



Under embargo until 00:01 Friday 10th June 2016

May 2016

House prices slump before EU referendum

- Property values dip 0.4% in May – steepest fall since November 2011 as the housing market holds its breath
- London’s house prices fall by 0.3% (£1,769) month-on-month due to uncertainty ahead of upcoming EU referendum
- Weakest May for home sales in five years, after stamp duty surcharge caused a rush of buy-to-let sales in March
- But house prices in Slough defy the trend, jumping 23.3% year on year, with values lifted by Crossrail and new tech jobs

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London, the East & the SE)
£293,599	286.6	-0.4	6.8	5.4

Adrian Gill, director of Your Move and Reeds Rains estate agents, comments: “The housing market is holding its breath ahead of the EU referendum and after a rapid sprint at the start of the year. This 0.4% dip in average house prices in England & Wales since April will be a welcome respite for those hoping to get their first foot on the ladder. May’s correction in property values also follows on from a surge in activity earlier in the year, when second-home buyers and landlords brought forward their purchases to avoid the stamp duty surcharge. That tax hike and the Government’s anti-landlord policies are weighing down the market, but the main factor is short-term confidence ahead of the 23rd June referendum.

“The year-on-year growth in house prices has also slowed, decelerating to 6.8% in May, from 7.7% in April. With the Chancellor predicting that a Brexit from the EU would reduce property values by at least 10%, many buyers are holding off until after the uncertainly surrounding the referendum has been resolved.

“In London, house prices have slipped from last month’s record high, falling 0.3% (£1,769) month-on-month. This has pushed average property values in the capital back under the £600,000 mark, with the value of a typical home in the city falling to £598,421. However, this decline in property values has not spread across the entire capital. While house prices in the most expensive eleven boroughs have declined by an average of £4,000 (0.5%) from the previous month, values in the cheapest eleven boroughs continue to rise, jumping £3,000 (0.8%) month-on-month. But despite maintaining property values well above the rest of the UK, the demand for homes in London continues to grow. In the three months between February and April, sales of homes in London increased by 15%, compared to the same period last year. The majority of this upswing in sales came from flats. As landlords often prefer to provide flats to rent, these properties were a popular choice before the stamp duty surcharge came into force in April.

“With so much uncertainty in the UK economy, home sales have been subdued. While the total number of property sales did increase from the previous month, this month has seen the fewest May property sales since 2011, when the UK was still recovering from the recession. This uncertainty surrounding the EU referendum will not be resolved until 23rd June at the earliest. However, home sales for the first five months of the year are still 3% higher than the same period in 2015, due to the investment from landlords earlier in the year. This suggest that over the long-run, landlords won’t be put off by the reduction in mortgage tax relief, as many believe the sector will still be profitable despite the Government’s attempts to drive them out of the market.

“However, not all parts of the market are struggling. There is cause for David Brent to celebrate, as house price in Slough have surged by 23% year-on-year – more than any other area. The price of a terraced house in slough is now £63,000 more than it was a year ago. Property values in Slough have been boosted by the new Crossrail development, with a new terminus coming into operation in late 2018. The increase in tech jobs in the town has also helped to lift prices, with O2, Nintendo, BlackBerry and McAfee all located along what has been recently branded the “Silicon Alley”. As the fastest growing area in the UK, according to the Centre for Cities, with the number of businesses in the town rising by 29% over the last five years, uncertainty in other parts of England & Wales have not hindered growth in Slough.”

NB: The LSL/Acadata house price index incorporates all transactions, including those made with cash.

For a more detailed market analysis by Acadata, see page 3.

House price index: historical data



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

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
May	2015	£274,960	270.3	0.4	5.3
June	2015	£276,723	272.2	0.6	5.0
July	2015	£277,883	273.3	0.4	4.7
August	2015	£280,805	276.3	1.1	5.0
September	2015	£282,851	278.1	0.7	5.2
October	2015	£285,790	280.5	1.0	5.9
November	2015	£286,140	280.3	0.1	6.0
December	2015	£288,064	281.2	0.7	6.7
January	2016	£289,817	282.9	0.6	6.8
February	2016	£294,418	287.4	1.6	8.1
March	2016	£294,622	287.6	0.1	8.0
April	2016	£294,911	287.9	0.1	7.7
May	2016	£293,599	286.6	-0.4	6.8

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

House prices

The housing market in England & Wales is slowing down, both in terms of transactions and house price growth. Housing transactions are at their lowest level for the month of May since 2011 and the change in house prices at -0.4% is the largest fall in a month since November 2011. The reduction has been caused by purchasers bringing forward and now curtailing activity, in response to the 3% surcharge on stamp duty on second homes and investment property introduced in April 2016 - which we discuss in further detail on page 4 - as well as the uncertainty resulting from the impending Brexit referendum on June 23rd.

In May, house prices fell by -0.4%, or -£1,312, to an average £293,599, thus moving away from the significant milestone of £300,000, which is now some 2.2% above this new current average price. According to our records, the last time that prices increased by 2.2% in a single month was in September 1988 – so we are unlikely to see this threshold breached again in a single month. Prices in London have also fallen below the £600,000 mark this month, having only reached this level in March. On an annual basis, the rate in May for England & Wales was 6.8%, down from the 7.7% of the previous month, although this still represents an increase in prices of £18,639 over the last 12 months.

Figure 1 below shows the annual rate of house price growth for the last two years. As can be seen, the rate of change fell during the first half of 2015, as the country approached the General Election in May of that year, with a degree of uncertainty relating to house prices. This was partly caused by discussion on the imposition of a mansion tax on higher-value properties and potential changes to the non-dom status of a number of residents in prime central London. Following the election, the mood in the housing market became more buoyant and house price growth returned to its upward trajectory. Currently, the forthcoming Brexit referendum is causing a similar mood of uncertainty as to the future of house prices, interest rates and employment, with George Osborne suggesting at the G7 summit in Japan, that: “If we leave the European Union, there will be an immediate economic shock that will hit financial markets. In the long term, the country and the people in the country are going to be poorer. That affects the value of people’s homes and the Treasury analysis shows that there would be a hit to the value of people’s homes by at least 10% and up to 18%.”

Although there is considerable voter cynicism about the differing arguments put forward on what might happen, the fact that the Chancellor is suggesting that house prices could fall by up to 18% if a ‘no’ vote prevails means that it is perhaps little wonder that potential purchasers of property are currently sitting on the sidelines, awaiting the outcome of the referendum, before committing to a major capital purchase.

Annual House Price Change, England & Wales

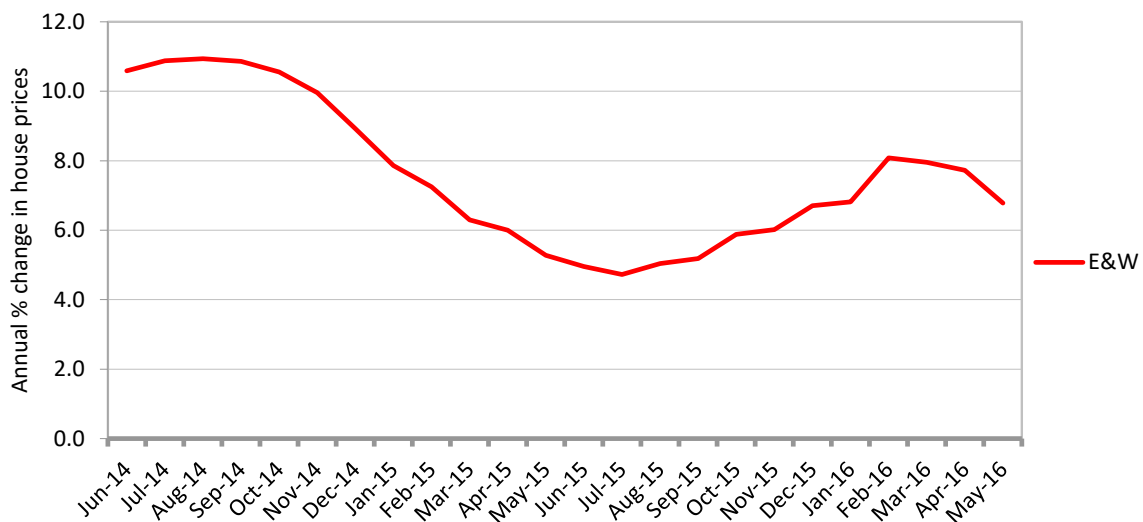


Figure 1. The annual change in house prices in England & Wales, over the two years June 2014 – May 2016.

[link to source Excel](#)



The Housing Market

Uncertainty is clearly the watchword for this month, though of course this condition could be extended due to the considerable additional uncertainties of the Brexit vote outcome. Given the driving position of the London market, the role it plays as an international finance centre and as a safe haven for foreign investors, it will take some months to be clear how this market might be reshaped in the event of an exit vote. If the vote is to stay, we would expect normal business to resume quite quickly.

The roller coaster triggered by the tax changes was reflected in the Bank of England data on mortgage approvals which showed a surge in March followed by a decline in April in terms of both number and value of loans approved. Loan costs have continued to fall, though there is some evidence these have now bottomed out. Despite this, Savills reported on the costs of buying significantly exceeding the costs of renting when capital repayments were taken into account, reflecting the high house prices we report on here. Although interest only loans are slowly re-emerging in the market place, these typically have a low maximum LTV, so are of limited help to first time buyers, many of whom now rely on the 'Bank of Mum and Dad' - currently the 10th largest lender in the UK. New products have come to market which re-open the 100% loan sector, but these still rely heavily on parental contributions. It is worth noting that in Q4 2007 loans over 95% LTV made up 6.1% of the market. In Q3 2015 it was 0.2% and though this will have edged up subsequently, a considerable gap remains. The FCA has argued that there is no evidence to suggest that the new mortgage market rules have tightened access, though many in the industry might disagree and the FCA does accept that going forward the rules will have that effect.

Housing supply continues to edge upwards and the recent Statement of Intent by the largest housebuilders does offer some prospect that the government will come close to delivering 1 million more new homes in the life of the parliament. Unfortunately, the demographics suggests that that will not be enough as the population continues to grow, and of course there is still the previous backlog of undersupply to catch up on (some 1.5 million homes). In addition, there are perhaps 2 million households who would have been owners in the last decade but who didn't get into the market.

The new uncertainties surrounding the market do not help this unmet demand. The housing market in England (and Wales) needs continued stability to really begin to build momentum, and to become potentially capable of bringing house prices and incomes into better balance. The modest downturn in prices we report here is a welcome respite from what seemed to be a period of continued upward momentum, and we can expect prices to remain weak in the next few months until the political and economic situation clarifies. Once the new realities are established, we will then be in a better position to judge how they might move over the rest of this year and into 2017.

Housing Transactions

Figure 2 below illustrates the extraordinary levels of monthly sales that have taken place during March, April and May 2016 in the England & Wales housing market. Last month we had estimated a total of 97,500 sales for March, as recorded by the Land Registry, but have subsequently had to revise that total upward to 106,750 as further data have emerged. However, the exceptional level of sales in March, 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, has been followed by two months of exceptionally low levels of sales. For example, transactions in May at 51,750 will be the third lowest level of sales for the month since the Land Registry introduced its computerised record systems in 1995. The two lowest levels for the month of May were recorded in May 2009 (46,352) and May 2011 (49,586) during the aftermath of the last housing recession.

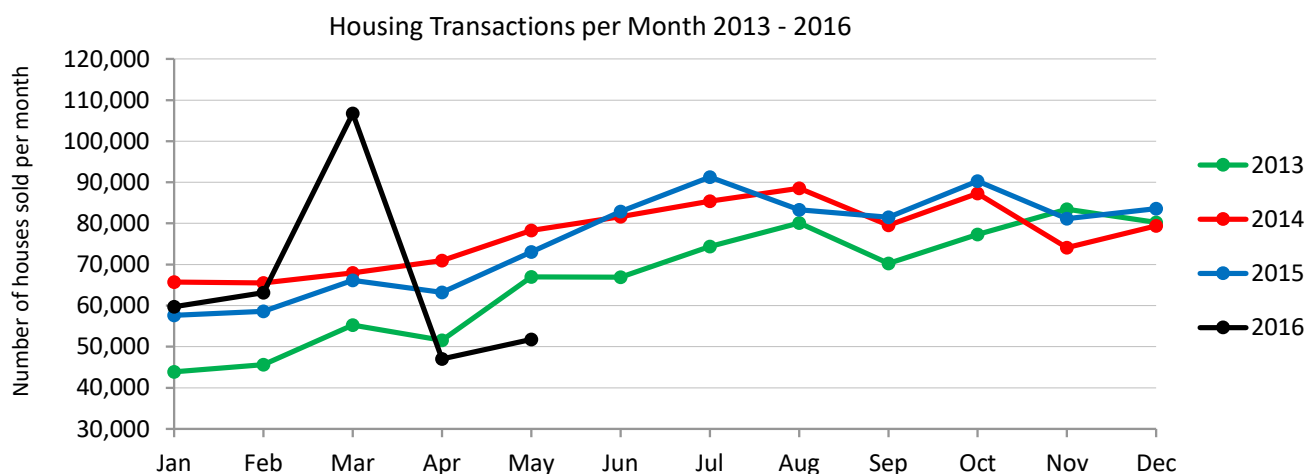


Figure 2. Number of properties sold per month in England & Wales, January 2013 – May 2016. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted. [link to source Excel](#)



In total over the first five months of 2016 there have been 328,400 sales recorded by the Land Registry for England and Wales, compared to 318,686 for the similar period in 2015. We do however anticipate a lower than normal level of sales for June, reflecting the uncertainties arising from the Brexit referendum, which is likely to result in total transactions for the first six months of 2016 being on a par with that of 2015. The market is therefore only likely to return to the new 'norm' for 2016 from July onward, with the level of the new 'norm' being largely dependent on the outcome of the referendum.

Transactions in March were clearly brought forward to beat the tax increase, and this also suggests that landlord appetite is undimmed, despite the changes in the operating context for that market. Indeed, there is a new interest in commercial property in conjunction with residential property (ie, flats over shops) because 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).

Comparison of indices

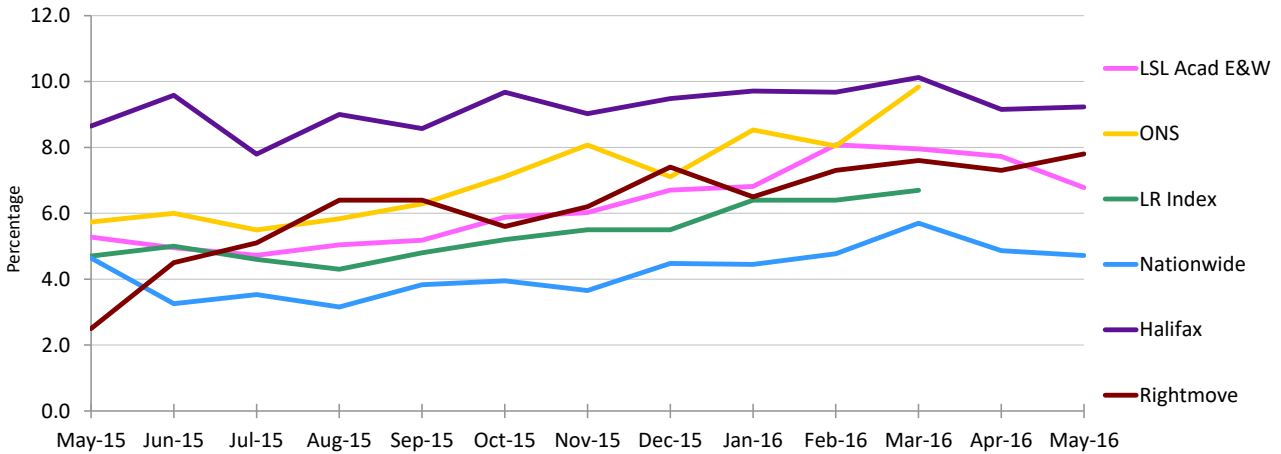


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

As we reported last month, all is about to change in the world of House Price Indices. The Office for National Statistics (ONS) House price index (HPI) and the Land Registry Index, the two government-sponsored indices, are to combine and from June 2016 will start producing a new ONS HPI. Its first report will be on April's house prices. Unfortunately, the new ONS HPI will not have been published until after we have gone to print. Meanwhile, the LR Index has ceased to exist, with its last figures being published relating to the March 2016 housing market, as shown in the analysis on this page. Acadata has produced a short paper outlining the changes that are forthcoming, with a discussion of the likely effects these changes will make. You are welcome to download a copy of this paper by clicking [here](#).

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 (which will also be changing ownership in June) has consistently reported the highest rates of annual house price inflation over the past twelve months, with May's figure at 9.2%. Nationwide is showing the lowest level of annual house price inflation in May at 4.7%, down 0.2% in the month and 1.0% off its peak recorded in March.

Of the four indices that have published annual rates for May, two are recording lower rates in May than April, Halifax has shown no change, with only Rightmove showing an increase in its annual rate. However, it should be remembered that the Rightmove index is an index of asking prices and published earlier in the month than the others. It may thus be reflecting the market sentiment from March, when transaction levels were forging upward.

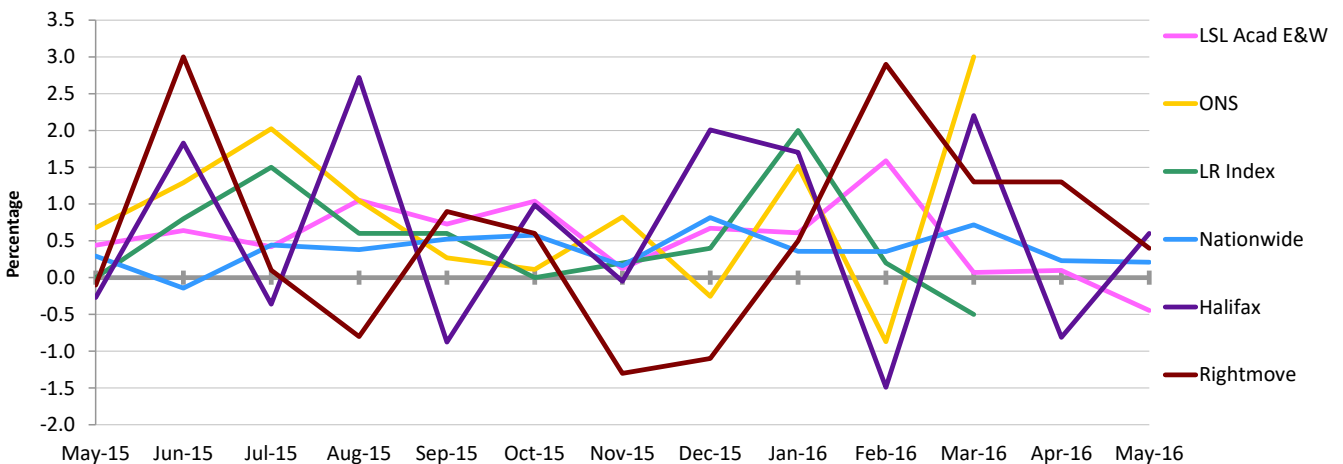


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

Figure 4 covers the **monthly** change in house prices. Halifax is once again showing a strong upward movement in its monthly figures, at 0.6% (up from negative -0.8% last month), but this is at odds with both Rightmove and LSL Acad which are both showing the monthly rate falling from April's levels, with Rightmove down -0.9% to 0.4% and LSL Acad down -0.5% to -0.4%. Meanwhile, Nationwide shows no movement in its monthly rate of 0.2%.

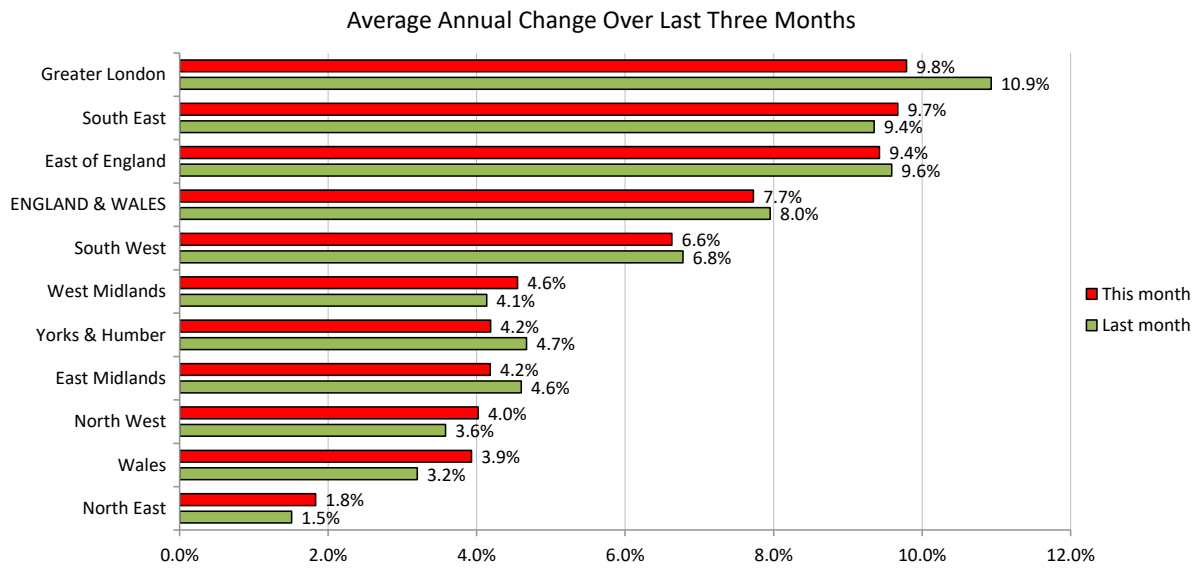
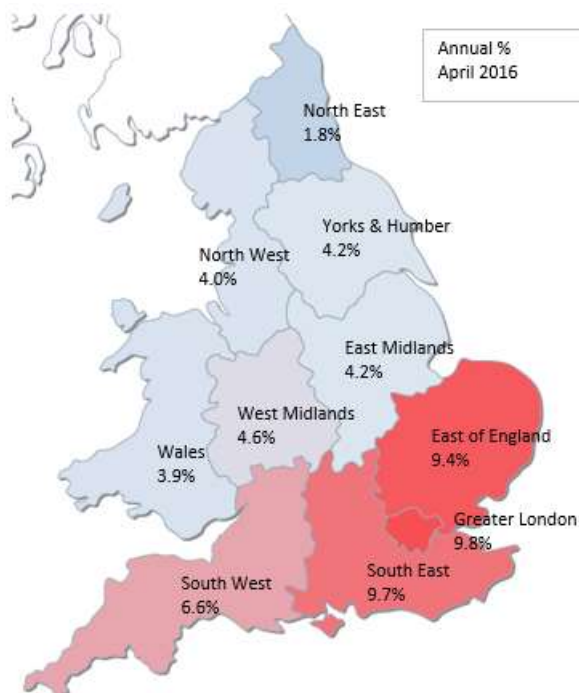


Figure 5. The annual change in the average house price, analysed by region [link to source Excel](#)

In April, Greater London, for the third consecutive month, has the highest annual increase in average house prices of all the ten regions in England & Wales. The South East has moved up into second position with inflation at 9.7%, with the East of England dropping into third place with house price inflation of 9.4%. The West Midlands has moved up two places to fifth position with house price growth at 4.6%, while both Yorkshire & the Humber and the East Midlands saw a reduction in the rate of growth in prices during the month, lowering their respective positions by one place. The North West, Wales and the North East continue to take the lowest three positions in terms of house price growth.

For the three months centred on April 2016, five regions have seen the rate of annual price rises increase, and five have seen them fall. Of the five regions where the annual rate of growth has climbed, the largest increase was in Wales at +0.7%, followed by the West Midlands at +0.5%. Of the five regions where price growth has slowed, Greater London saw the largest reduction at -1.1%, followed by Yorkshire & the Humber at -0.5%.

In April 2016, only four regions have set new peak average prices, compared with nine last month. The four that have set new record prices are the southern areas of the South West, the South East and the East of England, but significantly not Greater London, and at the other end of the country the North West, which incorporates Greater Manchester and Cheshire, with both of these areas having set their own peak prices during the month.



The 'heat map' for the annual change in house prices clearly shows how annual price growth continues to ripple outward from the 'heat' of Greater London. Greater London has the highest price increase at 9.8%, with the surrounding regions of the South East and the East of England seeing respective growth of 9.7% and 9.4%. The next area is that of the South West at 6.6%, followed by the West Midlands at 4.6%. We then have a band across the country taking in the East Midlands, Yorkshire and the Humber, the North West and Wales, with house price growth ranging from 3.9% to 4.2%. Finally, we have the North East at 1.8% where the housing market is still relatively 'cool'.

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 4.1%, in place of the average 6.8% 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.

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

London boroughs, counties and unitary authorities



Table 2. The change in house prices, for the 33 London boroughs, comparing April 2015 and March 2016 with April 2016. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Apr-15	Mar-16	Apr-16	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,879,815	1,911,647	1,839,865	-3.8%	-2.1%
2	2	CITY OF WESTMINSTER	1,253,693	1,344,708	1,359,173	1.1%	8.4%
5	3	CAMDEN	889,165	1,057,153	1,067,235	1.0%	20.0%
3	4	CITY OF LONDON	959,127	935,559	964,843	3.1%	0.6%
4	5	HAMMERSMITH AND FULHAM	919,892	905,086	887,404	-2.0%	-3.5%
6	6	RICHMOND UPON THAMES	769,555	808,112	800,765	-0.9%	4.1%
8	7	WANDSWORTH	679,379	761,862	749,181	-1.7%	10.3%
7	8	ISLINGTON	701,145	722,543	727,910	0.7%	3.8%
10	9	MERTON	580,849	630,284	637,838	1.2%	9.8%
12	10	LAMBETH	544,922	616,136	617,899	0.3%	13.4%
9	11	BARNET	581,248	601,730	617,721	2.7%	6.3%
11	12	SOUTHWARK	550,243	634,679	607,673	-4.3%	10.4%
13	13	HACKNEY	524,517	597,994	601,403	0.6%	14.7%
14	14	HARINGEY	517,949	588,689	582,351	-1.1%	12.4%
15	15	BRENT	515,938	576,544	580,982	0.8%	12.6%
17	16	KINGSTON UPON THAMES	494,432	542,364	550,592	1.5%	11.4%
16	17	EALING	508,862	558,384	545,250	-2.4%	7.2%
18	18	HARROW	472,660	513,123	516,408	0.6%	9.3%
19	19	HOUNSLOW	462,810	513,199	512,152	-0.2%	10.7%
20	20	TOWER HAMLETS	458,632	522,192	508,060	-2.7%	10.8%
21	21	BROMLEY	425,635	467,671	467,396	-0.1%	9.8%
22	22	LEWISHAM	399,332	453,288	452,822	-0.1%	13.4%
26	23	ENFIELD	365,781	434,285	440,742	1.5%	20.5%
23	24	HILLINGDON	385,093	434,988	440,068	1.2%	14.3%
25	25	REDBRIDGE	371,288	429,072	433,209	1.0%	16.7%
24	26	WALTHAM FOREST	377,121	428,694	431,375	0.6%	14.4%
27	27	GREENWICH	363,845	427,586	427,335	-0.1%	17.4%
28	28	SUTTON	354,880	398,143	401,969	1.0%	13.3%
29	29	CROYDON	338,063	371,717	377,750	1.6%	11.7%
30	30	HAVERING	305,358	358,202	357,107	-0.3%	16.9%
31	31	NEWHAM	294,584	346,603	348,763	0.6%	18.4%
32	32	BEXLEY	290,261	341,357	341,934	0.2%	17.8%
33	33	BARKING AND DAGENHAM	234,841	280,706	282,643	0.7%	20.4%
		ALL LONDON	545,063	600,190	598,421	-0.3%	9.8%

The analysis of Greater London house prices in Table 2 relates to April 2016, and compares these prices to one month and one year earlier. As we noted earlier, the average price paid for a property in London fell for the second successive month by -0.3%, or -£1,769, with the average price falling back below the £600,000 threshold to £598,421. The last occasion that we saw prices fall in the month in London was March 2015, at -0.5%, and on that occasion it too was preceded by a prior fall of -0.5% in February 2015. Readers may recall that in February and March 2015 the country was waiting on the outcome of the General Election – with talk of a mansion tax and changes to non-dom status hitting high-value premises. The similarities with the wait on the outcome of the EU referendum are clearly noticeable.

During the month, it is the lowest priced boroughs that have collectively seen price rises, while the middle and top-priced boroughs have seen price falls. If we take the bottom eleven boroughs in the above table, the weighted increase in prices over the month is £3,000, or 0.8%, while the second eleven boroughs saw prices fall in the month by -£3,000, or -0.6%. The top eleven boroughs saw a decrease of -£4,000, or -0.5%.

On an annual basis, the lowest, middle and top sectors of the market have remarkably all seen similar price increases of +£54,000 for the average property, although when expressed in percentage terms these work out at +16.0%, +11.1% and +6.5% respectively.

In terms of transactions between the three months February to April 2016 compared to the same three months one year earlier, the number of properties sold in London has increased by 3,250 homes, or 15%. The respective increases in the type of properties sold over the two periods were Detached +250, Semi-detached +400, Terraced +1,000 and Flats +1,600. It should be recalled that these totals include properties purchased in February and March 2016, immediately prior to the 3% stamp duty surcharge on second homes introduced in April 2016.

London boroughs, counties and unitary authorities

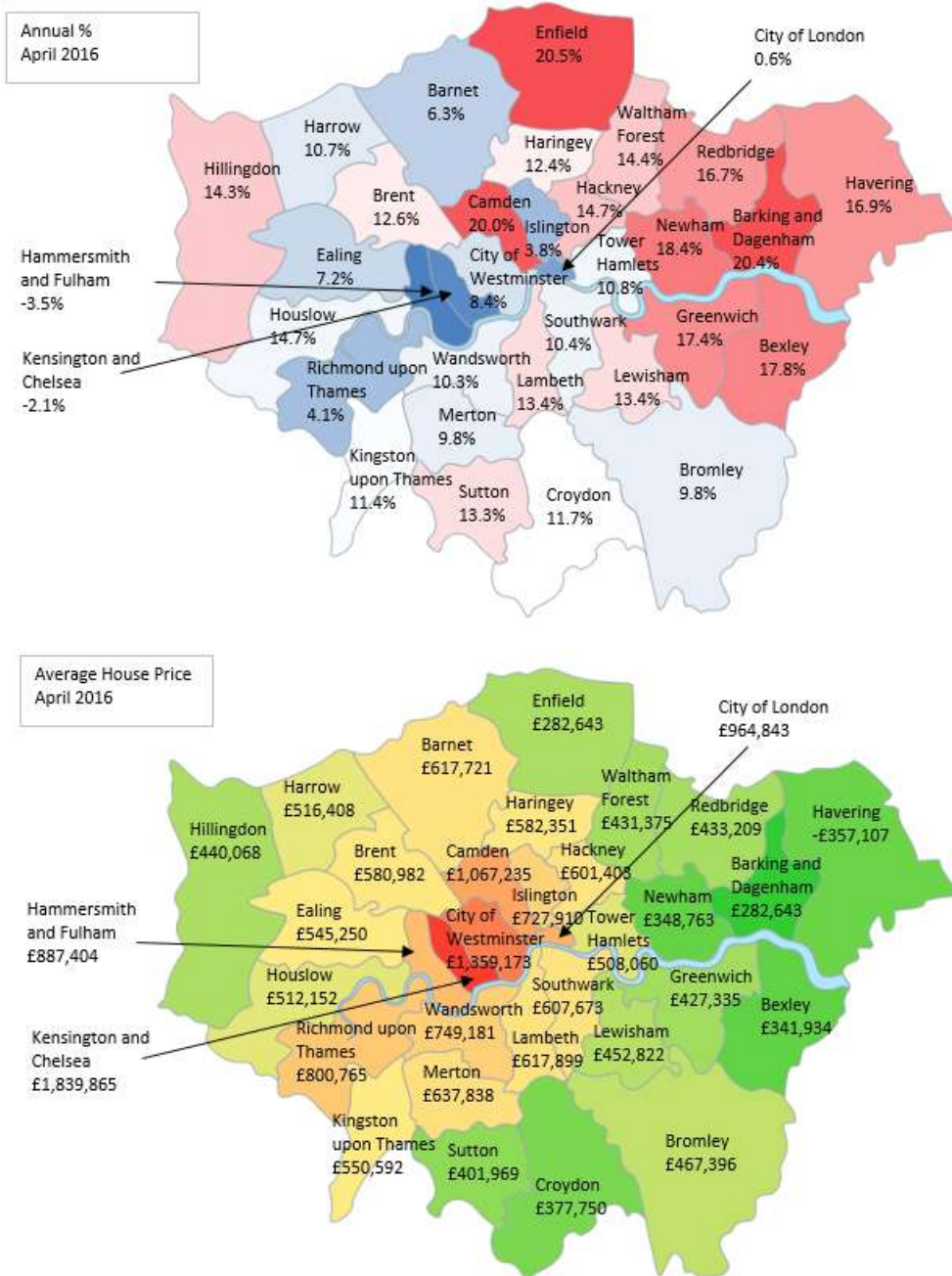


The top five boroughs in terms of the percentage increase in transactions for the period February – April 2016, compared to one year earlier were:

Hounslow	+27%	(Flats +100 properties)
Merton	+26%	(Terraces +75 properties)
Barnet	+25%	(Flats +100 properties)
Hammersmith & Fulham	+23%	(Flats +75 properties)
City of Westminster	+23%	(Flats +140 properties)

Undoubtedly, sales will have been boosted by buy-to-let landlords, looking to purchase a property prior to the introduction of the 3% stamp duty surcharge in April, but also sales are likely to have been made by those looking for a pied-à-terre in Central London, again prior to the surcharge being introduced on second homes.

London Heat Maps



It is interesting to observe the 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 April 2015 and March 2016 with April 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	Apr-15	Mar-16	Apr-16	Monthly change	Annual Change
97	100	COUNTY DURHAM	£129,929	£127,855	£126,519	-1.0%	-2.6%
90	89	DARLINGTON	£147,339	£156,061	£152,412	-2.3%	3.4%
95	94	HARTLEPOOL	£136,331	£144,492	£143,813	-0.5%	5.5%
93	97	MIDDLESBROUGH	£143,134	£136,018	£140,495	3.3%	-1.8%
62	61	NORTHUMBERLAND	£181,722	£186,922	£187,454	0.3%	3.2%
96	96	REDCAR AND CLEVELAND	£134,945	£143,293	£142,176	-0.8%	5.4%
82	87	STOCKTON-ON-TEES	£156,958	£156,544	£156,149	-0.3%	-0.5%
78	80	TYNE AND WEAR	£159,338	£164,026	£164,306	0.2%	3.1%
		NORTH EAST	£153,037	£155,985	£155,840	-0.1%	1.8%
101	102	BLACKBURN WITH DARWEN	£121,620	£120,133	£119,864	-0.2%	-1.4%
107	106	BLACKPOOL	£106,003	£107,218	£108,152	0.9%	2.0%
37	37	CHESHIRE	£231,918	£242,664	£245,658	1.2%	5.9%
86	91	HALTON	£151,369	£145,134	£147,376	1.5%	-2.6%
53	56	WARRINGTON	£195,334	£202,432	£200,829	-0.8%	2.8%
71	65	CUMBRIA	£169,975	£183,301	£183,323	0.0%	7.9%
72	71	GREATER MANCHESTER	£168,021	£175,388	£176,364	0.6%	5.0%
80	84	LANCASHIRE	£158,467	£160,838	£159,705	-0.7%	0.8%
85	86	MERSEYSIDE	£153,263	£157,346	£157,268	0.0%	2.6%
		NORTH WEST	£170,549	£176,902	£177,406	0.3%	4.0%
65	66	EAST RIDING OF YORKSHIRE	£175,061	£188,136	£183,146	-2.7%	4.6%
106	107	KINGSTON UPON HULL, CITY OF	£108,981	£108,812	£107,495	-1.2%	-1.4%
98	98	NORTH EAST LINCOLNSHIRE	£129,514	£130,522	£135,060	3.5%	4.3%
92	92	NORTH LINCOLNSHIRE	£143,209	£144,800	£145,484	0.5%	1.6%
32	33	YORK	£239,644	£258,459	£254,482	-1.5%	6.2%
42	40	NORTH YORKSHIRE	£224,145	£241,071	£239,832	-0.5%	7.0%
88	88	SOUTH YORKSHIRE	£148,232	£154,240	£153,323	-0.6%	3.4%
74	74	WEST YORKSHIRE	£163,229	£169,609	£168,712	-0.5%	3.4%
		YORKS & HUMBER	£169,008	£177,313	£176,088	-0.7%	4.2%
76	81	DERBY	£161,346	£164,166	£163,565	-0.4%	1.4%
87	83	LEICESTER	£149,776	£164,719	£160,056	-2.8%	6.9%
99	95	NOTTINGHAM	£128,462	£140,849	£142,288	1.0%	10.8%
18	13	RUTLAND	£281,885	£326,277	£332,615	1.9%	18.0%
64	64	DERBYSHIRE	£179,229	£184,314	£183,496	-0.4%	2.4%
46	50	LEICESTERSHIRE	£211,446	£218,752	£218,998	0.1%	3.6%
68	67	LINCOLNSHIRE	£172,559	£181,061	£181,279	0.1%	5.1%
47	51	NORTHAMPTONSHIRE	£210,779	£219,293	£218,906	-0.2%	3.9%
67	69	NOTTINGHAMSHIRE	£172,788	£180,598	£179,346	-0.7%	3.8%
		EAST MIDLANDS	£183,924	£192,070	£191,619	-0.2%	4.2%
38	42	HEREFORDSHIRE	£230,730	£239,209	£237,654	-0.7%	3.0%
43	48	SHROPSHIRE	£217,766	£218,676	£222,186	1.6%	2.0%
105	104	STOKE-ON-TRENT	£110,495	£112,200	£112,378	0.2%	1.7%
73	82	TELFORD & WREKIN	£164,572	£164,015	£161,823	-1.3%	-1.7%
58	57	STAFFORDSHIRE	£188,511	£192,164	£193,683	0.8%	2.7%
29	30	WARWICKSHIRE	£246,024	£263,952	£265,119	0.4%	7.8%
69	70	WEST MIDLANDS	£171,619	£179,824	£179,098	-0.4%	4.4%
39	38	WORCESTERSHIRE	£228,859	£244,040	£244,526	0.2%	6.8%
		WEST MIDLANDS	£192,896	£201,434	£201,675	0.1%	4.6%
22	22	BEDFORDSHIRE	£262,485	£291,034	£292,119	0.4%	11.3%
54	43	LUTON	£195,153	£227,599	£233,506	2.6%	19.7%
66	60	PETERBOROUGH	£173,644	£187,372	£190,519	1.7%	9.7%
26	24	SOUTHEND-ON-SEA	£254,727	£283,706	£282,766	-0.3%	11.0%
44	32	THURROCK	£217,348	£255,433	£257,834	0.9%	18.6%
14	19	CAMBRIDGESHIRE	£289,642	£305,510	£307,598	0.7%	6.2%
16	16	ESSEX	£288,371	£317,770	£316,949	-0.3%	9.9%
5	5	HERTFORDSHIRE	£392,605	£437,127	£436,412	-0.2%	11.2%

London boroughs, counties and unitary authorities



45	46	NORFOLK	£214,690	£228,236	£229,057	0.4%	6.7%
36	34	SUFFOLK	£237,340	£246,906	£250,198	1.3%	5.4%
		EAST OF ENGLAND	£280,501	£306,180	£306,940	0.2%	9.4%
		GREATER LONDON	£545,063	£600,190	£598,421	-0.3%	9.8%
9	9	BRACKNELL FOREST	£342,246	£377,654	£380,048	0.6%	11.0%
7	8	BRIGHTON AND HOVE	£362,135	£381,710	£382,770	0.3%	5.7%
48	45	ISLE OF WIGHT	£208,746	£224,966	£229,612	2.1%	10.0%
50	44	MEDWAY	£207,240	£230,924	£231,721	0.3%	11.8%
27	25	MILTON KEYNES	£249,305	£279,880	£280,387	0.2%	12.5%
56	55	PORTSMOUTH	£191,562	£207,204	£207,553	0.2%	8.3%
17	15	READING	£286,555	£330,295	£330,249	0.0%	15.2%
24	17	SLOUGH	£256,012	£313,189	£315,704	0.8%	23.3%
52	53	SOUTHAMPTON	£200,285	£208,034	£208,942	0.4%	4.3%
8	6	WEST BERKSHIRE	£354,362	£392,226	£403,375	2.8%	13.8%
1	1	WINDSOR AND MAIDENHEAD	£546,046	£575,035	£580,969	1.0%	6.4%
4	4	WOKINGHAM	£406,418	£439,714	£441,217	0.3%	8.6%
3	3	BUCKINGHAMSHIRE	£419,999	£444,719	£455,375	2.4%	8.4%
21	21	EAST SUSSEX	£272,791	£303,486	£303,357	0.0%	11.2%
13	14	HAMPSHIRE	£310,777	£332,728	£330,955	-0.5%	6.5%
19	20	KENT	£275,818	£303,347	£303,379	0.0%	10.0%
6	7	OXFORDSHIRE	£366,752	£391,369	£398,002	1.7%	8.5%
2	2	SURREY	£461,221	£512,745	£515,243	0.5%	11.7%
12	12	WEST SUSSEX	£319,878	£351,319	£352,908	0.5%	10.3%
		SOUTH EAST	£329,937	£359,978	£361,847	0.5%	9.7%
11	10	BATH AND NORTH EAST SOMERSET	£321,897	£389,720	£380,002	-2.5%	18.1%
33	39	BOURNEMOUTH	£239,612	£234,672	£242,112	3.2%	1.0%
28	27	BRISTOL , CITY OF	£246,454	£275,439	£272,056	-1.2%	10.4%
34	35	CORNWALL	£238,740	£246,563	£250,019	1.4%	4.7%
31	28	NORTH SOMERSET	£241,950	£267,261	£268,117	0.3%	10.8%
61	68	PLYMOUTH	£181,875	£179,372	£179,978	0.3%	-1.0%
10	11	POOLE	£337,292	£344,019	£368,954	7.2%	9.4%
30	31	SOUTH GLOUCESTERSHIRE	£245,737	£262,115	£261,279	-0.3%	6.3%
55	52	SWINDON	£194,616	£209,485	£212,506	1.4%	9.2%
49	54	TORBAY	£208,596	£208,182	£207,781	-0.2%	-0.4%
20	23	WILTSHIRE	£273,804	£288,629	£291,759	1.1%	6.6%
23	29	DEVON	£258,061	£265,821	£266,688	0.3%	3.3%
15	18	DORSET	£288,787	£310,291	£309,032	-0.4%	7.0%
25	26	GLOUCESTERSHIRE	£254,989	£274,925	£276,401	0.5%	8.4%
41	41	SOMERSET	£224,650	£236,016	£238,108	0.9%	6.0%
		SOUTH WEST	£250,991	£266,058	£267,630	0.6%	6.6%
60	63	ISLE OF ANGLESEY	£183,725	£191,335	£184,641	-3.5%	0.5%
79	73	GWYNEDD	£159,063	£166,960	£171,039	2.4%	7.5%
75	77	CONWY	£162,516	£166,166	£166,979	0.5%	2.7%
84	76	DENBIGHSHIRE	£155,844	£163,750	£167,067	2.0%	7.2%
70	79	FLINTSHIRE	£170,215	£164,090	£165,037	0.6%	-3.0%
83	72	WREXHAM	£156,518	£173,888	£173,394	-0.3%	10.8%
59	58	POWYS	£186,915	£192,067	£193,634	0.8%	3.6%
57	62	CEREDIGION	£190,780	£191,110	£185,770	-2.8%	-2.6%
63	59	PEMBROKESHIRE	£179,419	£192,635	£191,825	-0.4%	6.9%
94	93	CARMARTHENSHIRE	£141,375	£145,513	£144,701	-0.6%	2.4%
81	75	SWANSEA	£158,347	£171,302	£167,528	-2.2%	5.8%
103	103	NEATH PORT TALBOT	£117,976	£123,404	£119,207	-3.4%	1.0%
89	85	BRIDGEND	£147,971	£160,064	£159,291	-0.5%	7.6%
40	47	VALE OF GLAMORGAN	£228,538	£226,159	£226,942	0.3%	-0.7%
51	49	CARDIFF	£204,999	£219,501	£219,203	-0.1%	6.9%
102	101	RHONDDA CYNON TAFF	£119,239	£120,907	£123,614	2.2%	3.7%
104	105	MERTHYR TYDFIL	£116,852	£108,409	£110,693	2.1%	-5.3%
100	99	CAERPHILLY	£128,155	£130,491	£128,299	-1.7%	0.1%
108	108	BLAENAU GWENT	£86,331	£83,624	£86,684	3.7%	0.4%



91	90	TORFAEN	£144,672	£150,377	£150,715	0.2%	4.2%
35	36	MONMOUTHSHIRE	£237,521	£247,326	£247,764	0.2%	4.3%
77	78	NEWPORT	£159,351	£168,758	£166,965	-1.1%	4.8%
		WALES	£164,637	£171,434	£171,110	-0.2%	3.9%
		E&W	£273,755	£294,622	£294,911	0.1%	7.7%

Table 3 above shows the average property price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary based on the GOR (Government Office Regions), for April 2015, March 2016 and April 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 April 2016, the monthly rate of house price inflation in England & Wales was 0.1% and the headline annual increase in prices for England & Wales was 7.7%.

Annual Trends

On an annual basis, prices in April 2016 have increased in England & Wales by 7.7%, down from the 8.0% in March, one month earlier. 95 of the 108 unitary authority areas have recorded price rises over the year, two less than last month, which represents some 88% of the England & Wales unitary authority areas. Of the 13 areas where prices fell, 4 are located in Wales, 3 are in the North East of England, 2 each are in the North West and the South West, with 1 each for Yorks and Humber and the 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 34 such locations, down by a significant 13 areas from last month. Of the 34 unitary authority areas that recorded a new peak, 12 are based in the South East, 7 each are in the South West and the East of England, with 4 in the Midlands and 2 in the North of England. As we discussed earlier, 4 of the 10 regions in England & Wales have set new peak prices in April 2016, down from 9 last month. 3 of these regions are in the south of the country, with the North West being the fourth.

Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in April 2016 shows an increase of 0.1%, which is the same as the previous month, but is down from the 1.6% recorded for February 2016. In April, there were price rises over the month in 63 of the 108 unitary authority areas (this is down from the 83 areas seeing increases in the previous month).

Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, in April it is Slough at 23.3% that tops the league with the highest annual rate of change in prices. In Slough, terraces and flats are the most popular property types and have seen their average prices rise over the year by £63k and £30k respectively. Given these considerable price increases it is no wonder that Slough tops the league in terms of annual growth rates. 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. Last year we pinpointed Reading, which is a terminus station for the Crossrail project, as one of the unitary authority areas having the highest increase in average house prices – it would appear that these high increases in the cost of housing are spreading along this major infrastructure project.

By way of contrast, the authority with the largest reduction in annual prices for the second month running is Merthyr Tydfil, where prices have fallen by 5.3%. In Merthyr the average price of a semi-detached property has declined from £122k in April 2015 to £100k one year later.

Transactions

Looking at the change in property transactions between February and April 2016, compared to the same three months in 2015, there were an additional 32,650 properties sold, which is an increase of 19%. It should be remembered that the sales in 2016 included the surge in sales in March, as purchasers sought to avoid paying the additional 3% surcharge on stamp duty, which came into effect on 1st April 2016. Of the additional properties sold, 11,550 were terraces, 8,300 were flats, 7,025 were semi-detached and 5,775 were detached properties. The increase in sales of terraces and flats is recognition of the strong presence of buy-to-let landlords in the market, this being their favoured property choice for onward rental.



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

City of Nottingham	+49%	(Terraces +150 properties)
City of Peterborough	+44%	(Terraces +85 properties)
Monmouthshire	+44%	(Terraces +50 properties)
Newport	+44%	(Terraces +70 properties)
The Vale of Glamorgan	+43%	(Terraces +65 properties)

In quantum terms, ignoring Greater London which dominates the market, Greater Manchester saw the largest increase in sales volumes, with an additional 2,035 properties sold, up 28%, of which 820 properties were terraces and 450 were flats.

There were two areas where transactions fell in the three months from February to April 2016 compared to the same three months in 2015, being Darlington, down 2%, and Pembrokeshire, down 1%. Darlington saw a reduction of 34 sales of detached properties over the period, while there were 11 fewer sales of semi-detached properties in Pembrokeshire.

ANNUAL CHANGE IN PRICE BY REGION

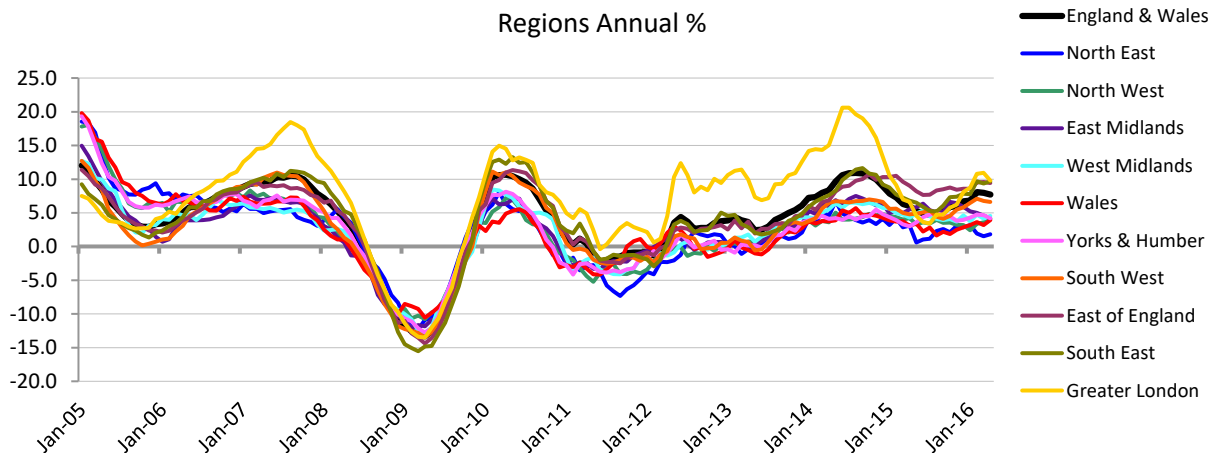


Figure 7. A comparison of the annual change in house prices, by region for the period January 2005 – April 2016

[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, April 2015 – April 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
May-15	£150,500	-1.7	0.6	£170,229	-0.2	3.3	£170,456	0.9	3.6	£184,837	0.5	5.8
Jun-15	£149,876	-0.4	1.1	£170,675	0.3	3.6	£171,603	0.7	4.4	£186,293	0.8	6.3
Jul-15	£149,332	-0.4	1.2	£171,234	0.3	3.4	£172,580	0.6	4.7	£186,325	0.0	5.4
Aug-15	£150,692	0.9	2.3	£173,422	1.3	4.0	£173,986	0.8	4.9	£186,905	0.3	5.1
Sep-15	£150,558	-0.1	2.6	£173,731	0.2	3.5	£174,751	0.4	4.7	£188,605	0.9	5.1
Oct-15	£151,312	0.5	2.1	£174,537	0.5	3.6	£176,045	0.7	4.5	£190,805	1.2	6.6
Nov-15	£151,771	0.3	3.1	£173,109	-0.8	3.2	£175,802	-0.1	3.8	£190,737	0.0	6.4
Dec-15	£153,094	0.9	2.9	£173,559	0.3	3.2	£176,174	0.2	4.0	£189,695	-0.5	5.9
Jan-16	£154,622	1.0	3.2	£173,682	0.1	2.4	£176,936	0.4	4.3	£190,094	0.2	5.2
Feb-16	£155,971	0.9	1.9	£176,055	1.4	3.4	£177,353	0.2	4.8	£191,821	0.9	5.0
Mar-16	£155,985	0.0	1.5	£176,902	0.5	3.6	£177,313	0.0	4.7	£192,070	0.1	4.6
Apr-16	£155,840	-0.1	1.8	£177,406	0.3	4.0	£176,088	-0.7	4.2	£191,619	-0.2	4.2

	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
May-15	£194,250	0.7	4.9	£280,542	0.0	8.2	£549,242	0.8	4.6	£332,213	0.7	6.5
Jun-15	£195,818	0.8	5.4	£282,105	0.6	7.7	£557,149	1.4	3.6	£333,211	0.3	5.9
Jul-15	£196,244	0.2	4.5	£283,518	0.5	7.7	£558,800	0.3	3.4	£335,046	0.6	5.3
Aug-15	£197,137	0.5	4.1	£288,256	1.7	8.3	£569,075	1.8	4.8	£336,819	0.5	5.2
Sep-15	£197,110	0.0	3.9	£290,566	0.8	8.5	£574,318	0.9	4.7	£340,572	1.1	6.1
Oct-15	£198,819	0.9	4.1	£293,236	0.9	8.8	£581,696	1.3	5.8	£344,915	1.3	7.3
Nov-15	£198,370	-0.2	3.7	£291,769	-0.5	8.4	£583,873	0.4	6.2	£346,409	0.4	7.4
Dec-15	£200,653	1.2	4.6	£294,376	0.9	8.6	£588,495	0.8	8.1	£348,822	0.7	7.9
Jan-16	£200,088	-0.3	3.7	£298,000	1.2	8.6	£593,807	0.9	8.7	£350,991	0.6	7.7
Feb-16	£202,332	1.1	4.7	£304,793	2.3	9.5	£602,253	1.4	10.8	£358,666	2.2	9.7
Mar-16	£201,434	-0.4	4.1	£306,180	0.5	9.6	£600,190	-0.3	10.9	£359,978	0.4	9.4
Apr-16	£201,675	0.1	4.6	£306,940	0.2	9.4	£598,421	-0.3	9.8	£361,847	0.5	9.7

	South West			Wales			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
May-15	£251,624	0.3	4.9	£164,089	-0.3	3.4		£274,960	0.4	5.3
Jun-15	£251,458	-0.1	5.1	£163,646	-0.3	2.2		£276,723	0.6	5.0
Jul-15	£253,459	0.8	5.4	£164,605	0.6	2.8		£277,883	0.4	4.7
Aug-15	£254,381	0.4	4.5	£164,973	0.2	1.7		£280,805	1.1	5.0
Sep-15	£255,132	0.3	4.1	£166,462	0.9	2.2		£282,851	0.7	5.2
Oct-15	£257,120	0.8	4.5	£167,721	0.8	1.8		£285,790	1.0	5.9
Nov-15	£258,411	0.5	5.5	£168,249	0.3	2.5		£286,140	0.1	6.0
Dec-15	£260,789	0.9	5.8	£169,151	0.5	2.9		£288,064	0.7	6.7
Jan-16	£261,243	0.2	6.5	£170,033	0.5	3.2		£289,817	0.6	6.8
Feb-16	£265,473	1.6	7.1	£172,037	1.2	3.6		£294,418	1.6	8.1
Mar-16	£266,058	0.2	6.8	£171,434	-0.4	3.2		£294,622	0.1	8.0
Apr-16	£267,630	0.6	6.6	£171,110	-0.2	3.9		£294,911	0.1	7.7
May-16								£293,599	-0.4	6.8



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 samplesLSL Acad E&W HPI is a price series as opposed to a value series.
2. the current month LSL Acad E&W HPI comprises a forecast of the LR outcome, using an academic “index of indices” model, pending release of sufficient real data from the Land Registry.
3. LSL Acad E&W HPI forecasts are progressively replaced with real data, until every transaction reported to the Land Registry has been recorded and we have provided our LSL Acad E&W HPI “ultimate” data. All LSL Acad E&W HPI numbers, published prior to receipt of all transaction data, are subject to change; in publishing precise numbers for a number of reasons, we do not claim precision.
4. the Acadata website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.
5. Acadata is an independent privately owned consultancy working with Dr Stephen Satchell, Economics Fellow Trinity College Cambridge, and specialist in the assessment of risk in property and mortgage portfolios.
6. Acadata DataLibrary 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 essential series here](#)). Our comprehensive selections of geography (national/ regional/ unitary authority/ postcodes) and of property types with mean and median prices provide the “off the shelf” historic data series and analyses needed for rapid study and commentary. The DataLibrary is available on subscription for e.g. property portfolio analysis, business planning and advisory purposes. For major lending institutions 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.
7. Given the postcodes in which a portfolio, fund or trust is invested, or in which a lender has exposure, an Acadata house price index for those postcodes alone indicates the effect of monthly house price changes on collateral. Our associated company MIAC Acadametrics provides loan revaluations, aligned to lender risk profile and regulatory requirements. Hearthstone plc uses our regional weights in planning the geography of their property portfolio. Our work has a strong academic foundation and our data are used by government. For more detail see www.acadata.co.uk.

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