



Under embargo until 00:01 Thursday 14th July 2016

June 2016

House prices in June continue to rise by 0.6%

- Transaction numbers climb back to 2015 levels but Brexit looms large
- London house prices fall 1.4% (£8,400) month-on-month – largest fall since May 2011
- Slough and Luton top the leader board for annual house price growth at 21%
- Uncertainty remains the watchword for 2016

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London & the SE)
£293,444	286.2	0.6	6.0	5.1

House prices edged up last month, but uncertainty looms. After three months of falls, including a 0.9% dip in May, average prices in England and Wales saw a modest recovery, up 0.6%. By the end of June, prices were 6% higher than a year ago with the average house sale now £293,444. The impact of Brexit, though, has yet to be felt.

The outcome of the June 23 vote had little effect on the latest figures. Transactions in June were 13% lower than last year, but this was an improvement on May. Overall transaction levels are recovering after the slump that followed a rush to beat the 3% stamp duty surcharge on second homes and buy-to-let properties introduced in April. Price falls in the previous three months, likewise, followed significant rises at the start of the year, led by buy-to-let and pied-a-terre properties. Now increasing again, they nevertheless remain below trend.

The impact of the stamp duty increase may now be largely played out, and there's little evidence it has significantly hit investor appetite: first time landlords seem no less common and there's new interest in mixed commercial and residential purchases, such as flats over shops that escape the increase. With interest rates set to remain lower for longer, the Bank of England reducing Banks' capital requirements and a change in Government, the outlook for Buy-to-Let investors may remain positive.

Looking at regional variations, in May average house prices paid in the capital were down 1.4%. That's the third successive monthly drop and the biggest in cash terms (£8,400) since May 2011. Nevertheless, while annual house price growth in Greater London is down from 9.7% last month, it's still up 7.3% over the year.

Moreover, the country has a new hot spot for house price growth: the East of England region, led by commuter towns such as Luton and Thurrock. With annual growth of 21% and 16%, respectively, these continue to shrug off the uncertainty. And even these trail Slough, in Berkshire. Bolstered by the Crossrail development's links to central London and a growing local economy, it was again the strongest performing single unitary authority this month, with 21.5% annual growth.

Greater London and the South East will remain a big part of the growth story in England and Wales, however. Without them annual house price inflation for the remaining regions would be 5.1%. Take out the East of England (boosted by commuters looking for cheaper alternatives outside London) as well, and growth would be just 3.6%. Instead it stands at 6%.

Brexit, which could hit London, is plainly not without risks to this. But, whatever its impact, it will not be wholly negative. Lower interest rates promised by the Bank of England to stave off any slowdown could ease affordability and support prices; the fall in Sterling makes London property cheaper for overseas buyers (many of them outside the EU anyway); and prices will continue to be supported by supply constraints as we are still not building enough homes. Finally, a new Prime Minister may also have new ideas for housing. There are, therefore, reasons for optimism.

Adrian Gill, director of Your Move and Reeds Rains estate agents, says: "Brexit is going to have a wide range of influences on the market, both positive and negative. How they will all balance out is far from clear, but they are going to increasingly dominate the market in the months ahead."

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 June 2015 – June 2016

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
June	2015	£276,723	272.2	0.6	5.0
July	2015	£277,875	273.3	0.4	4.7
August	2015	£280,802	276.3	1.1	5.0
September	2015	£282,866	278.1	0.7	5.2
October	2015	£285,805	280.5	1.0	5.9
November	2015	£286,227	280.3	0.1	6.1
December	2015	£288,323	281.2	0.7	6.8
January	2016	£290,580	283.4	0.8	7.1
February	2016	£296,011	288.7	1.9	8.7
March	2016	£295,248	288.0	-0.3	8.2
April	2016	£294,509	287.2	-0.3	7.6
May	2016	£291,740	284.5	-0.9	6.1
June	2016	£293,444	286.2	0.6	6.0

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

House prices

It is very clearly too early in the housing timeline for any definitive conclusions to be drawn about the outcome of the EU referendum and its effect on the property market. Rightmove, in its property blog published on 20th June, advised that in May 2016 a house sale was, on average, taking 57 days between its first appearance on the Rightmove site and the estate agent reporting it as “sold subject to contract”. (Incidentally this period of 57 days is the fastest ever recorded by Rightmove.) Given that the vote was not until June 23rd, and bearing in mind the gap between the decision to sell 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. This June report therefore reflects on how the uncertainty - allied to the referendum - has influenced the housing market, not the outcome of Brexit itself.

Aside from the uncertainty resulting from the referendum, one of the other main factors evident in the June market is the after-effect of the introduction of the 3% stamp duty surcharge on second homes and buy-to-let properties in April. As we discuss on page 5, housing transactions in June were 13% below 2015 levels, largely due to the high number of sales that were brought forward into March 2016 to avoid paying this additional tax, and thus resulting in a curtailment of activity during the subsequent three months.

In June, house prices rose by 0.6%, or £1,704, to an average £293,444. This price is still £1,800 below that recorded in March 2016, immediately prior to the introduction of the 3% stamp duty surcharge. On an annual basis, the rate in June for England & Wales was 6.0%, just marginally down from the 6.1% of the previous month, although this still represents an increase in average prices of £16,721 over the last 12 months.

The Housing Market

Our commentary in recent months has been dominated by the need to disentangle the effects of government intervention on the underlying market and the question of when we return to the ‘new normal’. The Stamp Duty change discussed above was the most recent, but we have also had other interventions in the buy-to-let market (with more to come) plus new policies such as Starter Homes. Brexit has clearly unnerved many buyers and sellers and it is evident that some are re-evaluating what they do and/or are attempting to renegotiate the price. This will be reflected in a continuing slow-down in the market - fewer transactions and lower prices. With consumer confidence plunging according to the latest GfK survey (the biggest drop for 21 years and with strong regional, income, age and gender variations) there is a clear sense that the economic uncertainty that was predicted has come to pass, in part at least. The continuing fall in Sterling leading to a probable rise in inflation, along with the decline in some (but not all) share prices and economic growth all suggest more challenging times ahead. Offsetting this there might be a fall in interest rates, cheaper mortgages and an array of government-led stimuli, not least in housing. Taken together, this could suggest an easing in prices though of course, as the RICS suggests, both the demand to buy and the supply of homes to purchase might decline. A number of experts have suggested prices will fall, but perhaps not as far as the 10% and 18% in the shock and severe shock scenarios published by HM Treasury in May. Moreover, as our index shows, some regions and areas were still recovering from the last house price falls in the mid-2000s.

The most obvious housing market casualty has been housebuilder share prices, and this in turn may result in builders cutting back on output to manage the risks of the emerging housing market. This then would mean that the pledged doubling of output to 2020 might not be delivered, and the government’s ambition to see 1 million more homes built in the 5 years of this Parliament will not be met. As a consequence, the chronic undersupply of homes would continue and with demographic growth in the main locked in - not withstanding any decline in immigration to the UK - we will continue to see demand and supply imbalances once confidence recovers. Lower rates may ease affordability constraints, though these could in part be offset by greater lender caution, not least given the outlook on jobs and wages. Although some overseas investors might step back from the UK market, the fall in sterling of course has made UK property cheaper.

As all of this suggests Brexit has triggered an array of positives and negatives. The outlook is for continued uncertainty as to how these balance out whilst we usher in a new Prime Minister (potentially with new policies and certainly some new ministers) and begin the negotiation with the EU. As that negotiation proceeds and the measures taken by the government and the Bank of England begin to impact on business and consumer confidence, so we will begin to get a better sense of the medium- to long-term prospects for the market. It is possible that the self-induced ‘pause’ engendered by Brexit will be seen in the longer term as a helpful corrective to a market that at least in some areas had been looking too frothy. Though a slowing had become evident, there were concerns that risks were rising and we had seen sustained action by the Bank of England to curb this. There is an opportunity now to align policy better to the market, but to do that we need clear thinking and action. We shall see what happens, and central to that process is understanding how the market is shaping and changing. This is what we turn to 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 trend line for the same period. As can be seen, house prices for the period June – December 2015 were largely moving around the trend. However, at the end of November 2015 the 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 general terms, buy-to-let and pied-a-terre properties are pitched at higher prices than those sold to first time buyers. For example, the ONS UK House Price Index summary for April 2016 shows that the average price paid by first time buyers was £176,773 contrasted with existing owner occupiers paying an average price of £242,109. Consequently, the mix in purchases from January to March 2016 changed, resulting in higher average prices being recorded with this change in mix becoming more evident in March 2016, along with higher transaction numbers which we explore on the next page.

In April 2016 the new tax was introduced, resulting in a fall-off in the number of the 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 in both May and June, although prices are continuing to climb at the same rate as before, indicated by the slope of the red line over the last two months being comparable to the trend.

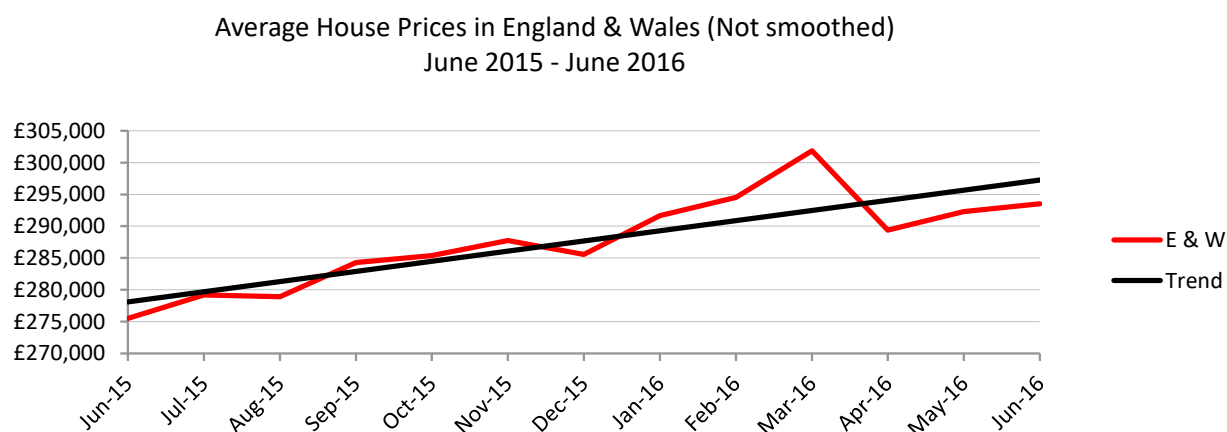


Figure 1. The average house price in England & Wales, for the thirteen months June 2015 – June 2016.

[link to source Excel](#)



Housing Transactions

Figure 2 below illustrates the exceptional movements in monthly sales that have taken place during March through to June 2016 in the England & Wales housing market. Last month, we had estimated a total of 106,750 sales for March, as recorded by the Land Registry, but for the second month in succession we have had to revise that total upward to 112,250, as even more data have emerged.

The unusually high levels of sales in March, which were due to buyers bringing forward their purchases prior to the introduction of the 3% stamp duty surcharge on second homes and investment properties in April, have been followed by two months of extremely low levels of sales in April and May. In both of these two months, sales were 24% lower than the same two months one year earlier. In June 2016, we estimate that sales have reached 72,000, which is 13% lower than transaction levels in June 2015. Thus the number of sales could now be returning to the volumes seen during 2015, although as we have discussed much will depend on how confidence levels recover following the EU referendum.

Housing Transactions per Month 2013 - 2016

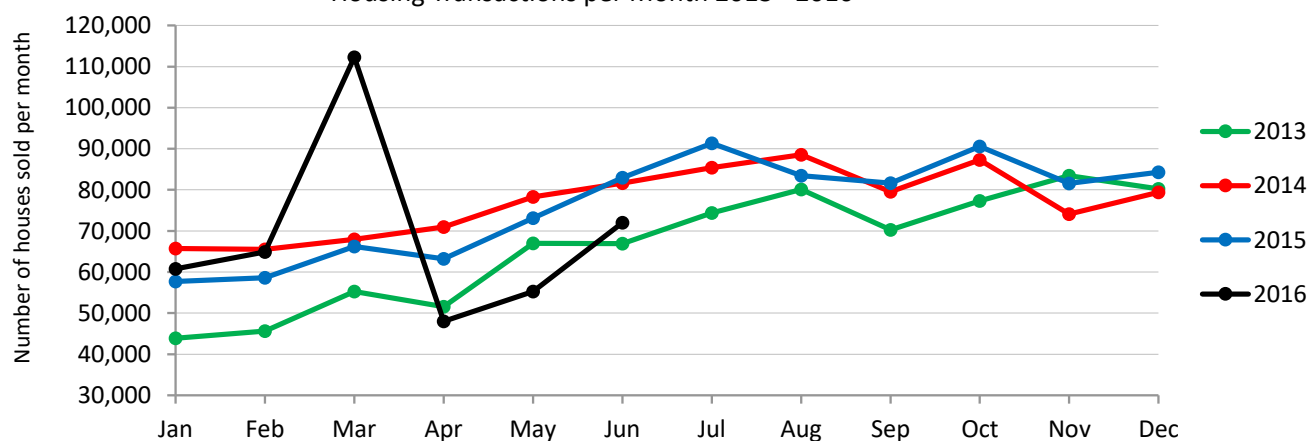


Figure 2. Number of properties sold per month in England & Wales, January 2013 – June 2016. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted. [link to source Excel](#)

In total over the first six months of 2016, there have been 413,100 sales recorded by the Land Registry for England & Wales, compared to 401,776 for the similar period in 2015, an increase of 2.8%. Thus the 70% increase in sales numbers in March 2016 compared to March 2015 has been largely offset by the reduction in sales during April, May and June 2016.

Transactions in March were clearly brought forward to beat the tax increase due on 1st April, and this also suggests that landlord appetite overall is undimmed, despite the changes in the operating context for that market. Indeed, there is a new interest in commercial property combined with residential (ie flats over shops), since the combined transaction is not subject to the same regime (as well as lobbying from professional investors to be exempt from the surcharge on buy-to-let homes). However, limited evidence does suggest first time landlords are less common following the increase, and that there has been increased speculation about the appetite of overseas investors.

Comparison of indices

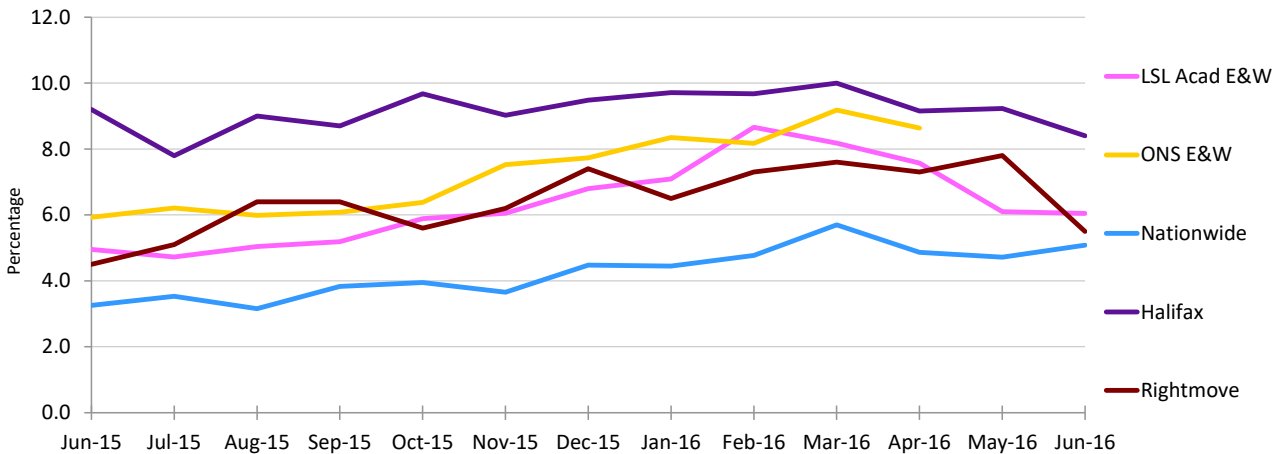


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART [link to source Excel](#)

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 June's figure at 8.4% still being higher than the rest. Nationwide, on the other hand, takes the opposite view having consistently reported the lowest house price inflation over the last year, with its June figure at 5.1%.

Of the four indices that have published annual rates for June, three are recording lower rates in June than May, with the largest fall being recorded by Rightmove, which shows the annual rate falling by 2.5% compared to last month. Both the Nationwide and Rightmove indices for June will have been calculated on data collected prior to the referendum.

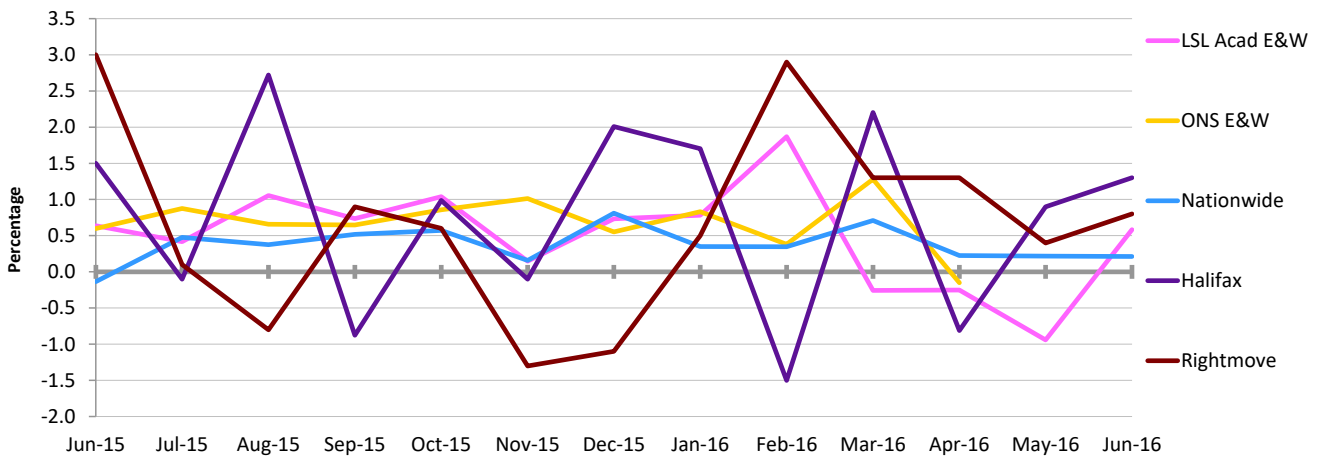


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART [link to source Excel](#)

Figure 4 covers the **monthly** change in house prices. All four of the indices that have reported on June's house prices are showing a positive movement in prices in the month, with Halifax recording the highest rate at 1.3% and Nationwide the lowest at 0.2%. The Nationwide monthly rate of 0.2% has been unchanged for the last three months. We continue to remind readers of the caution that appears in the Halifax HPI commentary "The [Halifax] month-on-month changes can be erratic and the quarter-on-quarter change is a more reliable indicator of the underlying trend". For the record, Halifax's quarter-on-quarter change is 1.2%, which when divided by three gives an average monthly change of 0.4%.

The New ONS HPI has now been published and we have one month of 'new' data, plus a back-cast to 1995 of previous month's 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 "New ONS 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 by clicking [here](#).

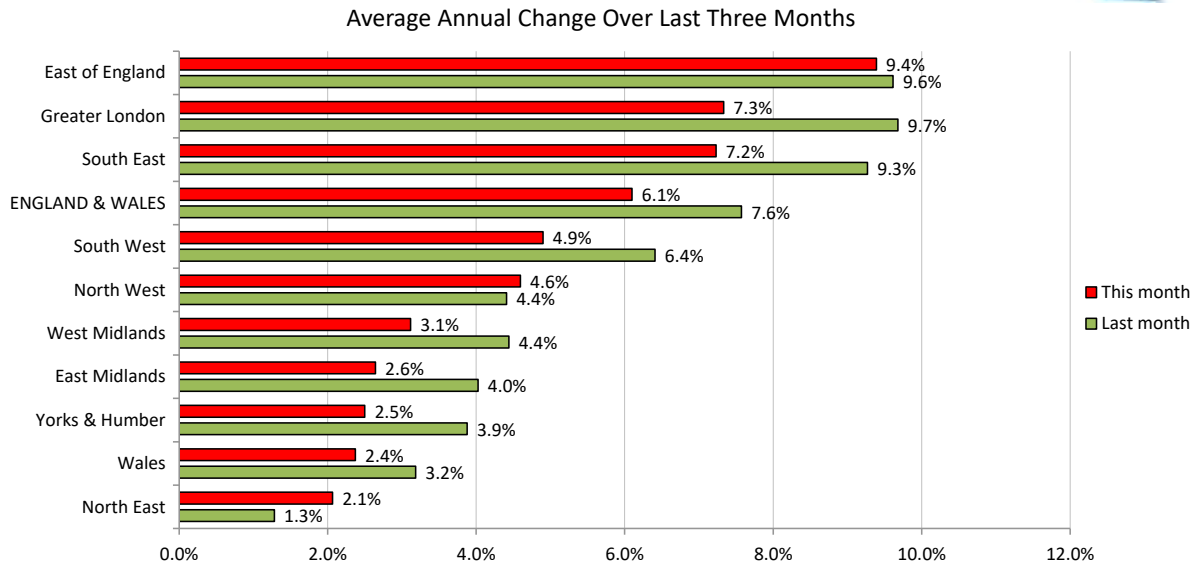


Figure 5. The annual change in the average house price for the three months centered on May 2016, analysed by region [link to source Excel](#)

In May, the East of England has taken over the leader board as being the region having the highest annual increase in average house prices, at 9.4%, of all the ten regions in England & Wales. Greater London has fallen back into second position with inflation at 7.3%, with the South East being in third place just behind London, at 7.2%. The North West has moved up a place to fifth position, with house price growth at 4.6%, while the West Midlands saw a reduction in the rate of growth in prices during the month, lowering its position by one place. Positions seven to ten remain in the same order as last month.

For the three months centred on May 2016, only two regions have seen an increase in the rate of annual house price growth, being the North East and the North West. These two regions are the furthest distance away from London and may therefore be the least susceptible to the London ripple effect, which is currently one of falling prices. Of the eight regions where the rate of house price growth fell, the largest reduction was in Greater London at -2.4%, followed by the South East at -2.1%. In May 2016, none of the ten regions set new peak average prices; this contrasts with March 2016 when nine of the ten regions achieved new peak levels.

Last month the 'heat map' for the annual change in house prices was showing a 'classic' pattern of house price growth rippling outward from London, diminishing in size the further one travelled away from the capital. This month the pattern has changed, with the East of England becoming the 'hot spot' for house price growth, assisted by the high rate of annual house price inflation in the commuter areas of Luton and Thurrock, at 21% and 16% respectively, which we discuss further on pages 12 & 13. The North West is also contradicting the trend with house price inflation at least 2.0% higher than the majority of its neighbours. In the North West, it is Cheshire and Greater Manchester that are seeing the largest price growth, at 9% and 8% 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 6.1% 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.



Figure 6. Heat Map of the annual change in the average house price, analysed by region, May2016

London boroughs, counties and unitary authorities



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

[link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	May-15	Apr-16	May-16	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,929,641	1,814,975	1,775,219	-2.2%	-8.0%
2	2	CITY OF WESTMINSTER	1,255,849	1,396,813	1,365,708	-2.2%	8.7%
5	3	CAMDEN	898,040	1,081,810	1,081,805	0.0%	20.5%
3	4	CITY OF LONDON	1,030,352	909,089	882,627	-2.9%	-14.3%
4	5	HAMMERSMITH AND FULHAM	921,238	887,806	868,992	-2.1%	-5.7%
6	6	RICHMOND UPON THAMES	755,281	798,977	774,672	-3.0%	2.6%
7	7	ISLINGTON	731,792	752,593	738,605	-1.9%	0.9%
8	8	WANDSWORTH	688,628	743,017	711,604	-4.2%	3.3%
9	9	BARNET	567,059	619,863	621,964	0.3%	9.7%
11	10	MERTON	555,924	628,265	615,349	-2.1%	10.7%
13	11	LAMBETH	542,329	612,934	604,686	-1.3%	11.5%
14	12	HARINGEY	516,748	590,934	604,306	2.3%	16.9%
16	13	BRENT	501,839	573,265	586,370	2.3%	16.8%
10	14	SOUTHWARK	556,721	602,753	584,567	-3.0%	5.0%
12	15	HACKNEY	549,669	592,005	565,402	-4.5%	2.9%
17	16	KINGSTON UPON THAMES	500,693	560,605	557,745	-0.5%	11.4%
15	17	EALING	510,366	537,680	519,588	-3.4%	1.8%
20	18	TOWER HAMLETS	460,619	499,706	490,642	-1.8%	6.5%
19	19	HARROW	471,219	507,456	489,997	-3.4%	4.0%
18	20	HOUNSLOW	475,446	497,266	476,832	-4.1%	0.3%
21	21	BROMLEY	435,043	467,582	463,668	-0.8%	6.6%
22	22	LEWISHAM	401,257	450,146	449,693	-0.1%	12.1%
27	23	ENFIELD	374,316	440,279	446,430	1.4%	19.3%
26	24	HILLINGDON	375,767	442,024	439,987	-0.5%	17.1%
24	25	REDBRIDGE	380,717	433,154	435,261	0.5%	14.3%
23	26	WALTHAM FOREST	381,309	432,493	433,790	0.3%	13.8%
25	27	GREENWICH	379,075	427,630	419,077	-2.0%	10.6%
28	28	SUTTON	358,134	401,500	401,843	0.1%	12.2%
29	29	CROYDON	339,035	381,089	382,110	0.3%	12.7%
30	30	HAVERING	308,574	355,887	356,704	0.2%	15.6%
31	31	NEWHAM	303,616	348,531	349,455	0.3%	15.1%
32	32	BEXLEY	291,962	340,937	346,014	1.5%	18.5%
33	33	BARKING AND DAGENHAM	239,209	284,682	287,291	0.9%	20.1%
		ALL LONDON	549,162	597,840	589,435	-1.4%	7.3%

The analysis of Greater London house prices in Table 2 relates to May 2016, ie pre Brexit, and compares these prices to one month and one year earlier. In May 2016, the average price paid for a property in London fell for the third successive month, by -1.4%, or -£8,400, with the average price falling back to £589,435. In quantum terms this is the largest fall to have occurred in a single month since May 2011, when prices fell by £10,145 in the month, although on that occasion prices were quick to recover, rising by 1.8% some two months later. Readers may recall that there was an additional 1% increase in stamp duty on homes costing in excess of £1 million introduced in April 2011, which was the main cause of the price falls in London seen in April, May and June of that year.

In May 2016, 21 of the 33 boroughs in London witnessed price falls. If we split the London boroughs into three groups, ranked by average house prices, 10 of the top 11 boroughs had price falls, averaging £16,830, or -1.9%; 9 of the 11 middle-ranking boroughs also saw prices fall, by an average £8,606, or -1.6%; whereas only 2 of the 11 lowest-priced boroughs had price falls, with prices actually rising in this group by an average £728, or +0.2%. As in 2011, it is likely that the further hike in stamp duty on higher-priced homes introduced in December 2014 and the 3% surcharge in stamp duty on second homes introduced in April 2016 have played their part in causing prices to fall.

On an annual basis, it is a similar picture, with the lowest (and thus most affordable) priced boroughs seeing prices rise over the year by 14.9%, or £51,366, the middle-sector boroughs have seen prices rise by 7.3%, or £35,634, while the top sector of the market has seen prices rise by an average 3.8%, or £32,150. There are three boroughs this month which have seen prices fall over the year, with all three of these being ranked in the top 5 boroughs by price.

There are 10 boroughs in May that have set new record prices, highlighted in grey in the above table, of which 8 are in the lowest 11 boroughs when ranked by price. Thus almost every statistic that can be produced for the London market

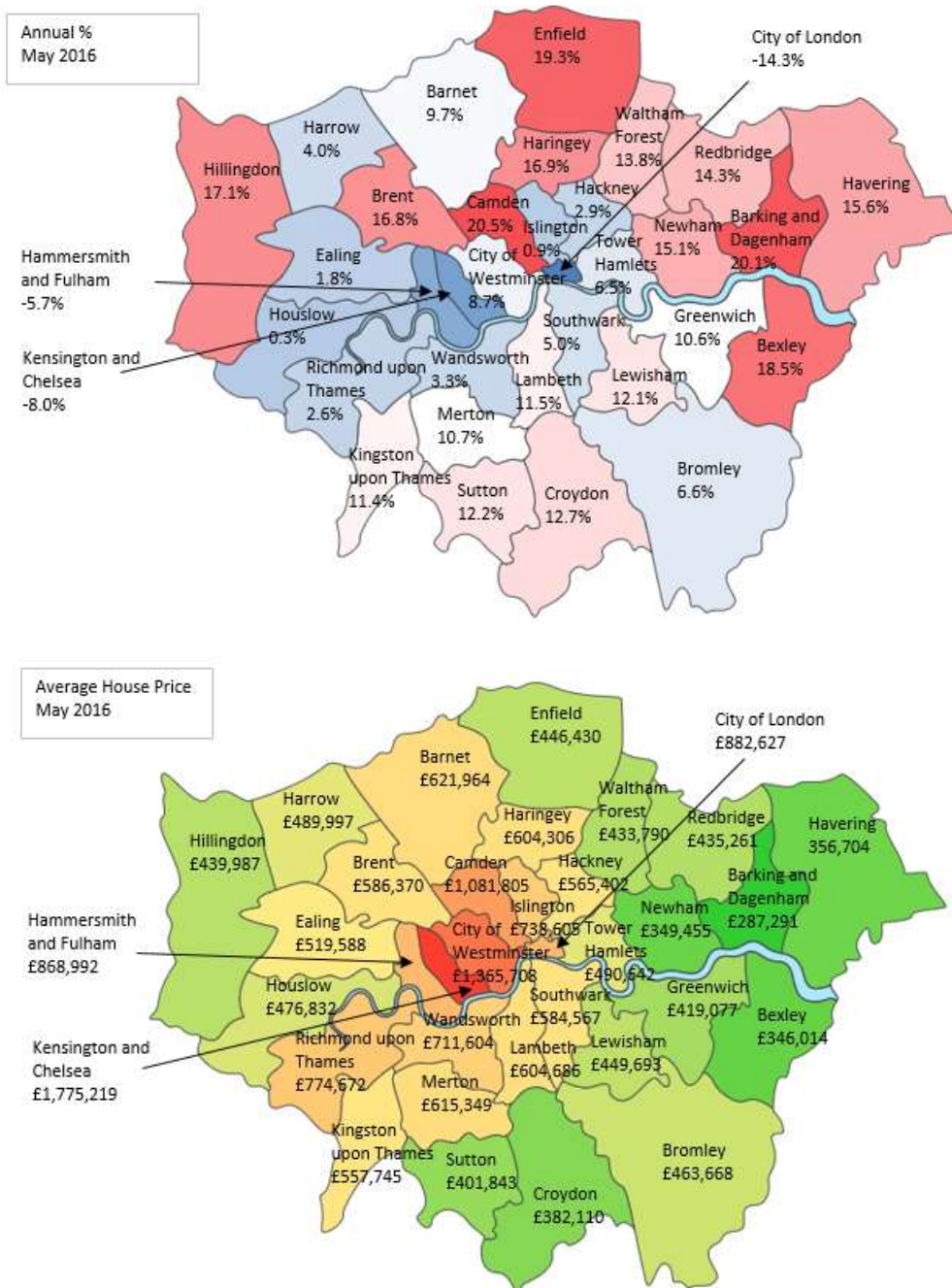
London boroughs, counties and unitary authorities



in May is pointing in the same direction: it is the lower-priced boroughs that are seeing the growth in prices in the current market, while the higher-priced boroughs, with one or two notable exceptions, are seeing prices fall.

In terms of transactions, looking at the three-month period March 2016 to May 2016 and comparing with the same three months one year earlier, Greater London overall saw a 5% increase in transactions, or +1,185 properties, of which 500 were flats and 340 were terraces. In terms of individual boroughs over this period, Islington had the largest percentage increase in sales at +21%, with an additional 164 flats sold, but with 37 fewer terraces. Brent was in second place, with a 17% growth in sales, of which 36 were flats and 29 semis, followed by neighbouring Barnet in third place, up 16%, of which 77 were flats and 54 semis. Over this same period, there were 7 boroughs that had fewer sales in 2016 than 2015, the largest % change being in Tower Hamlets, down by -18%, or 157 fewer flats. Tower Hamlets was followed by Waltham Forest, which was down by -16%, or 108 fewer flats.

London House Price Heat Maps



The two heat maps for London give annual house price growth for May 2016 by borough and the average house price by borough. It is clear there is an inverse relationship between Annual House Price growth and the average House Price, with the lowest priced areas seeing the largest increase in house price inflation, and vice versa.

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 May 2015 and April 2016 with May 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	May-15	Apr-16	May-16	Monthly change	Annual Change
97	100	COUNTY DURHAM	£131,873	£125,917	£123,661	-1.8%	-6.2%
91	90	DARLINGTON	£144,823	£152,474	£154,094	1.1%	6.4%
96	95	HARTLEPOOL	£132,126	£141,225	£140,638	-0.4%	6.4%
93	96	MIDDLESBROUGH	£139,734	£140,369	£137,113	-2.3%	-1.9%
64	62	NORTHUMBERLAND	£176,612	£185,575	£181,202	-2.4%	2.6%
95	92	REDCAR AND CLEVELAND	£133,270	£143,347	£145,811	1.7%	9.4%
84	84	STOCKTON-ON-TEES	£155,406	£158,402	£158,253	-0.1%	1.8%
83	80	TYNE AND WEAR	£155,574	£162,878	£162,015	-0.5%	4.1%
		NORTH EAST	£150,563	£155,037	£153,672	-0.9%	2.1%
101	102	BLACKBURN WITH DARWEN	£125,861	£118,999	£118,494	-0.4%	-5.9%
105	105	BLACKPOOL	£111,641	£108,865	£111,078	2.0%	-0.5%
38	36	CHESHIRE	£227,660	£246,158	£247,819	0.7%	8.9%
86	89	HALTON	£153,650	£150,981	£154,891	2.6%	0.8%
52	56	WARRINGTON	£202,306	£203,400	£203,734	0.2%	0.7%
70	71	CUMBRIA	£172,623	£182,797	£176,839	-3.3%	2.4%
73	65	GREATER MANCHESTER	£166,061	£177,570	£178,682	0.6%	7.6%
81	83	LANCASHIRE	£158,806	£159,938	£158,285	-1.0%	-0.3%
85	85	MERSEYSIDE	£154,516	£157,627	£157,819	0.1%	2.1%
		NORTH WEST	£170,236	£178,103	£178,060	0.0%	4.6%
63	61	EAST RIDING OF YORKSHIRE	£177,323	£183,885	£184,237	0.2%	3.9%
107	107	KINGSTON UPON HULL, CITY OF	£109,804	£108,587	£109,443	0.8%	-0.3%
98	98	NORTH EAST LINCOLNSHIRE	£130,755	£135,981	£136,110	0.1%	4.1%
90	93	NORTH LINCOLNSHIRE	£145,023	£144,622	£143,540	-0.7%	-1.0%
33	34	YORK	£240,077	£252,379	£254,261	0.7%	5.9%
40	44	NORTH YORKSHIRE	£225,097	£238,481	£234,790	-1.5%	4.3%
88	91	SOUTH YORKSHIRE	£149,300	£152,454	£150,858	-1.0%	1.0%
76	73	WEST YORKSHIRE	£165,153	£168,422	£168,212	-0.1%	1.9%
		YORKS & HUMBER	£170,487	£175,588	£174,750	-0.5%	2.5%
79	82	DERBY	£160,795	£162,945	£160,850	-1.3%	0.0%
87	81	LEICESTER	£149,726	£160,432	£161,635	0.7%	8.0%
99	94	NOTTINGHAM	£130,620	£143,303	£141,347	-1.4%	8.2%
18	17	RUTLAND	£281,218	£325,958	£314,699	-3.5%	11.9%
60	66	DERBYSHIRE	£182,024	£181,814	£178,539	-1.8%	-1.9%
47	50	LEICESTERSHIRE	£212,125	£218,729	£216,985	-0.8%	2.3%
67	64	LINCOLNSHIRE	£174,168	£181,685	£179,840	-1.0%	3.3%
48	47	NORTHAMPTONSHIRE	£211,116	£219,977	£219,866	-0.1%	4.1%
71	70	NOTTINGHAMSHIRE	£172,621	£178,594	£177,342	-0.7%	2.7%
		EAST MIDLANDS	£184,877	£191,395	£189,762	-0.9%	2.6%
39	42	HEREFORDSHIRE	£225,649	£235,827	£235,627	-0.1%	4.4%
44	51	SHROPSHIRE	£214,229	£220,592	£216,661	-1.8%	1.1%
106	104	STOKE-ON-TRENT	£111,577	£113,000	£113,666	0.6%	1.9%
75	78	Telford & Wrekin	£165,350	£163,817	£163,098	-0.4%	-1.4%
57	57	STAFFORDSHIRE	£191,907	£194,723	£194,463	-0.1%	1.3%
31	30	WARWICKSHIRE	£248,343	£263,297	£261,741	-0.6%	5.4%
68	67	WEST MIDLANDS	£173,749	£179,248	£178,412	-0.5%	2.7%
37	38	WORCESTERSHIRE	£228,413	£243,201	£240,575	-1.1%	5.3%
		WEST MIDLANDS	£194,233	£201,443	£200,287	-0.6%	3.1%
23	22	BEDFORDSHIRE	£261,691	£293,235	£294,729	0.5%	12.6%
56	41	LUTON	£195,336	£233,897	£236,311	1.0%	21.0%
69	58	PETERBOROUGH	£173,130	£190,631	£187,909	-1.4%	8.5%
26	24	SOUTHEND-ON-SEA	£253,973	£281,548	£282,227	0.2%	11.1%
41	31	THURROCK	£224,509	£256,745	£259,916	1.2%	15.8%
17	18	CAMBRIDGESHIRE	£286,641	£308,947	£301,344	-2.5%	5.1%
16	15	ESSEX	£288,296	£318,080	£318,252	0.1%	10.4%
5	4	HERTFORDSHIRE	£394,403	£437,125	£439,187	0.5%	11.4%

London boroughs, counties and unitary authorities



45	46	NORFOLK	£213,613	£228,068	£224,991	-1.3%	5.3%
35	35	SUFFOLK	£238,716	£251,223	£251,823	0.2%	5.5%
		EAST OF ENGLAND	£280,586	£307,506	£306,932	-0.2%	9.4%
		GREATER LONDON	£549,162	£597,840	£589,435	-1.4%	7.3%
9	9	BRACKNELL FOREST	£339,910	£378,085	£374,438	-1.0%	10.2%
8	8	BRIGHTON AND HOVE	£360,032	£383,284	£379,852	-0.9%	5.5%
46	48	ISLE OF WIGHT	£212,224	£225,750	£218,903	-3.0%	3.1%
50	43	MEDWAY	£208,113	£233,406	£235,272	0.8%	13.1%
28	25	MILTON KEYNES	£252,091	£279,511	£281,134	0.6%	11.5%
55	53	PORTSMOUTH	£196,241	£209,734	£211,042	0.6%	7.5%
14	14	READING	£295,067	£329,818	£328,395	-0.4%	11.3%
24	16	SLOUGH	£260,327	£315,489	£316,414	0.3%	21.5%
53	54	SOUTHAMPTON	£197,659	£210,439	£208,189	-1.1%	5.3%
7	6	WEST BERKSHIRE	£360,649	£400,391	£392,328	-2.0%	8.8%
1	1	WINDSOR AND MAIDENHEAD	£538,965	£582,110	£580,060	-0.4%	7.6%
4	5	WOKINGHAM	£405,586	£439,164	£436,850	-0.5%	7.7%
3	3	BUCKINGHAMSHIRE	£422,775	£453,685	£448,260	-1.2%	6.0%
21	21	EAST SUSSEX	£272,323	£299,715	£295,275	-1.5%	8.4%
12	13	HAMPSHIRE	£315,456	£331,712	£333,448	0.5%	5.7%
19	20	KENT	£279,008	£302,184	£297,915	-1.4%	6.8%
6	7	OXFORDSHIRE	£368,326	£396,434	£386,991	-2.4%	5.1%
2	2	SURREY	£463,919	£509,718	£498,166	-2.3%	7.4%
11	12	WEST SUSSEX	£321,790	£353,367	£348,575	-1.4%	8.3%
		SOUTH EAST	£332,270	£360,536	£356,294	-1.2%	7.2%
13	10	BATH AND NORTH EAST SOMERSET	£308,499	£377,587	£365,919	-3.1%	18.6%
22	32	BOURNEMOUTH	£264,259	£245,355	£259,702	5.8%	-1.7%
29	26	BRISTOL , CITY OF	£251,190	£273,935	£273,160	-0.3%	8.7%
34	40	CORNWALL	£239,606	£246,846	£236,451	-4.2%	-1.3%
32	28	NORTH SOMERSET	£240,526	£267,489	£268,477	0.4%	11.6%
61	68	PLYMOUTH	£180,673	£179,296	£178,174	-0.6%	-1.4%
10	11	POOLE	£332,268	£371,109	£356,703	-3.9%	7.4%
30	29	SOUTH GLOUCESTERSHIRE	£249,331	£262,254	£263,901	0.6%	5.8%
54	49	SWINDON	£197,257	£216,035	£217,286	0.6%	10.2%
49	55	TORBAY	£208,421	£208,015	£204,197	-1.8%	-2.0%
20	23	WILTSHIRE	£274,296	£293,194	£291,351	-0.6%	6.2%
25	33	DEVON	£257,578	£265,149	£259,244	-2.2%	0.6%
15	19	DORSET	£289,884	£307,208	£300,393	-2.2%	3.6%
27	27	GLOUCESTERSHIRE	£252,161	£274,160	£271,827	-0.9%	7.8%
42	39	SOMERSET	£224,072	£236,989	£237,774	0.3%	6.1%
		SOUTH WEST	£251,631	£267,081	£263,965	-1.2%	4.9%
62	69	ISLE OF ANGLESEY	£179,495	£181,843	£177,579	-2.3%	-1.1%
74	79	GWYNEDD	£165,588	£169,668	£162,028	-4.5%	-2.1%
72	74	CONWY	£166,254	£168,741	£167,593	-0.7%	0.8%
78	77	DENBIGHSHIRE	£161,019	£166,775	£164,412	-1.4%	2.1%
66	72	FLINTSHIRE	£174,179	£167,530	£171,381	2.3%	-1.6%
77	75	WREXHAM	£162,829	£168,438	£167,092	-0.8%	2.6%
58	59	POWYS	£185,730	£192,229	£186,762	-2.8%	0.6%
59	60	CEREDIGION	£183,119	£185,365	£186,308	0.5%	1.7%
65	63	PEMBROKESHIRE	£175,299	£185,687	£180,201	-3.0%	2.8%
94	97	CARMARTHENSHIRE	£137,091	£140,399	£136,158	-3.0%	-0.7%
82	88	SWANSEA	£156,507	£163,629	£155,711	-4.8%	-0.5%
102	103	NEATH PORT TALBOT	£116,967	£117,678	£116,988	-0.6%	0.0%
89	87	BRIDGEND	£148,456	£158,227	£156,010	-1.4%	5.1%
43	45	VALE OF GLAMORGAN	£219,222	£227,663	£228,109	0.2%	4.1%
51	52	CARDIFF	£204,289	£216,498	£215,926	-0.3%	5.7%
103	101	RHONDDA CYNON TAFF	£116,416	£123,194	£121,355	-1.5%	4.2%
104	106	MERTHYR TYDFIL	£115,998	£110,422	£109,502	-0.8%	-5.6%
100	99	CAERPHILLY	£127,823	£131,571	£132,865	1.0%	3.9%
108	108	BLAENAU GWENT	£92,867	£88,251	£92,932	5.3%	0.1%



92	86	TORFAEN	£143,756	£154,229	£157,800	2.3%	9.8%
36	37	MONMOUTHSHIRE	£236,067	£246,439	£242,128	-1.7%	2.6%
80	76	NEWPORT	£159,844	£166,367	£165,202	-0.7%	3.4%
		WALES	£164,051	£169,890	£167,943	-1.1%	2.4%
		ENGLAND & WALES	£274,972	£294,509	£291,740	-0.9%	6.1%

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 May 2015, April 2016 and May 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 May 2016, the monthly rate of house price inflation in England & Wales was -0.9% and the headline annual increase in prices for England & Wales was 6.1%.

Annual Trends

On an annual basis, prices in May 2016 have increased in England & Wales by 6.1%, down from the 7.6% in April, one month earlier. 89 of the 108 unitary authority areas have recorded price rises over the year, six less than last month, although this still represents some 82% of the England & Wales unitary authority areas. Of the 19 areas where prices have fallen, 6 are located in Wales, 4 are in the South West, 3 are in the North West, 2 are in the North East and Yorks and Humber, with 1 each for the East and West Midlands.

Peak Prices

In Table 3, we have highlighted in turquoise those areas which have set a new peak price in the month; there are 16 such locations, down by a significant 18 areas from last month. Of the 16 unitary authority areas that recorded a new peak, 5 are based in the East of England, 4 are in the South West, with 3 in the South East, 2 in the North West, and 1 each in the North East and Yorks & Humber. As we discussed earlier, none of the 10 regions in England & Wales have set new peak prices in May 2016, which is down from the 9 recorded in March 2016.

Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in May 2016 shows a decrease of -0.9%. This is the largest fall in the Monthly rate since May 2011, when prices fell by -1.4%. As we mentioned in the section on Greater London above, the fall in prices in April, May and June 2011 was a result of the stamp duty being raised by 1% on properties having a price in excess of £1 million from April 2011 onwards, which brought forward the purchase of such properties into March 2011, with a dearth of high-value sales taking place over the following three months, causing average prices to fall.

The -0.9% fall in May 2016 is a further reduction in prices from the -0.3% seen in April. In May, there were price rises over the month in 37 of the 108 unitary authority areas (this is down from the 63 areas seeing increases in prices in the previous month).

Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, in May it is Slough, for the second month running, at 21.5% that tops the league with the highest annual rate of change in prices. Slough is on the new Crossrail route into Central London, which is due to start operating in late 2018, although the works at Slough station are due to complete in 2016. Slough is followed by Luton with a 21.0% increase in house prices. Luton's rail links into London have already been upgraded, with a rail journey to St Pancras taking just 35 minutes.

By way of contrast, the authority with the largest reduction in annual prices is County Durham, where prices have fallen by 6.2%. In County Durham, the average cost of a detached property has declined from £220k in May 2015 to £195k one year later.

Transactions

Looking at the change in property transactions between March and May 2016, compared to the same three months in 2015, there were an additional 15,150 properties sold, which is an increase of 8%. It should be remembered that the sales in 2016 include the surge in sales in March, as well as the associated reduction in sales in April and May. In terms of property types, the overall 8% increase in sales was split as follows; flats +14%, terraces +11%, semi-detached +6% and detached homes +3%. This pattern is consistent with the higher activity levels among buy-to-let landlords, who tend to favour flats and terraces, as opposed to detached and semi-detached homes.



On a regional basis over this same period, the largest increase in sales was seen in the East Midlands, +14%, followed by the North West and the East of England in joint second place with +12% each. The two regions with the lowest growth in sales were Greater London, +5%, and the North East with a zero percent change.

The top five unitary authority areas in terms of the percentage increase in transactions for the period March – May 2016, compared to one year earlier were:

The Isle of Anglesey	+42%	(Detached +35 properties)
Thurrock	+36%	(Terraces +80 properties)
The Vale of Glamorgan	+34%	(Detached +45 properties)
City of Peterborough	+34%	(Terraces +70 properties)
Blackpool	+30%	(Semi-detached +50 properties)

It is quite likely that the Stamp Duty change was relevant in at least 4 of the 5 locations. In quantum terms, Greater Manchester saw the largest increase in sales volumes, with an additional 1,215 properties sold, up 15%, of which 565 properties were terraces and 350 were flats.

There were 20 unitary authority areas where transactions fell in the three months from March to May 2016 compared to the same three months in 2015, with the largest fall being in Darlington, down -12%, with a reduction of 36 sales of detached properties over the period.

ANNUAL CHANGE IN PRICE BY REGION

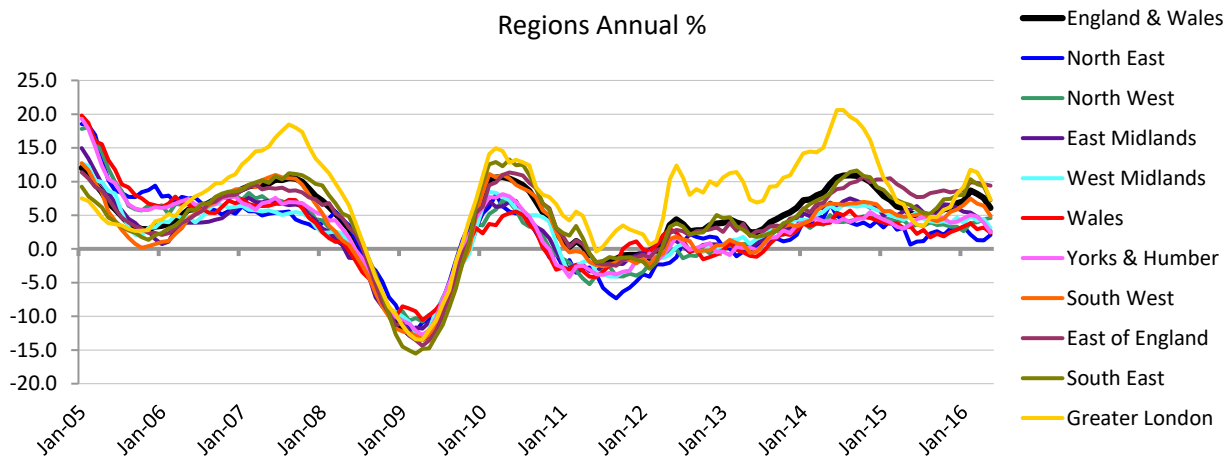


Figure 7. A comparison of the annual change in house prices, by region for the period January 2005 – May 2016

[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, June 2015 – June 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
Jun-15	£149,942	-0.4	1.1	£170,680	0.3	3.6	£171,651	0.7	4.4	£186,330	0.8	6.4
Jul-15	£149,345	-0.4	1.2	£171,224	0.3	3.4	£172,576	0.5	4.7	£186,337	0.0	5.4
Aug-15	£150,699	0.9	2.3	£173,426	1.3	4.0	£173,976	0.8	4.9	£186,892	0.3	5.1
Sep-15	£150,572	-0.1	2.6	£173,775	0.2	3.6	£174,778	0.5	4.7	£188,607	0.9	5.1
Oct-15	£151,293	0.5	2.1	£174,656	0.5	3.6	£176,168	0.8	4.5	£190,832	1.2	6.6
Nov-15	£151,712	0.3	3.0	£173,219	-0.8	3.3	£175,952	-0.1	3.9	£190,901	0.0	6.5
Dec-15	£153,167	1.0	2.9	£173,754	0.3	3.3	£176,307	0.2	4.0	£190,019	-0.5	6.1
Jan-16	£154,792	1.1	3.3	£174,079	0.2	2.6	£177,394	0.6	4.6	£190,655	0.3	5.5
Feb-16	£156,292	1.0	2.1	£176,860	1.6	3.8	£177,850	0.3	5.0	£192,595	1.0	5.4
Mar-16	£155,673	-0.4	1.3	£177,617	0.4	4.0	£177,556	-0.2	4.8	£192,425	-0.1	4.8
Apr-16	£155,037	-0.4	1.3	£178,103	0.3	4.4	£175,588	-1.1	3.9	£191,395	-0.5	4.0
May-16	£153,672	-0.9	2.1	£178,060	0.0	4.6	£174,750	-0.5	2.5	£189,762	-0.9	2.6

	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
Jun-15	£195,817	0.8	5.4	£282,144	0.6	7.7	£556,995	1.4	3.6	£333,257	0.3	5.9
Jul-15	£196,256	0.2	4.5	£283,536	0.5	7.7	£558,651	0.3	3.4	£335,096	0.6	5.3
Aug-15	£197,158	0.5	4.1	£288,233	1.7	8.3	£569,013	1.9	4.7	£336,858	0.5	5.2
Sep-15	£197,138	0.0	4.0	£290,490	0.8	8.5	£574,252	0.9	4.7	£340,686	1.1	6.1
Oct-15	£198,891	0.9	4.1	£293,050	0.9	8.7	£581,715	1.3	5.8	£344,960	1.3	7.3
Nov-15	£198,628	-0.1	3.8	£291,671	-0.5	8.4	£583,963	0.4	6.2	£346,515	0.5	7.4
Dec-15	£200,763	1.1	4.7	£294,434	0.9	8.6	£589,248	0.9	8.2	£349,180	0.8	8.0
Jan-16	£200,324	-0.2	3.9	£298,392	1.3	8.7	£596,551	1.2	9.2	£351,936	0.8	8.0
Feb-16	£202,690	1.2	4.9	£305,971	2.5	9.9	£607,520	1.8	11.7	£360,812	2.5	10.3
Mar-16	£201,482	-0.6	4.2	£306,762	0.3	9.8	£602,620	-0.8	11.4	£360,783	0.0	9.6
Apr-16	£201,443	0.0	4.4	£307,506	0.2	9.6	£597,840	-0.8	9.7	£360,536	-0.1	9.3
May-16	£200,287	-0.6	3.1	£306,932	-0.2	9.4	£589,435	-1.4	7.3	£356,294	-1.2	7.2

	South West			Wales			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Jun-15	£251,449	-0.1	5.1	£163,607	-0.3	2.2		£276,723	0.6	5.0
Jul-15	£253,464	0.8	5.4	£164,596	0.6	2.8		£277,875	0.4	4.7
Aug-15	£254,360	0.4	4.5	£165,048	0.3	1.7		£280,802	1.1	5.0
Sep-15	£255,123	0.3	4.1	£166,526	0.9	2.2		£282,866	0.7	5.2
Oct-15	£257,087	0.8	4.5	£167,719	0.7	1.8		£285,805	1.0	5.9
Nov-15	£258,494	0.5	5.5	£168,234	0.3	2.5		£286,227	0.1	6.1
Dec-15	£260,925	0.9	5.8	£169,131	0.5	2.9		£288,323	0.7	6.8
Jan-16	£261,342	0.2	6.5	£170,277	0.7	3.3		£290,580	0.8	7.1
Feb-16	£266,387	1.9	7.5	£172,421	1.3	3.8		£296,011	1.9	8.7
Mar-16	£265,921	-0.2	6.7	£171,024	-0.8	2.9		£295,248	-0.3	8.2
Apr-16	£267,081	0.4	6.4	£169,890	-0.7	3.2		£294,509	-0.3	7.6
May-16	£263,965	-1.2	4.9	£167,943	-1.1	2.4		£291,740	-0.9	6.1
Jun-16								£293,444	0.6	6.0



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.
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](#).