

LSL Property Services/Acadameetrics England & Wales House Price Index

MAY 2013

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 14TH JUNE 2013

House prices rise to highest on record in May

- **Beats previous peak in February 2008**
- **House prices £6,125 higher than May 2012; sales up 10,000 year-on-year**
- **But it is London driving most of the increase – northern regions are still struggling**

House Price	Index	Monthly Change %	Annual Change %
£233,061	237.3	0.4	2.7

David Brown, commercial director of LSL Property Services, comments: “House prices rose in May to the highest on record. Even taking inflation into account, the record high price is symbolic of the significant improvement in the housing market over the past year. Prices are £6,125 higher than in May last year, sales are up 19% over April, and prices have only dropped one month out of the past eighteen. The catalyst for all this has been significant improvement in mortgage availability. Life for first-time buyers is noticeably easier than it was six months ago. An abundance of great mortgage deals are on offer and lenders are more willing to lend to high LTV borrowers, which has led to a substantial rise in first-time buyer activity. Schemes like Help to Buy and Funding for Lending have acted like a steroid injection for the mortgage market and made it markedly stronger than last year.

“But it is not quite as good as it looks. Take London out of the equation and the average price falls dramatically. The red hot London market is giving the property market as a whole a deceptively healthy glow. London still leads the way in terms of house price rises with growth in 31 out of 33 London boroughs annually, and is the only region in England with average prices above previous record levels. The North/South divide is actually becoming more prominent as time goes on, and as the London market is more exposed to a wider audience of potential foreign buyers flocking to the capital. A strong economy is vital for the health of the property market and it is performing much better in London than in other less resilient parts of the UK, which are suffering from public expenditure cuts. More needs to be achieved to help banks lend to new buyers, as a strong improvement in first-time buyer lending is the crucial catalyst for a full market recovery.

“On top of that, the supply of mortgage finance is still constrained, despite improvements over the past year. Many buyers remain locked out of the market because they can’t afford to meet strict mortgage requirements and save enough for a deposit, which is why cash buyers still account for a high proportion of the total number of sales. Lenders’ caution will not disappear, as new regulations and controls continue to hamper their ability to lend. The only real solution is a sustained improvement in the wider economy which will help increase the supply of mortgage finance and improve demand for it.”

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 May 2012 – May 2013

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
May	2012	£226,936	231.0	1.1	3.6
June	2012	£227,083	231.2	0.1	4.4
July	2012	£226,996	231.1	0.0	3.7
August	2012	£226,351	230.4	-0.3	2.6
September	2012	£226,851	231.0	0.2	2.9
October	2012	£227,352	231.5	0.2	2.9
November	2012	£227,545	231.7	0.1	3.6
December	2012	£228,044	232.2	0.2	3.8
January	2013	£228,868	233.0	0.4	3.8
February	2013	£230,439	234.6	0.7	4.1
March	2013	£231,215	235.4	0.3	3.5
April	2013	£232,160	236.4	0.4	3.4
May	2013	£233,061	237.3	0.4	2.7

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

House prices

The average house price in England & Wales in May is £900 (0.4%) higher than that in April. It now stands at £233,061, a new record level for England & Wales, exceeding the previous peak reached in February 2008 at the height of the last housing boom. This gives a real sense of how far the recovery in the housing market has come, and sets an important context against which to evaluate government input, and what impact further measures may have on the market. In Figure 2 below we explore the degree to which this new peak is reflected in the separate regions, and in each London Borough and Unitary Authority area (Tables 3 and 4). However, we begin by placing the current average nominal house price into its historical context. Figure 1 below illustrates how the average house price has increased from February 1995 to the present day.

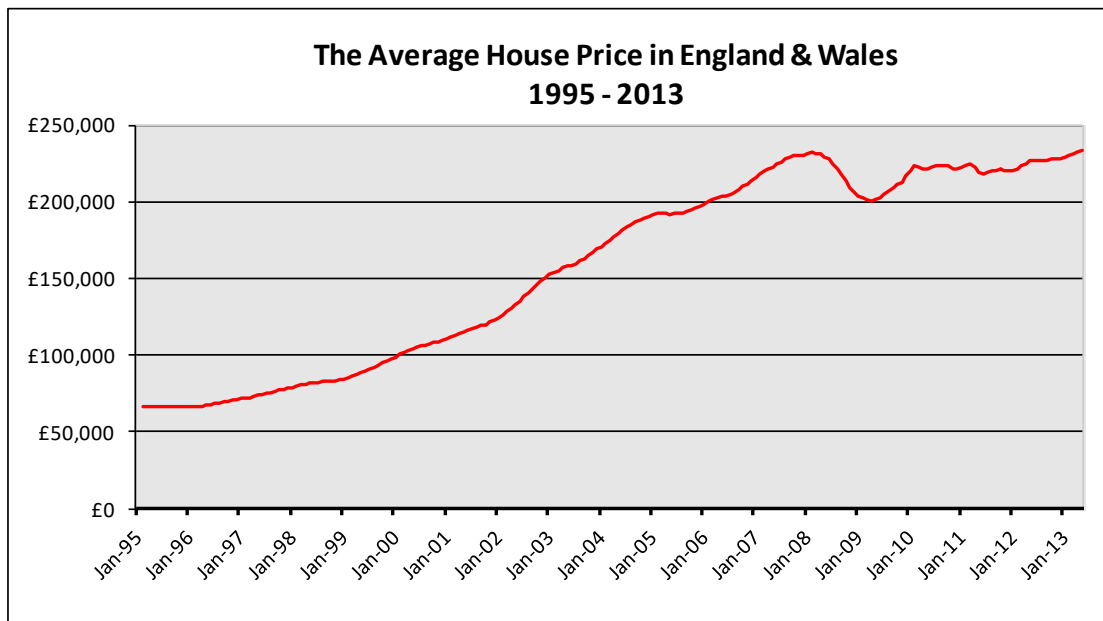


Figure 1. The Average House Price in England & Wales, Feb 1995 – May 2013

[link to source Excel](#)

In February 1995, some eighteen years ago, the average house price in England & Wales was £66,456. As the above graph demonstrates, house prices increased from month to month on a relatively consistent basis from 1995 until February 2008, when the lending crisis began to have an impact. On a monthly basis, during the period March 1995 – February 2008 (13 years or 156 months), house prices fell only eight times, with four of those falls taking place in the first twelve months. However, from March 2008 prices fell for fourteen consecutive months, such that prices in April 2009, at £200,234, were 13.6% below the peak seen in February 2008. Since April 2009 average prices have resumed their upward trajectory, albeit less smoothly than prior to the 2008/09 decline, and have now reached a new high of £233,061.

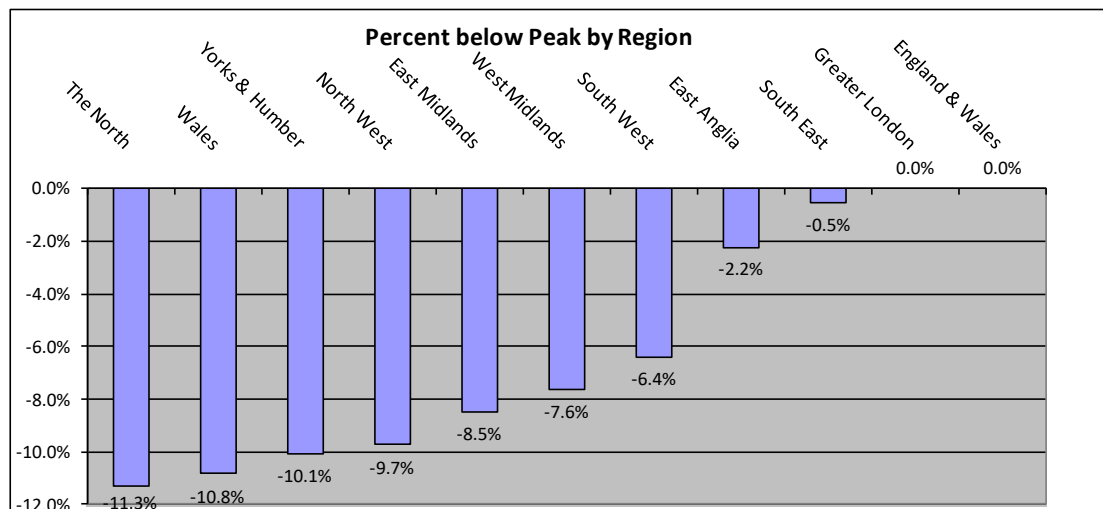


Figure 2. The % off the Peak Average House Price by Region, based on April 2013 prices

[link to source Excel](#)



As Figure 2 above shows, however, it is only in Greater London that average prices have reached a new record level, with all the other regions still having prices below their previous peaks, ranging from a shortfall of 11.3% in The North to 0.5% in the South East. Nevertheless, the impact of the Greater London region means that the average house price in England & Wales as a whole has also reached a new peak.

Table 2. The April 2013 average house price by Region, compared to the peak average house price by Region.

[link to source Excel](#)

Region	April 13 Price	Peak Price	% off	Peak Date
The North	£142,526	£160,729	-11.3%	Mar-08
Wales	£151,821	£170,286	-10.8%	Oct-07
Yorks & Humber	£153,470	£170,651	-10.1%	Dec-07
North West	£152,243	£168,662	-9.7%	Oct-07
East Midlands	£162,319	£177,360	-8.5%	Oct-07
West Midlands	£172,018	£186,228	-7.6%	Oct-07
South West	£223,630	£238,903	-6.4%	Oct-07
East Anglia	£207,224	£211,944	-2.2%	Feb-08
South East	£276,123	£277,632	-0.5%	Feb-08
Greater London	£448,443	£448,443	0.0%	Apr-13
All England & Wales	£232,160	£232,160	0.0%	Apr-13

As Table 2 above shows, most regions recorded peak house prices in the period October 2007 – March 2008. The sole exception was Greater London, achieving a new peak price in April 2013 and in turn pushing the average prices for England & Wales as a whole to new record levels. Moreover, there is a distinct North/South divide to the figures. Although the peak prices in the last housing boom occurred within a six month period across the whole of England & Wales, the recovery from the price falls in 2008/09 has been far more varied across the country, with regions in the South Eastern part of the UK recovering at a much faster rate than those in the North.

Another trend to note from Table 2 is the inverse relationship between the value of the average house by region and the extent to which that price remains short of its peak. The lowest average house price is to be found in the North, where prices are furthest off their peak by 11.3%, while conversely prices in Greater London are the highest of all the regions, but now stand at their peak.

So why are prices currently at a new peak in Greater London, but not in the North? London's role as a global city draws substantial numbers of wealthy purchasers from around the world. It is regarded as a safe haven for families and property, has a favourable exchange rate and taxation regime, and remains the epicentre of the UK economy. As the pivotal point of government, financial services, media and so on, London has a much stronger economy than other parts of the UK, fuelled constantly by new migrants drawn from both within Britain and abroad. Little wonder then that incomes and confidence are higher in London - and put together with the super rich already discussed, this means stronger house price growth - albeit not uniformly across London, as we have shown.

There is a view exemplified in the latest Economist house price index (May 2013) that housing in Britain is still overvalued. The Index suggests that house prices are overvalued by 19% against rents, and by 11% against income when compared to the long run averages on both measures. Certainly, using a simple price-to-earnings ratio property remains very costly, not least in London. However, on a mortgage cost-to-income ratio the picture looks much better, reflecting hugely reduced mortgage costs on the back of decreases in interest rates. With falls in house prices in both nominal and real terms there was every likelihood that affordability ratios would have drifted downwards over the next few years, hence bringing prices and wages into better alignment. However, with falling real wages, lower inflation and rising nominal house prices, that adjustment may be coming to an end. Indeed, with the arrival of the Help to Buy schemes - the equity loan scheme started in April - and the mortgage guarantee scheme due to start in January 2014, there have been increasingly upbeat comments on the future course of UK housing prices. The investment bank Morgan Stanley has recently made a central case for an 8% rise in 2014, and there has been extensive commentary on the possible impact of Help to Buy mortgage guarantees on price rises.

Certainly, with housing supply still far too low relative to demand there is a risk we will see effective demand rise and with it house prices. The government is clearly aware of the tensions and is trying to balance the stimulation of growth and confidence alongside cautious stewardship, and this is no easy task. We will continue to monitor the situation closely. As our charts and tables show there are probably parts of the UK where both local authorities and communities would like to see more price inflation, which in turn would boost confidence and transactions. Historically we have seen London lead the recovery, but the difference this time is whether the



continued cut back in public expenditure will prevent the much less resilient parts of the UK - highly reliant upon such expenditure - from enjoying the fruits of a sustained recovery.

Housing Transactions

Based on statistics from the last eighteen years, transactions in May are on average 9% higher than in April. There is a bias towards the summer months in the purchase of homes, with May normally heralding an increase in housing transactions. This year we estimate that May transactions have increased by 19% over April, meaning that the May 2013 market is proving to be stronger than average, although the April figures this year were more subdued than normal, perhaps as a result of the cold spring.

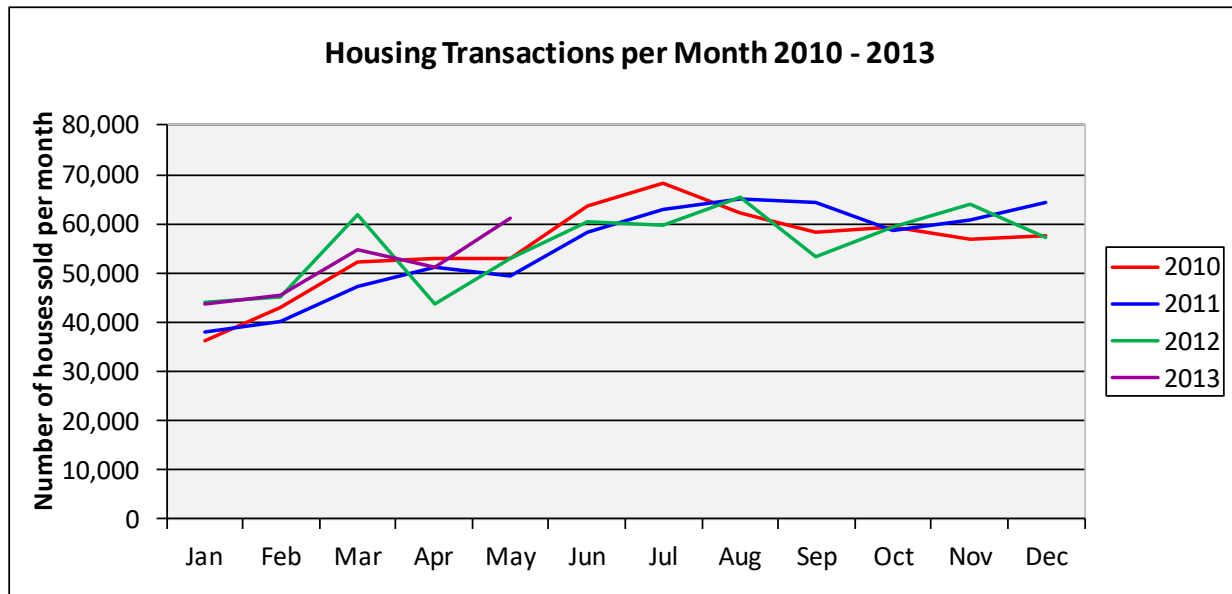


Figure 3. Number of properties sold per month in England & Wales, Jan 2010 – May 2013. Source Land Registry [link to source Excel](#)

Figure 3 illustrates the number of housing transactions per month for the period January 2010 – May 2013. In general terms, the number of transactions appears to be similar across the four years. Looking at the detail we note that transactions in March 2012 were exceptionally high, but this was due to the change in stamp duty for first time buyers, when the tax holiday for properties costing between £125,000 - £250,000 came to an end. This caused a flurry of activity in March 2012, with a corresponding decrease in purchases the following month. One can also note that 2013 has seen activity levels at the top end of the scale covering the last four years, with May of this year in particular being more buoyant than in the previous three years, by some 10,000 properties.

One possible reason for transaction levels rising is an underlying increase in activity by first time buyers. Although the March 2012 figures were distorted by the ending of the tax holiday for first time buyers, the CML reports that “First-time buyer activity in the first quarter of 2013 was at nearly the same level as last year - when figures were buoyed by the end of the stamp duty holiday. This suggests that the market continues to be favourable for many of those looking to buy their first home. First-time buyers also continued to account for an increasing proportion of all house purchase loans - increasing to 45% in March from 43% in February.”

The buy-to-let sector of the market is also making steady progress. Again, quoting the CML, “Gross mortgage lending of £4.2 billion across 33,500 mortgages was advanced to buy-to-let landlords in the first quarter of 2013. This compares with £3.7 billion in the first quarter of last year. Nearly half of this lending was for remortgage, rather than house purchase. Nevertheless, the buy-to-let sector continued to grow, and loan performance improved.

“By the end of March, buy-to-let lending accounted for 13.4% of total outstanding mortgage lending in the UK - up from 13% in the previous quarter and 12.9% at the end of the first quarter of 2012. There are now approximately 1.46 million buy-to-let mortgages in the UK, accounting for around 13% of the total estimated stock of 11.26 million mortgages.”

It will be interesting to observe the housing transaction figures next month, and see if the increase in transactions in May 2013 is a one-off occurrence, or the start of a sustained recovery in the market, with sales returning to levels seen prior to the housing crises of 2008/09. Figure 4 below amply demonstrates the extent to which



transactions have fallen since 2007. We should perhaps emphasize that the level of transactions in 2007 was not considered 'exceptional' at the time, with the housing market prior to 2008 consistently seeing volumes in excess of 100,000 sales per month.

A key issue will be the supply of mortgage finance. Cash transactions still account for around 40% of the total according to the latest RICS statistics. The government schemes are boosting mortgage supply as well as encouraging the building of more new homes: subject to what happens to cash transactions, mortgage availability will be key to the future state of the market. Some have suggested that the combination of new regulations and controls plus greater lender caution is 'hard wiring' lower levels of activity into the housing market. Only time will tell what effect this may or may not have.

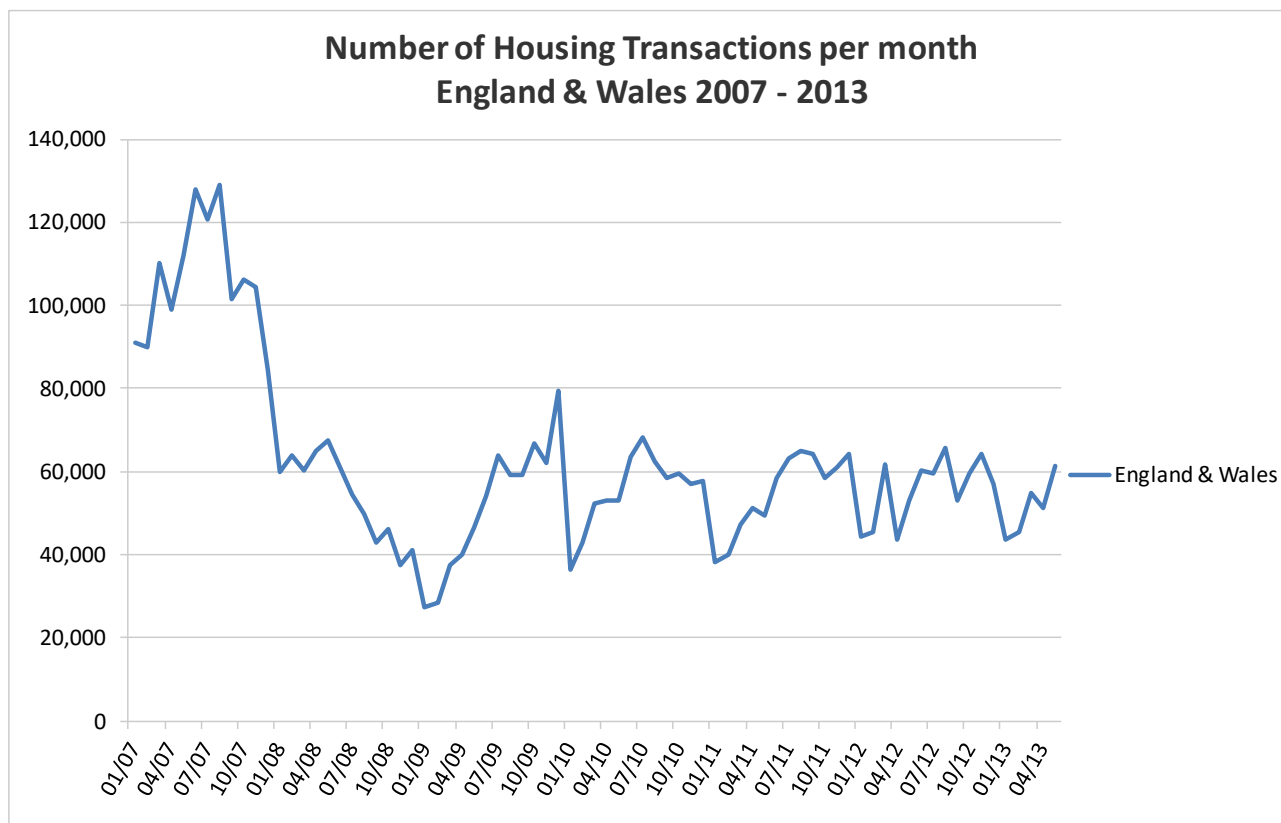


Figure 4. The number of housing transactions by month in England & Wales, 2006-2013 (not seasonally adjusted) [link to source Excel](#)

NOTES

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

Comparison of indices

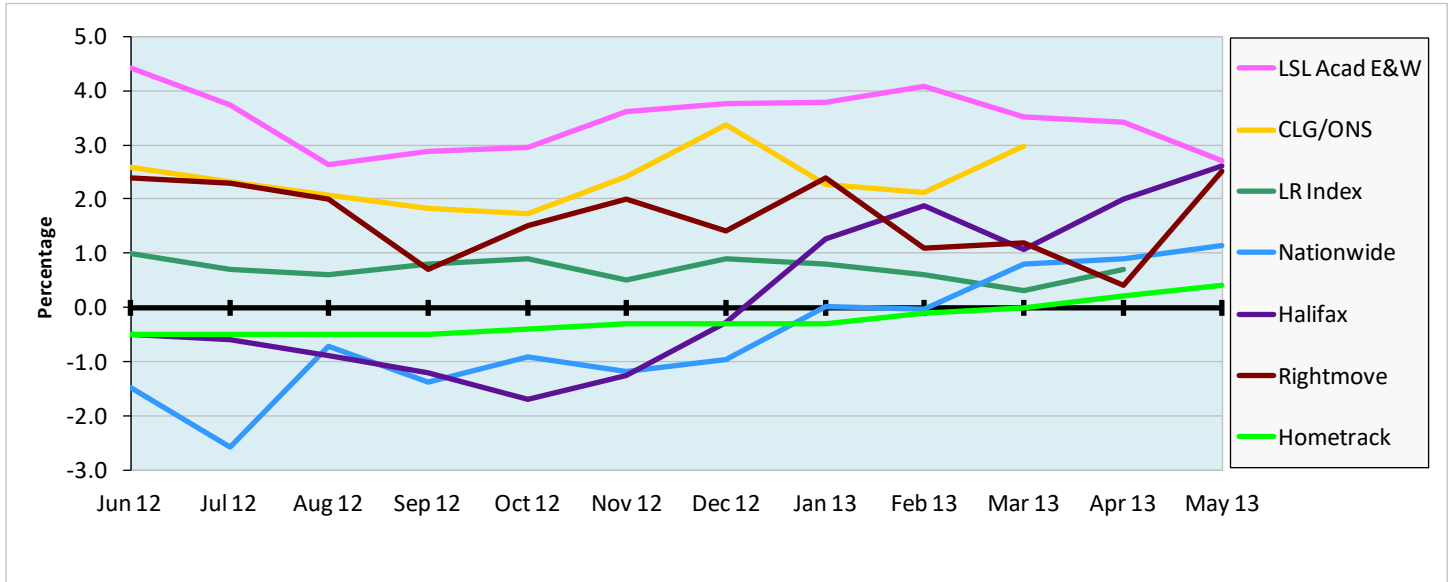


Figure 5. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

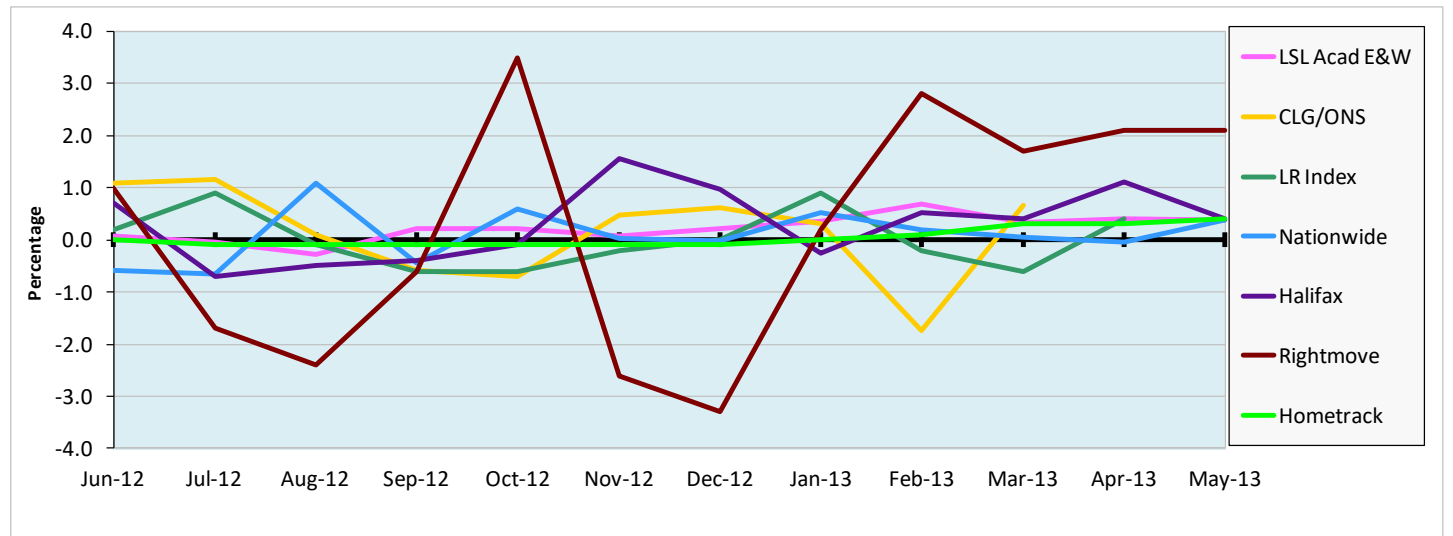


Figure 6. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)



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 fourth month running, East Anglia takes second place and joins Greater London in being one of 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 Wales, down 1.3% over the year, marginally below Yorkshire & Humberside where prices have fallen by 0.7%. This month there are five regions showing an increase in the annual price change compared to last month, and five regions showing a decrease. This is perhaps indicative of the current housing market in England & Wales, where aside from Greater London and East Anglia, there is no clear indication of the direction of any price change.

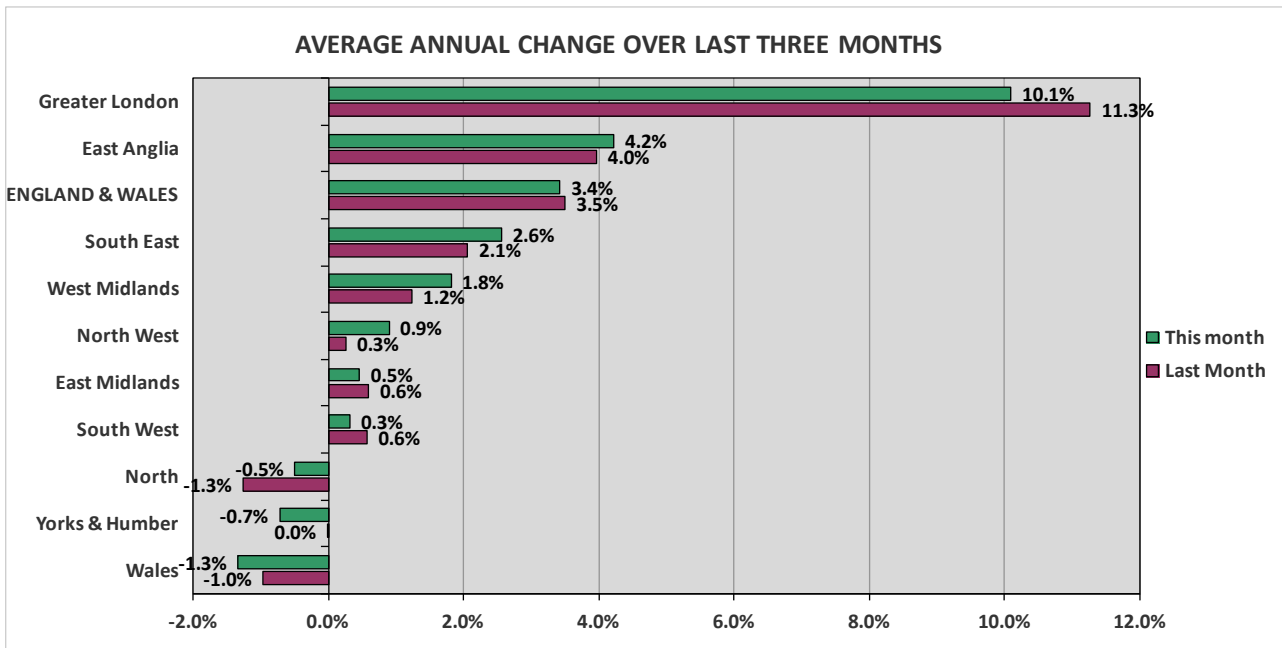


Figure 7. The annual change in the average house price, analysed by region

[link to source Excel](#)

ANNUAL CHANGE IN PRICE BY REGION

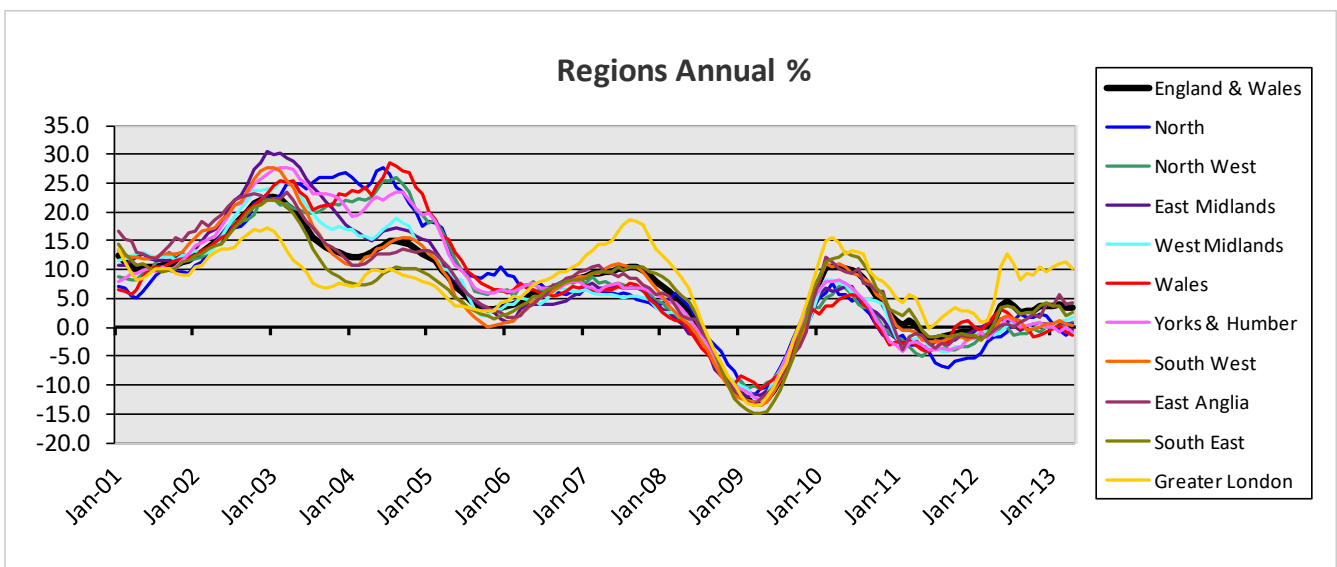


Figure 8. A comparison of the annual change in house prices, by region for the period January 2001 – April 2013

[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 6 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 April 2012 with April 2013. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH			% Change	Peak Price	% away from Peak	Peak Date
			Apr-12	Apr-13				
1	1	KENSINGTON AND CHELSEA	1,350,383	1,462,108	8.3%	1,520,181	-4%	Feb-13
2	2	CITY OF WESTMINSTER	984,624	1,318,971	34.0%	1,318,971	0%	Apr-13
3	3	CAMDEN	718,505	837,161	16.5%	855,003	-2%	Mar-13
8	4	CITY OF LONDON	477,373	810,631	69.8%	810,631	0%	Apr-13
4	5	HAMMERSMITH AND	642,515	756,568	17.8%	756,568	0%	Apr-13
5	6	RICHMOND UPON THAMES	599,726	651,515	8.6%	651,515	0%	Apr-13
6	7	ISLINGTON	526,092	564,073	7.2%	565,298	0%	Mar-13
7	8	WANDSWORTH	497,252	551,555	10.9%	551,555	0%	Apr-13
9	9	BARNET	442,188	476,888	7.8%	476,888	0%	Apr-13
11	10	HARINGEY	429,821	446,380	3.9%	453,580	-2%	Mar-13
10	11	MERTON	435,599	444,687	2.1%	447,319	-1%	May-12
13	12	LAMBETH	393,374	428,856	9.0%	439,641	-2%	Mar-13
12	13	SOUTHWARK	412,320	422,953	2.6%	431,567	-2%	Jun-12
15	14	HACKNEY	369,173	422,603	14.5%	427,131	-1%	Dec-12
14	15	EALING	381,816	416,157	9.0%	433,881	-4%	Nov-12
18	16	HOUNSLOW	351,250	414,245	17.9%	414,245	0%	Apr-13
16	17	BRENT	361,299	405,080	12.1%	415,705	-3%	Jul-12
17	18	KINGSTON UPON THAMES	359,190	398,273	10.9%	400,305	-1%	Sep-12
20	19	HARROW	324,615	364,189	12.2%	364,189	0%	Apr-13
19	20	TOWER HAMLETS	350,928	346,495	-1.3%	379,367	-9%	Jan-13
21	21	BROMLEY	316,324	325,999	3.1%	330,340	-1%	Oct-12
23	22	GREENWICH	287,895	301,394	4.7%	302,658	0%	Dec-12
25	23	ENFIELD	279,793	295,595	5.6%	299,917	-1%	Aug-12
22	24	HILLINGDON	296,659	293,961	-0.9%	309,283	-5%	Jun-12
24	25	REDBRIDGE	287,289	288,486	0.4%	305,176	-5%	Sep-12
26	26	LEWISHAM	266,236	287,660	8.0%	292,561	-2%	Nov-12
27	27	SUTTON	262,433	271,223	3.3%	279,031	-3%	Apr-08
28	28	CROYDON	249,355	257,970	3.5%	262,465	-2%	Dec-07
30	29	WALTHAM FOREST	241,467	255,178	5.7%	255,178	0%	Apr-13
29	30	HAVERING	245,036	253,513	3.5%	260,762	-3%	Dec-07
31	31	BEXLEY	222,110	233,336	5.1%	233,336	0%	Apr-13
32	32	NEWHAM	219,857	229,207	4.3%	257,757	-11%	Apr-08
33	33	BARKING AND DAGENHAM	178,095	182,515	2.5%	203,503	-10%	Dec-07
		ALL LONDON	407,342	448,443	10.1%	448,443	0.0%	Apr-13

Table 3 above shows the average house price by London borough for April 2012 and April 2013, along with the percentage change over the year. We also show the peak average price relating to each borough and the month in which this peak price occurred. The boroughs highlighted in grey in the left-hand part of the table have recorded peak prices in April 2013. The boroughs highlighted in yellow in the right-hand part of the table have all seen peak prices occurring in 2013. The boroughs highlighted in light blue in the right-hand part of the table saw peak prices occur in the period December 2007 to April 2008.

On an annual basis, house prices have increased in 31 of the 33 London Boroughs, with only Tower Hamlets and Hillingdon showing a negative movement in average price over the period. This month, some 10 London Boroughs are experiencing peak prices, highlighted in grey above, as is Greater London as a whole. This gives a clear indication of the current buoyancy, as well as the growing momentum in this market.

Of the top third of the London boroughs ranked by price, 10 out of the 11 have seen peak prices occur in 2013. The five boroughs which last saw their peak prices occur in 2007/08 are ranked in the lowest seven boroughs by average price. This is yet another indication of the two speed nature of the London market, with the highest priced boroughs, especially those in the central London areas, seeing price growth in excess of the outer suburbs of the Greater London area.

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

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION				Peak Price	% away from Peak	Peak Date
			Apr-12	Apr-13	Change			
18	16	CAMBRIDGESHIRE	238,982	258,012	8.0%	258,012	0%	Apr-13
79	68	CITY OF PETERBOROUGH	147,178	154,378	4.9%	169,433	-9%	Oct-07
48	45	NORFOLK	183,223	188,967	3.1%	201,142	-6%	Mar-08
41	41	SUFFOLK	197,397	200,272	1.5%	213,907	-6%	Feb-08
		EAST ANGLIA	198,827	207,224	4.2%	211,944	-2.2%	Feb-08
88	84	CITY OF DERBY	135,806	143,670	5.8%	157,070	-9%	Jun-07
98	95	CITY OF NOTTINGHAM	117,858	118,455	0.5%	136,348	-13%	Oct-07
63	65	DERBYSHIRE	161,602	158,461	-1.9%	175,190	-10%	Nov-07
90	91	LEICESTER	132,369	132,049	-0.2%	151,244	-13%	Feb-08
47	46	LEICESTERSHIRE	183,592	186,987	1.8%	205,477	-9%	Sep-07
72	73	LINCOLNSHIRE	154,793	151,466	-2.1%	172,704	-12%	Jan-08
49	50	NORTHAMPTONSHIRE	180,577	180,748	0.1%	196,537	-8%	Sep-07
69	64	NOTTINGHAMSHIRE	155,850	160,469	3.0%	171,454	-6%	Feb-08
15	10	RUTLAND	260,527	277,594	6.6%	313,815	-12%	Feb-08
		EAST MIDLANDS	161,568	162,319	0.5%	177,360	-8.5%	Oct-07
		GREATER LONDON	407,342	448,443	10.1%	448,443	0.0%	Apr-13
57	63	CUMBRIA	169,697	164,095	-3.3%	184,480	-11%	Mar-08
82	82	DARLINGTON	141,383	145,254	2.7%	158,295	-8%	Feb-11
99	96	DURHAM	116,837	118,101	1.1%	137,292	-14%	Mar-08
100	97	HARTLEPOOL	114,823	116,004	1.0%	138,677	-16%	Oct-07
96	99	MIDDLESBROUGH	120,969	115,118	-4.8%	128,060	-10%	Apr-08
50	54	NORTHUMBERLAND	179,968	176,381	-2.0%	209,353	-16%	Mar-08
95	92	REDCAR AND CLEVELAND	123,119	126,437	2.7%	137,690	-8%	Jan-08
71	80	STOCKTON-ON-TEES	155,401	146,462	-5.8%	167,741	-13%	Apr-08
87	86	TYNE AND WEAR	136,697	139,519	2.1%	156,154	-11%	Mar-08
		NORTH	143,227	142,526	-0.5%	160,729	-11.3%	Mar-08
97	101	BLACKBURN WITH DARWEN	120,173	106,759	-11.2%	132,620	-20%	Dec-07
104	106	BLACKPOOL	105,275	97,707	-7.2%	136,677	-29%	May-07
40	26	CHESHIRE	202,183	219,893	8.8%	233,317	-6%	Nov-07
78	78	GREATER MANCHESTER	148,545	147,631	-0.6%	163,073	-9%	Feb-08
93	90	HALTON	125,562	133,470	6.3%	151,548	-12%	Apr-10
81	79	LANCASHIRE	144,622	147,427	1.9%	166,465	-11%	Feb-08
83	88	MERSEYSIDE	139,288	136,066	-2.3%	157,317	-14%	Jul-07
51	51	WARRINGTON	179,047	180,597	0.9%	202,583	-11%	Aug-07
		NORTH WEST	150,889	152,243	0.9%	168,662	-9.7%	Oct-07
28	30	BEDFORDSHIRE	217,866	217,142	-0.3%	229,135	-5%	Mar-08
12	11	BRACKNELL FOREST	263,295	274,146	4.1%	285,816	-4%	Jan-08
8	9	BRIGHTON AND HOVE	276,800	292,137	5.5%	292,137	0%	Apr-13
3	3	BUCKINGHAMSHIRE	353,127	373,591	5.8%	379,312	-2%	May-08
20	19	EAST SUSSEX	234,345	239,559	2.2%	252,145	-5%	Apr-08
16	17	ESSEX	240,649	243,144	1.0%	257,919	-6%	Feb-08
11	13	HAMPSHIRE	269,128	269,354	0.1%	278,538	-3%	Feb-08
5	5	HERTFORDSHIRE	319,109	331,581	3.9%	331,581	0%	Apr-13
44	44	ISLE OF WIGHT	194,189	191,666	-1.3%	219,480	-13%	Jul-08
21	20	KENT	231,948	237,711	2.5%	252,113	-6%	May-08
66	67	LUTON	157,978	155,803	-1.4%	173,827	-10%	Aug-07
60	60	MEDWAY	166,527	167,096	0.3%	182,532	-8%	Nov-07

Counties and unitary authorities



29	35	MILTON KEYNES	214,772	210,904	-1.8%	219,578	-4%	May-07
4	7	OXFORDSHIRE	325,742	318,997	-2.1%	329,779	-3%	Dec-12
62	59	PORTSMOUTH	164,984	167,216	1.4%	182,703	-8%	Jun-07
25	21	READING	227,064	235,261	3.6%	241,912	-3%	Aug-12
30	32	SLOUGH	213,977	215,103	0.5%	216,405	-1%	Oct-07
56	61	SOUTHAMPTON	170,695	166,996	-2.2%	186,132	-10%	Oct-07
42	39	SOUTHEND-ON-SEA	197,120	207,675	5.4%	209,216	-1%	Jan-12
2	2	SURREY	399,765	424,677	6.2%	424,677	0%	Apr-13
53	49	THURROCK	174,511	183,508	5.2%	193,408	-5%	Sep-07
7	6	WEST BERKSHIRE	305,096	321,697	5.4%	328,776	-2%	Dec-12
13	12	WEST SUSSEX	261,641	270,798	3.5%	280,950	-4%	Mar-08
1	1	WINDSOR AND MAIDENHEAD	475,125	467,068	-1.7%	483,385	-3%	May-12
6	4	WOKINGHAM	312,988	338,337	8.1%	339,513	0%	Mar-13
		SOUTH EAST	269,226	276,123	2.6%	277,632	-0.5%	Feb-08
10	8	BATH AND NORTH EAST SOMERSET	275,269	297,590	8.1%	320,472	-7%	Feb-11
37	43	BOURNEMOUTH	206,258	196,884	-4.5%	242,579	-19%	May-08
31	25	CITY OF BRISTOL	210,732	220,748	4.8%	222,852	-1%	Mar-13
65	70	CITY OF PLYMOUTH	159,609	153,357	-3.9%	172,105	-11%	May-07
22	24	CORNWALL	231,834	222,076	-4.2%	244,530	-9%	Sep-07
19	22	DEVON	235,182	234,010	-0.5%	255,245	-8%	Dec-07
14	14	DORSET	261,422	266,651	2.0%	281,928	-5%	Dec-07
23	23	GLOUCESTERSHIRE	228,569	231,907	1.5%	243,602	-5%	Dec-10
36	28	NORTH SOMERSET	206,437	217,357	5.3%	235,635	-8%	Dec-07
9	15	POOLE	275,320	263,952	-4.1%	318,192	-17%	May-08
34	34	SOMERSET	208,974	211,284	1.1%	228,060	-7%	Dec-07
38	36	SOUTH GLOUCESTERSHIRE	205,778	210,156	2.1%	228,138	-8%	Feb-08
55	55	SWINDON	171,099	168,736	-1.4%	187,037	-10%	Dec-07
52	52	TORBAY	178,579	177,756	-0.5%	211,200	-16%	Jan-08
17	18	WILTSHIRE	240,165	241,078	0.4%	256,565	-6%	Nov-07
		SOUTH WEST	222,916	223,630	0.3%	238,903	-6.4%	Oct-07
108	108	BLAENAU GWENT	82,444	85,598	3.8%	109,947	-22%	Dec-07
86	87	BRIDGEND	138,655	137,457	-0.9%	156,113	-12%	Nov-07
94	100	CAERPHILLY	123,615	114,682	-7.2%	142,548	-20%	Jun-07
46	47	CARDIFF	184,848	186,243	0.8%	194,710	-4%	Feb-13
91	83	CARMARTHENSHIRE	130,728	143,817	10.0%	164,094	-12%	Mar-08
45	53	CEREDIGION	186,259	177,289	-4.8%	221,118	-20%	Jan-08
68	74	CONWY	156,480	150,348	-3.9%	182,867	-18%	Dec-06
85	85	DENBIGHSHIRE	138,680	139,694	0.7%	167,239	-16%	Mar-08
76	72	FLINTSHIRE	150,020	152,084	1.4%	174,078	-13%	May-07
70	71	GWYNEDD	155,664	153,315	-1.5%	181,719	-16%	Aug-07
64	62	ISLE OF ANGLESEY	160,447	164,984	2.8%	189,719	-13%	Jul-08
105	104	MERTHYR TYDFIL	97,287	104,644	7.6%	116,283	-10%	Dec-07
24	31	MONMOUTHSHIRE	228,478	216,151	-5.4%	244,128	-11%	Aug-07
102	102	NEATH PORT TALBOT	110,547	105,947	-4.2%	131,030	-19%	Jan-08
80	75	NEWPORT	146,412	149,756	2.3%	179,138	-16%	Jan-08
58	57	PEMBROKESHIRE	168,081	167,625	-0.3%	199,778	-16%	Nov-07
54	48	POWYS	171,414	183,545	7.1%	201,059	-9%	Nov-07
103	103	RHONDDA CYNON TAFF	108,742	105,331	-3.1%	121,553	-13%	Mar-08
67	81	SWANSEA	156,985	146,182	-6.9%	174,465	-16%	Oct-07
26	38	THE VALE OF GLAMORGAN	226,295	207,962	-8.1%	226,295	-8%	Apr-12
89	94	TORFAEN	132,630	123,110	-7.2%	150,736	-18%	Feb-07
73	66	WREXHAM	152,981	157,155	2.7%	179,975	-13%	Aug-07
		WALES	153,869	151,821	-1.3%	170,286	-10.8%	Oct-07

Counties and unitary authorities



33	33	HEREFORDSHIRE	210,061	211,552	0.7%	237,658	-11%	Jan-08
43	42	SHROPSHIRE	196,595	199,869	1.7%	224,606	-11%	Oct-07
61	56	STAFFORDSHIRE	166,365	168,382	1.2%	191,703	-12%	Apr-08
106	107	STOKE-ON-TRENT	94,658	96,923	2.4%	113,039	-14%	Feb-08
27	27	WARWICKSHIRE	219,178	218,676	-0.2%	232,566	-6%	Feb-10
77	69	WEST MIDLANDS	149,336	154,043	3.2%	166,885	-8%	Nov-07
39	37	WORCESTERSHIRE	204,162	208,551	2.1%	227,020	-8%	Oct-07
74	76	WREKIN	151,198	148,528	-1.8%	172,047	-14%	Mar-08
		WEST MIDLANDS	168,951	172,018	1.8%	186,228	-7.6%	Oct-07
107	105	CITY OF KINGSTON UPON HULL	94,583	99,670	5.4%	107,882	-8%	Apr-08
59	58	EAST RIDING OF YORKSHIRE	167,891	167,567	-0.2%	191,562	-13%	Mar-08
101	98	NORTH EAST LINCOLNSHIRE	113,474	115,525	1.8%	129,965	-11%	Feb-08
92	93	NORTH LINCOLNSHIRE	129,896	126,101	-2.9%	147,879	-15%	Jun-08
32	29	NORTH YORKSHIRE	210,635	217,170	3.1%	240,480	-10%	Jan-08
84	89	SOUTH YORKSHIRE	139,242	135,780	-2.5%	155,047	-12%	Oct-07
75	77	WEST YORKSHIRE	151,147	148,252	-1.9%	168,910	-12%	Dec-07
35	40	YORK	207,615	205,927	-0.8%	221,821	-7%	Sep-07
		YORKS & HUMBER	154,580	153,470	-0.7%	170,651	-10.1%	Dec-07
		ALL ENGLAND & WALES	224,463	232,160	3.4%	232,160	0.0%	Apr-13

Table 4 shows the average house prices for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for April 2012 and April 2013. It also records the percentage change in these prices over the year. This month we have added three columns to the right of our standard table, showing the peak average price for each of the 108 Unitary Authority areas, the percentage by which the current price is away from this peak price and the month in which the peak price was achieved.

Highlighted in yellow are those Unitary Authorities which have experienced a peak price in 2013, of which there are 7, or 6%, out of the total of 108 areas. This compares with the 16 London boroughs, or 48% out of the total 33 London boroughs, which have similarly experienced a peak price in 2013. The overwhelming majority of the Unitary Authorities, 89 in number, saw their peak price occur in the housing boom of 2007/08, with 3 seeing peaks in 2010, 2 in 2011, 6 in 2012 and 7 in 2013. Conwy is the exception in the above table, having seen its peak price in December 2006, some fourteen months prior to the peak experienced by England & Wales as a whole.

The unitary authority with its current average house price furthest from its peak is Blackpool, where prices have fallen by 29%, followed by Blaenau Gwent off 22% and Blackburn with Darwen off 20%.

This month's index shows that, in general terms at least, the market recovery has now progressed far enough to trigger a new average price peak. Clearly, this is heavily influenced by the strong recovery underway in London, and a new peak has only been set for a select group of London boroughs and authorities outside of the capital (Cambridgeshire, Hertfordshire, Surrey, Brighton and Hove and Wokingham, and earlier in the year in Bristol and Cardiff). As the tables above have shown, average prices in most local authorities in England and Wales are still some distance off their previous highs, but the patterns to date suggest a flow towards record prices moving outwards from London. As we discuss earlier, the question is now how far will this recovery go and over what time period? The new measures being introduced by government will add to the momentum, at least up to the point where they are due to end (and interest rate rises bring new pressures). The hope is that the market will by then have developed its own dynamic. However, the picture we are painting is extremely complex and there will no doubt be numerous bumps in the road ahead.

Regional data table



Table 5. Average house prices by region, May 2012 – May 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
May-12	£141,915	-0.9	-1.6	£150,205	-0.5	-0.2	£160,968	-0.4	1.5	£169,537	0.3	-0.8
Jun-12	£141,136	-0.5	-0.8	£151,112	0.6	-0.1	£161,319	0.2	1.2	£169,922	0.2	0.3
Jul-12	£140,743	-0.3	1.1	£150,680	-0.3	-1.3	£160,521	-0.5	0.4	£169,940	0.0	0.8
Aug-12	£140,667	-0.1	2.4	£151,585	0.6	-1.2	£159,665	-0.5	-0.4	£169,604	-0.2	0.0
Sep-12	£140,438	-0.2	1.8	£150,814	-0.5	-1.2	£160,217	0.3	0.0	£169,582	0.0	0.0
Oct-12	£141,696	0.9	1.6	£151,667	0.6	-0.2	£160,994	0.5	0.6	£170,023	0.3	-0.4
Nov-12	£141,714	0.0	2.2	£149,869	-1.2	-0.9	£161,502	0.3	0.7	£169,878	-0.1	0.4
Dec-12	£140,529	-0.8	1.9	£150,116	0.2	0.0	£160,903	-0.4	0.6	£170,663	0.5	0.1
Jan-13	£139,759	-0.5	0.6	£150,783	0.4	0.2	£161,239	0.2	0.4	£171,610	0.6	0.4
Feb-13	£140,836	0.8	-0.5	£152,376	1.1	0.2	£162,784	1.0	0.7	£173,200	0.9	1.2
Mar-13	£142,114	0.9	-1.3	£152,629	0.2	0.3	£162,690	-0.1	0.6	£172,403	-0.5	1.2
Apr-13	£142,526	0.3	-0.5	£152,243	-0.3	0.9	£162,319	-0.2	0.5	£172,018	-0.2	1.8

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
May-12	£153,457	-0.3	3.1	£154,709	0.1	0.3	£225,592	1.2	1.6	£200,380	0.8	0.2
Jun-12	£152,797	-0.4	2.5	£155,606	0.6	1.8	£224,733	-0.4	1.9	£199,195	-0.6	0.5
Jul-12	£152,086	-0.5	1.5	£154,097	-1.0	0.8	£223,719	-0.5	1.4	£198,162	-0.5	0.1
Aug-12	£151,399	-0.5	-0.2	£154,127	0.0	-0.1	£223,300	-0.2	1.1	£200,213	1.0	1.0
Sep-12	£151,937	0.4	-0.1	£154,327	0.1	0.3	£221,352	-0.9	-0.4	£201,184	0.5	1.5
Oct-12	£152,583	0.4	-1.6	£154,262	0.0	0.7	£221,914	0.3	-0.2	£202,581	0.7	2.3
Nov-12	£152,506	-0.1	-1.3	£154,234	0.0	1.0	£220,665	-0.6	-0.1	£200,261	-1.1	1.8
Dec-12	£152,366	-0.1	-0.8	£153,724	-0.3	-0.1	£223,036	1.1	0.7	£203,115	1.4	3.9
Jan-13	£151,511	-0.6	-0.4	£153,891	0.1	-0.1	£223,007	0.0	0.6	£202,624	-0.2	3.6
Feb-13	£152,665	0.8	0.3	£153,536	-0.2	-0.7	£224,132	0.5	1.2	£206,342	1.8	5.7
Mar-13	£152,040	-0.4	-1.0	£153,493	0.0	0.0	£223,218	-0.4	0.6	£205,357	-0.5	4.0
Apr-13	£151,821	-0.1	-1.3	£153,470	0.0	-0.7	£223,630	0.2	0.3	£207,224	0.9	4.2

	South East			Greater London			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
May-12	£272,453	1.2	3.3	£418,975	2.9	10.5		£226,936	1.1	3.6
Jun-12	£271,698	-0.3	3.8	£421,196	0.5	12.7		£227,083	0.1	4.4
Jul-12	£272,626	0.3	3.4	£422,434	0.3	11.0		£226,996	0.0	3.7
Aug-12	£271,181	-0.5	2.2	£419,964	-0.6	8.3		£226,351	-0.3	2.6
Sep-12	£270,876	-0.1	2.6	£425,653	1.4	9.4		£226,851	0.2	2.9
Oct-12	£270,458	-0.2	2.6	£427,025	0.3	9.0		£227,352	0.2	2.9
Nov-12	£270,428	0.0	3.6	£431,760	1.1	10.6		£227,545	0.1	3.6
Dec-12	£271,926	0.6	4.4	£430,535	-0.3	9.6		£228,044	0.2	3.8
Jan-13	£271,910	0.0	3.6	£436,124	1.3	10.6		£228,868	0.4	3.8
Feb-13	£273,657	0.6	3.7	£438,703	0.6	11.1		£230,439	0.7	4.1
Mar-13	£274,051	0.1	2.1	£445,135	1.5	11.3		£231,215	0.3	3.5
Apr-13	£276,123	0.8	2.6	£448,443	0.7	10.1		£232,160	0.4	3.4
May-13								£233,061	0.4	2.7



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.38% (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.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); 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.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 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.

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