

# LSL Property Services/Acadata England & Wales House Price Index

NOVEMBER 2014

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 12TH DECEMBER 2014

## House prices rise fastest since January 2005

- Annual growth accelerates to **11.3% (£28,560)** in November, buoyed by London and the South East
- Average house price across England & Wales exceeds **£280,000** for first time, after **0.8%** monthly rise
- Values climb across all regions in November 2014, but completed home sales squeezed by slow supply

House Price	Index	Monthly Change %	Annual Change %	Annual Change % (excluding London & SE)
<b>£280,733</b>	<b>269.1</b>	<b>0.8</b>	<b>11.3</b>	<b>5.7</b>

**David Newnes, director of Reeds Rains and Your Move estate agents, comments:** “Annual house price growth across England and Wales has more than doubled over the last twelve months, accelerating from 5.4% in November 2013, to 11.3% during the past year. This is strongest rate of annual growth seen for almost a decade, and the considerable £28,560 uplift in values over the twelve months to November 2014 has pushed the average price of a home in England and Wales above £280,000 for the first time.

“These figures are spurred on by London and the South East, where the housing recovery has been fast-tracked. When these regions are removed from the calculations, a calmer 5.7% annual rise in house prices materialises, the largest divergence on record. After a temporary hiatus at the highest tiers of the property market, growth has rallied again in the capital – with values in prime spots such as Kensington and Chelsea, and Hammersmith and Fulham surging 5.3% over the course of the month, hitting new price records along the way. Overall, average house prices in London are now 1.9% higher than September, rebounding back from a more moderate 0.8% increase the previous month, and driving annual price rises to 19.7% in the year to October 2014.

“Yet after a solid advance in activity throughout 2014 to date, completed house sales withdrew last month, from a particularly busy October. House sale completions in November also dipped below the level witnessed a year previously. This doesn’t undermine the strength and stability of the growth in activity experienced over the year as a whole in some locations – for instance, completions have jumped 58% in Slough in the last year, propelling an 18.5% increase in average house prices in the area over this time.

“Breaking up the outdated and unloved slab system of Stamp Duty should also allow activity to build further at the bottom rungs of the ladder, facilitating hefty savings. This should help erode the up-front barriers of purchasing a home for the significant majority of buyers – and sellers may feel the benefit of weightier demand, as well as being able to price their homes more realistically, without having to tactically negotiate threshold barriers. Meanwhile, the impact on the top end of the market isn’t as black and white as it may seem at first glance with properties ranging between £1 million and £1,125,000 liable for less stamp duty than before although above that there are no winners. In the year to September 2014, 69% of completed house sales on properties worth £1,125,000 or more were in London, and a further 19% took place in the South East. While these more expensive regions will bear the brunt of stronger Stamp Duty tax at the highest levels, the largest savings under the new rules will actually be on homes priced just above £1million, where buyers will find themselves £6,250 better off.”

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

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

# House price index: historical data



Table 1. Average House Prices in England & Wales for the period November 2013 – November 2014

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
<b>November</b>	<b>2013</b>	£252,171	242.9	0.5	5.4
<b>December</b>	<b>2013</b>	£254,604	244.1	1.0	6.0
<b>January</b>	<b>2014</b>	£258,531	247.8	1.5	7.1
<b>February</b>	<b>2014</b>	£260,992	250.2	1.0	7.2
<b>March</b>	<b>2014</b>	£263,700	252.8	1.0	7.8
<b>April</b>	<b>2014</b>	£265,339	254.3	0.6	8.2
<b>May</b>	<b>2014</b>	£268,363	257.2	1.1	9.5
<b>June</b>	<b>2014</b>	£271,254	260.0	1.1	10.6
<b>July</b>	<b>2014</b>	£272,728	261.4	0.5	10.8
<b>August</b>	<b>2014</b>	£274,655	263.3	0.7	10.8
<b>September</b>	<b>2014</b>	£275,907	264.5	0.5	10.6
<b>October</b>	<b>2014</b>	£278,456	266.9	0.9	11.0
<b>November</b>	<b>2014</b>	£280,733	269.1	0.8	11.3

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

## House prices

In November, the average price paid for a home in England & Wales was £280,733. This was an increase of £2,277, or 0.8%, over the previous month. It sets another new peak average price for England & Wales, for the seventeenth month in succession.

On an annual basis, average house prices in England & Wales have risen by £28,560, or 11.3%, since November 2013. This represents an increase of 0.3% from the 11.0% recorded last month. The annual rate of 11.3% is the highest it has been since January 2005, although this is still only half of the 22.5% experienced in December 2002.

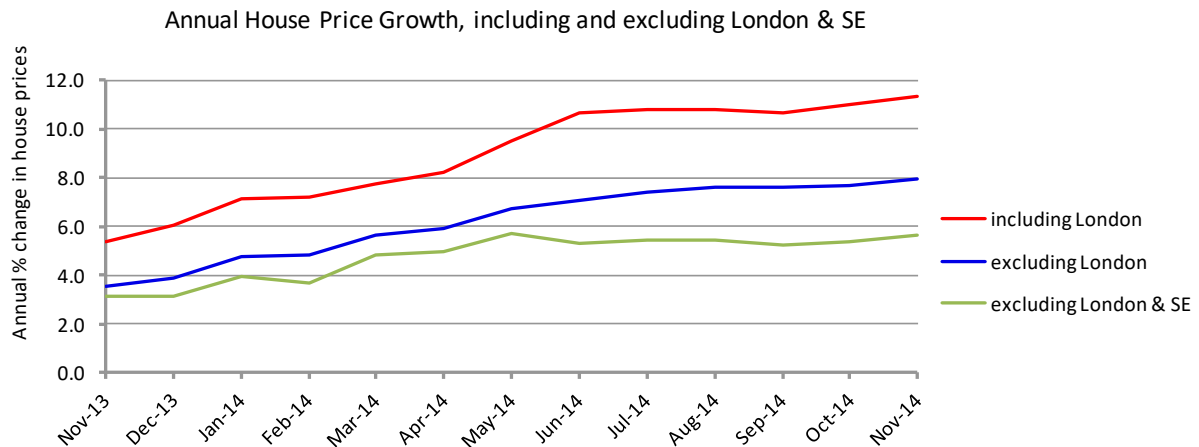


Figure 1. The Annual Rate of House Price Growth by month November 2013 – November 2014, including and excluding London & SE [link to source Excel](#)

The average price of a home in England & Wales is skewed by house prices in Greater London and the South East of England. As Figure 1 above shows, the annual rate of house price inflation falls to 7.9% if Greater London is excluded, and to 5.7% if we exclude both Greater London and the South East. The difference between the annual rate of house price inflation for England & Wales as a whole, at 11.3%, and the rate excluding London and the South East, at 5.7%, is 5.6%. The divergence in these two rates is the largest we have on record since we started monitoring this metric in 2005.

A major change took place in the housing market in November, in that the estimated number of transactions fell by 20% from the levels recorded in October. It is the first time in twenty months that sales volumes have fallen below those achieved in the same month one year earlier.

It is somewhat surprising that sales volumes have fallen this sharply, given the continued low and reduced interest rates, and falls in unemployment levels. On both a seasonally adjusted and non-seasonally adjusted basis, transactions in England, Wales and the UK have risen through the year, albeit with some fluctuations (and recently more slowly than the Office for Budget Responsibility - OBR - expected). This recovery in housing market activity was matched in the mortgage market by the growth in mortgage lending that was evident in 2013, continuing into 2014 but then faltering in the second half of the year - as is evident as well in the monthly rate of house price inflation.

The strength of the recovery was partly built around government measures such as Help to Buy and the mortgage guarantee scheme, both of which injected new activity into the market. However, in April we then had the new mortgage market rules (and the foreshadowing of the Mortgage Credit Directive rules due in 2016), and moves by the Financial Policy Committee to rein in the mortgage market (and through that house prices and market activity). The scale of government intervention has continued to intensify with a current consultation on the FPC housing market tools (on whether to put in place controls on Loan to Value and Debt to Income levels) and of course the most recent changes to Stamp Duty (discussed below). The new rules, and the overall scale and complexity of regulatory and government engagement around the mortgage market, were bound to have spill over effects on prices and transactions - the impact of which was hard to estimate in advance. The evidence now begins to suggest there is real 'braking' power being exercised, and not least by the lenders themselves who have to allow a margin of caution to ensure that they stay within whatever regulatory limits are being imposed.



Looking forward, the other major housing related news story this month is that of the long-called-for reform of Stamp Duty Land Tax (SDLT). In his Autumn Statement the Chancellor changed, with immediate effect, the previous problematic 'slab' method of taxing property sales to that of a more progressive 'graduated' structure. Figure 2 below highlights the change in tax payable under the new SDLT regime when compared to the old rates.

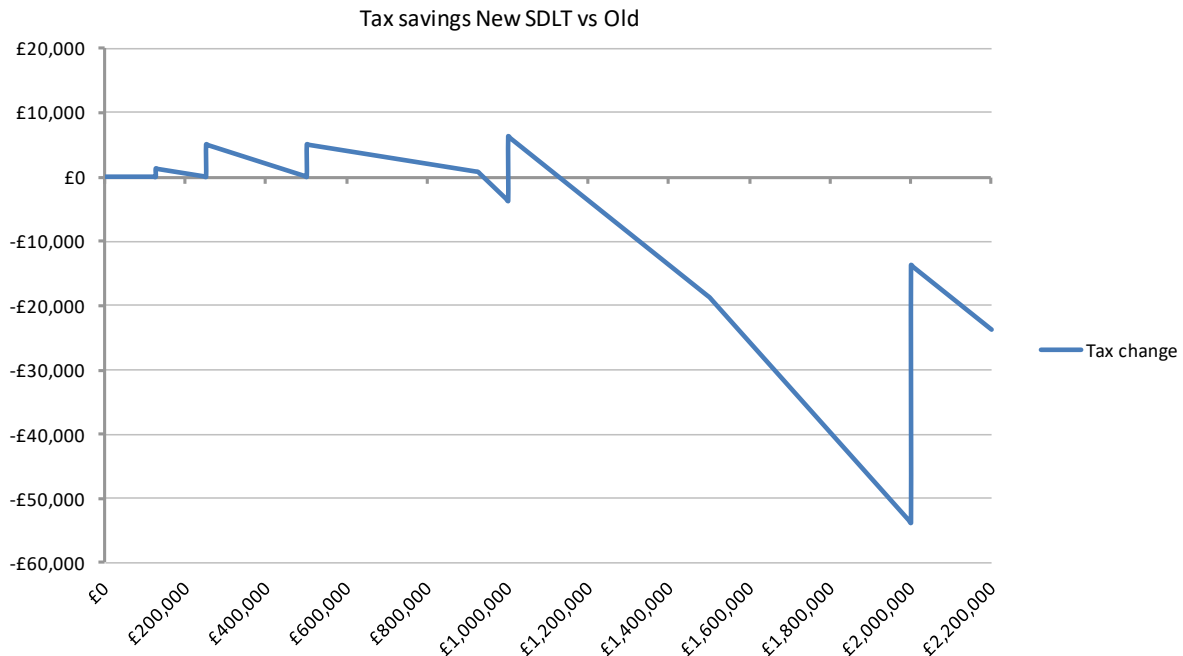


Figure 2. The change in Stamp Duty, showing the savings made or the increase in tax payable, between the old and new rates of SDLT [link to source Excel](#)

The above graph shows the tax savings between the new and the old SDLT rates. As the graph shows, buyers will be paying no more tax than under the old rates for properties priced between £0 - £937,500. In addition to the zero tax rate on houses priced between £0 - £125,000, there are five points on the house price axis where the new and old rates of tax are identical; at £250,000, £500,000, £937,500, £1,000,000 and £1,125,000. There is also a "sweet" spot on the graph for properties priced between £1,000,000 and £1,125,000 where stamp duty taxes will be less under the new system than the old. In fact, the maximum level of tax saved under the new SDLT rates is on properties priced just above £1,000,000, where a saving of £6,250 can be enjoyed.

It is interesting to consider the likely effects of this tax change on property prices. As we observe, the cost of buying a home will fall for properties in the price brackets £125,000 - £937,500 and in the 'sweet' spot from £1,000,000 - £1,125,000. But as the above graph shows, the savings across these bands are not uniform, ranging from £0 - £6,250, so it is difficult to make generalised statements. However, one would expect demand to increase when transaction costs are reduced, so we would anticipate higher sales volumes for properties in these price brackets. Whether it is the buyer who will gain from the reduction in tax, or the seller who will gain by the increase in demand for properties, will depend on the particular state of the relevant market at the time.

Figure 3 on page 6 shows the frequency distribution for house purchases by price for the first six months of 2014. The stamp duty thresholds under the previous slab tax system at £125,000, £250,000 and £500,000 are clearly observable on the graph. Under the new tax system, these threshold limits will have less impact, so we will expect future distribution graphs to have a smoother transition over the different price bands. We may also see the 'mode' price (the most frequent price paid for a property) start to increase as the significance of the £125,000 tax threshold becomes less marked.

The new SDLT rates can be considered as a tax on those living in Greater London and the South East. Our research shows that, for the period October 2013 - September 2014, there were 11,218 property sales in England & Wales at a price of £1,125,000 and above. Of this total, 69% were in the Greater London area, and in the regions 19% were in the South East, 6% were in the East of England, 3% were in the South West, and 3% in the remaining five regions. Clearly, the property buyers hardest hit by the new rates of SDLT are nearly all based in the south of England.



The OBR suggests in their report on *the Economic and Fiscal Outlook* published this month that ‘the immediate reforms to stamp duty land tax announced in the Autumn Statement are likely to have significant effects on the UK housing market. The main effect is likely to be distributional - house prices and transactions will be lifted at lower prices (where the effective tax rate has been reduced), and will be depressed at higher prices (where the effective tax rate has risen).’

Thus we currently have a slowing market which may now be re-stimulated to a degree in much but not all of the UK by the Stamp Duty changes. These coincide with Christmas, which typically leads to a lull in activity, so it will take a little time to see how the changes in SDLT work through. As we discuss above, it will not only affect transactions but also price indices, given the major effect that London activity has on such measures. This will be a further factor to take into account in 2015. We must also recognise that any price inflation will draw ever more properties into higher bands, so there will be a continuing tightening.

At this time of year we see the publication of many reviews of the market - both outturns for 2014 and prospects for 2015. Acadata does not forecast prices - we report what actually is happening, and in a detailed way. However, it is clear that expectations for 2015 are mixed. It is likely that some of these forecasts will be revised in the light of the SDLT change. Taking a broad average of the half dozen or so published forecasts to date, we might be expecting prices to rise by around 4% in 2015, though CEBR is suggesting they will fall by 0.8% in the UK and 2.6% in London.

The OBR report states ‘Our latest forecast is for 10.6 per cent growth in 2014-15 as a whole, 2.0 percentage points higher than our forecast in March. House prices rise faster than earnings for most of the forecast period thanks to low interest rates and the fact that household income growth has historically had a more than one-for-one impact on house prices.’ The OBR then sees price growth slowing over its forecast period to 2019-20, though it remains optimistic that UK transactions will rise throughout to peak at 1,503,000 in that year (on the HMRC measure). This level of transactions is seen as the long term average for the UK market, though one might question whether this will be achieved given the profound changes that have been working their way through the housing system: these include the shifts between owning and renting, continued affordability pressures and the scale of government interventions, some of which will be unwound over the next few years.

Clearly the market overall has recovered from the low points of 2009/10. The outturn for 2014 will probably be around £212bn gross and £22bn net - up substantially on the £176bn gross and £11bn net in 2013. That said, there is some uncertainty building around the General Election and any implications this may have for the housing market (eg, a Mansion Tax), and that will add to the other pressures already in the system. Given the political salience of housing and the scale of interventions in place and due to come into place there will be much to follow and to assess.



## Analysing sale price bands

This month we include an analysis of the frequency distribution by price of the sale of properties in England & Wales between January and June 2014. The data source for this frequency distribution analysis is the Land Registry price paid dataset, which lists every arms-length transaction in the domestic property markets of England & Wales, but excludes reposessions, properties sold to commercial organisations and properties sold by auction.

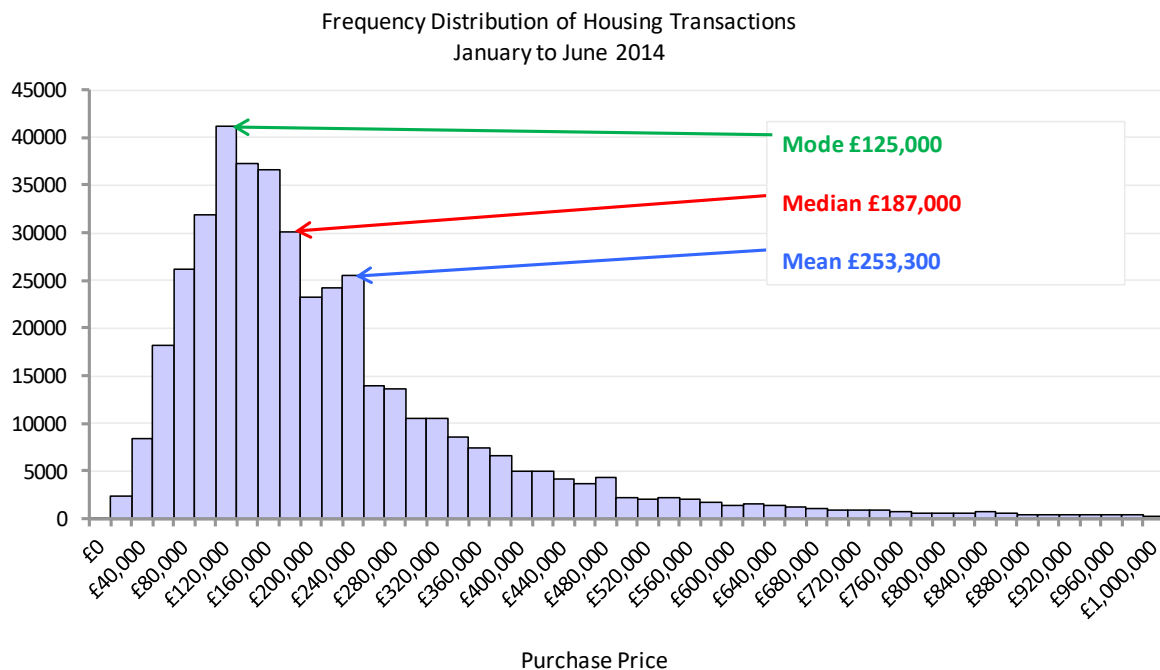


Figure 3. The frequency distribution of housing transactions from Jan - Jun 2014, analysed by purchase price

[link to source Excel](#)

Unsurprisingly, the distribution as shown in Figure 3 is left skewed, with a long tail of the most expensive properties to the right. The total number of properties sold during the 6 month period was 430,853. In the interests of space we have truncated the scale along the bottom (x) axis to £1 million (the highest valued property sold during the first six months of 2014 was £49.6 million).

The main measures used by statisticians to describe such a distribution are the mode (the most frequent price), the median (the half-way price) and the mean (the arithmetic average price). In the above distribution the mode is £125,000, (no change from 2013), the median is £187,000 (a £7,000 increase from H1 2013) and the arithmetic mean is £253,300 (a £13,300 increase from the average for H1 2013).

The mode price at £125,000 corresponds to the level at which stamp duty becomes payable on the sale of a property. It would thus appear that the most frequent price at which a property is sold matches the highest price at which stamp duty remains at a zero rate. It is quite clear that the now superseded stamp duty thresholds have had an influence on the distribution of property prices right up the price scale. There is an observable cliff edge in the distribution at £250,000, where the old slab SDLT rates changed from 1% to 3% and a similar, if smaller, cliff edge at £500,000 when the old slab SDLT rates changed from 3% to 4%. These cliff edges were inevitable given the previous slab system for stamp duty, which meant buyers had to negotiate hard to stay under those price points and thus pay less duty.

## Housing Transactions

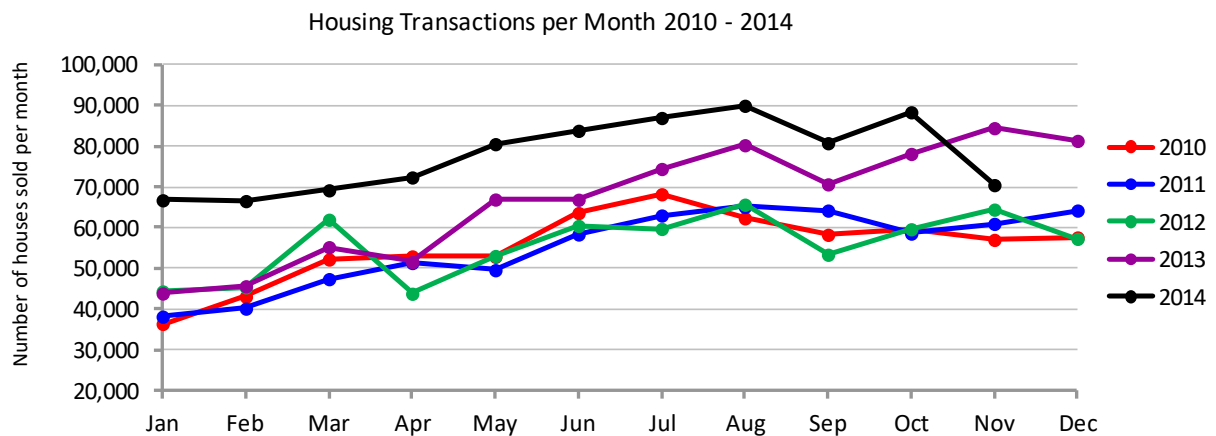
We estimate that the number of housing transactions in England & Wales in November 2014, as recorded by the Land Registry, will total some 70,500. This level is 20% lower than that seen in October 2014, against a typical reduction of 2% for the time of the year. It is the first time in twenty months that we estimate sales volumes will have fallen below those achieved in the same month one year earlier. The performance in November 2014 is all the more odd as the number of transactions in October 2014 was the second highest in a month since November 2007.





We estimate that for the calendar year 2014 there will have been a total of 925,000 transactions in England & Wales, based on the Land Registry definitions. This represents an increase of 16% over 2013 levels, although as Figure 4 shows, the major change in sales volumes took place in the first half of 2014. It will also be the highest level of transactions in any year since 2007, when sales in England & Wales totalled 1,277,000.

As can be seen in Figure 4 below, sales volumes in November 2014 have fallen below those of November 2013, the first time that transaction levels have been lower than the previous year since March 2013. It will be interesting to see whether the new SDLT levels, which favour those buying houses priced below £937,500, and which represented 98% of all sales in the first six months of 2014, will result in an increase in transactions in the



New Year.

Figure 4. Number of properties sold per month in England & Wales, January 2010 – November 2014. Source Land Registry [link to source Excel](#)

The CML has recently published its report on loans for the housing market during the third quarter of 2014. Loans to first time buyers in Q3 2014 were up by 15% on 2013, loans to home movers were up by 10% over the same period, with loans to buy-to-let landlords seeing an increase of 16%. Overall, the CML estimate that loans to all classes of house purchasers increased by 13% between Q3 2013 and Q3 2014, though as we note this more buoyant view then needs to be qualified by what will unfold during Q4 2014. The CML data compare to our own estimates, based on land registry data, of a 14% increase in purchases in Q3 2014 compared to Q3 2013 - our own figures include cash transactions as well as loans, whereas the CML data are solely based on loans.

## 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 Acadata website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.
- 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.
- Acadata Prices and Transactions [\[sample here\]](#), which exclude any forecast element, underlie the LSL Acad E&W HPI data and are available upon subscription for organisations needing the factual month by month Land Registry prices, at county/London borough level by property type, for e.g. property portfolio valuation, planning and advisory purposes.

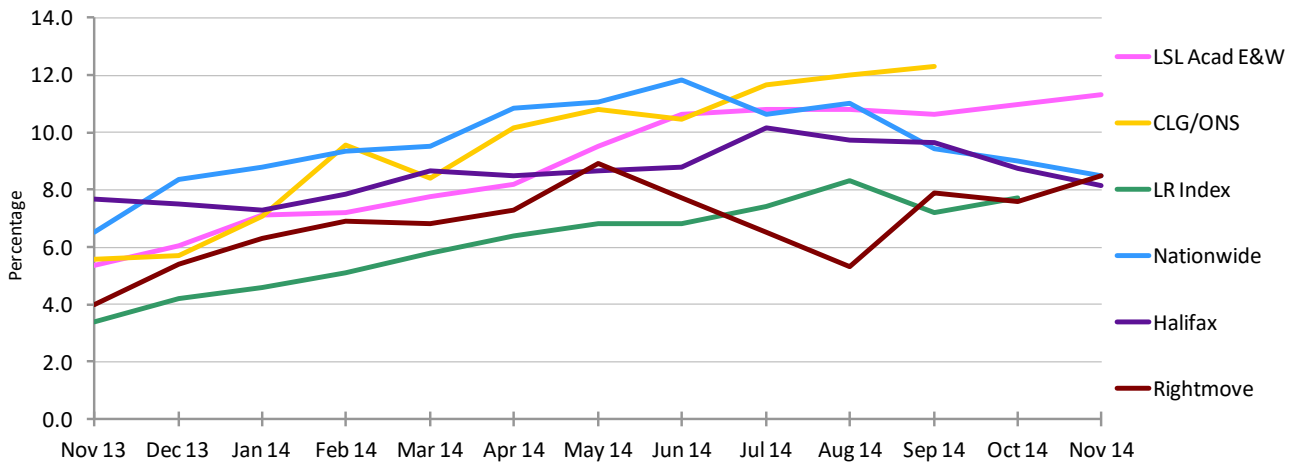


Figure 5. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

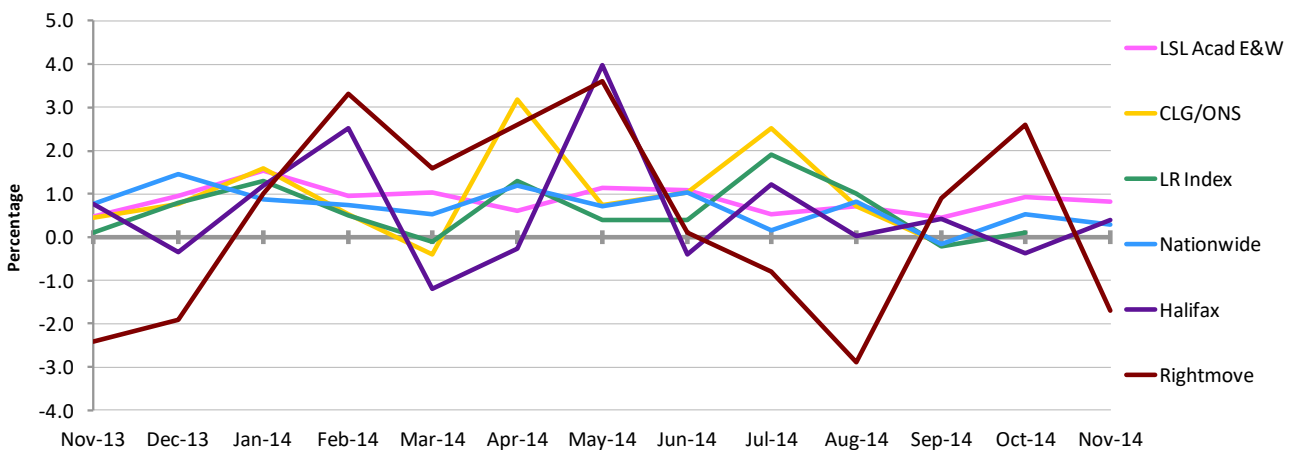


Figure 6. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

Looking at the annual rate of change in house prices for those having published indices in November, LSL Acad and Rightmove are showing an increase in prices since last month, while Nationwide and Halifax are both recording falls in the rate of house price inflation. The Rightmove Index is based on sellers' asking prices, as opposed to the price achieved, but it is interesting to note that sellers' expectations are now higher than they were one year ago, despite the 1.7% fall in the Rightmove prices seen in the month. The ONS Index is based on figures provided by the mortgage lenders, and uses a similar methodology to the LSL Acad Index. The ONS Index does not however include cash sales, which account for approximately 35% of all purchases in 2013 but has been edging down in 2014 as mortgage availability has improved. The difference between the ONS Index and the LSL Acad Index suggests that cash purchasers are able to obtain discounts from the seller in exchange for a more certain sale, which leads to a lower average sale price.

Excluding Rightmove, the rate of change in house prices for the month of November ranges from +0.3% (Nationwide) to +0.8% (LSL Acad). The Rightmove figure is the most volatile of the published monthly indices, with the negative 1.7% recorded in November following on from a positive 2.6% recorded in October. It is also instructive to look at the Rightmove monthly figure for November 2013, which showed a decline in sellers' asking prices of 2.4%. Thus the Rightmove price fall in the month of November was less pronounced in 2014 than in 2013.

Acadata has published a [briefing note](#) on the different house price indices and their performance over time. Readers are invited to download this document from the Acadata website in order to develop a fuller perspective on house price analysis. This is now a key area for both debate and intervention, and not least as the ONS is currently in a consultation phase on its new government house price index, which has a potential launch date of February 2016.



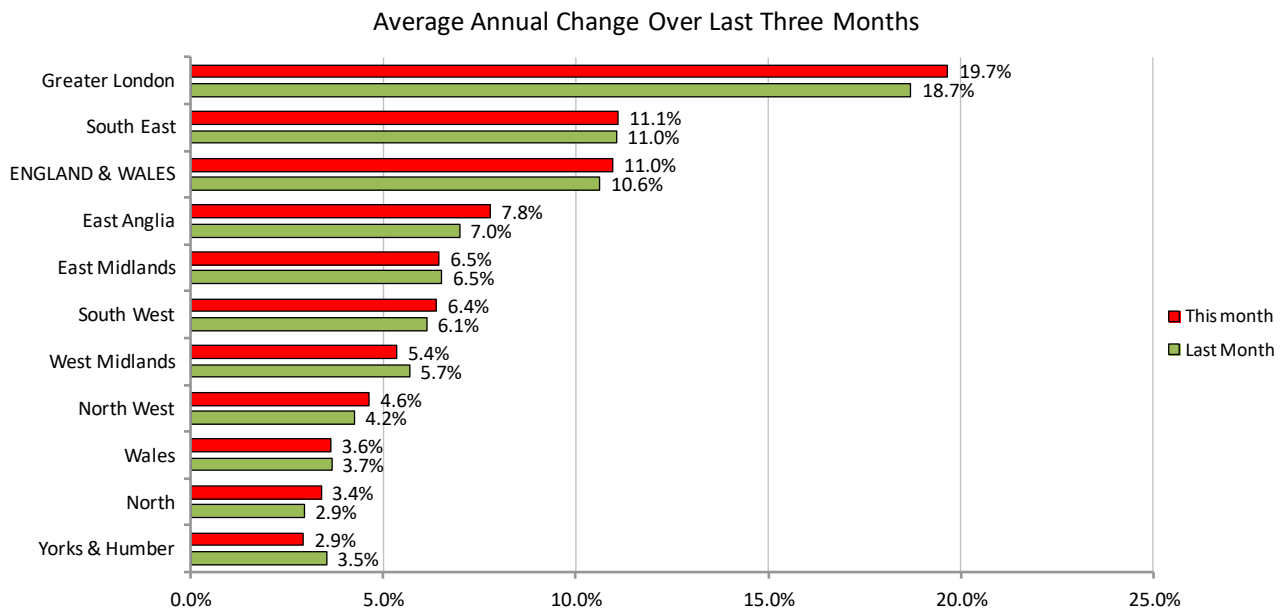


Figure 7. The annual change in the average house price, analysed by region

[link to source Excel](#)

Figure 7 above shows the annual rate of change, averaged over three months, for each of the ten regions in England & Wales. All ten regions are showing a positive quarterly movement in house prices. This month six regions are showing an increase in their averaged annual rate of change compared to the previous month, with Greater London being among them, having the highest rate of change of all the ten regions. Four regions are also recording peak average house prices this month, being the South West, the South East and Greater London, with East Anglia having re-joined the group as prices in the region rose by 0.6% during October.

### London and the South East v the Rest

This month, as discussed earlier, we have been analysing the extent to which house price inflation in England & Wales would differ if we were to exclude Greater London and the South East from the HPI calculations. The results of this analysis are shown in Table 2 below. The inclusion of Greater London and the South East causes the annual percentage increase in average house prices in England & Wales, at 11.3%, to be 5.6% higher than they otherwise would have been. The figure of 5.6% is the largest variance between the two rates that we have recorded since we began monitoring this metric in 2005.

Month	including London	excluding London	excluding London & SE
<b>Nov-13</b>	5.4	3.5	3.1
<b>Dec-13</b>	6.0	3.9	3.1
<b>Jan-14</b>	7.1	4.8	3.9
<b>Feb-14</b>	7.2	4.8	3.7
<b>Mar-14</b>	7.8	5.7	4.8
<b>Apr-14</b>	8.2	5.9	4.9
<b>May-14</b>	9.5	6.7	5.7
<b>Jun-14</b>	10.6	7.1	5.3
<b>Jul-14</b>	10.8	7.4	5.4
<b>Aug-14</b>	10.8	7.6	5.4
<b>Sep-14</b>	10.6	7.6	5.2
<b>Oct-14</b>	11.0	7.7	5.3
<b>Nov-14</b>	11.3	7.9	5.7

Table 2. The annual percentage change in house prices in England & Wales, from November 2013 – November 2014, including and excluding Greater London and the South East.

[link to source Excel](#)



## ANNUAL CHANGE IN PRICE BY REGION

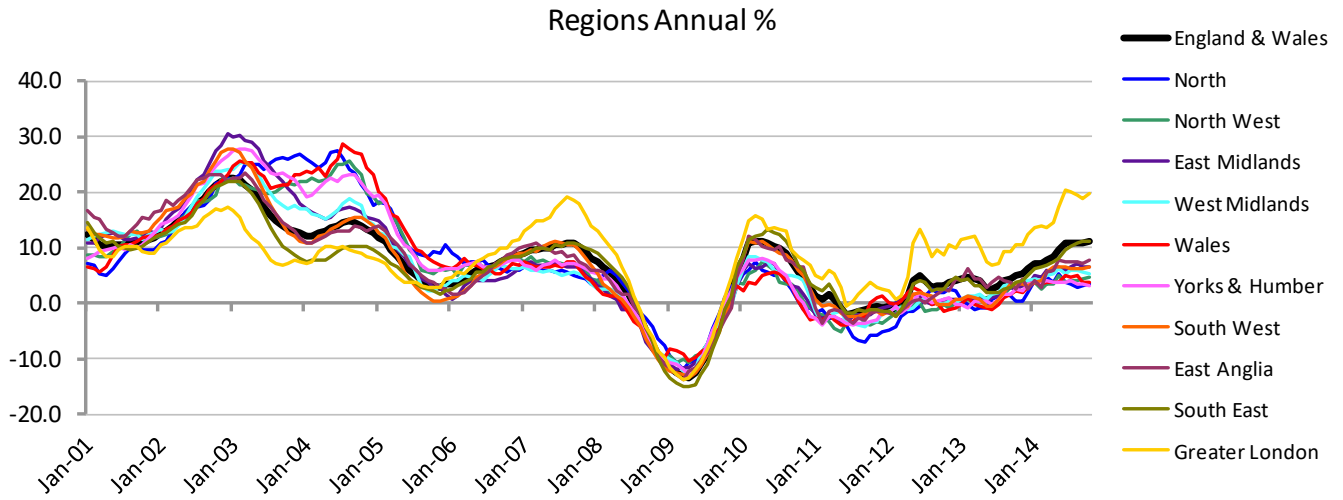


Figure 8. A comparison of the annual change in house prices, by region for the period January 2001 – October 2014

[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 7 NOTE 4 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.

# London boroughs, Counties and unitary authorities



Table 3. The change in house prices, for the 33 London boroughs, comparing October 2013 and September 2014 with October 2014. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Oct-13	Sep-14	Oct-14	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,592,113	1,970,693	2,076,117	5.3%	30.4%
2	2	CITY OF WESTMINSTER	1,253,224	1,533,773	1,598,519	4.2%	27.6%
5	3	CITY OF LONDON	754,472	984,584	989,744	0.5%	31.2%
4	4	HAMMERSMITH AND FULHAM	800,648	939,768	989,165	5.3%	23.5%
3	5	CAMDEN	810,874	993,498	987,418	-0.6%	21.8%
6	6	RICHMOND UPON THAMES	653,965	753,910	784,293	4.0%	19.9%
7	7	WANDSWORTH	644,023	741,944	749,304	1.0%	16.3%
8	8	ISLINGTON	582,579	682,050	692,303	1.5%	18.8%
11	9	MERTON	478,417	614,528	635,166	3.4%	32.8%
9	10	BARNET	507,904	568,852	572,524	0.6%	12.7%
10	11	HARINGEY	481,576	550,263	556,697	1.2%	15.6%
15	12	SOUTHWARK	448,260	558,853	553,526	-1.0%	23.5%
12	13	LAMBETH	472,259	531,192	545,861	2.8%	15.6%
13	14	HACKNEY	457,302	534,912	541,475	1.2%	18.4%
16	15	EALING	440,716	520,164	523,630	0.7%	18.8%
17	16	KINGSTON UPON THAMES	426,412	513,249	520,048	1.3%	22.0%
18	17	HOUNSLOW	422,402	461,155	477,523	3.5%	13.0%
14	18	BRENT	449,835	470,677	472,888	0.5%	5.1%
19	19	TOWER HAMLETS	406,796	439,973	445,220	1.2%	9.4%
21	20	BROMLEY	373,047	426,243	431,378	1.2%	15.6%
20	21	HARROW	383,691	420,955	424,545	0.9%	10.6%
25	22	LEWISHAM	315,190	381,942	384,224	0.6%	21.9%
28	23	WALTHAM FOREST	291,162	365,594	370,407	1.3%	27.2%
23	24	ENFIELD	319,364	363,848	368,634	1.3%	15.4%
26	25	HILLINGDON	311,607	365,156	367,402	0.6%	17.9%
22	26	GREENWICH	344,178	377,480	367,326	-2.7%	6.7%
24	27	REDBRIDGE	318,876	361,061	359,101	-0.5%	12.6%
27	28	SUTTON	295,463	348,349	351,570	0.9%	19.0%
29	29	CROYDON	280,688	327,944	330,408	0.8%	17.7%
30	30	HAVERING	258,266	300,703	301,935	0.4%	16.9%
32	31	NEWHAM	236,006	288,701	291,627	1.0%	23.6%
31	32	BEXLEY	243,094	281,058	282,949	0.7%	16.4%
33	33	BARKING AND DAGENHAM	184,580	216,016	218,308	1.1%	18.3%
		ALL LONDON	492,274	577,821	589,062	1.9%	19.7%

Table 3 above shows the average house price and percentage change (over the last month and year) by London borough for October 2013, September 2014 and October 2014. The rate of annual house price inflation in October in London was 19.7%, up 1.0% from September. This rise in the annual rate was unexpected, as it followed two consecutive months in which the annual rate of house price inflation in London had been falling. It underlines how quickly a significant part of the London market will be impacted by the Stamp Duty changes.

All 33 London boroughs have seen average house prices increase over the year, ranging from +32.8% in Merton to +5.1% in Brent. In Merton, flats and terraces are the most popular property choice, and both of these property types have seen a steady increase in prices over the year. Merton also encompasses the area around Wimbledon Tennis Club, which is one of the most expensive areas for detached properties outside of prime central London.

During the month of October, average house prices rose in London by 1.9%, up from the 0.8% increase recorded in the previous month. In October there were 4 boroughs with negative price movements during the month, compared to the 14 boroughs showing price falls in September. As we reported last month, it was the higher priced areas of London that had seen prices falling, but this trend has reversed in October, with both Kensington and Chelsea, and Hammersmith and Fulham recording price increases of 5.3% in the month.

In October there are 21 boroughs with peak prices (highlighted in grey in the above table), compared to 17 such boroughs one month earlier. Again, the trend has reversed from the previous month, when it was mostly the lower-priced boroughs that were experiencing peak prices. We now show seven of the top ten boroughs by price recording new peak average prices.

Transactions in London for the three month period August - October 2014 are 0.7% lower than the same period in 2013. All property types, except for flats, are showing a decline in the numbers sold, with semi-detached properties seeing the largest fall, down 10% on the year. The borough recording the highest rise in properties sold over the same three month period is Newham, up 30%, with flat sales in the borough increasing by 57%, at an average price of £257k. By way of contrast, the number of flats sold in Islington has fallen from the previous year by 17%, with an average price of £517k. Again the data show how the housing market in East London has been strengthening, reflecting demand as well as transport improvements.

# London boroughs, Counties and unitary authorities



## 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 October 2013 and September 2014 with October 2014. 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	Oct-13	Sep-14	Oct-14	Monthly change	Annual Change
17	20	CAMBRIDGESHIRE	253,200	268,116	268,502	0.1%	6.0%
73	67	CITY OF PETERBOROUGH	156,859	168,867	168,823	0.0%	7.6%
47	47	NORFOLK	191,697	203,126	203,848	0.4%	6.3%
42	37	SUFFOLK	205,662	225,761	228,882	1.4%	11.3%
		<b>EAST ANGLIA</b>	<b>210,018</b>	<b>225,040</b>	<b>226,354</b>	<b>0.6%</b>	<b>7.8%</b>
87	79	CITY OF DERBY	143,621	155,930	155,933	0.0%	8.6%
97	94	CITY OF NOTTINGHAM	120,406	133,102	136,780	2.8%	13.6%
65	69	DERBYSHIRE	161,688	169,432	168,555	-0.5%	4.2%
82	85	LEICESTER	147,638	148,930	148,841	-0.1%	0.8%
48	46	LEICESTERSHIRE	188,817	206,002	205,756	-0.1%	9.0%
68	70	LINCOLNSHIRE	160,062	167,039	168,412	0.8%	5.2%
49	51	NORTHAMPTONSHIRE	186,957	199,711	199,145	-0.3%	6.5%
71	68	NOTTINGHAMSHIRE	157,689	167,429	168,616	0.7%	6.9%
14	18	RUTLAND	269,519	288,268	272,851	-5.3%	1.2%
		<b>EAST MIDLANDS</b>	<b>166,495</b>	<b>177,030</b>	<b>177,248</b>	<b>0.1%</b>	<b>6.5%</b>
		<b>GREATER LONDON</b>	<b>492,274</b>	<b>577,821</b>	<b>589,062</b>	<b>1.9%</b>	<b>19.7%</b>
63	65	CUMBRIA	164,446	169,610	170,084	0.3%	3.4%
84	92	DARLINGTON	144,672	142,378	143,209	0.6%	-1.0%
99	99	DURHAM	117,974	122,839	123,077	0.2%	4.3%
98	96	HARTLEPOOL	120,180	128,768	128,471	-0.2%	6.9%
100	100	MIDDLESBROUGH	113,311	120,157	116,504	-3.0%	2.8%
57	61	NORTHUMBERLAND	172,491	174,383	174,380	0.0%	1.1%
94	95	REDCAR AND CLEVELAND	129,331	126,029	129,775	3.0%	0.3%
83	87	STOCKTON-ON-TEES	147,021	145,287	146,707	1.0%	-0.2%
89	82	TYNE AND WEAR	142,999	149,058	150,578	1.0%	5.3%
		<b>NORTH</b>	<b>144,227</b>	<b>148,349</b>	<b>149,114</b>	<b>0.5%</b>	<b>3.4%</b>
104	102	BLACKBURN WITH DARWEN	105,518	110,068	111,573	1.4%	5.7%
105	104	BLACKPOOL	102,517	109,727	108,492	-1.1%	5.8%
37	35	CHESHIRE	215,611	225,503	230,499	2.2%	6.9%
76	75	GREATER MANCHESTER	153,589	160,838	160,530	-0.2%	4.5%
85	86	HALTON	143,841	148,359	147,871	-0.3%	2.8%
79	78	LANCASHIRE	151,759	155,494	156,337	0.5%	3.0%
88	83	MERSEYSIDE	143,597	148,548	150,517	1.3%	4.8%
50	52	WARRINGTON	185,285	191,374	190,829	-0.3%	3.0%
		<b>NORTH WEST</b>	<b>158,230</b>	<b>164,559</b>	<b>165,578</b>	<b>0.6%</b>	<b>4.6%</b>
24	28	BEDFORDSHIRE	229,653	245,436	248,326	1.2%	8.1%
11	10	BRACKNELL FOREST	291,500	318,668	322,903	1.3%	10.8%
9	9	BRIGHTON AND HOVE	305,958	333,738	334,348	0.2%	9.3%
3	3	BUCKINGHAMSHIRE	367,045	407,101	410,360	0.8%	11.8%
19	17	EAST SUSSEX	248,144	272,133	274,888	1.0%	10.8%
16	15	ESSEX	254,911	276,087	277,004	0.3%	8.7%
13	13	HAMPSHIRE	276,025	298,030	300,072	0.7%	8.7%
4	4	HERTFORDSHIRE	338,249	380,708	387,594	1.8%	14.6%
43	45	ISLE OF WIGHT	203,203	207,571	205,800	-0.9%	1.3%
20	16	KENT	248,139	275,264	275,372	0.0%	11.0%
62	57	LUTON	165,331	182,488	182,604	0.1%	10.4%
51	49	MEDWAY	181,452	198,210	200,205	1.0%	10.3%
35	31	MILTON KEYNES	216,991	236,930	241,637	2.0%	11.4%
6	6	OXFORDSHIRE	327,041	353,678	355,617	0.5%	8.7%
60	53	PORTSMOUTH	171,079	189,806	188,862	-0.5%	10.4%



22	19	READING	237,452	272,847	270,393	-0.9%	13.9%
30	21	SLOUGH	221,515	261,820	262,587	0.3%	18.5%
55	50	SOUTHAMPTON	177,873	195,605	199,500	2.0%	12.2%
31	24	SOUTHEND-ON-SEA	220,706	245,468	250,789	2.2%	13.6%
2	2	SURREY	423,323	470,357	473,272	0.6%	11.8%
46	42	THURROCK	192,276	215,862	217,260	0.6%	13.0%
8	7	WEST BERKSHIRE	308,929	351,335	352,701	0.4%	14.2%
12	12	WEST SUSSEX	284,998	316,598	316,117	-0.2%	10.9%
1	1	WINDSOR AND MAIDENHEAD	450,269	535,328	541,992	1.2%	20.4%
5	5	WOKINGHAM	335,740	390,745	383,730	-1.8%	14.3%
		<b>SOUTH EAST</b>	<b>289,091</b>	<b>319,161</b>	<b>321,169</b>	<b>0.6%</b>	<b>11.1%</b>
10	8	BATH AND NORTH EAST SOMERSET	304,504	333,813	335,397	0.5%	10.1%
28	29	BOURNEMOUTH	222,855	248,864	247,688	-0.5%	11.1%
33	26	CITY OF BRISTOL	218,597	248,760	249,920	0.5%	14.3%
67	64	CITY OF PLYMOUTH	160,770	169,961	171,308	0.8%	6.6%
29	34	CORNWALL	222,428	230,247	233,239	1.3%	4.9%
21	23	DEVON	237,473	251,611	251,479	-0.1%	5.9%
15	14	DORSET	267,732	281,396	282,091	0.2%	5.4%
23	27	GLOUCESTERSHIRE	236,613	250,356	249,465	-0.4%	5.4%
25	25	NORTH SOMERSET	226,041	245,453	250,019	1.9%	10.6%
7	11	POOLE	321,101	314,248	317,197	0.9%	-1.2%
40	41	SOMERSET	208,936	218,899	219,163	0.1%	4.9%
32	33	SOUTH GLOUCESTERSHIRE	218,654	234,584	237,593	1.3%	8.7%
59	56	SWINDON	171,466	183,881	184,624	0.4%	7.7%
52	55	TORBAY	180,644	188,845	186,519	-1.2%	3.3%
18	22	WILTSHIRE	250,465	257,800	258,727	0.4%	3.3%
		<b>SOUTH WEST</b>	<b>230,879</b>	<b>244,749</b>	<b>245,623</b>	<b>0.4%</b>	<b>6.4%</b>
108	108	BLAENAU GWENT	80,411	87,999	88,980	1.1%	10.7%
86	89	BRIDGEND	143,727	144,053	146,214	1.5%	1.7%
95	97	CAERPHILLY	126,962	128,528	127,700	-0.6%	0.6%
45	48	CARDIFF	196,521	198,904	201,981	1.5%	2.8%
90	81	CARMARTHENSHIRE	141,396	149,842	153,317	2.3%	8.4%
54	59	CEREDIGION	177,873	177,672	179,681	1.1%	1.0%
64	62	CONWY	163,490	171,203	172,263	0.6%	5.4%
80	88	DENBIGHSHIRE	151,151	150,040	146,687	-2.2%	-3.0%
70	72	FLINTSHIRE	158,980	162,739	168,175	3.3%	5.8%
66	74	GWYNEDD	161,257	157,170	160,631	2.2%	-0.4%
72	63	ISLE OF ANGLESEY	157,205	169,110	171,548	1.4%	9.1%
103	105	MERTHYR TYDFIL	105,856	105,444	107,342	1.8%	1.4%
36	30	MONMOUTHSHIRE	216,349	242,033	244,712	1.1%	13.1%
101	103	NEATH PORT TALBOT	110,365	113,098	110,807	-2.0%	0.4%
77	80	NEWPORT	152,353	157,771	155,712	-1.3%	2.2%
58	60	PEMBROKESHIRE	171,699	176,346	177,613	0.7%	3.4%
53	54	POWYS	179,458	185,807	188,688	1.6%	5.1%
102	101	RHONDDA CYNON TAFF	110,308	114,840	114,226	-0.5%	3.6%
81	76	SWANSEA	150,528	154,826	158,978	2.7%	5.6%
39	44	THE VALE OF GLAMORGAN	210,023	211,698	209,485	-1.0%	-0.3%
93	91	TORFAEN	132,040	142,705	143,564	0.6%	8.7%
78	84	WREXHAM	152,215	149,647	150,488	0.6%	-1.1%
		<b>WALES</b>	<b>156,885</b>	<b>161,144</b>	<b>162,594</b>	<b>0.9%</b>	<b>3.6%</b>
27	36	HEREFORDSHIRE	223,387	228,341	230,295	0.9%	3.1%
44	43	SHROPSHIRE	201,232	216,492	212,993	-1.6%	5.8%
56	58	STAFFORDSHIRE	174,373	181,917	182,066	0.1%	4.4%
107	107	STOKE-ON-TRENT	98,173	99,839	99,313	-0.5%	1.2%



26	32	<b>WARWICKSHIRE</b>	225,993	238,350	238,089	-0.1%	5.4%
69	71	<b>WEST MIDLANDS</b>	159,798	167,429	168,257	0.5%	5.3%
41	40	<b>WORCESTERSHIRE</b>	208,137	222,820	224,173	0.6%	7.7%
75	73	<b>WREKIN</b>	153,666	159,653	161,873	1.4%	5.3%
		<b>WEST MIDLANDS</b>	<b>178,381</b>	<b>187,513</b>	<b>187,930</b>	<b>0.2%</b>	<b>5.4%</b>
106	106	<b>CITY OF KINGSTON UPON HULL</b>	102,059	102,775	103,338	0.5%	1.3%
61	66	<b>EAST RIDING OF YORKSHIRE</b>	166,273	167,874	169,023	0.7%	1.7%
96	98	<b>NORTH EAST LINCOLNSHIRE</b>	120,453	126,853	123,920	-2.3%	2.9%
92	93	<b>NORTH LINCOLNSHIRE</b>	132,676	138,284	138,564	0.2%	4.4%
34	38	<b>NORTH YORKSHIRE</b>	217,327	223,516	224,997	0.7%	3.5%
91	90	<b>SOUTH YORKSHIRE</b>	141,153	145,567	145,933	0.3%	3.4%
74	77	<b>WEST YORKSHIRE</b>	154,472	157,397	157,785	0.2%	2.1%
38	39	<b>YORK</b>	211,476	223,809	224,338	0.2%	6.1%
		<b>YORKS &amp; HUMBER</b>	<b>160,152</b>	<b>164,347</b>	<b>164,849</b>	<b>0.3%</b>	<b>2.9%</b>
		<b>ALL ENGLAND &amp; WALES</b>	<b>250,952</b>	<b>275,907</b>	<b>278,456</b>	<b>0.9%</b>	<b>11.0%</b>

Table 4 shows the average house price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for October 2013, September 2014 and October 2014. It also records the percentage change in these prices over the last month and year. It highlights the great diversity that exists across markets in England & Wales.

The headline annual increase in prices for England & Wales in October was 11.0%, which is up 0.4% from September. In October, as reported earlier, there are now four regions recording peak average prices, being Greater London, the South East and the South West, with East Anglia re-joining this group. In the South East, 16 of the 25 unitary authorities/counties now have peak prices (highlighted in turquoise in the above table), which is two more than last month. Outside of Greater London and the South East region, peak prices are also being recorded in eight (last month there were four) unitary authority areas. The eight areas with record peak prices are Norfolk and Suffolk (East Anglia), the City of Bristol, North Somerset, South Gloucestershire and Wiltshire (South West), and Cardiff and Monmouthshire (Wales).

On an annual basis, prices have increased in 101 of the 108 unitary authorities (two less than last month). Thus prices have risen over the year in 94% of the unitary authorities across England & Wales, with annual price rises in double digits, i.e. of 10% or more, now being seen in 27 authorities, compared with 25 last month. Of the seven unitary authorities having negative house price growth over the year, two are located in the North (Darlington and Stockton-on-Tees), one in the South West (Poole), and four are located in Wales (Denbighshire, Gwynedd, the Vale of Glamorgan and Wrexham).

Table 5 below shows the annual rate of house price growth, outside of Greater London, ordered by quartiles in terms of the average house price of each unitary authority. The table highlights the trend that the most expensive unitary authority areas in England & Wales are seeing the highest increase in house prices. However, comparing the figures this month with those produced last month, it is noticeable that it is the two middle quartiles that have seen an increase in the rate of house price growth, while the two areas with the most and least expensive properties have seen no change or a fall in the rate of house price growth over the month.-

Table 5. The change in house prices in the 108 unitary authority/counties, for the period Sep – Nov 2013 to Sep – Nov 2014, analysed by quartile, based on average house prices.

Quartile	Price range	Average price change over the year	Previous month price change over the year
1st Quartile	£0 - £152,632	3.3%	3.6%
2nd Quartile	£152,633 - £187,603	4.9%	4.2%
3rd Quartile	£187,604 - £248,611	7.1%	6.6%
4th Quartile	Above £248,611	10.1%	10.1%

On a monthly basis, the headline rate for price increases in England & Wales in October 2014 was 0.9%, up from 0.5% one month earlier. This rise in average prices during the month falls to 0.4% if one excludes London and the South East from the national figures. In October, there were price rises in 76 unitary authorities and falls in 32. The similar figures for September were 71 authorities with price rises and 37 with price falls. Hence prices in the month of October have increased across 70% of the unitary authorities in England & Wales, although all the regions have at least one unitary authority area where prices have fallen in the month.





Looking at the unitary authority areas on an individual basis, for the second month running it is Windsor & Maidenhead (+20.4%) followed by Slough (+18.5%) that top the league table in terms of the highest price changes on an annual basis. In Windsor & Maidenhead flats marginally outsell all other property types, with the price of flats having increased from an average £280k to £380k over the year. Flats are also now the most popular property type in Slough, having increased from 88 units sold in Q3 2014 to 256 units in Q3 2014. The average price of a Slough flat has risen from £145k to £180k over this same time period.

By way of contrast, the area with the largest reduction in annual prices is Denbighshire, down 3.7%, although low transaction numbers tend to make Denbighshire's average house prices more volatile than most other authority areas.

In terms of transactions, looking at the three months August 2014 to October 2014 and comparing with the same three months in 2013, all but two of the 108 unitary authorities in England & Wales saw an increase in sales volumes over this period. The two authorities where transactions fell over the year were Windsor & Maidenhead and Surrey, which are ranked in first and second place by average house price of all the 108 unitary authority areas outside of London. The price of a detached property in Surrey has risen during the above period from an average £693k in 2013, to £791k in 2014. At the same time, the number of detached properties actually sold in Surrey fell from 1,737 to 1,670. Windsor & Maidenhead, which has seen a fall of 9.2% in its sales volumes, is the authority recording the highest rise in average house prices in England & Wales, outside of Greater London, up by 20.4%. Is the reduction in the number of properties sold in Windsor & Maidenhead a result of the higher prices now being asked, or is there a lack of available properties coming to the market which is causing prices in the area to increase?

For the second month running, the area that recorded the highest increase in transactions of any English or Welsh unitary authority was Slough, up by 58%, where as we described above, the sale of flats almost tripled in number over the year. At the same time, the average house price in Slough increased by 18.5% over the year. The construction of two new apartment block developments close to Slough station, which have recently come onto the market, will have helped establish the statistics that we now observe for the area.

# Regional data table



Table 6. Average house prices by region, November 2013 – November 2014, 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
Nov-13	£143,859	-0.3	0.2	£157,817	-0.3	3.5	£167,615	0.7	3.0	£179,000	0.3	3.9
Dec-13	£144,848	0.7	1.7	£157,744	0.0	3.3	£167,251	-0.2	3.1	£180,244	0.7	4.1
Jan-14	£147,254	1.7	4.0	£158,970	0.8	3.6	£170,705	2.1	5.0	£181,458	0.7	4.2
Feb-14	£148,738	1.0	4.0	£159,702	0.5	2.5	£171,942	0.7	4.5	£183,013	0.9	4.1
Mar-14	£150,451	1.2	4.6	£160,758	0.7	3.5	£173,389	0.8	5.9	£183,589	0.3	5.0
Apr-14	£149,033	-0.9	3.7	£160,247	-0.3	3.3	£172,829	-0.3	5.6	£183,597	0.0	5.3
May-14	£149,614	0.4	5.2	£161,668	0.9	4.8	£173,026	0.1	6.4	£183,565	0.0	6.1
Jun-14	£148,846	-0.5	3.6	£161,397	-0.2	3.8	£173,479	0.3	5.8	£184,141	0.3	5.4
Jul-14	£148,841	0.0	3.2	£162,406	0.6	4.0	£174,832	0.8	6.5	£185,943	1.0	6.0
Aug-14	£148,918	0.1	2.8	£163,205	0.5	4.0	£175,975	0.7	7.0	£187,403	0.8	5.9
Sep-14	£148,349	-0.4	2.9	£164,559	0.8	4.2	£177,030	0.6	6.5	£187,513	0.1	5.7
Oct-14	£149,114	0.5	3.4	£165,578	0.6	4.6	£177,248	0.1	6.5	£187,930	0.2	5.4

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Nov-13	£156,647	-0.2	1.9	£159,561	-0.4	2.2	£230,065	-0.4	3.5	£211,468	0.7	4.3
Dec-13	£157,437	0.5	2.6	£160,462	0.6	3.3	£231,967	0.8	3.2	£210,769	-0.3	2.5
Jan-14	£158,159	0.5	3.6	£161,319	0.5	3.6	£233,034	0.5	3.6	£212,817	1.0	3.9
Feb-14	£159,745	1.0	3.3	£161,492	0.1	3.8	£235,416	1.0	4.0	£214,760	0.9	2.7
Mar-14	£159,587	-0.1	3.7	£162,480	0.6	4.1	£237,955	1.1	5.4	£219,993	2.4	5.6
Apr-14	£159,286	-0.2	3.6	£162,645	0.1	3.7	£240,466	1.1	6.3	£221,628	0.7	5.7
May-14	£158,196	-0.7	3.7	£163,068	0.3	3.8	£240,653	0.1	6.6	£223,640	0.9	7.6
Jun-14	£159,489	0.8	5.0	£162,976	-0.1	3.6	£240,011	-0.3	6.5	£223,911	0.1	7.3
Jul-14	£159,436	0.0	4.6	£163,089	0.1	4.0	£240,753	0.3	6.2	£224,852	0.4	7.4
Aug-14	£161,056	1.0	5.0	£163,785	0.4	3.4	£243,343	1.1	6.1	£225,532	0.3	7.4
Sep-14	£161,144	0.1	3.7	£164,347	0.3	3.5	£244,749	0.6	6.1	£225,040	-0.2	7.0
Oct-14	£162,594	0.9	3.6	£164,849	0.3	2.9	£245,623	0.4	6.4	£226,354	0.6	7.8

	South East			Greater London			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Nov-13	£290,374	0.4	4.1	£498,603	1.3	10.6	£252,171	0.5	5.4
Dec-13	£294,504	1.4	4.9	£505,577	1.4	12.2	£254,604	1.0	6.0
Jan-14	£298,072	1.2	6.1	£520,350	2.9	13.6	£258,531	1.5	7.1
Feb-14	£301,983	1.3	6.5	£524,895	0.9	13.8	£260,992	1.0	7.2
Mar-14	£304,781	0.9	6.9	£532,134	1.4	13.5	£263,700	1.0	7.8
Apr-14	£307,057	0.7	7.3	£538,240	1.1	14.5	£265,339	0.6	8.2
May-14	£309,958	0.9	8.1	£552,507	2.7	17.1	£268,363	1.1	9.5
Jun-14	£313,301	1.1	9.6	£566,984	2.6	20.4	£271,254	1.1	10.6
Jul-14	£316,027	0.9	10.2	£568,994	0.4	20.1	£272,728	0.5	10.8
Aug-14	£318,232	0.7	10.9	£573,327	0.8	19.3	£274,655	0.7	10.8
Sep-14	£319,161	0.3	11.0	£577,821	0.8	18.7	£275,907	0.5	10.6
Oct-14	£321,169	0.6	11.1	£589,062	1.9	19.7	£278,456	0.9	11.0
Nov-14							£280,733	0.8	11.3



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