAM	206,625	234,087	237,566	1.5%	15.0%
		ALL LONDON	540,583	556,209	559,649	0.6%	3.5%

The analysis of Greater London house prices in the above table relates to May 2015 and compares these prices to one month and one year earlier. As such, the May prices are still reflecting the market at the time of the General Election, when there was concern about Labour's housing-related proposals. These included the Mansion Tax and potential rent-capping, as well as a general feeling of uncertainty as to other measures that might be taken should a non-Tory government be returned to power. There was therefore a general sense of caution in the marketplace in May, with transaction numbers down some 19% compared to one year earlier.

On a monthly basis, house prices in London were 0.6% higher in May than April. One-third of the 33 boroughs had a negative movement in house prices during the month compared to 14 such boroughs in April. Six of these boroughs were in the top eleven when ranked by average house price, which is indicative of the May market, where it was the higher priced properties that were seeing the major falls in price.

House prices in London in May were 3.5% higher than a year earlier, but this rate had been falling for the previous ten months from the 20.7% seen in June/July 2014. Although the headline rate of 3.5% applies to London as a whole, there is considerable variation among the boroughs. If we exclude the City of London from the statistics, due to low transaction numbers, the annual price changes range from +15% in Barking and Dagenham to -11.4% in the City of Westminster. It is notable that Barking and Dagenham has the highest % increase in prices, but is the lowest priced borough in London, while the City of Westminster has the largest % fall in prices, but is the second highest priced borough in London.

London boroughs, Counties and unitary authorities



Calculating the average annual change for the top, middle and lowest eleven boroughs when ranked by price, we find average annual increases in house prices of 2.8%, 7.8% and 10.1% respectively. Again, this is an indication that the highest priced boroughs are seeing the lowest rates of house price change, while the lowest priced areas are continuing to see double digit house price inflation. Recent prime market studies by Knight Frank and LonRes for the Financial Times have further highlighted the contraction of the central London market (UK Residential Market Update June 2015 and FT July 4th page 3). This contraction may now have bottomed out, but it is possible the July Budget will make announcements that may influence this.

Counties and Unitary Authorities

Table 4. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing May 2014 and April 2015 with May 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	May-14	Apr-15	May-15	Monthly change	Annual Change
16	18	CAMBRIDGESHIRE	270,868	290,403	286,971	-1.2%	5.9%
63	67	CITY OF PETERBOROUGH	170,947	174,203	172,090	-1.2%	0.7%
45	44	NORFOLK	204,059	214,963	214,676	-0.1%	5.2%
40	34	SUFFOLK	218,595	235,770	238,767	1.3%	9.2%
		EAST ANGLIA	223,861	238,432	238,192	-0.1%	6.4%
81	74	CITY OF DERBY	151,754	161,461	162,229	0.5%	6.9%
100	100	CITY OF NOTTINGHAM	125,655	129,501	127,656	-1.4%	1.6%
65	63	DERBYSHIRE	168,825	177,864	178,807	0.5%	5.9%
87	84	LEICESTER	145,561	151,934	153,703	1.2%	5.6%
47	48	LEICESTERSHIRE	199,016	208,757	208,401	-0.2%	4.7%
72	68	LINCOLNSHIRE	161,918	171,572	171,718	0.1%	6.1%
46	47	NORTHAMPTONSHIRE	199,865	209,997	210,235	0.1%	5.2%
67	66	NOTTINGHAMSHIRE	165,427	172,732	172,248	-0.3%	4.1%
14	10	RUTLAND	275,982	328,153	334,365	1.9%	21.2%
		EAST MIDLANDS	174,086	183,279	183,442	0.1%	5.4%
		GREATER LONDON	540,583	556,209	559,649	0.6%	3.5%
66	71	CUMBRIA	168,462	169,993	169,846	-0.1%	0.8%
85	91	DARLINGTON	148,516	146,940	146,324	-0.4%	-1.5%
99	97	DURHAM	127,240	128,806	130,122	1.0%	2.3%
95	94	HARTLEPOOL	131,845	135,186	136,134	0.7%	3.3%
98	95	MIDDLESBROUGH	129,387	134,114	134,827	0.5%	4.2%
53	62	NORTHUMBERLAND	185,654	183,474	180,537	-1.6%	-2.8%
96	96	REDCAR AND CLEVELAND	131,231	133,452	132,460	-0.7%	0.9%
80	86	STOCKTON-ON-TEES	153,843	154,521	152,566	-1.3%	-0.8%
83	77	TYNE AND WEAR	149,732	159,623	159,171	-0.3%	6.3%
		NORTH	151,706	155,687	155,258	-0.3%	2.3%
101	101	BLACKBURN WITH DARWEN	120,447	116,618	122,698	5.2%	1.9%
104	106	BLACKPOOL	108,862	104,308	106,135	1.8%	-2.5%
35	39	CHESHIRE	224,945	227,845	228,442	0.3%	1.6%
77	72	GREATER MANCHESTER	157,960	167,325	167,691	0.2%	6.2%
86	87	HALTON	147,958	151,957	150,282	-1.1%	1.6%
78	81	LANCASHIRE	155,154	156,182	155,024	-0.7%	-0.1%
84	85	MERSEYSIDE	148,687	151,757	153,050	0.9%	2.9%
55	50	WARRINGTON	183,590	197,877	205,531	3.9%	12.0%
		NORTH WEST	163,545	168,800	169,420	0.4%	3.6%
25	22	BEDFORDSHIRE	243,162	264,208	266,468	0.9%	9.6%
11	9	BRACKNELL FOREST	311,385	347,607	347,248	-0.1%	11.5%
6	7	BRIGHTON AND HOVE	343,141	362,480	367,029	1.3%	7.0%
3	3	BUCKINGHAMSHIRE	388,701	420,427	425,541	1.2%	9.5%
18	21	EAST SUSSEX	261,860	274,392	272,925	-0.5%	4.2%
17	16	ESSEX	262,677	288,054	289,309	0.4%	10.1%
13	14	HAMPSHIRE	293,565	309,817	312,316	0.8%	6.4%
5	5	HERTFORDSHIRE	365,232	392,283	399,034	1.7%	9.3%

London boroughs, Counties and unitary authorities



42	46	ISLE OF WIGHT	214,970	210,997	213,586	1.2%	-0.6%
19	19	KENT	260,482	276,022	277,506	0.5%	6.5%
57	54	LUTON	179,852	196,741	197,811	0.5%	10.0%
50	49	MEDWAY	191,722	207,095	205,768	-0.6%	7.3%
31	31	MILTON KEYNES	229,665	246,063	246,503	0.2%	7.3%
7	6	OXFORDSHIRE	340,137	365,175	370,131	1.4%	8.8%
52	56	PORTSMOUTH	188,703	191,209	193,940	1.4%	2.8%
21	15	READING	254,519	293,317	298,625	1.8%	17.3%
24	24	SLOUGH	245,196	257,830	257,910	0.0%	5.2%
58	53	SOUTHAMPTON	179,450	203,080	202,451	-0.3%	12.8%
30	26	SOUTHEND-ON-SEA	231,105	254,640	254,439	-0.1%	10.1%
2	2	SURREY	459,866	466,712	464,343	-0.5%	1.0%
48	43	THURROCK	195,584	218,633	221,067	1.1%	13.0%
8	8	WEST BERKSHIRE	331,742	354,246	357,654	1.0%	7.8%
12	13	WEST SUSSEX	303,012	319,193	319,523	0.1%	5.4%
1	1	WINDSOR AND MAIDENHEAD	500,974	532,339	527,590	-0.9%	5.3%
4	4	WOKINGHAM	375,128	403,995	402,964	-0.3%	7.4%
		SOUTH EAST	306,806	325,914	327,618	0.5%	6.8%
10	12	BATH AND NORTH EAST SOMERSET	313,289	323,223	322,195	-0.3%	2.8%
20	28	BOURNEMOUTH	255,415	237,865	247,895	4.2%	-2.9%
27	27	CITY OF BRISTOL	239,935	249,743	251,609	0.7%	4.9%
64	61	CITY OF PLYMOUTH	170,518	181,670	181,273	-0.2%	6.3%
37	33	CORNWALL	221,663	238,215	238,974	0.3%	7.8%
23	25	DEVON	250,095	257,784	256,795	-0.4%	2.7%
15	17	DORSET	275,501	289,643	287,513	-0.7%	4.4%
26	23	GLOUCESTERSHIRE	241,714	258,928	258,177	-0.3%	6.8%
33	35	NORTH SOMERSET	226,812	239,475	238,532	-0.4%	5.2%
9	11	POOLE	320,581	335,424	322,300	-3.9%	0.5%
36	40	SOMERSET	224,092	225,721	227,529	0.8%	1.5%
32	29	SOUTH GLOUCESTERSHIRE	228,410	245,613	247,212	0.7%	8.2%
56	55	SWINDON	180,852	194,529	195,560	0.5%	8.1%
49	51	TORBAY	193,101	204,967	204,459	-0.2%	5.9%
22	20	WILTSHIRE	252,496	272,059	274,869	1.0%	8.9%
		SOUTH WEST	240,237	251,423	251,656	0.1%	4.8%
108	108	BLAENAU GWENT	94,951	83,463	88,453	6.0%	-6.8%
90	90	BRIDGEND	143,432	146,159	146,488	0.2%	2.1%
94	99	CAERPHILLY	133,404	126,503	127,742	1.0%	-4.2%
51	52	CARDIFF	190,098	205,633	203,919	-0.8%	7.3%
92	93	CARMARTHENSHIRE	137,124	148,312	140,549	-5.2%	2.5%
59	59	CEREDIGION	177,160	189,292	187,731	-0.8%	6.0%
69	75	CONWY	164,203	159,520	162,080	1.6%	-1.3%
88	82	DENBIGHSHIRE	145,350	155,981	154,364	-1.0%	6.2%
71	69	FLINTSHIRE	162,177	168,743	170,990	1.3%	5.4%
73	78	GWYNEDD	161,073	157,058	158,445	0.9%	-1.6%
70	60	ISLE OF ANGLESEY	163,359	179,328	181,286	1.1%	11.0%
107	104	MERTHYR TYDFIL	99,387	115,176	114,399	-0.7%	15.1%
29	36	MONMOUTHSHIRE	232,306	234,429	229,693	-2.0%	-1.1%
102	103	NEATH PORT TALBOT	118,941	115,976	114,921	-0.9%	-3.4%
74	80	NEWPORT	160,640	157,100	156,160	-0.6%	-2.8%
61	64	PEMBROKESHIRE	174,955	182,634	177,661	-2.7%	1.5%
54	58	POWYS	184,701	185,663	187,897	1.2%	1.7%
103	102	RHONDDA CYNON TAFF	109,234	117,973	115,988	-1.7%	6.2%
79	83	SWANSEA	154,881	156,361	153,840	-1.6%	-0.7%
43	37	THE VALE OF GLAMORGAN	213,874	229,852	228,935	-0.4%	7.0%
91	88	TORFAEN	138,874	145,664	147,331	1.1%	6.1%
82	79	WREXHAM	150,598	155,710	156,404	0.4%	3.9%



		WALES	158,593	164,067	163,094	-0.6%	2.8%
41	38	HEREFORDSHIRE	216,225	231,056	228,443	-1.1%	5.7%
44	45	SHROPSHIRE	208,860	215,727	213,759	-0.9%	2.3%
60	57	STAFFORDSHIRE	175,479	186,165	189,072	1.6%	7.7%
106	105	STOKE-ON-TRENT	103,411	109,089	109,289	0.2%	5.7%
28	30	WARWICKSHIRE	235,680	245,439	246,626	0.5%	4.6%
68	70	WEST MIDLANDS	164,714	169,721	170,770	0.6%	3.7%
34	41	WORCESTERSHIRE	224,996	226,624	227,240	0.3%	1.0%
75	76	WREKIN	159,283	162,318	159,806	-1.5%	0.3%
		WEST MIDLANDS	184,569	191,093	191,939	0.4%	4.0%
105	107	CITY OF KINGSTON UPON HULL	106,295	106,361	105,898	-0.4%	-0.4%
62	65	EAST RIDING OF YORKSHIRE	170,960	173,878	173,081	-0.5%	1.2%
97	98	NORTH EAST LINCOLNSHIRE	129,916	128,087	129,688	1.2%	-0.2%
93	92	NORTH LINCOLNSHIRE	135,421	140,223	141,648	1.0%	4.6%
38	42	NORTH YORKSHIRE	220,611	225,688	224,851	-0.4%	1.9%
89	89	SOUTH YORKSHIRE	143,805	146,370	146,805	0.3%	2.1%
76	73	WEST YORKSHIRE	158,494	162,191	163,730	0.9%	3.3%
39	32	YORK	219,690	241,719	241,895	0.1%	10.1%
		YORKS & HUMBER	164,105	168,304	168,922	0.4%	2.9%
		ALL ENGLAND & WALES	265,203	276,832	277,883	0.4%	4.8%

Table 4 shows the average house price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for May 2014, April 2015 and May 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. As with our analysis of the London market above, we should remind readers that the prices shown in the above table relate to May 2015, at the time of the General Election. Price movements reflecting the outcome of the election will not therefore be incorporated in the above figures.

The headline annual increase in prices for England & Wales in May 2015 was 4.8%, which is down 0.8% from April. This is the ninth month in succession in which the rate of the annual change in house prices has fallen. In May 2015, there were three regions recording peak average prices, with the South East, the South West and the East Midlands continuing to see prices advance. East Anglia, which was included in this group last month, has seen prices soften, especially in the City of Peterborough and Cambridgeshire areas.

Annual Trends

On an annual basis, prices have increased in 91 of the 108 unitary authority areas, being six less than last month, indicating that although the vast majority of the country is continuing to see house prices rise over the year, there are a small number of locations where prices are beginning to slide. These are mostly located in Wales, (8 areas), the North, (3 areas), the North West and Yorkshire & Humberside (2 areas each) and finally the South West and South East (1 area each).

Table 5 below shows the annual rate of house price growth outside Greater London, ordered by quartiles in terms of the average house 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 house price inflation has been falling in most sectors of the housing market, except for that of the third quartile where the growth rate this month is the same as last month.

Table 5. Trends in the distribution of house prices changes in the 108 unitary authority/counties, for the period Mar – May 2014 to Mar – May 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 the 12 months
1st Quartile	£0 - £154,859	2.0%	2.4%
2nd Quartile	£154,859 - £196,685	3.4%	3.5%
3rd Quartile	£196,685 - £248,824	5.6%	5.6%
4th Quartile	Above £248,824	7.4%	7.9%



Monthly Trends

Turning now to monthly as opposed to annual trends, the headline rate for prices in England & Wales in May 2015 shows an increase of 0.4%, up from 0.2% seen in the previous month. In May, there were price rises over the month in 60 of the 108 unitary authority areas (three less than last month).

Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, it is Rutland at 21.2% that tops the league for the second month in succession in terms of having the highest annual rate of change in prices. However, Rutland has the second smallest level of transactions of all the counties/unitary authorities in England & Wales, which results in its percentage change in prices being more extreme than most. After Rutland, it is Reading that has the largest annual change in average house prices at 17.3%. Flats are Reading's second most popular property type, following terraces, with the average price of a flat in Reading having risen in price by 20% over this last year, from an average £180k in 2014, to £215k in 2015.

By way of contrast, the area with the largest reduction in annual prices is Blaenau Gwent in Wales, where prices have fallen by 6.8%. However, Blaenau Gwent is the area that has the least number of transactions per month in England & Wales, which can result in substantial percentage changes in price. We would therefore normally exclude the results for Blaenau Gwent from these comparative calculations, save for the fact that Caerphilly - a neighbouring area to Blaenau Gwent - has the second largest annual fall in prices at -4.2%. Clearly, there is a trend in these Welsh valleys with the average price of flats in both areas seeing double-digit percentage falls. Those contemplating purchasing a flat in Kensington and Chelsea at an average price of £1.9 million might be surprised to learn that the average price of a flat in Blaenau Gwent is currently £43k.

Transactions

In terms of transactions, looking at the three months March 2015 to May 2015 and comparing with the same three months one year earlier, 82 of the 108 unitary authorities in England & Wales have seen a decline in sales volumes over the period, compared to 94 last month. The area with the largest decline in transactions over the period was Blackpool, down 22%, with a 26% decline in the number of terraced properties sold, although the average price of terraced properties in Blackpool has risen by 6% over this period.

The area that recorded the highest increase in transactions over the year of any English or Welsh unitary authority for the second month in succession was Carmarthenshire, up by 15%, with the sale of detached properties increasing by 11% over this period. Carmarthenshire was closely followed by Darlington, where property sales increased by an overall 14%, with the sale of detached homes increasing by 33% from 70 to 100 properties in the period.

Regional data table



Table 6. Average house prices by region, June 2014 – June 2015, with monthly and annual % growth

[link to source Excel](#)

	North			North West			East Midlands			West Midlands		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jun-14	£151,021	-0.5	4.4	£163,313	-0.1	4.2	£174,628	0.3	6.2	£185,246	0.4	5.8
Jul-14	£150,720	-0.2	3.8	£164,240	0.6	4.3	£176,245	0.9	7.1	£187,215	1.1	6.5
Aug-14	£150,808	0.1	3.4	£165,374	0.7	4.5	£177,316	0.6	7.5	£188,715	0.8	6.5
Sep-14	£149,750	-0.7	3.1	£166,770	0.8	4.7	£178,814	0.8	7.1	£188,980	0.1	6.3
Oct-14	£151,225	1.0	3.9	£167,315	0.3	5.0	£178,387	-0.2	6.6	£190,306	0.7	6.4
Nov-14	£150,528	-0.5	3.6	£166,374	-0.6	4.6	£178,584	0.1	6.0	£190,494	0.1	6.1
Dec-14	£151,844	0.9	3.8	£166,676	0.2	4.8	£178,495	0.0	6.2	£190,899	0.2	5.6
Jan-15	£152,967	0.7	2.8	£167,847	0.7	4.5	£180,100	0.9	4.9	£191,851	0.5	5.5
Feb-15	£155,138	1.4	3.2	£168,645	0.5	4.4	£182,061	1.1	5.3	£192,074	0.1	4.7
Mar-15	£156,190	0.7	2.7	£168,994	0.2	3.9	£183,064	0.6	5.0	£192,144	0.0	4.4
Apr-15	£155,687	-0.3	3.2	£168,800	-0.1	4.1	£183,279	0.1	5.5	£191,093	-0.5	3.7
May-15	£155,258	-0.3	2.3	£169,420	0.4	3.6	£183,442	0.1	5.4	£191,939	0.4	4.0

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jun-14	£159,931	0.8	5.3	£163,985	-0.1	4.0	£239,609	-0.3	6.7	£224,358	0.2	7.8
Jul-14	£159,974	0.0	5.0	£164,350	0.2	4.5	£240,822	0.5	6.5	£225,269	0.4	7.8
Aug-14	£162,206	1.4	5.7	£165,372	0.6	4.0	£243,853	1.3	6.7	£227,428	1.0	8.6
Sep-14	£162,720	0.3	4.6	£166,528	0.7	4.5	£245,464	0.7	6.8	£227,185	-0.1	8.3
Oct-14	£164,405	1.0	4.7	£168,107	0.9	4.5	£246,318	0.3	7.0	£228,780	0.7	9.1
Nov-14	£163,912	-0.3	4.5	£168,978	0.5	5.5	£245,439	-0.4	6.9	£227,504	-0.6	7.7
Dec-14	£164,031	0.1	4.1	£168,942	0.0	4.8	£246,952	0.6	6.6	£229,836	1.0	9.1
Jan-15	£164,406	0.2	3.7	£169,156	0.1	4.3	£245,707	-0.5	5.6	£232,603	1.2	9.4
Feb-15	£165,353	0.6	3.4	£168,705	-0.3	3.9	£248,055	1.0	5.5	£237,183	2.0	10.3
Mar-15	£165,244	-0.1	3.3	£168,965	0.2	3.3	£248,990	0.4	4.8	£237,562	0.2	7.9
Apr-15	£164,067	-0.7	2.8	£168,304	-0.4	2.8	£251,423	1.0	4.8	£238,432	0.4	7.4
May-15	£163,094	-0.6	2.8	£168,922	0.4	2.9	£251,656	0.1	4.8	£238,192	-0.1	6.4

	South East			Greater London			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Jun-14	£310,027	1.0	9.8	£553,679	2.4	20.7		£267,865	1.0	10.8
Jul-14	£312,971	0.9	10.4	£556,516	0.5	20.7		£269,596	0.6	11.1
Aug-14	£315,354	0.8	11.2	£559,611	0.6	19.7		£271,599	0.7	11.1
Sep-14	£316,848	0.5	11.5	£564,781	0.9	19.2		£273,212	0.6	11.1
Oct-14	£317,597	0.2	11.1	£566,237	0.3	18.0		£274,192	0.4	10.7
Nov-14	£318,195	0.2	10.7	£565,897	-0.1	16.2		£274,090	0.0	10.1
Dec-14	£319,397	0.4	9.6	£560,012	-1.0	13.3		£274,001	0.0	8.9
Jan-15	£321,959	0.8	9.2	£561,238	0.2	10.4		£275,236	0.5	7.8
Feb-15	£323,786	0.6	8.3	£558,851	-0.4	9.0		£276,241	0.4	7.2
Mar-15	£325,026	0.4	7.7	£555,162	-0.7	6.7		£276,366	0.0	6.1
Apr-15	£325,914	0.3	7.2	£556,209	0.2	5.8		£276,832	0.2	5.6
May-15	£327,618	0.5	6.8	£559,649	0.6	3.5		£277,883	0.4	4.8
Jun-15								£278,849	0.3	4.1



1. LSL Acad E&W HPI is derived from Land Registry (LR) house price data, seasonally and mix adjusted by property type. © Crown copyright material reproduced with the permission of Land Registry. The prices are smoothed to show underlying trends. LSL Acad E&W HPI includes cash purchase prices and is the only index based upon the complete, factual house price data for England & Wales, as opposed to a sample.
2. Most indices employ data available to the provider as result of its business; index methodologies are designed to exploit the advantages and overcome the disadvantages of each particular dataset; a valuation series (whether the values are professionally estimated at e.g. time of mortgage offer or by an estate agent) is not the same as a price series; price series (LSL Acad E&W HPI, ONS HPI and LR HPI) can be prepared only when the prices at which properties have been transacted have been recorded by the Land Registry (LSL Acad E&W HPI and LR HPI) or when firm prices at mortgage completion (ONS HPI) have been made available by lenders; valuation series can be prepared whenever the data (e.g. asking or mortgage offer prices) are available to the provider; publicity accrues to those indices which are released first; indices published at or before month end are likely to employ data for the current and prior months.
3. Typically, only some 38% of transactions are reported to LR at month end. LSL Acad E&W HPI overcomes this delay with an “index of indices” forecasting model, purpose developed by Dr Stephen Satchell Economics Fellow Trinity College Cambridge and Dr George Christodoulakis, then at the Sir John Cass Business School. LR HPI relies on the sample being reflective of all of the month’s price changes and uses c.40% of these (say c.9,000 price changes) being the prices of properties for which two prices are recorded on the Land Register and a repeat sales regression methodology based on work published by USA academics, notably for the USA S&P Case Shiller HPI. RSR was developed to prepare indices for single family homes using only the limited data volumes available for metropolitan districts, since the USA lacks a central Land Registry. LSL Acad E&W HPI, LR HPI and ONS HPI are published monthly in this order.
4. LSL Acad E&W HPI provides prices at national and regional level back to 1995 and, at county/London borough level, back to 2000; back-cast national prices for graphing are available to 1987. With only some 60,000 monthly transactions now occurring compared with at least 100,000 in past markets, reduced data volumes are a problem for every HPI. LSL Acad HPI employs not only the above “index of indices”, but also a series of auto regression and averaging models. The latter use a rolling 3 months of data to provide an average price for each month to show trends, as mentioned above. After the elapse of one month, LR provides c.88% of the transactions for the prior month, used to replace the initial LSL Acad E&W HPI “forecast” with a first LSL Acad E&W HPI “updated” result. Two months after any given month, LR provides c.96 % of the month’s transactions, sufficient to enable us to describe our next update as an LSL Acad E&W HPI “final” index, closely approximating the LSL Acad E&W HPI “ultimate” results; LSL Acad E&W HPI “ultimate” includes the price of virtually every single LR transaction for the month, smoothed, seasonally and mix adjusted; the LSL Acad E&W HPI “updated” now uses c.37,000 real transactions for the month (as well as, by smoothing, c.40,000 transactions for the prior month); LR HPI also provides an updated LR “latest” HPI shown in our monthly Comparison of Indices table. ONS HPI with, in 2013, c. 28,000 mortgage completions (and the Rightmove asking price index) are also based upon significant data volumes; lender HPI data volumes are not quantified; the Halifax HPI employs three month smoothing for annual but not for monthly change results; Hometrack provides survey data and specifies that theirs is a survey, not an index.
5. In each of the 10 regions, an average of only some 6,000 transactions now occur monthly; hence, we wait one month, pending receipt from LR of the c.88% sample and provide monthly results one month in arrears of the most recent month. In our Regional data table, red data represent LSL Acad E&W HPI “forecast” results, blue data represent LSL Acad E&W HPI “updated” results and black data represent the LSL Acad E&W HPI “final” index.
6. At county and London borough levels, c.60,000 national monthly transactions, spread over 10 regions and 108 counties and 33 London boroughs, provide an average of only c.425 house prices monthly within each sub-district. Even delayed one and smoothed over three months, LSL Acad E&W HPI is indicative until we are able to publish the LSL Acad E&W HPI “final” index using the LR 96% sample. LSL Acad E&W HPI data are calculated on a consistent basis from county and London borough through to region and ultimately to national level; at every level, the current month price represents the average of the prices for the current month and for the prior and subsequent months (“three month, centre month smoothed”). LR employs a “four month, end month smoothed”, process for county/London borough data, but not for national and regional results.
7. Data limitations are not confined to volumes. LSL Acad E&W HPI and the LR HPI are unable to identify different prices according to e.g numbers of bedrooms; the lender hedonic indices and the ONS mix adjusted HPI do so. LR data exclude commercial and, thus auction sales and do not reflect repossession prices on the grounds that such prices do not reflect those between a willing buyer and a willing seller; some feel that auction prices represent true market prices; others believe that the repossession prices do not.
8. LSL Acad E&W HPI is prepared from Land Registry data using a methodology designed to provide a “true measure of house price inflation”; Acadata does not guarantee the accuracy of the LSL Acad E&W HPI results and Acadata shall not be liable for any loss or damage, whatsoever, consequential upon any error, incorrect description of or inadequacy in the data; persons using the data do so entirely at their own risk; LSL Acad E&W HPI is freely provided for publication with due attribution to Acadata. Permission is required for any commercial use of the data.
9. The monthly, smoothed, average Land Registry prices at regional, county and London borough level by property type, which underlie LSL Acad E&W HPI, together with historic data, are available from Acadata as in page 5 NOTE 7 above.
10. LSL Acad E&W HPI was published under the name FTHPI from September 2003 until December 2009. Until the October 2013 LSL Acad E&W HPI was published, it was prepared by Acadametrics. Acadametrics then changed its name to Acadata to reflect its new focus entirely upon house price indices and data following its agreement to sell its 50% holding in MIAC Acadametrics to MIAC Analytics over a 4 year period.

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