



Under embargo until 00:01 Thursday 10th December 2015

November 2015

House prices break new record, even as monthly growth falters

- House prices in England and Wales increase £16,446 annually to £290,640, a 6% increase on November last year
- But the monthly rate of house price growth fell to 0.6%, slower than the 0.9% monthly uplift seen in October
- South East overtakes East Anglia as region with the fastest growth in house prices, while London drops to fourth
- Home sales fall 15% in November, with completed sales for the year still 3.4% behind this point in 2014
- Stamp Duty surcharge may cause a late winter surge, as second home buyers and landlords hurry to beat deadline

House Price	Index	Monthly Change %	Annual Change %	Annual Change % (excluding London & SE)
£290,640	281.7	0.6	6.0	4.4

Adrian Gill, director of Reeds Rains and Your Move estate agents, comments: “House prices have sprinted to a new record even with a monthly stumble. Annually, house price growth has strengthened, rising 6% compared to this time last year, with a total increase of £16,446, equivalent to £45 each day. While there is a new record high for average house prices at £290,640, there has also been a slowdown in monthly growth to 0.6% in November, down from 0.9% in October. This suggests that despite being within grasping distance of the £300,000 mark, it may be a few months yet before average prices reach this symbolic summit.

“Prices have been powered by the South East, which has now overtaken East Anglia as the fastest growing region in England and Wales. House prices in the South East have risen by an average of 7.1% this month, with values increasing in every local authority in the area. It appears that the double digit price rises first seen in the prime London market – then the other London boroughs – are now rippling out even further to London’s commuter towns, with house prices in Reading rising by 18.3% and Luton increasing 17.3%.

“Home sales have fallen 15% in November compared to October. In direction, a decline of some sort does follow the trend seen last November. But total sales for the 11 months of 2015 so far are still 3.4% lower than the same months in 2014. The housing market will need a Christmas boost to sales to beat last year’s figures. And the Chancellor’s changes could be the gift required.

“House prices soared in the five months following Nigel Lawson’s withdrawal of the multiple mortgage tax relief in 1988. More recently in Scotland, after the Land and Buildings Transaction Tax was announced there was also a surge in the sales of high end properties to beat the deadline. England and Wales may now feel the same forces, as there will be a growth in demand from both first-time buyers with extra financial support and buy-to-let landlords hoping to invest before the tax changes come into force. While the Chancellor has planned to increase the number of houses being built, none of these will be completed in the next few months. As the number of houses on the market is at an historically low level, those rushing for the April deadline will be fighting for a decreasing number of properties. So we could see a spike in both house prices and sales over the normally frosty winter period.

“For example, this potential surge in demand could be most obvious in Salcombe, Devon. The town has the highest percentage of second homes in England. In Salcombe, the average price paid for a home in the last year was £532,000. A second home buyer here would need to find an extra £15,960. With such a significant hurdle after the tax comes into force, anyone who wants to buy a home in the area will be rushing to buy before April 2016.

“For London, the maximum price of homes which can be bought with the Help to Buy ISA may not be as beneficial as intended. Currently, the upper limit of £450,000 could only buy the average house in twelve boroughs. Even in these areas, prices are rising annually by an average of 12.5%, so London buyers will have to be quick if they are to make use of schemes like the Help to Buy ISA. Meanwhile, London’s most expensive boroughs are now showing signs of recovering from the last Stamp Duty surprise, which hit the top end of the market. The most dramatic increase on a monthly basis was in the borough of Merton – with average house prices jumping 4.6% on the previous month.”

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 November 2014 – November 2015

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
November	2014	£274,194	266.3	0.0	10.1
December	2014	£274,115	265.7	0.0	9.0
January	2015	£275,406	266.9	0.5	7.9
February	2015	£276,379	267.9	0.4	7.2
March	2015	£276,836	268.3	0.2	6.2
April	2015	£277,727	269.2	0.3	5.9
May	2015	£278,911	270.3	0.4	5.2
June	2015	£280,749	272.1	0.7	4.8
July	2015	£281,897	273.2	0.4	4.6
August	2015	£284,693	275.9	1.0	4.8
September	2015	£286,451	277.6	0.6	4.8
October	2015	£288,977	280.1	0.9	5.4
November	2015	£290,640	281.7	0.6	6.0

Press Contacts:

Melanie Cowell, LSL Property Services
Richard Sumner, Acadata
Emily Barnes, Instinctif Partners

01904 698860
020 8392 9082
020 7427 1403

melanie.cowell@lsps.co.uk
richard.sumner@acadata.co.uk
Emily.Barnes@instinctif.com



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

House prices

November sales continue to show an upward movement in house prices as the relatively low change of one year ago (0.0%) drops out from the annual statistics, to be replaced by the 0.6% increase in prices we report for November 2015. Thus all the lines in Figure 1 below are now showing an upward trajectory in house price growth, confirming that the turnaround in the annual rates are not solely limited to London and the South East, but are being seen more widely across England. The eleven month period of successive declines in the annual rate of house price growth came to its end in July 2015, and is now climbing again. The average price paid for a home in November was £290,640, up £16,446, or 6.0% on November last year, the eleventh new peak for house prices this calendar year. On a monthly basis, prices in November increased by 0.6% or £1,663, from October levels.

Figure 1 below places the turnaround in the annual rate of house price growth in perspective. The uptick in the red line seen on the right-hand side of the graph represents the recovery in price growth since July, but this is still relatively minor in comparison to the slowing growth rates experienced over the period September 2014 – July 2015. However, what is significant is that the red line giving annual price growth including London has now risen above the blue line which tracks annual price growth excluding the capital. This indicates that London is returning to a positive role in determining the average house price for England & Wales as a whole. Additionally we can observe that the green line, which excludes the capital and the South East, has also turned and as Table 5 on page 9 shows, the rate of house price growth for the country excluding London and the South East is also now on the increase.

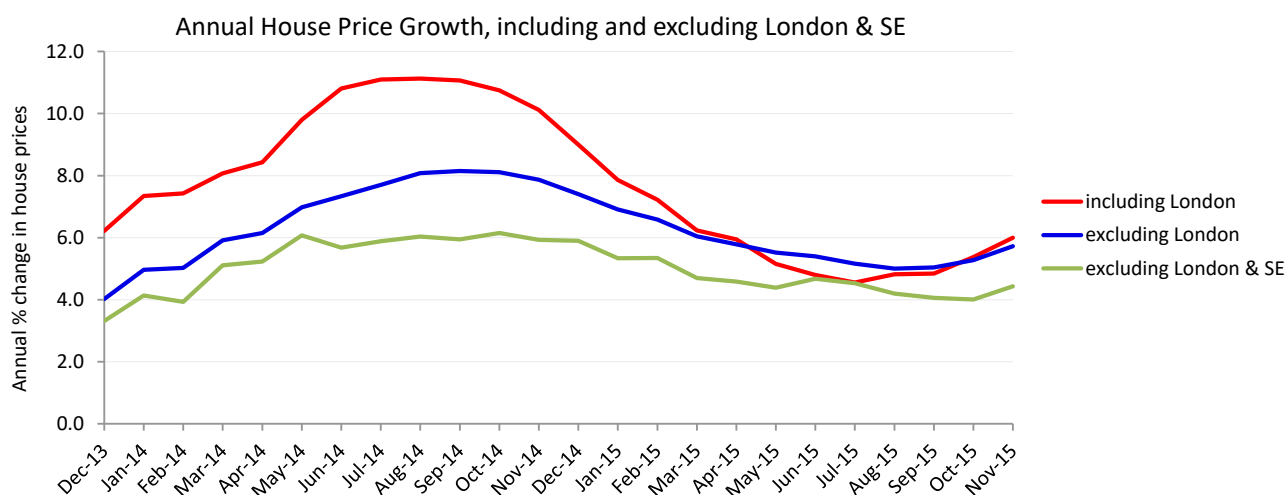


Figure 1. The Annual Rate of House Price Growth in England & Wales by month December 2013 – November 2015, including and excluding London & SE [link to source Excel](#)

The Housing Market

On 25th November the Chancellor delivered his Autumn Statement. This speech and the underlying spending review put a considerable focus on housing. As he said;

“In the end Spending Reviews like this come down to choices about what your priorities are. And I am clear: in this Spending Review, we choose to build. Above all, we choose to build the homes that people can buy. For there is a growing crisis of home ownership in our country. 15 years ago, around 60% of people under 35 owned their own home, next year it’s set to be just half of that. We made a start on tackling this in the last Parliament, and with schemes like our Help to Buy the number of first time buyers rose by nearly 60%. But we haven’t done nearly enough yet. So it’s time to do much more.”

The Chancellor set out an array of housing measures and key amongst them for our purposes were the extension of the Help to Buy Equity loan scheme to 2021 (an additional year) and the announcement of a specific London version with a 40% equity loan compared to 20% elsewhere, 200,000 new Starter Homes at a 20% discount for First Time Buyers and an expanded Shared Ownership scheme. In total home ownership was to get around £15 billion of funding via a combination of grants and loans. The Chancellor pledged 1 million new homes and, in addition to an existing commitment to create 1 million new First Time Buyers, a further 1 million more home owners were to be created via these measures and the Right to Buy.



Home ownership was to be supported in an effort to stem the decline in the tenure and to meet the aspirations of the many frustrated would-be owners. As if to underline the clear political nature of these choices, the Chancellor effectively signalled the end of new financial support to the social rented housing and in a surprise move new curbs on the Buy to Let Sector. A 3% additional Stamp Duty charge was to be levied on individual landlords (and second home buyers) in an effort to ensure that First Time Buyers were not outbid by them. This charge is to come into force in 3 months time, triggering fears that it could lead to a boom in purchases in the meantime. There is already circumstantial evidence to suggest this might be happening, and some have drawn the parallels between this advance announcement and the infamous announcement by Nigel Lawson of the withdrawal of multiple mortgage tax reliefs related to the purchase of a single home in the March 1988 Budget. It gave an enormous stimulus to house prices over the following 5 months, forcing Lawson then to put up interest rates to curb the boom. Bringing this up to date, as we show later, the recent lagged change-over in the system of taxing transactions in Scotland has had the same effect.

Taken together the Chancellor has now put in place a substantial demand side stimulus across the housing market. Although accepting that the government has also linked some of this to building new homes along with other measures to stimulate supply, the reality is that housing output is still too low and even the planned for 200,000 new homes a year, if achieved, will not be enough to substantially reverse on-going price pressures. In that regard, the moves to tax Buy to Let are significant as this should reduce some demand side pressures. The Bank, in its latest *Financial Stability Report* (FSR) issued on 1st December, devotes a section to this market emphasising what it sees as the risks it poses to financial stability. Although Buy to Let makes up only about a third of the overall private rented sector it has been growing rapidly from a low base in the last year or so. The Bank's analysis focuses on its growth relative to the regulated mortgaged home owner sector and the higher incidence of possessions and write-offs. The Bank argues that this relative assessment, plus its own survey work, show that a number of investors might sell up as a consequence of property price falls and/or where rents no longer cover their income as a consequence of the recent tax changes. It is a limited analysis and one which reaches conclusions which other evidence would not support, but there is now an expectation that the Financial Policy Committee will ultimately take powers to control lending in this sector. This of course may mean that what new supply is generated by this market might itself be reduced.

Last month we highlighted the Savills' house price forecast which suggested we would see a 17% rise in the period to 2020 for the UK but with considerable variation by region and country (from 21.6% in the South East to 14.2% in Yorkshire and Humberside). The Office for Budget Responsibility (OBR) issued its *Economic and Fiscal Outlook* report shortly after the Spending Review. Its revised house price forecast is for UK prices 'to rise by 28.4 per cent by the first quarter of 2021'. Savills also forecast transaction numbers, highlighting the pre crunch average of 1.7 million for the UK and the much reduced numbers now, forecasting 1.215 million for 2015 rising to 1.305 million in 2020. Again OBR have set out a new and lower forecast than previously, suggesting they will reach 1.3 million by 2020 and 1.31 million by 2021. We will return to price and transactions forecasts in our December release.

Much of the spending announced will be focused on Southern England where the demand pressures are greatest. We have yet to see whether the Welsh Government will announce additional measures, though the pressures in that country are generally less pronounced and there is a stronger commitment to social rented housing. In England the focus now is on home ownership and despite the scale of the planned spend we can expect further measures to come into place. Housing is now firmly on the agenda.

Housing Transactions

We estimate that the number of housing transactions in England & Wales for the month of November 2015, as recorded by the Land Registry, will total some 75,000. Although this is a decrease of 15% from October, over the last three months sales volumes have been following a very similar pattern to that of 2014, as demonstrated in Figure 2 below. The fall in sales volumes in November is therefore more of a seasonal factor than any underlying shift in housing demand. There have now been four months in 2015 when the number of transactions have exceeded the levels recorded in 2014, albeit marginally, all of which have taken place in the second half of the year. Despite this uptick in transactions in the second half of the year, total sales volumes in 2015 for the eleven months to November are still down by 3.4% compared to the same period in 2014, largely due to the slow start to the year.

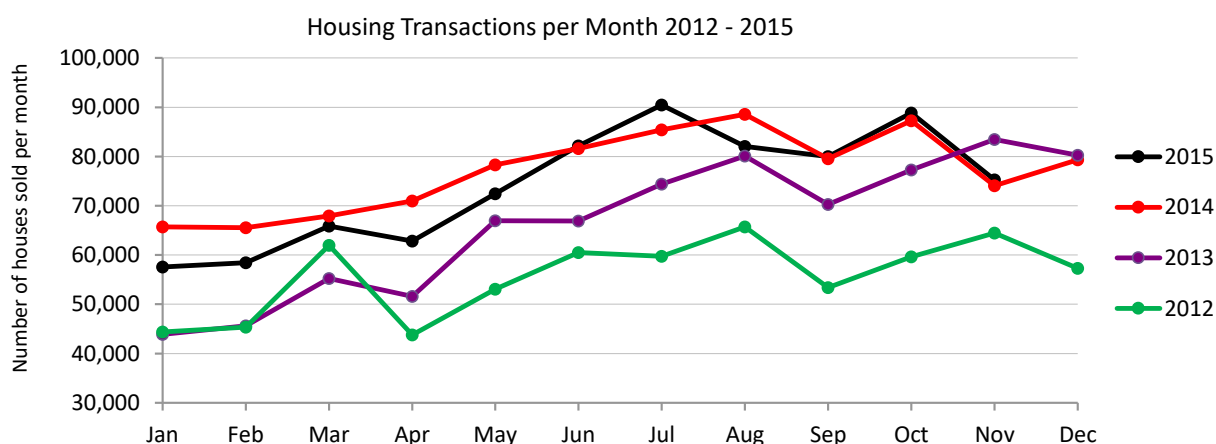


Figure 2. Number of properties sold per month in England & Wales, January 2012 – November 2015. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted. [link to source Excel](#)

The CML has recently reported on the number of loans taken out for house purchase in Q3 2015, which we summarise in Table 2 below.

Table 2. CML Analysis of loans taken out for House Purchase, comparing Q3 2014 with Q3 2015 [link to source Excel](#)

CML analysis of Q3 2015 loans taken out for House Purchase

	Number of loans	Change over year	Market Share	Loan Size	LTV	House Price	Change over year
FIRST TIME BUYERS							
Q3 / 15	86,800	5.7%	38%	£128,108	83.7%	£153,056	2.0%
Q3 / 14	82,100		39%	£125,900	83.9%	£150,060	
HOME MOVERS							
Q3 / 15	106,700	5.1%	47%	£167,400	72.2%	£231,856	5.7%
Q3 / 14	101,500		48%	£155,143	70.7%	£219,438	
BUY-TO-LET							
Q3 / 15	33,600	27.4%	15%	£133,929			
Q3 / 14	26,370		13%	£124,005			
TOTAL LOANS							
Q3 / 15	227,100	8.2%	100%				
Q3 / 14	209,970		100%				

ACADATA COMPARABLES (includes cash sales, excludes Scotland)

	Number of Transactions	Change over year
Q3 / 15	252,500	-0.4%
Q3 / 14	253,528	

Source: CML, Land Registry and Acadata estimates

The CML are showing that overall Loan Advances during Q3 2015 increased by 8.2% compared to Q3 2014. Within this overall total the number of loans to first time Buyers increased by 5.7%, loans to Home Movers increased by 5.1%, while loans to Buy-to-Let landlords increased by 27.4%. This last figure has caused considerable concern to the Bank of England, as we have discussed earlier.



Our comparable figure for the change in transactions between Q3 2014 and Q3 2015 is a fall of 0.4%, compared to the CML increase in loan advances of 8.2%. However, we do not see these as inconsistent. There are a number of reasons for the difference, first the CML statistics on mortgage advances are potentially 4 – 6 weeks ahead of the housing transactions being registered at the Land Registry, and second in contrast to the CML data we include cash sales.

In a recent discussion paper on this topic *“Cash transactions: the myths and the reality”* the CML concluded that “generally, the difference between the price of cash and mortgage-funded transaction was small, except in London”. “The dynamics of the London market are unique compared to the rest of the country. An average transaction in the capital is nearly double [the price of] the national average. One reason the average cash transaction is higher in London compared to a mortgaged transaction is because of the very high value of cash transactions in central London. While few in number, they are large in value terms.”

In our News Release last month we showed that the properties being purchased in excess of £1.5 million were almost exclusively taking place in London and the South East (95% of this sector of the market). We also showed that this particular sector was being hit by the increase in stamp duty, introduced by the Chancellor in December 2014, with a 35% decline in sales on properties having a value in excess of £1.5 million.



STAMP DUTY: THE SCOTTISH EXPERIENCE

A number of commentators have suggested that the forthcoming changes to Stamp Duty on Buy-to-Let and Second Homes, which will take place from April 2016, will have a distorting effect on the market up until then. We note that Scotland experienced a similar situation on the introduction of its Land and Buildings Transaction Tax (LBTT) in April 2015 which replaced the Stamp Duty Land Tax (SDLT) which had previously applied to the whole of the United Kingdom. The experience in Scotland shows that distortions to market behaviour resulting from an announcement of future higher taxes are almost inevitable.

Table 3: SDLT rates (England & Wales) and LBTT rates (Scotland) as at 30/11/2015

Price	England & Wales (& Scotland pre April 2015)	Scotland (post March 2015)
Up to £125,000	0%	0%
£125,001 - £145,000	2%	0%
£145,001 - £250,000	2%	2%
£250,001 - £325,000	5%	5%
£325,001 - £750,000	5%	10%
£750,001 - £925,000	5%	12%
£925,001 - £1,500,000	10%	12%
Over £1,500,000	12%	12%

Table 3 above sets out the SDLT and LBTT rates that existed at the time of the change over in Scotland from SDLT to LBTT at the beginning of April 2015. The table is slightly complicated by the fact that the threshold points used in the English and Scottish tax systems are different. The major difference between the two taxes occurs in the range £325,000 - £1,500,000, with the amount of tax to be paid being at a higher rate in Scotland than in England. Taking the purchase of a £1 million house as an example, the total stamp duty to pay in England & Wales amounts to £43,750, whereas in Scotland the LBTT payable on a similarly priced property amounts to £78,350, a difference of £34,600. There was therefore a considerable financial incentive in Scotland to purchase a £1 million home, prior to the introduction of the LBTT on 1st April 2015.

Table 4: The number of £1 million + properties sold in Scotland Jan 2013 – Sep 2015

[link to source Excel](#)

SCOTLAND	
Monthly Sales	£1 million +
Average per month 2013	10
Average per month 2014	12
Jan-15	8
Feb-15	14
Mar-15	90
Apr-15	0
May-15	2
Jun-15	8
Jul-15	4
Aug-15	12
Sep-15	7
YTD 2015	145

Table 4 sets out the number of £1 million + properties sold in Scotland per month from 2013 to September 2015. In 2013 there was an average of ten £1 million + properties sold per month, increasing to twelve per month in 2014. In 2015 the number of such sales were 8 and 14 in January and February respectively, but this number increased to 90 in March, being the month immediately prior to the introduction of the new Scottish LBTT rates. This was then followed by zero sales in April, with only 2 sales in May, 8 in June and 4 in July.

It is therefore highly probable that a similar pattern will emerge in England & Wales prior to the introduction of the additional 3% stamp duty payable on Buy-to-Let properties and Second Homes. Salcombe, Devon is often quoted as having the highest percentage of second homes of any town in England. The average price paid for a home in Salcombe over the last year was £532,000. The additional 3% stamp duty payable on a Second Home valued at this average price would therefore amount to £15,960. It is suggested that saving this sum will be a high enough incentive to encourage potential purchasers to conclude a transaction prior to the introduction of the tax in April 2016.

Source: Registers of Scotland

We therefore anticipate that a similar behaviour pattern to that seen in Scotland will apply in England & Wales, with the demand for both Buy-to-Let properties and Second Homes increasing over the next four months, to be followed by a period of retrenchment in the numbers of such properties being purchased thereafter.

Comparison of indices

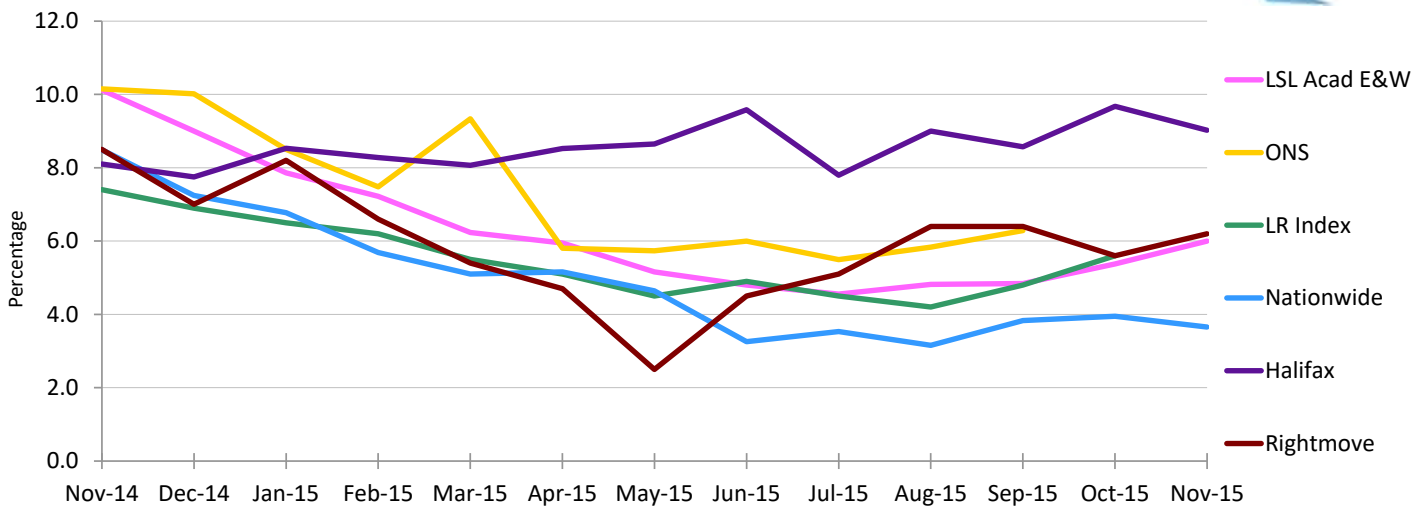


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

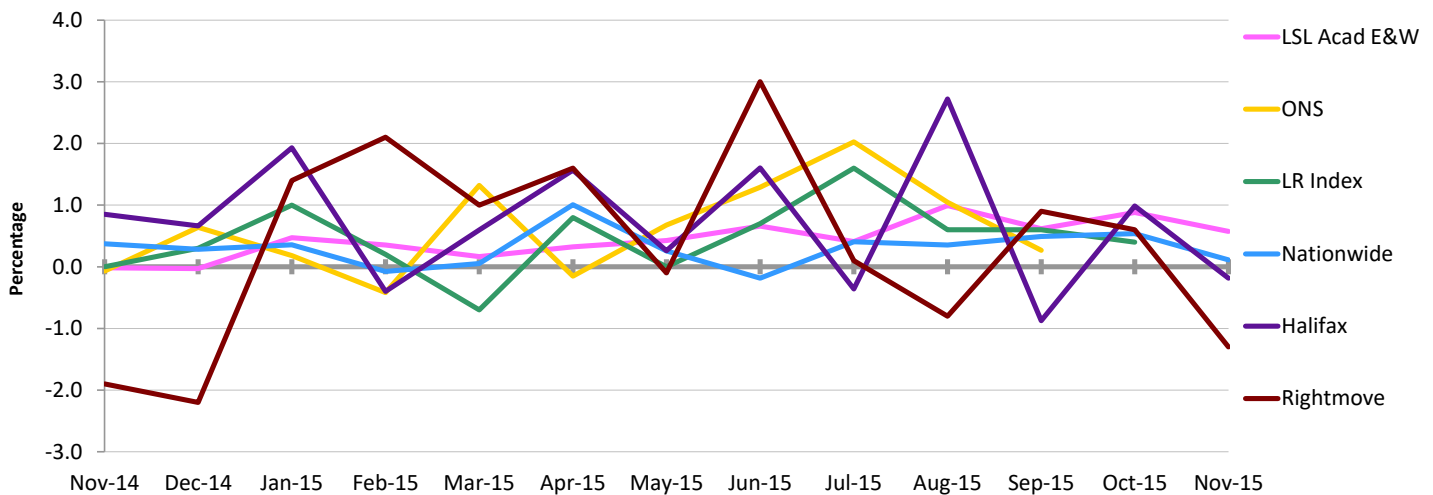


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

As Figure 3 shows, all 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, with the highest rate being recorded by ONS one year ago, in Nov 2014, at 10.2%, and the lowest rate being recorded by Rightmove in May 2015, at 2.5%. In November 2015, of the four indices that have reported to date, two are in a relatively tight band with Rightmove at 6.2% and LSL Acad at 6.0%. Nationwide is reporting a rate of 3.7%. Nationwide has been reporting consistently lower rates than the LSL Acad index for the past twelve months, which might suggest that cash sales are causing upward pressure on house prices in the current market, as Nationwide excludes these from its calculations. However Halifax, which also excludes cash sales, is reporting much higher house price inflation than all the other indices at 9.0%, with rates of growth double that of Nationwide since June 2015. We discuss this below.

Figure 4 covers the **monthly** change in house prices, with all four Indices that have reported this month showing a reduction in the monthly rate when compared to last month. Rightmove is showing a negative rate of -1.3%, but the Rightmove index consistently falls in November. In its monthly blog Rightmove advises “this is the smallest drop since 2011 in new sales asking prices during the seasonal November slowdown, indicative of even higher prices next year”.

Halifax continues to be significantly out of step with the other index providers in its annual rate, with the 9.0% rise on an annual basis being more than double that of the Nationwide at 3.7%. We note that the Halifax price for its average house is £204,552 in November – which is one of the price bands showing the largest shift in prices in the current market. Given that the index is based on those properties being mortgaged with the lender, it suggests that its lending is concentrated on homes in the middle price range. This would then explain why its index is more volatile, as these are the bands showing the largest change in house prices over the year. It also suggests that Halifax is doing less lending at the top and bottom ends of the market.

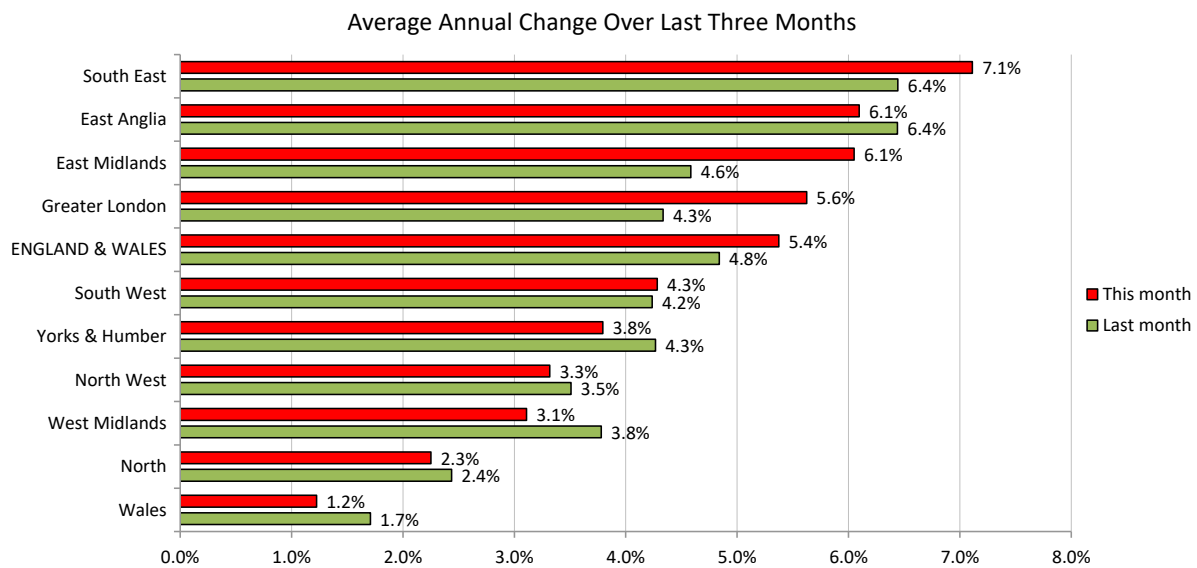


Figure 5. The annual change in the average house price, analysed by region

[link to source Excel](#)

This month the South East has displaced East Anglia in having the highest rate of home price inflation at 7.1%. All 25 of the unitary authority areas in the South East are recording positive movements in their respective prices, topped by Reading at 18.3%, closely followed by Luton at 17.3%. The East Midlands has moved up to third place, displacing Greater London into fourth position, with growth in prices in Northamptonshire and Nottinghamshire at 8.5% and 7.8% respectively, assisting its overall rate of 6.1%.

Looking at the rate of change in the annual price inflation during the month, all five regions at the bottom of the table have seen a reduction in the annual rate of change, while the five regions at the top end of the table, with the exception of East Anglia, have seen the rate of growth in residential prices continue to climb. The region with the largest fall in rates is the West Midlands, where the annual rate has fallen by 0.7% from last month. Conversely, the region with the highest growth in annual rates is that of the East Midlands, where the rate has increased by 1.5% from last month, ahead of London where the growth in its annual rate was 1.3%.

London and the South East v the Rest

Over the last year we have been paying particular attention to the influence of Greater London and the South East on the average house price growth in England & Wales as a whole. As Table 5 below shows, this influence was at a maximum in November 2014 when the annual rate of growth was 10.1% including Greater London and the South East, but only 5.9% if one excluded these two regions. In June and July 2015 this gap had reduced to 0.1%, meaning that London and the South East did not have any significant influence over the average growth rate in prices for England & Wales as a whole. However, as discussed above, with the renewed growth in the rates of these two southern regions, London and the South East are once again pushing up the average rate of house price inflation for England & Wales as a whole, with the 'gap' having now reached 1.6%.

Month	including London (A)	excluding London	excluding London & SE (B)	difference 'the gap' (A) - (B)
Nov-14	10.1	7.9	5.9	4.2
Dec-14	9.0	7.4	5.9	3.1
Jan-15	7.9	6.9	5.3	2.6
Feb-15	7.2	6.6	5.3	1.9
Mar-15	6.2	6.0	4.7	1.5
Apr-15	5.9	5.8	4.6	1.3
May-15	5.2	5.5	4.4	0.8
Jun-15	4.8	5.4	4.7	0.1
Jul-15	4.6	5.2	4.5	0.1
Aug-15	4.8	5.0	4.2	0.6
Sep-15	4.8	5.0	4.1	0.7
Oct-15	5.4	5.3	4.0	1.4
Nov-15	6.0	5.7	4.4	1.6

Table 5. The annual percentage change in house prices in England & Wales, from November 2014 – November 2015, including and excluding Greater London and the South East. [link to source Excel](#)



ANNUAL CHANGE IN PRICE BY REGION

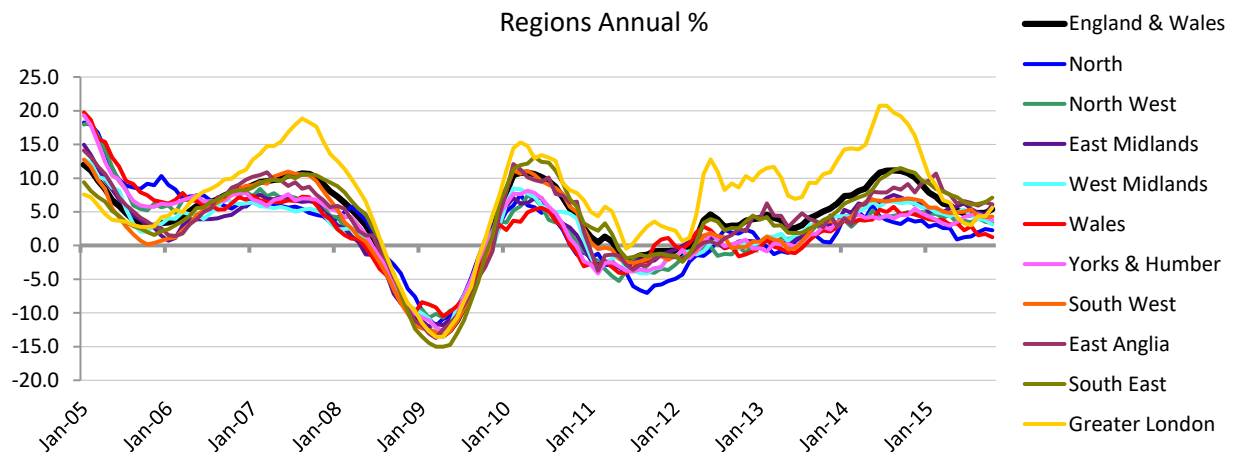


Figure 6. A comparison of the annual change in house prices, by region for the period January 2005 – October 2015

[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.

NOTES

1. LSL Acad E&W HPI is the only house price index to use:
 - the **actual** prices at which every property in England & Wales was transacted, including prices for properties bought with cash, using the factual Land Registry data as opposed to valuation estimates or asking prices
 - the price of **every** single relevant transaction, as opposed to prices based upon samples
- LSL Acad E&W HPI is a price series as opposed to a value series.
2. the current month LSL Acad E&W HPI comprises a forecast of the LR outcome, using an academic “index of indices” model, pending release of sufficient real data from the Land Registry.
3. LSL Acad E&W HPI forecasts are progressively replaced with real data, until every transaction reported to the Land Registry has been recorded and we have provided our LSL Acad E&W HPI “ultimate” data. All LSL Acad E&W HPI numbers, published prior to receipt of all transaction data, are subject to change; in publishing precise numbers for a number of reasons, we do not claim precision.
4. the 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 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.

London boroughs, counties and unitary authorities



Table 6. The change in house prices, for the 33 London boroughs, comparing October 2014 and September 2015 with October 2015.

[link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Oct-14	Sep-15	Oct-15	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	2,031,04	1,715,95	1,685,34	-1.8%	-17.0%
2	2	CITY OF WESTMINSTER	1,593,90	1,445,86	1,495,01	3.4%	-6.2%
3	3	CAMDEN	961,868	1,065,22	1,110,00	4.2%	15.4%
4	4	HAMMERSMITH AND	909,250	909,662	931,887	2.4%	2.5%
5	5	CITY OF LONDON	879,505	974,521	917,665	-5.8%	4.3%
6	6	RICHMOND UPON THAMES	783,281	778,029	783,335	0.7%	0.0%
7	7	WANDSWORTH	731,323	754,343	777,528	3.1%	6.3%
8	8	ISLINGTON	650,117	724,704	718,385	-0.9%	10.5%
9	9	MERTON	581,232	599,357	626,769	4.6%	7.8%
14	10	SOUTHWARK	527,584	598,023	611,851	2.3%	16.0%
12	11	HARINGEY	536,112	578,554	597,128	3.2%	11.4%
10	12	BARNET	548,807	574,652	591,185	2.9%	7.7%
15	13	HACKNEY	521,804	587,981	583,860	-0.7%	11.9%
16	14	EALING	521,142	563,573	580,302	3.0%	11.4%
11	15	LAMBETH	541,576	574,535	576,991	0.4%	6.5%
18	16	BRENT	478,687	536,399	548,282	2.2%	14.5%
13	17	KINGSTON UPON THAMES	529,390	527,343	519,221	-1.5%	-1.9%
17	18	HOUNSLOW	484,837	507,073	511,082	0.8%	5.4%
19	19	TOWER HAMLETS	439,466	494,232	504,800	2.1%	14.9%
20	20	HARROW	423,949	490,895	489,711	-0.2%	15.5%
21	21	BROMLEY	422,641	464,200	458,788	-1.2%	8.6%
25	22	GREENWICH	364,834	416,233	430,231	3.4%	17.9%
22	23	LEWISHAM	388,349	409,110	418,007	2.2%	7.6%
24	24	HILLINGDON	369,368	408,779	414,761	1.5%	12.3%
23	25	ENFIELD	369,458	405,371	409,380	1.0%	10.8%
27	26	REDBRIDGE	356,549	398,248	409,324	2.8%	14.8%
26	27	WALTHAM FOREST	360,947	399,115	403,067	1.0%	11.7%
28	28	SUTTON	342,263	369,307	369,793	0.1%	8.0%
29	29	CROYDON	326,476	351,276	352,576	0.4%	8.0%
31	30	NEWHAM	284,495	333,114	339,404	1.9%	19.3%
30	31	HAVERING	292,193	331,406	333,477	0.6%	14.1%
32	32	BEXLEY	278,926	305,353	307,088	0.6%	10.1%
33	33	BARKING AND DAGENHAM	220,702	250,661	254,330	1.5%	15.2%
		ALL LONDON	566,324	589,290	598,173	1.5%	5.6%

The analysis of Greater London house prices in Table 6 relates to October 2015, and compares these prices to one month and one year earlier. On a monthly basis, house prices in London overall were 1.5% higher in October than in September, an increase of £8,883 over the month. Unlike last month, it is the higher priced boroughs that have seen some of the largest rises in prices in October, with Merton, ranked ninth by average house price, seeing the highest increase at 4.6%. The 1.5% increase in monthly prices is the third highest rate recorded for London over the last fifteen months, suggesting that the London market is now recovering from its more subdued pace seen in the second half of 2014 and the first quarter of 2015.

On an annual basis prices in London have increased by 5.6%, or £31,850, over the year. This level of increase in prices is almost universally spread across London; for example in Barking and Dagenham, the lowest ranked borough by average house price, the increase over the year has been £33,628, and in Newham prices have risen by £54,909.

Splitting the above table into thirds, the top third of boroughs by price have seen prices rise by 4.6% over the last year, the middle third have seen prices over the period increase by 10.2%, while the bottom third have seen prices rise by an average 12.0%. Over the last year, three boroughs have seen prices fall, being the top two boroughs ranked by price and Kingston, where special factors applied. Thus, it is the lower to middle priced boroughs which have seen the largest growth in house prices, while the higher priced boroughs are seeing prices remaining static or falling.

There were 20 boroughs in October that set new peak prices, up from 17 in September, which are highlighted in grey in the above table. It is particularly noticeable this month that the top 6 boroughs when ranked by price have all failed to establish new record prices, while the bottom 12 of the lower priced boroughs have all seen prices continuing to reach new highs.

London boroughs, counties and unitary authorities



Counties and Unitary Authorities

Table 7. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing October 2014 and September 2015 with October 2015. 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-14	Sep-15	Oct-15	Monthly change	Annual Change
16	17	CAMBRIDGESHIRE	277,249	301,681	304,958	1.1%	10.0%
64	61	CITY OF PETERBOROUGH	173,530	177,919	179,262	0.8%	3.3%
47	47	NORFOLK	206,449	214,993	215,555	0.3%	4.4%
35	37	SUFFOLK	225,895	236,555	235,563	-0.4%	4.3%
		EAST ANGLIA	228,794	241,883	242,739	0.4%	6.1%
76	75	CITY OF DERBY	154,422	161,188	161,916	0.5%	4.9%
95	94	CITY OF NOTTINGHAM	139,548	139,903	144,971	3.6%	3.9%
67	64	DERBYSHIRE	170,014	176,218	177,647	0.8%	4.5%
88	87	LEICESTER	149,865	154,123	153,393	-0.5%	2.4%
45	49	LEICESTERSHIRE	205,715	215,568	218,354	1.3%	6.1%
70	62	LINCOLNSHIRE	170,414	176,490	179,025	1.4%	5.1%
49	48	NORTHAMPTONSHIRE	198,772	214,413	215,728	0.6%	8.5%
71	69	NOTTINGHAMSHIRE	168,868	178,699	182,011	1.9%	7.8%
14	15	RUTLAND	297,868	294,522	296,496	0.7%	-0.5%
		EAST MIDLANDS	178,465	187,056	189,262	1.2%	6.1%
		GREATER LONDON	566,324	589,290	598,173	1.5%	5.6%
61	67	CUMBRIA	171,121	173,121	175,516	1.4%	2.6%
90	88	DARLINGTON	144,778	152,126	152,312	0.1%	5.2%
100	99	DURHAM	125,015	123,818	123,050	-0.6%	-1.6%
94	97	HARTLEPOOL	134,380	125,228	124,215	-0.8%	-7.6%
99	100	MIDDLESBROUGH	122,922	120,397	120,393	0.0%	-2.1%
60	59	NORTHUMBERLAND	174,835	183,343	183,539	0.1%	5.0%
96	96	REDCAR AND CLEVELAND	132,041	127,603	127,856	0.2%	-3.2%
85	86	STOCKTON-ON-TEES	153,291	152,410	155,761	2.2%	1.6%
84	84	TYNE AND WEAR	152,251	156,667	158,358	1.1%	4.0%
		NORTH	151,221	153,491	154,625	0.7%	2.3%
103	101	BLACKBURN WITH DARWEN	123,400	120,675	119,380	-1.1%	-3.3%
104	105	BLACKPOOL	109,186	111,998	110,884	-1.0%	1.6%
39	40	CHESHIRE	234,489	233,700	234,886	0.5%	0.2%
74	73	GREATER MANCHESTER	160,261	170,032	170,640	0.4%	6.5%
81	78	HALTON	149,663	154,532	153,058	-1.0%	2.3%
80	81	LANCASHIRE	158,902	158,972	159,653	0.4%	0.5%
87	82	MERSEYSIDE	152,069	156,502	155,457	-0.7%	2.2%
51	50	WARRINGTON	187,656	201,786	204,725	1.5%	9.1%
		NORTH WEST	167,308	172,487	172,860	0.2%	3.3%
26	23	BEDFORDSHIRE	252,520	266,438	267,012	0.2%	5.7%
11	9	BRACKNELL FOREST	319,991	351,480	356,452	1.4%	11.4%
8	10	BRIGHTON AND HOVE	339,075	352,483	356,693	1.2%	5.2%
3	3	BUCKINGHAMSHIRE	402,749	431,696	431,325	-0.1%	7.1%
20	22	EAST SUSSEX	268,865	278,442	280,512	0.7%	4.3%
17	16	ESSEX	276,425	302,540	304,668	0.7%	10.2%
13	13	HAMPSHIRE	297,939	316,985	318,791	0.6%	7.0%
5	5	HERTFORDSHIRE	382,441	408,122	412,657	1.1%	7.9%
46	44	ISLE OF WIGHT	203,834	225,095	225,381	0.1%	10.6%
18	19	KENT	271,803	290,279	294,121	1.3%	8.2%
58	51	LUTON	180,487	210,422	211,630	0.6%	17.3%
50	46	MEDWAY	205,273	218,165	219,775	0.7%	7.1%
33	25	MILTON KEYNES	242,440	267,021	265,771	-0.5%	9.6%
6	6	OXFORDSHIRE	354,554	379,723	382,668	0.8%	7.9%
53	54	PORTSMOUTH	188,474	199,995	199,353	-0.3%	5.8%
19	14	READING	264,804	307,936	313,263	1.7%	18.3%
22	20	SLOUGH	262,973	284,472	291,409	2.4%	10.8%
52	56	SOUTHAMPTON	195,458	201,627	206,122	2.2%	5.5%
29	24	SOUTHEND-ON-SEA	254,275	268,916	276,443	2.8%	8.7%

London boroughs, counties and unitary authorities



2	2	SURREY	472,678	483,723	489,094	1.1%	3.5%
43	36	THURROCK	214,650	241,559	244,337	1.2%	13.8%
7	7	WEST BERKSHIRE	344,971	362,945	359,856	-0.9%	4.3%
12	12	WEST SUSSEX	311,636	326,616	328,833	0.7%	5.5%
1	1	WINDSOR AND MAIDENHEAD	528,384	541,688	557,707	3.0%	5.5%
4	4	WOKINGHAM	376,553	413,077	414,139	0.3%	10.0%
		SOUTH EAST	317,652	337,309	340,244	0.9%	7.1%
9	8	BATH AND NORTH EAST SOMERSET	326,152	354,407	353,434	-0.3%	8.4%
30	26	BOURNEMOUTH	242,276	261,297	259,849	-0.6%	7.3%
27	29	CITY OF BRISTOL	242,951	261,061	261,210	0.1%	7.5%
66	68	CITY OF PLYMOUTH	175,425	176,179	180,268	2.3%	2.8%
34	33	CORNWALL	234,456	241,571	241,757	0.1%	3.1%
23	27	DEVON	251,434	254,874	256,117	0.5%	1.9%
15	18	DORSET	285,052	293,255	293,544	0.1%	3.0%
24	28	GLOUCESTERSHIRE	252,325	259,749	263,614	1.5%	4.5%
25	31	NORTH SOMERSET	250,250	256,988	255,021	-0.8%	1.9%
10	11	POOLE	324,847	323,820	329,248	1.7%	1.4%
41	43	SOMERSET	218,900	226,033	226,610	0.3%	3.5%
31	30	SOUTH GLOUCESTERSHIRE	243,491	255,382	258,097	1.1%	6.0%
57	52	SWINDON	186,789	208,220	209,312	0.5%	12.1%
54	55	TORBAY	186,902	203,337	201,618	-0.8%	7.9%
21	21	WILTSHIRE	263,499	275,027	275,026	0.0%	4.4%
		SOUTH WEST	246,320	255,860	256,869	0.4%	4.3%
108	108	BLAENAU GWENT	90,951	97,270	95,075	-2.3%	4.5%
91	92	BRIDGEND	153,565	146,823	149,716	2.0%	-2.5%
97	95	CAERPHILLY	130,980	136,051	139,342	2.4%	6.4%
48	53	CARDIFF	203,795	203,715	205,346	0.8%	0.8%
86	91	CARMARTHENSHIRE	149,205	152,341	156,084	2.5%	4.6%
59	58	CEREDIGION	185,644	182,972	179,402	-2.0%	-3.4%
65	71	CONWY	171,005	165,708	168,085	1.4%	-1.7%
83	83	DENBIGHSHIRE	152,726	162,544	165,384	1.7%	8.3%
72	72	FLINTSHIRE	174,877	173,382	176,915	2.0%	1.2%
79	76	GWYNEDD	164,096	162,984	164,606	1.0%	0.3%
62	70	ISLE OF ANGLESEY	167,883	178,954	185,612	3.7%	10.6%
105	107	MERTHYR TYDFIL	110,992	106,800	105,353	-1.4%	-5.1%
32	34	MONMOUTHSHIRE	239,492	237,876	239,848	0.8%	0.1%
101	103	NEATH PORT TALBOT	113,644	113,940	113,866	-0.1%	0.2%
73	79	NEWPORT	160,796	159,259	160,275	0.6%	-0.3%
63	63	PEMBROKESHIRE	180,949	176,518	174,999	-0.9%	-3.3%
55	60	POWYS	189,231	186,627	185,712	-0.5%	-1.9%
102	102	RHONDDA CYNON TAFF	115,478	120,030	119,778	-0.2%	3.7%
78	89	SWANSEA	159,988	155,471	155,689	0.1%	-2.7%
42	42	THE VALE OF GLAMORGAN	212,183	228,105	228,772	0.3%	7.8%
92	90	TORFAEN	138,655	145,616	141,088	-3.1%	1.8%
82	80	WREXHAM	156,411	160,068	157,606	-1.5%	0.8%
		WALES	164,613	165,583	166,628	0.6%	1.2%
36	39	HEREFORDSHIRE	231,679	231,425	233,452	0.9%	0.8%
44	45	SHROPSHIRE	213,699	221,708	221,159	-0.2%	3.5%
56	57	STAFFORDSHIRE	183,071	191,669	191,199	-0.2%	4.4%
107	104	STOKE-ON-TRENT	102,007	109,988	111,776	1.6%	9.6%
28	32	WARWICKSHIRE	243,542	252,346	252,326	0.0%	3.6%
68	66	WEST MIDLANDS	171,159	176,886	177,701	0.5%	3.8%
40	41	WORCESTERSHIRE	224,368	225,902	224,596	-0.6%	0.1%
75	77	WREKIN	165,277	161,151	160,077	-0.7%	-3.1%
		WEST MIDLANDS	190,391	196,127	196,311	0.1%	3.1%
106	106	CITY OF KINGSTON UPON HULL	107,654	108,771	107,948	-0.8%	0.3%
69	65	EAST RIDING OF YORKSHIRE	174,915	178,404	179,105	0.4%	2.4%
98	98	NORTH EAST LINCOLNSHIRE	122,534	128,713	131,267	2.0%	7.1%



93	93	NORTH LINCOLNSHIRE	138,814	140,789	143,359	1.8%	3.3%
38	38	NORTH YORKSHIRE	228,769	232,680	233,732	0.5%	2.2%
89	85	SOUTH YORKSHIRE	149,727	153,173	153,685	0.3%	2.6%
77	74	WEST YORKSHIRE	160,615	167,544	168,278	0.4%	4.8%
37	35	YORK	227,414	244,754	246,593	0.8%	8.4%
		YORKS & HUMBER	168,079	173,630	174,456	0.5%	3.8%
		ALL ENGLAND & WALES	274,239	286,451	288,977	0.9%	5.4%

Table 7 shows the average property price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for October 2014, September 2015 and October 2015. 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 October 2015, the monthly rate of price inflation in England & Wales is 0.9% and the headline annual increase in prices for England & Wales in October 2015 is 5.4%, compared to 4.8% in September one month earlier. This is the largest positive change in the annual rate since June 2014.

Annual Trends

On an annual basis, prices have increased in 93 of the 108 unitary authority areas, one less than last month, which represents some 86% of the England & Wales unitary authority areas. Of the 15 areas where prices are falling, 8 are located in Wales, 4 are located in the North and 1 each in the North West and the East and West Midlands. This underlines the uneven and very different nature of price trends across the two countries.

In the above table we have highlighted in turquoise the areas which have set a new peak price in the month; there are 25 such locations, which is one less than last month. Of these 25 areas, 18 are based in the South East.

Table 8 below shows the annual rate of property price growth outside Greater London, ordered by quartiles in terms of the average price of each unitary authority area. The table highlights the fact that the most expensive unitary authority areas in England & Wales are seeing the highest increase in house prices. Comparing the figures this month with the equivalent for those produced last month, we can see that the rate of price inflation has been rising across all segments of the housing market, with the exception of the lowest quartile, where the growth in prices has fallen from the levels seen last month.

Table 8. Trends in the distribution of house prices changes in the 108 unitary authority/counties, for the period October 2014 to October 2015, by quartile, based on average house prices.

Quartile	Price range	Average price change over the 12 months	Last month's equivalent price change over the 12 months
1st Quartile	£0 - £158,170	1.3%	1.6%
2nd Quartile	£158,170 - £203,171	3.1%	2.9%
3rd Quartile	£203,171 - £260,189	5.5%	5.3%
4th Quartile	Above £260,189	7.0%	6.9%

Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in October 2015 shows an increase of 0.9%, up from the 0.6% seen in the previous month. In October, there were price rises over the month in 75 of the 108 unitary authority areas (eight more than the previous month).

Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, it is Reading at 18.3% that tops the league with the highest annual rate of change in prices. Reading has been listed on four separate occasions this year as being the area with the highest increase in house prices. As we previously mentioned, Reading is one of the Terminus stations for the new London Crossrail link, which is planned to be operational by 2019. In parallel to the process of improving the transport infrastructure for Reading, several new apartment blocks have been constructed near to the town centre, which has raised the average price of properties in the area.



By way of contrast, the area with the largest reduction in annual prices, for the second month running, is Hartlepool, where prices have fallen by 7.6%. Next to Rutland, Hartlepool has the lowest level of transactions of any unitary authority in England, which tends to make the percentage change in prices more volatile than most – it was only seven months ago that we were reporting that Hartlepool had seen the highest rise in prices of any area in England & Wales.

Transactions

In terms of transactions, looking at the volume of sales for the three months August – October 2015 and comparing with the same three months in 2014, 68 of the 108 unitary authorities in England & Wales have seen a decline in sales volumes over the period, compared to 63 last month. The area in England with the largest decline in transactions over these months was Slough, down 34%, with a reduction in the number of flats sold from 263 units in Aug – Oct 2014 to 109 units in the same three months in 2015. However, the price of flats in Slough increased by 7% over this same period, suggesting that the fall in the number of flats sold is a factor of supply as opposed to one of demand.

The area that recorded the highest increase in transactions, for the second month running, for the period Aug – Oct 2015 compared to the same three months in 2014, is Hartlepool, up 36%, but as we reported above, Hartlepool tends to see large percentage changes in its statistics, due to low volumes. In second place behind Hartlepool is South Gloucestershire. It has seen the highest increase in property sales for the period Aug – Oct 2015 compared to the same three months in 2014, up by 12%. Semi-detached and terraced properties have both seen an increase of 17% in the number of properties sold in the area over the period.

Regional data table



Table 9. Average house prices by region, November 2014 – November 2015, 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-14	£150,427	-0.5	3.6	£166,446	-0.5	4.7	£178,651	0.1	6.1	£190,640	0.1	6.2
Dec-14	£151,726	0.9	3.7	£166,900	0.3	5.0	£178,590	0.0	6.3	£191,067	0.2	5.7
Jan-15	£152,917	0.8	2.8	£168,052	0.7	4.7	£180,131	0.9	5.0	£192,163	0.6	5.6
Feb-15	£155,019	1.4	3.1	£168,982	0.6	4.7	£182,156	1.1	5.3	£192,446	0.1	4.9
Mar-15	£156,097	0.7	2.6	£169,261	0.2	4.1	£183,062	0.5	5.0	£192,754	0.2	4.7
Apr-15	£154,701	-0.9	2.6	£169,570	0.2	4.5	£183,347	0.2	5.5	£192,249	-0.3	4.3
May-15	£153,138	-1.0	0.9	£168,976	-0.4	3.3	£184,203	0.5	5.8	£193,579	0.7	4.9
Jun-15	£152,901	-0.2	1.2	£169,383	0.2	3.7	£185,625	0.8	6.3	£195,075	0.8	5.3
Jul-15	£152,785	-0.1	1.4	£169,738	0.2	3.4	£185,780	0.1	5.4	£195,408	0.2	4.4
Aug-15	£153,866	0.7	2.0	£171,942	1.3	4.0	£186,028	0.1	4.9	£196,147	0.4	4.0
Sep-15	£153,491	-0.2	2.4	£172,487	0.3	3.5	£187,056	0.6	4.6	£196,127	0.0	3.8
Oct-15	£154,625	0.7	2.3	£172,860	0.2	3.3	£189,262	1.2	6.1	£196,311	0.1	3.1

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Nov-14	£164,074	-0.3	4.6	£168,944	0.5	5.5	£245,369	-0.4	6.9	£227,786	-0.4	7.9
Dec-14	£164,350	0.2	4.3	£168,921	0.0	4.8	£246,870	0.6	6.6	£230,278	1.1	9.3
Jan-15	£164,685	0.2	3.9	£169,150	0.1	4.3	£245,756	-0.5	5.6	£233,163	1.3	9.6
Feb-15	£165,996	0.8	3.8	£168,737	-0.2	3.9	£248,275	1.0	5.6	£237,916	2.0	10.7
Mar-15	£166,035	0.0	3.8	£168,944	0.1	3.3	£249,577	0.5	5.0	£238,013	0.0	8.1
Apr-15	£164,545	-0.9	3.1	£168,468	-0.3	2.9	£251,479	0.8	4.8	£238,802	0.3	7.6
May-15	£163,892	-0.4	3.3	£169,840	0.8	3.5	£252,035	0.2	4.9	£237,854	-0.4	6.2
Jun-15	£163,566	-0.2	2.3	£170,936	0.6	4.2	£251,671	-0.1	5.0	£239,254	0.6	6.6
Jul-15	£164,542	0.6	2.9	£171,886	0.6	4.6	£253,678	0.8	5.3	£239,679	0.2	6.3
Aug-15	£164,683	0.1	1.5	£173,042	0.7	4.6	£254,640	0.4	4.4	£240,989	0.5	5.9
Sep-15	£165,583	0.5	1.7	£173,630	0.3	4.3	£255,860	0.5	4.2	£241,883	0.4	6.4
Oct-15	£166,628	0.6	1.2	£174,456	0.5	3.8	£256,869	0.4	4.3	£242,739	0.4	6.1

	South East			Greater London			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Nov-14	£318,379	0.2	10.8	£566,092	0.0	16.3		£274,194	0.0	10.1
Dec-14	£319,523	0.4	9.7	£560,139	-1.1	13.3		£274,115	0.0	9.0
Jan-15	£322,169	0.8	9.2	£561,415	0.2	10.4		£275,406	0.5	7.9
Feb-15	£323,972	0.6	8.4	£558,339	-0.5	8.9		£276,379	0.4	7.2
Mar-15	£326,029	0.6	8.0	£555,289	-0.5	6.7		£276,836	0.2	6.2
Apr-15	£326,986	0.3	7.5	£559,352	0.7	6.4		£277,727	0.3	5.9
May-15	£328,877	0.6	7.2	£563,384	0.7	4.2		£278,911	0.4	5.2
Jun-15	£330,008	0.3	6.4	£571,917	1.5	3.3		£280,749	0.7	4.8
Jul-15	£331,979	0.6	6.1	£573,400	0.3	3.0		£281,897	0.4	4.6
Aug-15	£334,776	0.8	6.2	£584,020	1.9	4.4		£284,693	1.0	4.8
Sep-15	£337,309	0.8	6.4	£589,290	0.9	4.3		£286,451	0.6	4.8
Oct-15	£340,244	0.9	7.1	£598,173	1.5	5.6		£288,977	0.9	5.4
Nov-15								£290,640	0.6	6.0



1. LSL Acad E&W HPI is derived from Land Registry (LR) house price data, seasonally and mix adjusted by property type. © Crown copyright material reproduced with the permission of Land Registry. The prices are smoothed to show underlying trends. LSL Acad E&W HPI includes cash purchase prices and is the only index based upon the complete, factual house price data for England & Wales, as opposed to a sample.
2. Most indices employ data available to the provider as result of its business; index methodologies are designed to exploit the advantages and overcome the disadvantages of each particular dataset; a valuation series (whether the values are professionally estimated at e.g. time of mortgage offer or by an estate agent) is not the same as a price series; price series (LSL Acad E&W HPI, 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 NOTE 6 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.

information@acadata.co.uk

© Acadata Limited