

LSL Property Services/Acadameetrics England & Wales House Price Index

MARCH 2013

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 12TH APRIL 2013

House prices up £6,700 in the past year

- But without London, house prices would be just £1,117 higher
- Prices have only fallen once in the past 16 months
- House prices increase £532 in March

House Price	Index	Monthly Change %	Annual Change %
£230,078	234.2	0.2	3.0

David Brown, commercial director of LSL Property Services, comments: “House prices in England and Wales rose £532 between February and March and have only fallen once in the last sixteen months, signalling that the housing market is now well clear of the storm clouds of the financial crisis. Values have risen £6,701 in the past year, and life has become marginally easier for first time buyers and house sales are increasing.

“But there is still a long way to go. Mortgage availability is poor by historic standards. There is an army of first time buyers trying to enter the housing market but they are being held back by tough mortgage criteria. Thankfully the Government’s new initiatives inspire confidence, most notably the Help to Buy scheme, which should prove to be a real helping hand.

“The key to the recovery of the housing market is more mortgages for first time buyers. The Funding for Lending scheme has gone some way to achieving that. It has eased the pressure on the market, allowing lenders to lower mortgage rates which have helped boost the first time buyer market. But it needs to be increased in scale if it is to have a more significant effect.

“Sadly, the improvements in mortgage availability, prices and sales have not been spread evenly across England and Wales. Big regional disparities remain. The market in the south east, particularly London, is going great guns, but less affluent areas are struggling. While the north is showing less resilience, having experienced the largest fall in house prices, areas in the south including Brighton, Surrey, Bristol and Cardiff, have seen prices soar. The fast rate of growth, seen in London, has pushed the annual rise in England and Wales, to 3%. But take London out of the equation and price growth is just 0.5%.”

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



Table 1. Average House Prices in England & Wales for the period March 2012 – March 2013

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
March	2012	£223,377	227.4	0.9	-0.5
April	2012	£224,425	228.5	0.5	1.0
May	2012	£226,901	231.0	1.1	3.5
June	2012	£227,059	231.2	0.1	4.4
July	2012	£226,993	231.1	0.0	3.7
August	2012	£226,210	230.3	-0.3	2.6
September	2012	£226,724	230.8	0.2	2.8
October	2012	£227,235	231.3	0.2	2.9
November	2012	£227,514	231.6	0.1	3.6
December	2012	£227,748	231.9	0.1	3.6
January	2013	£228,351	232.5	0.3	3.5
February	2013	£229,546	233.7	0.5	3.7
March	2013	£230,078	234.2	0.2	3.0

Press Contacts:

Melanie Cowell, LSL Property Services
David Pickles, Acadametrics
Adam Kirby, Wriglesworth PR

01904 715 326
020 8392 9082
020 7427 1440

melanie.cowell@lsips.co.uk
david.pickles@acadametrics.co.uk
a.kirby@wriglesworth.com



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

House prices

The average price paid for a house in England & Wales in March rose by £532 (0.2%) from that paid in February. Over the last sixteen months the monthly price index has fallen in only one month (August 2012), with all the other months seeing percentage increases of between 0.0% and 1.1% in the average price. Since August the increase in average house prices at the national level has been remarkably consistent, edging upwards with monthly percentage increases ranging in a narrow band of between 0.1% and 0.5%.

The black trend line in Figure 1 below shows the movement in house prices in England & Wales over the last twelve months, and supports the view of slow growth during the period. However, the red line, which records the actual movement in the average price, shows that over the year there have been three separate periods of activity in the market. At the start of the twelve month period, prices climbed relatively quickly by +2.5% from March to May 2012, followed by a period from June to August 2012 of static or gently declining prices. From September 2012 onward there has been a period of almost straight-line growth, indicating relative 'stability' in the national housing market. However, as we show in Figure 6 and Tables 3, 4 & 5 below, this 'stability' at the national level hides considerable variation in prices at the regional and more local levels.

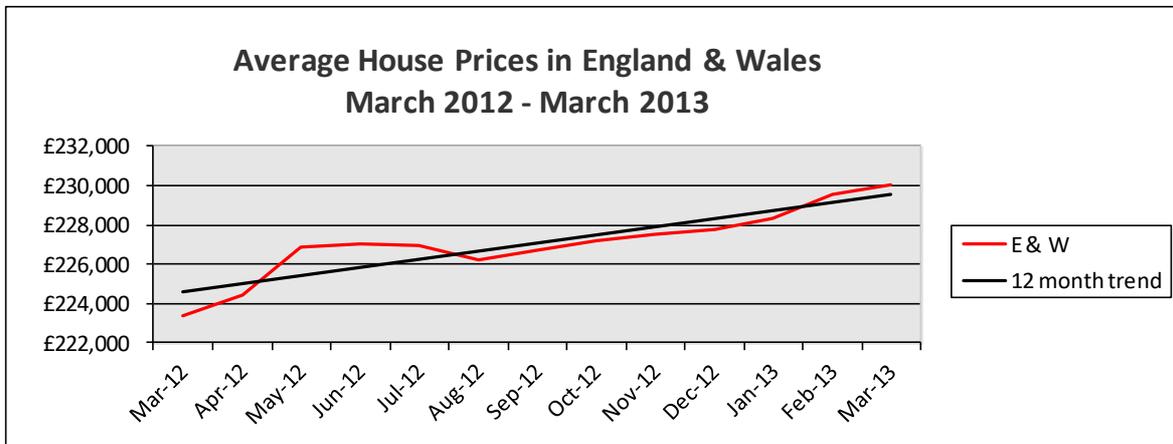


Figure 1. The Average House Price in England & Wales, March 2012 – March 2013

[link to source Excel](#)

Over the last year average house prices in England & Wales have risen by 3.0%, which is just below the annual rate of inflation (RPI was 3.2% in February). The average house price in March 2013 now stands at £230,078, which is £1,750, or 0.8%, below the peak price seen in February 2008.

As Figure 2 below indicates, the average price at a national level is being supported, some would say artificially so, by the upward movement in house prices in the Greater London area. The annual rise in house prices in England & Wales, currently at 3.0%, would be 2.5% lower at 0.5% if we excluded London from the national statistic. The disparity of 2.5% in the annual rate, between including London and not doing so, is the largest divergence we have recorded in any month since we began monitoring this effect in July 2005.

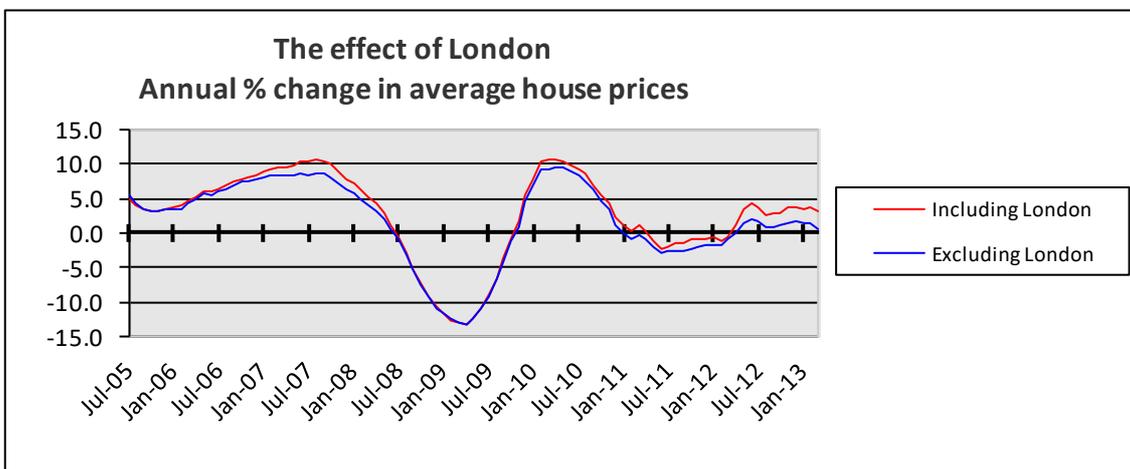


Figure 2. The Average House Price in England & Wales, July 2005 – March 2013, including and excluding Greater London properties [link to source Excel](#)



Will the disparity between London and the remainder of England & Wales continue over the next three quarters of 2013? The evidence suggests that it will, reflecting not only the global influences in the London market but also the relative prosperity of London compared to other parts of the UK.

A general expectation exists that there will be a 'gradual strengthening' in the housing market, as argued by the Institute of Fiscal Studies (IFS) in its Green Budget report. The Bank of England's Credit Conditions surveys support that view; in addition, the combination of continued market support through the Funding for Lending scheme (FLS), along with the easing of liquidity requirements has given new momentum to the market. This has been supplemented in the 2013 Budget by the announcement of two schemes under the Help to Buy banner – firstly, a £3.5 billion government equity loan scheme aimed at boosting the sale of newly built homes with a value up to £600,000, and then from 2014 a £12 billion mortgage guarantee scheme aimed at underwriting some £130 billion of mortgages over a three year period.

The IFS questions whether demand is likely to recover quickly, though it accepts that 'as real incomes strengthen, unemployment drops back and confidence improves' it should pick up and activity levels will rise. The evidence in this month's LSL Acad release is that we are seeing some signs of recovery and the question is partly how quickly that momentum will build, and with what consequences.

The Budget's housing related measures were described as 'good politics and poor economics', though views clearly differ as to whether they could trigger significant price rises. Debates continue as to whether house prices need to fall further; however, we have seen a drop of around 25% in real terms since 2007, with the IFS now arguing that prices are below their long-term trend and that property is no longer heavily overvalued - even though house price-to-income ratios 'are still somewhat higher than their long-run average'. Much depends on the assumptions which might be made about the future course of wages and interest rates. From an Acadametrics perspective we track the market as it is, capturing mortgaged and cash sales, with the latter remaining a significant part of the total.

Housing Transactions

Taken over the last eighteen years, there is an average 24% increase in transactions in the housing market in March compared to February. This is partly due to March having three more days in the month than February, which might account for an 11% increase in sales, with an improvement in the weather (in a normal year) encouraging potential home buyers to start thinking of their first or next step onto the housing ladder. However, our early estimates suggest that in 2013 March sales volumes will only increase by 13% over February levels.

Some of this shortfall in sales in March 2013 will be due to the timing of the Easter Holidays, with solicitors not being open for business on the last Friday of the month, which is typically the most popular day for home completions to take place. Some of the sales which would normally be recorded on the last Friday of the month will therefore have slipped from March into April. We can also, with true British spirit, blame the weather for a shortfall in sales; the freezing conditions in March will have discouraged some potential buyers from starting the search for their next property.

Overall, comparing the number of sales in the first quarter of 2013 with the first quarter of 2012, we estimate that activity in 2013 is 5% below the previous year. However, in March 2012, sales were boosted by first-time buyers looking to take advantage of the tax holiday on properties priced between £125,000-£250,000. So it would be incorrect to conclude that the housing market this year has fallen away from last year's levels, as special factors accounted for the higher number of transactions in 2012. We will probably need to wait until the end of the next quarter to get a more accurate picture of this year's market in terms of transactions compared with last year. On the face of it, transactions should rise modestly in 2013. Moreover, with Help to Buy support coming into play in 2014, what might have been a reduction in activity next year due to the timetabled ending of FLS may instead be replaced by continued modest growth. The government would clearly be disappointed if that were not to be the case.

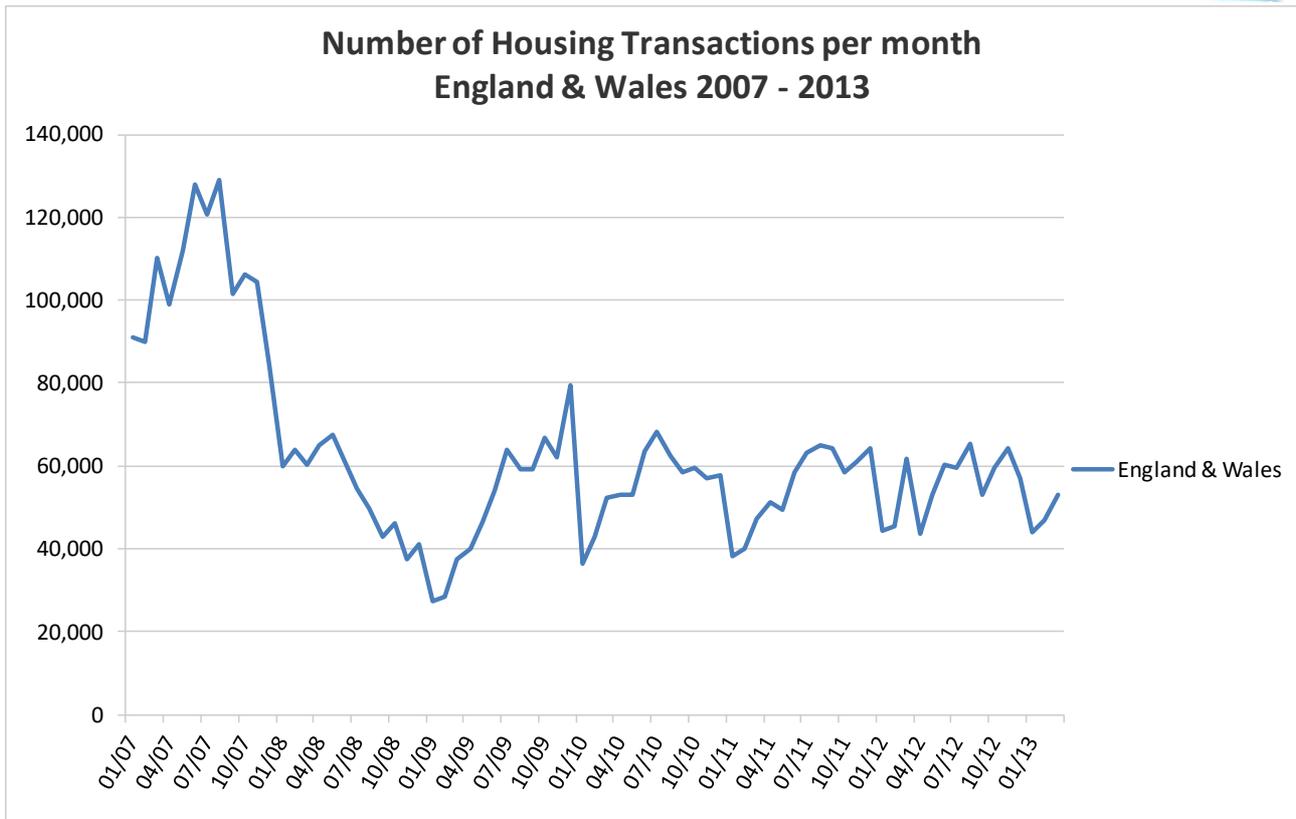


Figure 3. The number of housing transactions by month in England & Wales, 2006-2013 (not seasonally adjusted) [link to source Excel](#)

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 accuracy of our forecasts is shown monthly on the Acadametrics website www.acadametrics.co.uk in our "[Development of Forecasts](#)" and in our "[Comparison of Indices](#)", which shows how each index, including the LSL Acad E&W HPI "forecast", compares with the LSL Acad E&W HPI, once sufficient factual Land Registry data have replaced forecast data, to enable LSL Acad E&W HPI to approach the "ultimate" results.
5. the Acadametrics website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.
6. Acadametrics is an independent privately owned consultancy working with Dr Stephen Satchell, Economics Fellow Trinity College Cambridge, and specialises in the assessment of risk in property and mortgage portfolios.
7. Acadametrics Prices and Transactions ([sample here](#)), which exclude any forecast element, underlie the LSL Acad E&W HPI data and are available upon subscription for organisations needing the factual month by month Land Registry prices, at county/London borough level by property type, for e.g. property portfolio valuation, planning and advisory purposes.

Comparison of indices

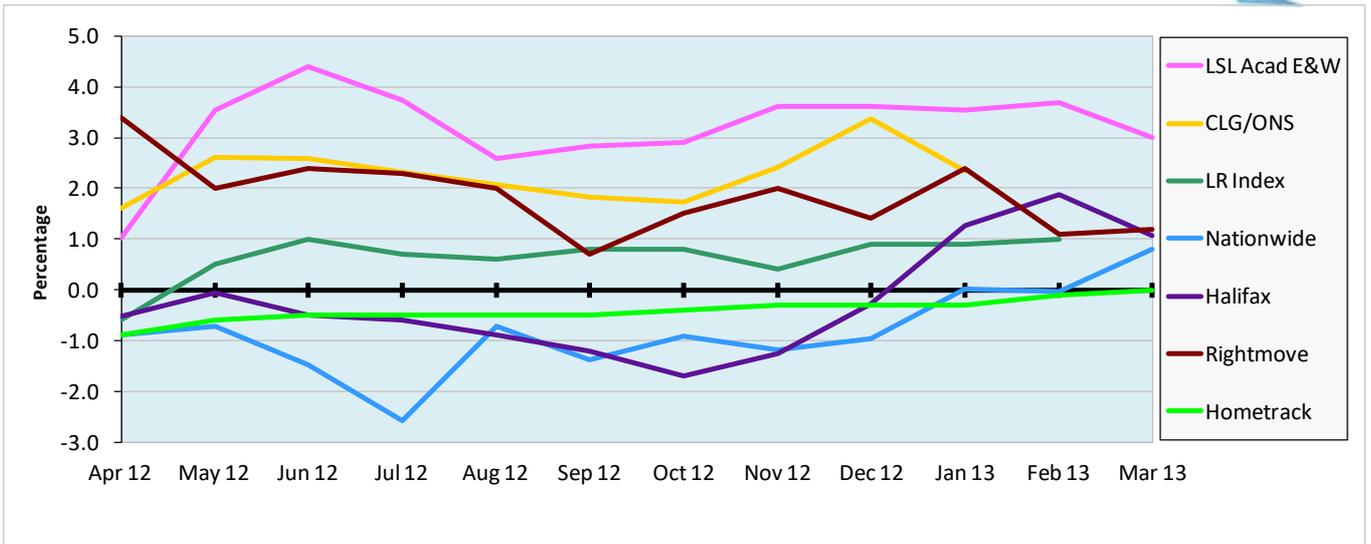


Figure 4. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

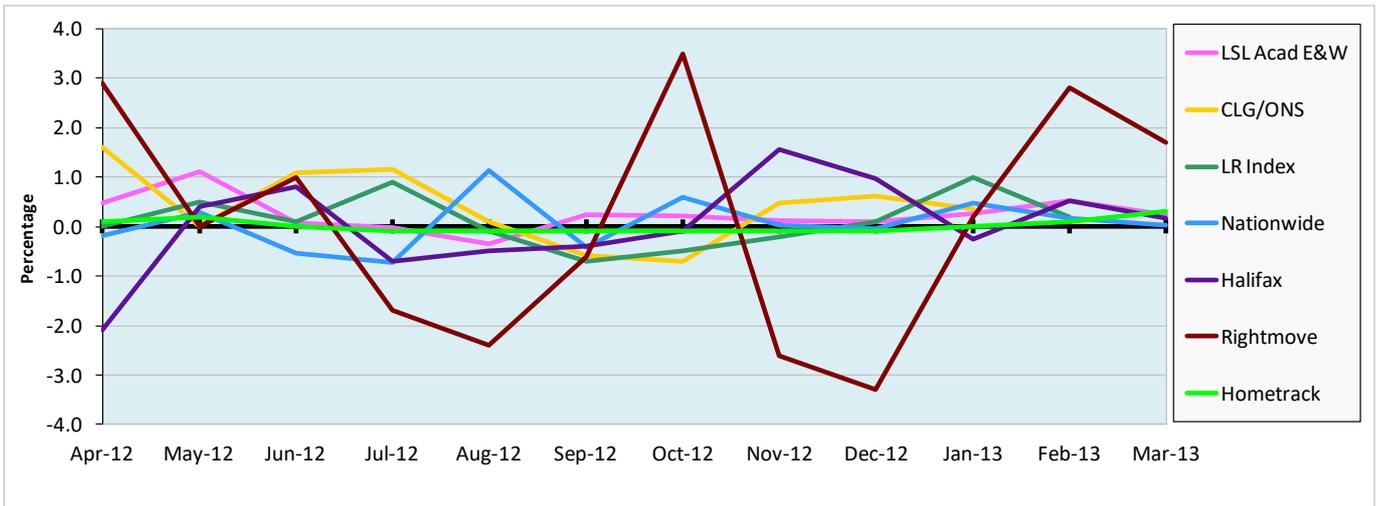


Figure 5. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

There has been discussion in the press recently relating to the volatility of the various house price indices. Figures 4 and 5 provide a useful summary of recent movements in both the annual and monthly indices, and Table 2 below gives the standard deviation of the monthly indices which are tracked over the last five years:-

Index	S.D.
Hometrack	0.41
LSL Acadametrics	0.87
Land Registry	0.92
Nationwide	0.99
ONS	1.25
Halifax	1.34
Rightmove	2.00

The standard deviation is a measure of volatility, with a lower figure indicating a less volatile series. Hometrack is the least volatile series, but is based on a 'sentiment' survey of agents and surveyors, as opposed to average prices. Rightmove has the highest monthly volatility of all the series, but is based on sellers asking prices, as opposed to achieved prices. On this evidence the LSL Acadametrics index is one of the more stable on offer.

Table 2. Standard deviation of published monthly indices for the five year period December 2007 – November 2012



Greater London continues to dominate the housing market in terms of annual price change, with house price inflation over twice that of any other region of England & Wales. For the second month running, East Anglia takes second place and joins Greater London in being one of the only two regions in the country with annual price increases higher than the average for England & Wales as a whole. The region with the largest fall in annual house prices is the North, down 1.0% over the year, marginally below Yorkshire & Humberside where prices have fallen by 0.9%. This month we have five regions showing an increase in the annual price change compared to last month, and five regions showing a decrease in the rate of change. As Figure 6 shows, there are a number of regions where prices are still falling: here the picture is mixed with the rate of decline changing up or down, depending on the region. Figure 7 suggests regional disparities are not narrowing, and finally Table 5 below gives the detail of price changes on a monthly and annual basis over the last twelve months. The trends are not immediately clear in some regions, though for the most part they are modest fluctuations within a narrow range. Only in London, the South East and East Anglia do we have a strong sense of direction: historically these regions have been the starting points for a general countrywide recovery.

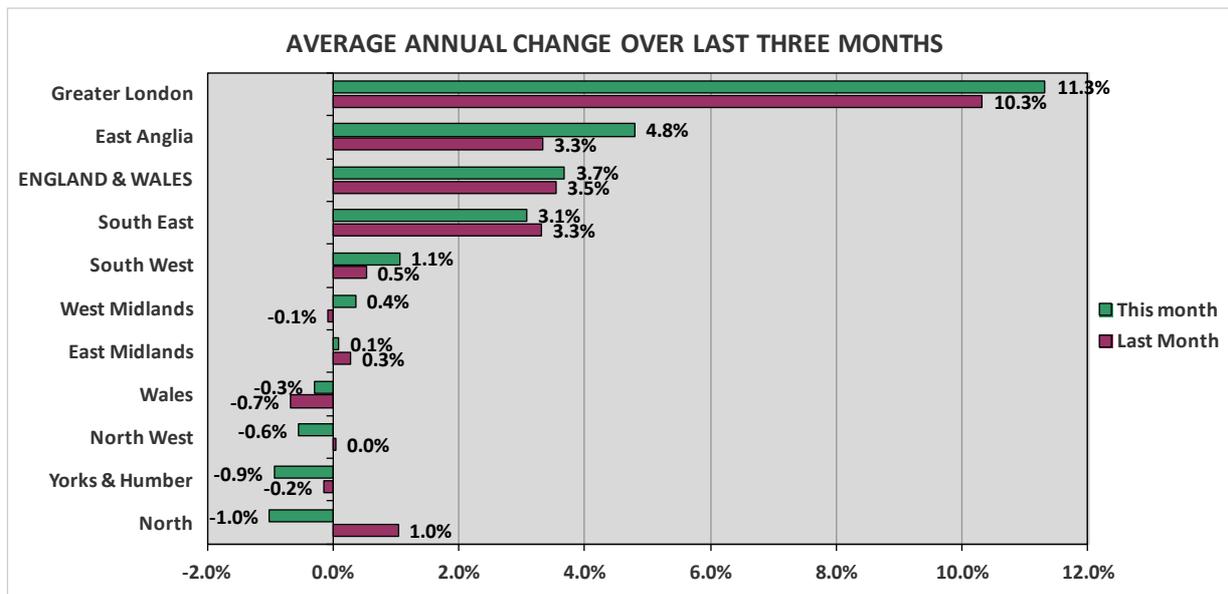


Figure 6. The annual change in the average house price, analysed by region

[link to source Excel](#)

ANNUAL CHANGE IN PRICE BY REGION

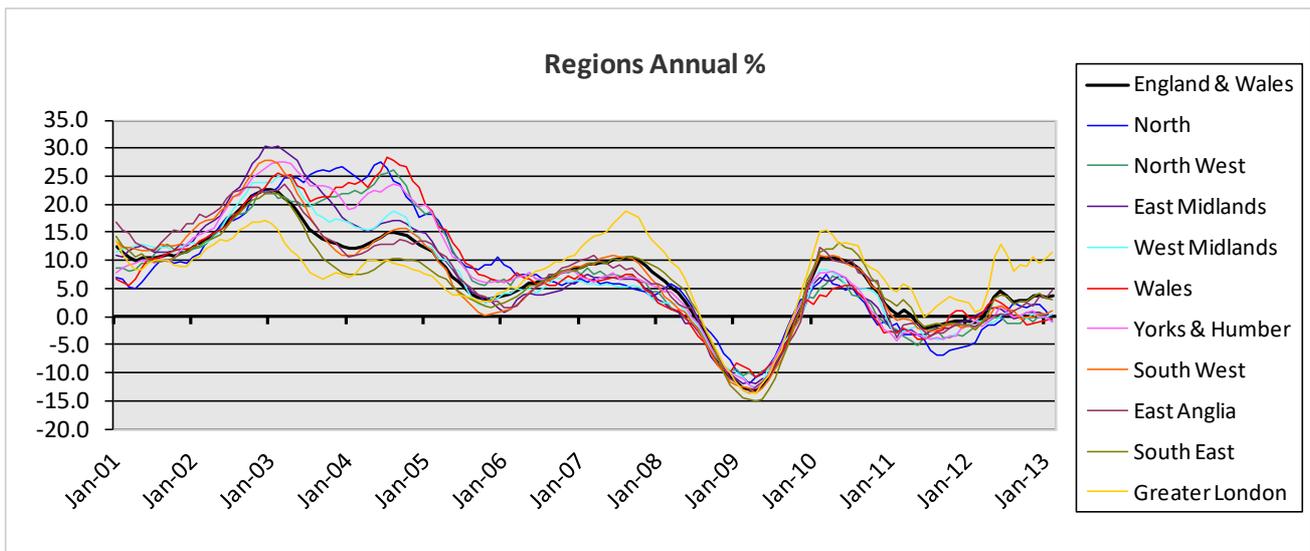


Figure 7. A comparison of the annual change in house prices, by region for the period January 2001 – February 2013

[link to source Excel](#)

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



Table 3. The change in mix adjusted house prices, for the 33 London boroughs, comparing February 2012 with February 2013. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Feb-12	Feb-13	% Change
	1	KENSINGTON AND	1,306,961	1,545,236	18.2%
	2	CITY OF WESTMINSTER	878,444	1,224,874	39.4%
	3	CAMDEN	718,229	804,958	12.1%
	4	HAMMERSMITH AND	628,956	708,014	12.6%
	6	CITY OF LONDON	515,406	633,790	23.0%
	5	RICHMOND UPON THAMES	569,355	616,883	8.3%
	7	ISLINGTON	513,771	553,010	7.6%
	8	WANDSWORTH	493,297	527,033	6.8%
	9	BARNET	424,987	471,598	11.0%
	14	MERTON	378,062	448,652	18.7%
	11	HARINGEY	397,643	442,284	11.2%
	13	HACKNEY	380,922	433,185	13.7%
	16	EALING	368,748	424,486	15.1%
	12	LAMBETH	388,161	419,746	8.1%
	10	SOUTHWARK	401,741	418,272	4.1%
	15	BRENT	375,099	408,686	9.0%
	18	TOWER HAMLETS	346,698	383,166	10.5%
	17	KINGSTON UPON THAMES	347,022	381,239	9.9%
	19	HOUNSLOW	339,102	361,385	6.6%
	20	HARROW	333,668	353,650	6.0%
	21	BROMLEY	316,134	319,862	1.2%
	22	GREENWICH	286,429	303,006	5.8%
	24	HILLINGDON	281,017	293,155	4.3%
	25	ENFIELD	269,786	292,029	8.2%
	27	LEWISHAM	259,911	281,192	8.2%
	23	REDBRIDGE	285,373	279,707	-2.0%
	26	SUTTON	260,973	264,399	1.3%
	29	CROYDON	240,038	257,351	7.2%
	30	WALTHAM FOREST	232,296	245,876	5.8%
	28	HAVERING	243,000	238,695	-1.8%
	32	BEXLEY	216,715	231,887	7.0%
	31	NEWHAM	225,763	226,505	0.3%
	33	BARKING AND DAGENHAM	178,093	183,103	2.8%
		ALL LONDON	394,697	439,379	11.3%

The table above shows the average house price by London borough for February 2012 and February 2013, along with the percentage change over the year. As can be seen, there is price inflation in 31 of the 33 London Boroughs, with only Redbridge and Havering having negative movements in their average prices over the selected period. This month some 12 London Boroughs are experiencing peak prices, highlighted in grey above, which is five more than last month. Greater London as a whole is also experiencing a peak this month in the average price paid for a property. This gives a clear indication of the buoyancy of the London market.

However, as previously highlighted on several occasions, it is the higher priced boroughs that are experiencing the largest growth in house prices. This month 8 boroughs have annual price increases greater than the average 11.3% for London as a whole, with all 8 being ranked in the top 13 boroughs in terms of price. The average increase in price of the top seventeen London boroughs in the above table is 13.5%, compared to an average of 4.4% for the bottom sixteen boroughs.

The three month period December 2012 to February 2013 has seen a 2% decrease in housing transactions in Greater London, compared to the same three months in 2011/12. During this period there has been a 5% increase in the sale of detached homes and a 1% increase in the sale of flats, but a 4% decrease in the sale of terraces, as well as an 8% decrease in the sale of semi-detached properties. It would thus appear that activity in the property market has been taking place at the top and bottom ends of the housing ladder, with less movement among the middle-ranked properties. The largest increase in transactions over this period was in Ealing, up 14%, with 120 more flats being sold than twelve months earlier. Ealing is followed by Camden, up 11%, where flat sales once again appear as the dominant feature in the property market, an extra 60 units being sold in 2012/13 compared to 2011/12. Islington meanwhile witnessed a 24% decline in sales, with 145 fewer flats sold there in 2012/13 than in 2011/12.

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 February 2012 with February 2013 [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Feb-12	Feb-13	Change
21	19	CAMBRIDGESHIRE	228,070	246,499	8.1%
81	80	CITY OF PETERBOROUGH	150,929	147,289	-2.4%
48	47	NORFOLK	178,567	186,498	4.4%
43	38	SUFFOLK	198,859	205,741	3.5%
		EAST ANGLIA	195,119	204,465	4.8%
89	86	CITY OF DERBY	135,263	142,825	5.6%
100	98	CITY OF NOTTINGHAM	113,070	119,665	5.8%
65	65	DERBYSHIRE	161,609	154,282	-4.5%
84	82	LEICESTER	140,222	140,123	-0.1%
47	45	LEICESTERSHIRE	180,826	186,257	3.0%
71	72	LINCOLNSHIRE	154,218	147,314	-4.5%
52	51	NORTHAMPTONSHIRE	179,396	185,987	3.7%
68	68	NOTTINGHAMSHIRE	158,304	156,579	-1.1%
9	9	RUTLAND	283,028	299,729	5.9%
		EAST MIDLANDS	161,596	161,749	0.1%
		GREATER LONDON	394,697	439,379	11.3%
61	53	CUMBRIA	164,133	161,525	-1.6%
90	91	DARLINGTON	140,579	136,209	-3.1%
97	93	DURHAM	118,873	117,492	-1.2%
101	97	HARTLEPOOL	118,666	116,373	-1.9%
96	100	MIDDLESBROUGH	120,407	107,345	-10.8%
66	57	NORTHUMBERLAND	167,299	169,069	1.1%
93	95	REDCAR AND CLEVELAND	128,082	125,842	-1.7%
80	78	STOCKTON-ON-TEES	148,038	141,068	-4.7%
88	83	TYNE AND WEAR	138,330	139,651	1.0%
		NORTH	141,597	140,169	-1.0%
98	99	BLACKBURN WITH DARWEN	116,398	107,627	-7.5%
103	104	BLACKPOOL	103,440	100,875	-2.5%
38	41	CHESHIRE	204,426	205,371	0.5%
77	76	GREATER MANCHESTER	149,258	150,053	0.5%
91	90	HALTON	132,501	124,492	-6.0%
79	81	LANCASHIRE	146,693	145,724	-0.7%
83	87	MERSEYSIDE	140,675	136,965	-2.6%
50	49	WARRINGTON	179,304	180,328	0.6%
		NORTH WEST	152,092	151,255	-0.6%
31	28	BEDFORDSHIRE	214,611	214,371	-0.1%
13	12	BRACKNELL FOREST	254,503	262,300	3.1%
11	10	BRIGHTON AND HOVE	270,817	284,965	5.2%
3	3	BUCKINGHAMSHIRE	348,367	362,128	4.0%
20	20	EAST SUSSEX	232,481	231,440	-0.4%
17	16	ESSEX	240,676	244,414	1.6%
14	14	HAMPSHIRE	262,311	266,527	1.6%
5	6	HERTFORDSHIRE	314,968	323,161	2.6%
42	44	ISLE OF WIGHT	191,165	181,852	-4.9%
22	18	KENT	227,734	236,333	3.8%
69	67	LUTON	161,007	156,891	-2.6%
62	59	MEDWAY	162,487	166,135	2.2%
39	32	MILTON KEYNES	201,016	208,219	3.6%

Counties and unitary authorities



6	5	OXFORDSHIRE	314,576	317,890	1.1%
60	61	PORTSMOUTH	162,703	168,563	3.6%
24	22	READING	223,224	225,207	0.9%
40	37	SLOUGH	202,732	205,427	1.3%
55	55	SOUTHAMPTON	174,927	170,643	-2.4%
36	42	SOUTHEND-ON-SEA	207,262	201,231	-2.9%
2	2	SURREY	381,168	410,850	7.8%
54	50	THURROCK	178,135	179,766	0.9%
7	7	WEST BERKSHIRE	298,799	317,627	6.3%
12	13	WEST SUSSEX	257,607	272,914	5.9%
1	1	WINDSOR AND MAIDENHEAD	441,245	467,273	5.9%
4	4	WOKINGHAM	315,210	322,997	2.5%
		SOUTH EAST	263,777	271,888	3.1%
8	8	BATH AND NORTH EAST SOMERSET	295,181	297,550	0.8%
27	29	BOURNEMOUTH	194,803	200,058	2.7%
35	26	CITY OF BRISTOL	210,562	220,897	4.9%
70	71	CITY OF PLYMOUTH	160,177	155,097	-3.2%
29	25	CORNWALL	226,359	222,212	-1.8%
18	21	DEVON	229,581	228,432	-0.5%
15	15	DORSET	256,319	262,350	2.4%
19	24	GLOUCESTERSHIRE	234,415	238,579	1.8%
30	27	NORTH SOMERSET	216,696	218,269	0.7%
10	11	POOLE	268,264	262,505	-2.1%
34	34	SOMERSET	202,703	214,621	5.9%
33	35	SOUTH GLOUCESTERSHIRE	210,439	212,697	1.1%
58	60	SWINDON	173,180	170,263	-1.7%
49	48	TORBAY	176,029	180,388	2.5%
16	17	WILTSHIRE	238,293	238,195	0.0%
		SOUTH WEST	221,440	223,781	1.1%
108	108	BLAENAU GWENT	80,306	85,871	6.9%
86	89	BRIDGEND	136,992	141,700	3.4%
95	96	CAERPHILLY	121,746	113,417	-6.8%
45	46	CARDIFF	184,488	195,291	5.9%
85	88	CARMARTHENSHIRE	134,173	134,313	0.1%
46	54	CEREDIGION	184,996	160,872	-13.0%
63	63	CONWY	153,374	157,737	2.8%
82	84	DENBIGHSHIRE	152,370	138,926	-8.8%
72	64	FLINTSHIRE	153,927	155,670	1.1%
64	79	GWYNEDD	158,153	149,873	-5.2%
56	66	ISLE OF ANGLESEY	157,501	164,819	4.6%
107	106	MERTHYR TYDFIL	90,124	98,091	8.8%
23	23	MONMOUTHSHIRE	225,651	219,186	-2.9%
102	103	NEATH PORT TALBOT	106,907	105,283	-1.5%
74	69	NEWPORT	145,673	148,298	1.8%
53	56	PEMBROKESHIRE	165,906	164,854	-0.6%
51	52	POWYS	170,464	171,016	0.3%
104	102	RHONDDA CYNON TAFF	105,963	103,872	-2.0%
76	74	SWANSEA	150,572	150,063	-0.3%
32	36	THE VALE OF GLAMORGAN	207,673	203,314	-2.1%
92	94	TORFAEN	131,893	125,604	-4.8%
67	75	WREXHAM	157,519	151,537	-3.8%
		WALES	152,268	151,810	-0.3%
28	31	HEREFORDSHIRE	211,593	217,145	2.6%



41	43	SHROPSHIRE	200,124	198,978	-0.6%
57	58	STAFFORDSHIRE	169,076	169,362	0.2%
105	107	STOKE-ON-TRENT	97,809	96,588	-1.2%
26	30	WARWICKSHIRE	222,396	220,827	-0.7%
73	70	WEST MIDLANDS	152,271	154,772	1.6%
37	39	WORCESTERSHIRE	202,024	199,270	-1.4%
78	77	WREKIN	151,589	148,553	-2.0%
		WEST MIDLANDS	171,198	171,803	0.4%
106	105	CITY OF KINGSTON UPON HULL	97,029	101,118	4.2%
59	62	EAST RIDING OF YORKSHIRE	163,865	162,375	-0.9%
99	101	NORTH EAST LINCOLNSHIRE	115,120	114,313	-0.7%
94	92	NORTH LINCOLNSHIRE	130,569	125,503	-3.9%
25	33	NORTH YORKSHIRE	217,018	212,627	-2.0%
87	85	SOUTH YORKSHIRE	136,852	137,086	0.2%
75	73	WEST YORKSHIRE	151,490	149,611	-1.2%
44	40	YORK	203,756	202,252	-0.7%
		YORKS & HUMBER	154,694	153,240	-0.9%
		ALL ENGLAND & WALES	221,396	229,546	3.7%

The Table above shows the average house prices for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for February 2012 and February 2013; it records the annual change in these prices over the year. This month we have four unitary authority areas and counties setting a new peak price (last month there were two), being Brighton & Hove, the county of Surrey, and the cities of Bristol and Cardiff. Cardiff is unique in Wales, as all other local authority areas in the principality differ by an average £27,250 from their previous peak price.

The unitary authority with the highest rise in prices over the year is Merthyr Tydfil, up some 8.8%, although low transaction volumes in the area tend to produce high volatility in terms of the percentage change in price. The next highest increase in prices is to be found in Cambridgeshire, up 8.1%, where the local economy is reported to be expanding, reaping the benefits of its close links to the university. The unitary authority with the largest fall in prices over the year is Ceredigion, down 13.0%, but as in Merthyr Tydfil, its low volume of transactions tends to result in high volatility of average price movements. The area with the second largest annual fall in prices is Middlesbrough, where prices have fallen by some 10.8%.

Over the year from February 2012 to February 2013, 56 unitary authorities have seen prices rise, while 52 have seen prices fall. Last month the equivalent figures were 63 price rises and 45 price falls, so there has been a more widespread decline in annual prices this month compared to last. As with the London boroughs, it is the higher priced areas in England & Wales that have witnessed price rises, whilst the lowest priced areas have seen the largest price falls. Ranking by quartile based on average prices, the top quartile saw annual increases of +2.5%, the next quartile saw a price rise of +0.9%, whilst the two lowest quartiles saw prices fall by -0.8% and -1.5% respectively.

Regional data table



Table 5. Average house prices by region, March 2012 – March 2013, 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
Mar-12	£143,902	1.6	-2.5	£152,237	0.1	-0.7	£161,725	0.1	0.6	£170,311	-0.5	-0.9
Apr-12	£143,208	-0.5	-1.6	£150,898	-0.9	-0.9	£161,573	-0.1	1.2	£168,961	-0.8	-1.2
May-12	£141,925	-0.9	-1.6	£150,224	-0.4	-0.2	£160,909	-0.4	1.5	£169,538	0.3	-0.8
Jun-12	£141,178	-0.5	-0.7	£151,100	0.6	-0.1	£161,270	0.2	1.2	£169,908	0.2	0.3
Jul-12	£140,780	-0.3	1.1	£150,679	-0.3	-1.3	£160,472	-0.5	0.4	£169,929	0.0	0.8
Aug-12	£140,714	0.0	2.4	£151,569	0.6	-1.2	£159,652	-0.5	-0.4	£169,567	-0.2	-0.1
Sep-12	£140,428	-0.2	1.8	£150,806	-0.5	-1.2	£160,216	0.4	0.0	£169,606	0.0	0.1
Oct-12	£141,690	0.9	1.6	£151,659	0.6	-0.2	£160,976	0.5	0.6	£170,037	0.3	-0.4
Nov-12	£141,730	0.0	2.2	£149,920	-1.1	-0.8	£161,542	0.4	0.7	£169,876	-0.1	0.4
Dec-12	£140,930	-0.6	2.2	£150,152	0.2	0.1	£160,919	-0.4	0.6	£170,134	0.2	-0.2
Jan-13	£140,305	-0.4	1.0	£150,486	0.2	0.0	£161,047	0.1	0.3	£170,707	0.3	-0.1
Feb-13	£140,169	-0.1	-1.0	£151,255	0.5	-0.6	£161,749	0.4	0.1	£171,803	0.6	0.4

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Mar-12	£153,511	0.8	0.6	£153,501	-0.8	-1.9	£221,904	0.2	-1.1	£197,480	1.2	-1.4
Apr-12	£153,841	0.2	2.1	£154,555	0.7	-0.9	£222,876	0.4	-0.5	£198,705	0.6	-0.5
May-12	£153,434	-0.3	3.1	£154,642	0.1	0.2	£225,545	1.2	1.6	£200,293	0.8	0.1
Jun-12	£152,823	-0.4	2.5	£155,566	0.6	1.8	£224,718	-0.4	1.9	£199,095	-0.6	0.5
Jul-12	£152,140	-0.4	1.5	£154,022	-1.0	0.8	£223,711	-0.4	1.4	£198,194	-0.5	0.1
Aug-12	£151,500	-0.4	-0.1	£154,088	0.0	-0.1	£223,273	-0.2	1.1	£200,192	1.0	1.0
Sep-12	£152,006	0.3	0.0	£154,267	0.1	0.2	£221,351	-0.9	-0.4	£201,272	0.5	1.5
Oct-12	£152,665	0.4	-1.5	£154,214	0.0	0.7	£221,925	0.3	-0.2	£202,623	0.7	2.3
Nov-12	£152,459	-0.1	-1.4	£154,207	0.0	1.0	£220,857	-0.5	0.0	£200,175	-1.2	1.8
Dec-12	£151,954	-0.3	-1.1	£153,603	-0.4	-0.1	£222,703	0.8	0.5	£202,190	1.0	3.4
Jan-13	£151,044	-0.6	-0.7	£153,804	0.1	-0.2	£222,830	0.1	0.5	£201,979	-0.1	3.3
Feb-13	£151,810	0.5	-0.3	£153,240	-0.4	-0.9	£223,781	0.4	1.1	£204,465	1.2	4.8

	South East			Greater London			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Mar-12	£268,510	1.8	-1.1	£400,013	1.3	1.2	£223,377	0.9	-0.5
Apr-12	£269,151	0.2	0.6	£407,272	1.8	4.6	£224,425	0.5	1.0
May-12	£272,369	1.2	3.3	£418,997	2.9	10.5	£226,901	1.1	3.5
Jun-12	£271,607	-0.3	3.8	£421,272	0.5	12.7	£227,059	0.1	4.4
Jul-12	£272,607	0.4	3.4	£422,495	0.3	11.0	£226,993	0.0	3.7
Aug-12	£271,161	-0.5	2.2	£418,969	-0.8	8.0	£226,210	-0.3	2.6
Sep-12	£270,836	-0.1	2.6	£424,740	1.4	9.1	£226,724	0.2	2.8
Oct-12	£270,410	-0.2	2.6	£426,207	0.3	8.8	£227,235	0.2	2.9
Nov-12	£270,316	0.0	3.5	£431,554	1.3	10.5	£227,514	0.1	3.6
Dec-12	£271,150	0.3	4.1	£430,636	-0.2	9.6	£227,748	0.1	3.6
Jan-13	£271,078	0.0	3.3	£435,034	1.0	10.3	£228,351	0.3	3.5
Feb-13	£271,888	0.3	3.1	£439,379	1.0	11.3	£229,546	0.5	3.7
Mar-13							£230,078	0.2	3.0



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

information@acadametrics.co.uk

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