

LSL Property Services/Acadata England & Wales House Price Index

OCTOBER 2013

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 8TH NOVEMBER 2013

Transactions and prices continue to climb across the country

- Prices rise in all regions in England & Wales for first time in almost three years
- Most transactions recorded in an October since 2007
- House prices up 4.3% from a year ago, setting new record high

House Price	Index	Monthly Change %	Annual Change %
£237,161	241.5	0.6	4.3

Richard Sexton, director of e.surv chartered surveyors, part of LSL Property Services, comments: “We’re only at a fraction of the heights seen before the credit crunch struck, but still the housing market is a hive of activity. There’s been a tremendous jump in transactions over the past three months – with the most sales recorded in an October since the onset of the crisis. Key to such a surge in activity is the renewed level of confidence seeping back into the market and a plethora of attractive mortgage deals enticing more and more aspiring buyers back into the housing arena.

“For the first time in nearly three years, all ten regions in England and Wales have seen an increase in prices - an astonishing recovery, one that we can now say is truly national. Even earlier this year, many regions were still struggling to escape from the resilient grasp of the financial crisis. But in little over six months we’ve seen a drastic improvement in the availability of mortgages and increased lending by the banks to those at the lower end of the spectrum. The increase in demand, in part fuelled by the second phase of Help to Buy having been brought forward, has driven up average house prices across the country by £1,376 over the past month and £9,776 from a year ago. But despite significant rises, the increased availability and competitiveness of mortgages has also opened the door to a new wave of aspiring buyers who had previously been persistently locked out. The stark rise in first-time buyer activity in particular has given the speed of recovery an even greater uplift.

“Up and down the country regions are benefiting from the resurgence and experiencing new levels of activity. Up by 26%, East Anglia has seen the greatest boost in sales, but even the region with the lowest rise in transactions, the West Midlands, falls only shortly behind, rising by 22%. In the face of rises sweeping across the nation, we must ensure that the market doesn’t soar out of reach for those at the bottom of the ladder.

“Over the next year it’s crucial that the Government supports the growth of new house building to meet the growing demand, and prevent properties across the country becoming unaffordable for large portions of the population. But lenders too must share some of the load, as they play a pivotal role in reaching the lower end of the housing market and this can help support a continued and more sustainable rate of recovery into 2014 and beyond.”

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 October 2012 – October 2013

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
October	2012	£227,385	231.5	0.2	3.0
November	2012	£227,609	231.7	0.1	3.6
December	2012	£228,192	232.3	0.3	3.8
January	2013	£229,076	233.2	0.4	3.8
February	2013	£230,982	235.2	0.8	4.3
March	2013	£232,057	236.3	0.5	3.9
April	2013	£232,585	236.8	0.2	3.6
May	2013	£232,476	236.7	0.0	2.4
June	2013	£232,562	236.8	0.0	2.4
July	2013	£233,461	237.7	0.4	2.8
August	2013	£234,628	238.9	0.5	3.6
September	2013	£235,785	240.1	0.5	3.9
October	2013	£237,161	241.5	0.6	4.3

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

As Figure 1 shows, the number of housing transactions continues to climb. We estimate that the number of properties sold in October exceeded 79,000, which is the highest figure for the month of October since 2007, when sales totalled 104,500. Since May 2013 sales have been higher each month than in the same month of the previous three years. We estimate that the total number of transactions in 2013 will be 15% ahead of 2012, thus taking the total to more than 750,000. This will still be a long way short of the 1.3 million transactions recorded

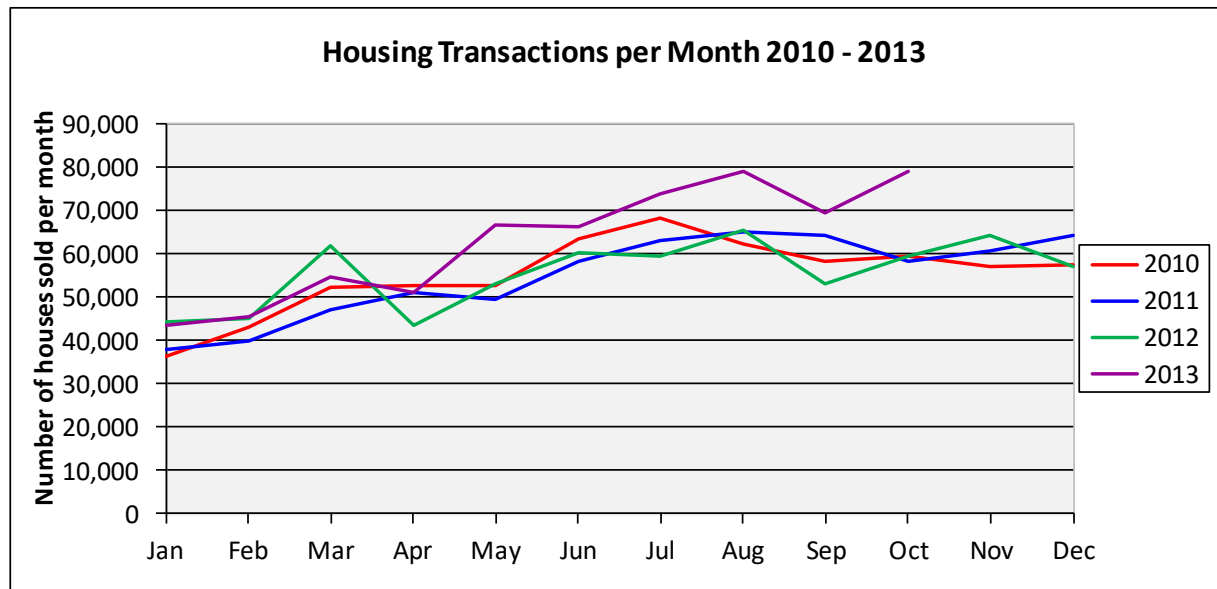


Figure 1. Number of properties sold per month in England & Wales, Jan 2010 – October 2013. Source Land Registry [link to source Excel](#)

by the Land Registry in 2007, which gives a clear sense of the context in which this market recovery should be viewed. However, we are seeing sustained momentum over the second part of the year, with renewed consumer confidence alongside general economic recovery and, of course, increased mortgage availability. All of these factors support the increasing activity as reflected in the transaction figures.

House prices

This month the average price of a home in England & Wales continues to set a new record level, at £237,161. It is 0.6% up on the month and 4.3% up on the previous year. Much of the impetus for the increase in prices arises in the south of England. Indeed, as we demonstrate in our regional analysis summary in Figure 5 below, Greater London, the South West, the South East and East Anglia are the four regions at the top of the annual house price growth table. Though this is noteworthy, perhaps the key point is that this month, for the first time in the last 35 months, all ten regions in England & Wales are recording positive annual house price growth. Thus at last we are seeing signs of national rather than selected regional recovery – this is good news, but it also means the authorities and not least the Bank of England will intensify their oversight of the market. Much has been made of the selective recovery in the arguments as to why we should be relaxed about the housing market improvement. Once it becomes a universal process then the arguments shift. Of course, we should be clear that even with widespread regional recovery what happens locally is actually what matters most, and here the picture is more patchy. Our commentary on trends in local authorities explores this in more detail.

Over the last twelve months the average house price has increased on eleven occasions, with only May 2013 seeing a minor fall. Historically this is a common enough occurrence; over the period March 1996 – April 2005 there were 110 months in succession in which house prices rose.

With the increase in transactions continuing over the next two months, we anticipate that price rises will continue to be supported by shortages in the supply of properties for sale. We therefore anticipate that house price increases will reach an annual average rate of 5.0% by the end of the year.



Housing Transactions

Table 2. The number of housing transactions in Q3 2012 and Q3 2013 by Region, recorded by the Land Registry at end October [link to source Excel](#)

REGION	EAST ANGLIA	NORTH WEST	EAST MIDLANDS	NORTH	SOUTH EAST	WALES	SOUTH WEST	GREATER LONDON	YORKS & HUMBERSIDE	WEST MIDLANDS	ENGLAND & WALES
Q3 2012	8,388	15,864	13,627	7,681	44,411	7,546	19,703	24,417	13,854	14,147	169,638
Q3 2013	10,575	19,890	16,989	9,564	55,044	9,335	24,350	30,163	17,057	17,309	210,276
% change	26.1%	25.4%	24.7%	24.5%	23.9%	23.7%	23.6%	23.5%	23.1%	22.4%	24.0%

Table 2 above shows the number of transactions recorded by the Land Registry at the end of October for the periods Q3 2012 and Q3 2013 and the percentage change over the year, analysed by Region. As can be seen, the percentage increase in transaction numbers for England & Wales as a whole is 24.0%. The region with the highest increase in sales is East Anglia, up some 26.1%, followed by the North West at 25.4%. The region recording the lowest increase in sales is the West Midlands at 22.4%. What is perhaps surprising is the near uniformity of the increase in transactions across England & Wales as a whole, with the range in transaction increases lying between 26.1% at the top end of the scale and 22.4% at the bottom. This should dispel the belief that it is only the markets in the south of the country which have benefitted from the recovery, including the various government schemes intended to bolster the nation's housing market. The figures show the extent to which all regions are benefitting, and not least Wales which had lagged behind England in terms of recovery.

Table 3. The number of housing transactions in Q3 2012 and Q3 2013 by property type, recorded by the Land Registry at end October [link to source Excel](#)

	Detached	Semi	Terraced	Flats	All Types
Q3 2012	43,376	46,878	49,652	29,732	169,638
Q3 2013	53,107	58,138	61,316	37,715	210,276
% change	22.4%	24.0%	23.5%	26.8%	24.0%

Table 3 above shows the number of transactions recorded by the Land Registry at the end of October for the periods Q3 2012 and Q3 2013, and the percentage change over the year, analysed by property type. As can be seen, flats have seen the highest percentage increase in the number of properties sold, followed by semi-detached, terraced and lastly detached properties, though again we observe limited variation between them. One of the main drivers in the increase in properties sold has been the first time buyer with flats being the main property choice for this group. Thus it is no surprise that flats have seen the largest increase in numbers, which in turn has helped boost sales for the second time and other home movers; these buyers will then typically trade up to larger homes, thus involving the purchase of other property types.

Figure 2 below puts the current levels of housing transactions into an historical perspective. Although housing transactions are likely to increase by 15% over 2012 levels for the year as a whole, the market is still only running at 76% of the long term average number of transactions over the last eighteen years – there is therefore still plenty of catching up to be done before the market returns to the levels seen prior to 2007/08. As we argued earlier, we are still in recovery mode across much of England & Wales.

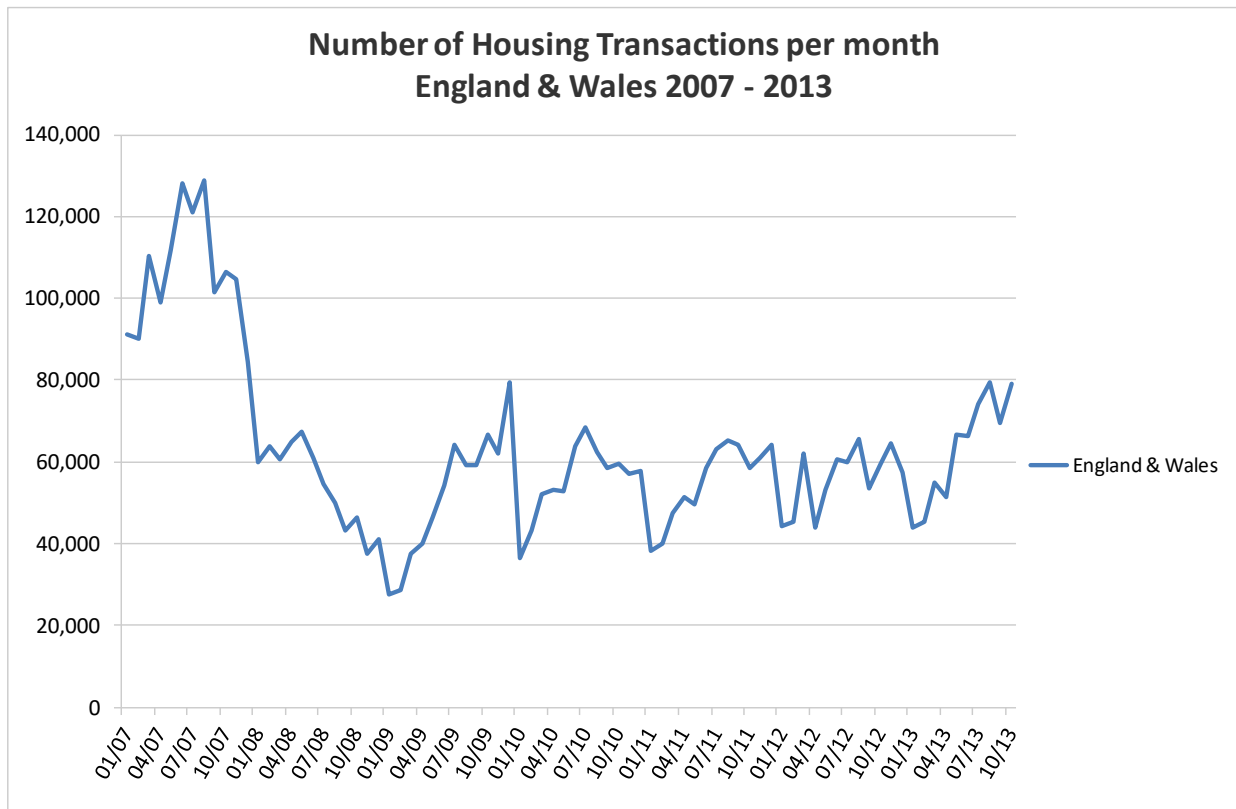


Figure 2. The number of housing transactions by month in England & Wales, 2007-2013 (not seasonally adjusted) [link to source Excel](#)

NOTES

1. LSL Acad E&W HPI is the only house price index to use:
 - the **actual** prices at which every property in England & Wales was transacted, including prices for properties bought with cash, using the factual Land Registry data as opposed to valuation estimates or asking prices
 - the price of **every** single relevant transaction, as opposed to prices based upon samples
 LSL Acad E&W HPI is a price series as opposed to a value series.
2. the current month LSL Acad E&W HPI comprises a forecast of the LR outcome, using an academic “index of indices” model, pending release of sufficient real data from the Land Registry.
3. LSL Acad E&W HPI forecasts are progressively replaced with real data, until every transaction reported to the Land Registry has been recorded and we have provided our LSL Acad E&W HPI “ultimate” data. All LSL Acad E&W HPI numbers, published prior to receipt of all transaction data, are subject to change; in publishing precise numbers for a number of reasons, we do not claim precision.
4. the accuracy of our forecasts is shown monthly on the Acadata website www.acadata.co.uk in our “[Development of Forecasts](#)” and in our “[Comparison of Indices](#)”, which shows how each index, including the LSL Acad E&W HPI “forecast”, compares with the LSL Acad E&W HPI, once sufficient factual Land Registry data have replaced forecast data, to enable LSL Acad E&W HPI to approach the “ultimate” results.
5. the Acadata website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.
6. Acadata is an independent privately owned consultancy working with Dr Stephen Satchell, Economics Fellow Trinity College Cambridge, and specialises in the assessment of risk in property and mortgage portfolios.
7. 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.

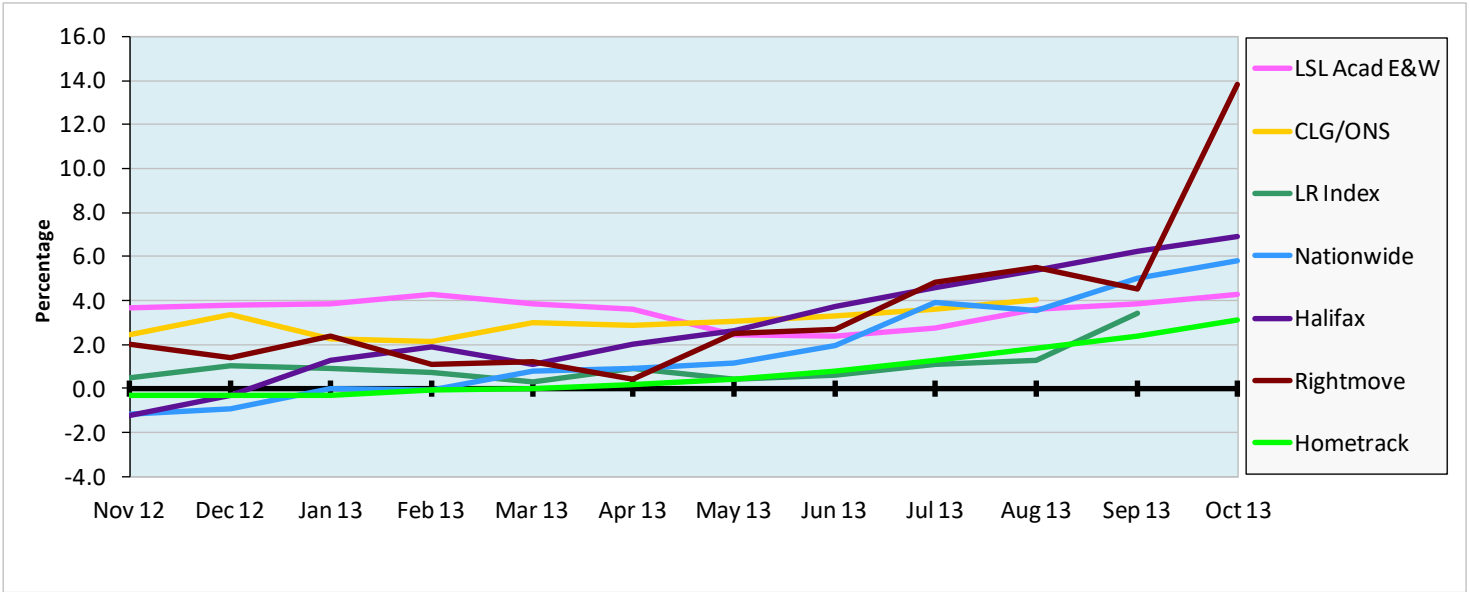


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

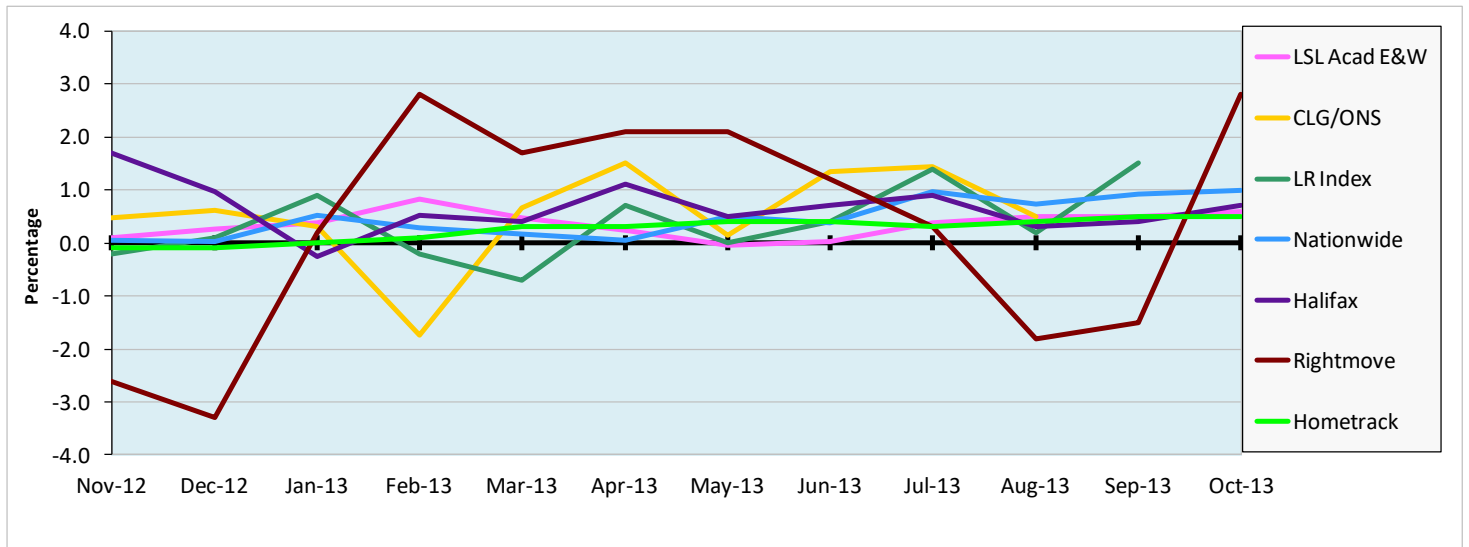


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

The comparison of indices charts (figures 3 and 4) show that asking prices, mortgage approval prices and completion prices have been generally rising on an annual basis since the beginning of the year. This month Rightmove stands alone in showing an annual increase in prices of 13.8%. However, it needs to be remembered that Rightmove records sellers' asking prices, as opposed to prices agreed at the time of sale. This is therefore an indication that sellers believe prices are on the increase and are perhaps pitching their prices at over-optimistic levels given the recovery.

Our own index was recording the highest annual movement in prices over the first six months of the period shown, largely the result of our inclusion of cash purchases, especially in the Greater London area. Currently Halifax and Nationwide are showing higher annual price changes than the LSL/Acadata index, suggesting that cash offers are being used as a lever to secure a discount on the seller's asking prices in what is becoming a more competitive market.

Earlier in the year we suggested that we would have to wait a few months before we could see whether the nascent recovery would be sustained. All the evidence shows it has been and that it will continue. The market has clear evidence of forward momentum rippling out from London across much of England & Wales. This is easing some of the difficulties that had built up for homeowners needing to move, but where prices had settled too low to make that an easy choice.



Momentum is likely to pick up as households move in the uneven recovery, selling up in areas where recovery has been strong and exploiting weaker markets elsewhere, safe in the knowledge this recovery is now working through. We can thus expect house prices to increase in 2014 perhaps in excess of this year's 5%. One London agency has already forecast an average 6% for England & Wales for 2014, albeit with significant regional variations, and with the rate of increase declining to 4% in 2018. More forecasts will be published shortly and we will reflect on them in our next commentary. If prices start to grow much more strongly than 5%, ie well in advance of inflation and wage growth, the Bank of England will be very alert to the risks such a surge may pose. However, the Bank in the form of the Financial Policy Committee (FPC) has signalled that it favours a graduated response to any housing market 'bubble' – starting with dialogue and challenge, through tighter supervision of underwriting standards and recommended actions before imposing any sectoral capital requirements. As noted in previous commentaries, the New Zealand Reserve Bank has explored this issue in some detail and imposed a loan-to-value restriction. This does not appear to be the preferred BoE stance as this option was canvassed at the time the FPC was set up and was declined.



Significantly for the first time in the last 35 months all ten regions are now showing positive movement in their annual rate of house price change. As figure 5 shows, Greater London continues to dominate the housing market with house price inflation more than double that of any other region of England & Wales. It is the only region to have an annual rate higher than the average for the country as a whole. However, it is one of only three regions this month that are showing a slackening of pace compared to the previous month, the others being East Anglia and the West Midlands. This month record average house prices have again been established for Greater London and the South East region, with 15 London boroughs and 4 Unitary Authorities surpassing their previously recorded highs.

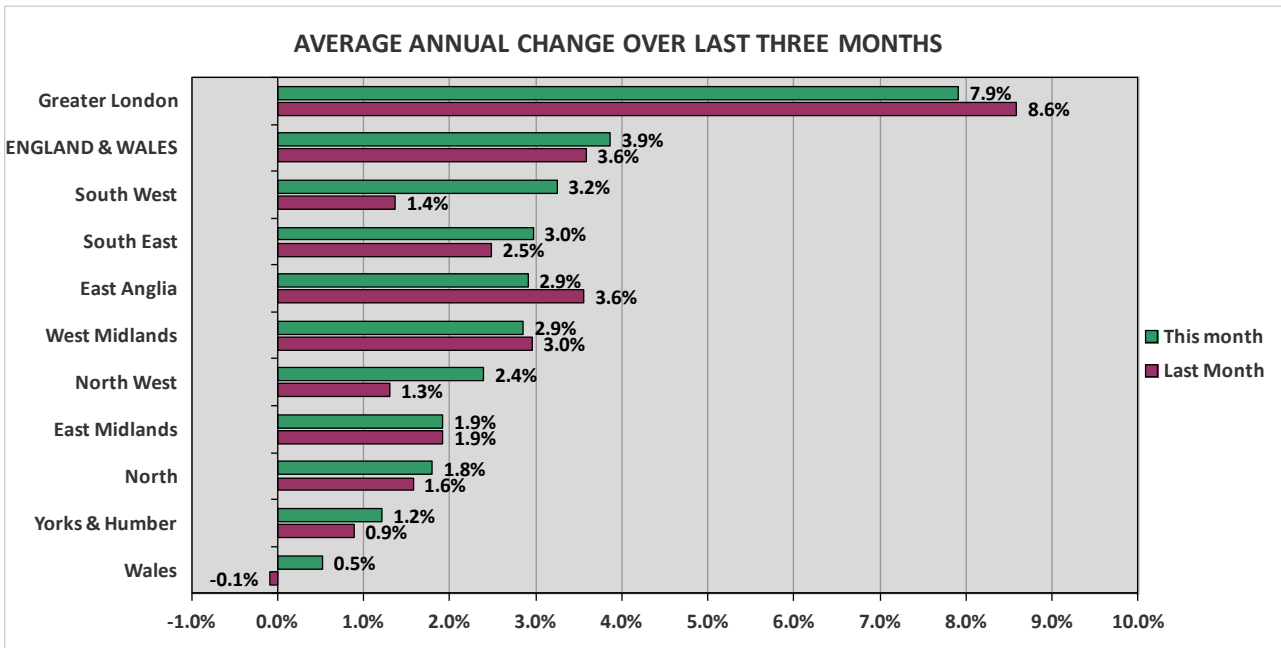


Figure 5. The annual change in the average house price, analysed by region

[link to source Excel](#)

ANNUAL CHANGE IN PRICE BY REGION

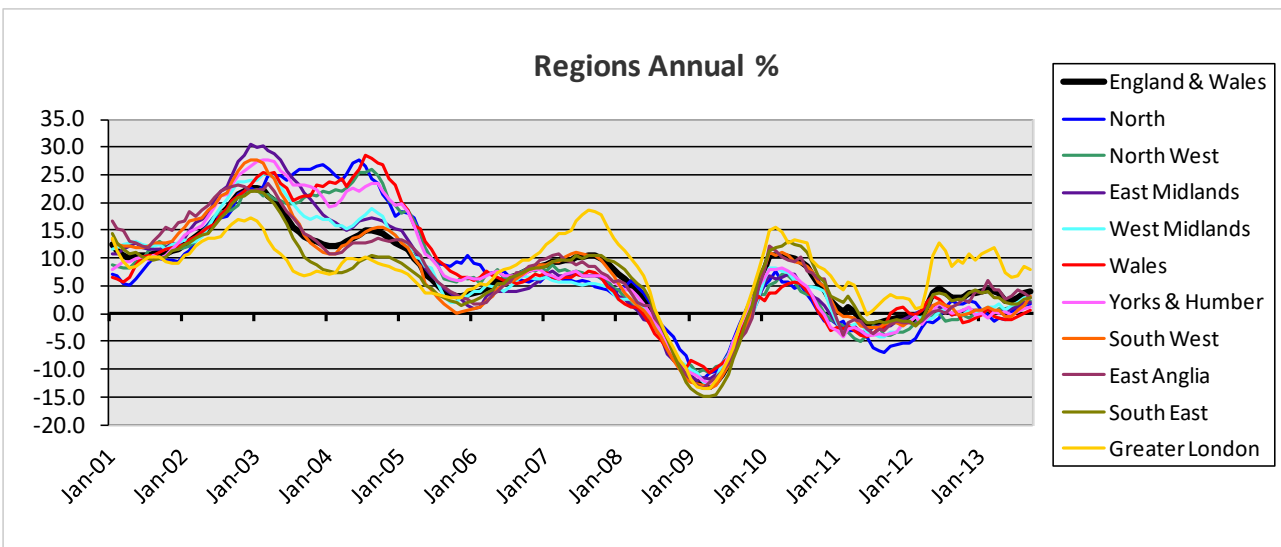


Figure 6. A comparison of the annual change in house prices, by region for the period January 2001 – September 2013

[link to source Excel](#)

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



Table 4. The change in mix adjusted house prices, for the 33 London boroughs, comparing September 2012 with August and September 2013. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Sep-12	Aug-13	Sep-13	Month % Change	Annual % Change
1	1	KENSINGTON & CHELSEA	1,439,366	1,539,408	1,596,869	3.7%	10.9%
2	2	CITY OF WESTMINSTER	1,220,661	1,168,033	1,136,353	-2.7%	-6.9%
3	3	CAMDEN	796,955	846,963	845,379	-0.2%	6.1%
5	4	CITY OF LONDON	563,993	753,157	760,459	1.0%	34.8%
4	5	HAMMERSMITH & FULHAM	664,289	758,057	759,122	0.1%	14.3%
6	6	RICHMOND UPON THAMES	547,664	645,870	646,735	0.1%	18.1%
8	7	WANDSWORTH	514,325	585,112	598,056	2.2%	16.3%
7	8	ISLINGTON	524,223	581,328	587,168	1.0%	12.0%
11	9	HARINGEY	414,554	487,108	498,402	2.3%	20.2%
10	10	MERTON	421,156	476,051	486,004	2.1%	15.4%
9	11	BARNET	444,137	481,143	476,395	-1.0%	7.3%
12	12	HACKNEY	412,868	462,893	475,908	2.8%	15.3%
13	13	SOUTHWARK	412,344	450,263	463,224	2.9%	12.3%
14	14	BRENT	411,832	445,775	452,592	1.5%	9.9%
15	15	EALING	403,661	444,307	439,872	-1.0%	9.0%
17	16	LAMBETH	399,308	426,089	428,186	0.5%	7.2%
16	17	KINGSTON UPON THAMES	400,427	398,509	399,836	0.3%	-0.1%
20	18	HOUNSLOW	349,048	382,579	393,172	2.8%	12.6%
18	19	TOWER HAMLETS	369,654	382,026	381,736	-0.1%	3.3%
19	20	HARROW	351,604	363,408	366,765	0.9%	4.3%
21	21	BROMLEY	330,062	339,775	344,828	1.5%	4.5%
22	22	REDBRIDGE	305,610	315,585	317,997	0.8%	4.1%
25	23	GREENWICH	284,288	311,064	309,144	-0.6%	8.7%
26	24	LEWISHAM	282,943	303,560	306,630	1.0%	8.4%
23	25	ENFIELD	296,948	304,160	305,796	0.5%	3.0%
24	26	HILLINGDON	291,461	292,853	291,216	-0.6%	-0.1%
27	27	SUTTON	264,815	277,953	279,419	0.5%	5.5%
30	28	WALTHAM FOREST	239,613	276,241	279,010	1.0%	16.4%
28	29	CROYDON	242,499	257,959	261,132	1.2%	7.7%
29	30	HAVERING	240,076	258,885	260,369	0.6%	8.5%
31	31	NEWHAM	223,043	234,364	237,114	1.2%	6.3%
32	32	BEXLEY	219,394	229,166	228,301	-0.4%	4.1%
33	33	BARKING & DAGENHAM	177,281	184,390	185,936	0.8%	4.9%
		ALL LONDON	426,485	456,766	460,207	0.8%	7.9%

Table 4 above shows the average house price by London borough for September 2012, August 2013 and September 2013. It also records the percentage change in these prices over the last month and year. On an annual basis, house prices have increased in 30 London boroughs (last month it was all 33 boroughs). This month, some 15 London boroughs, highlighted in grey above, are seeing peak prices (the same number as last month), as is Greater London as a whole. The Table shows that the spread of boroughs experiencing peaks this month in terms of their ranking by average house price is far wider than has been the case over the last year, when peak prices tended to be the preserve of the more expensive PCL (Prime Central London) districts.

On a monthly basis, house prices have risen in 25 boroughs and fallen in 8, with an overall average increase of 0.8%. The similar figures last month were 22 boroughs showing an increase in prices and 11 recording price falls, with an average increase of 1.0%. The borough with the highest increase in prices in the month was Kensington & Chelsea, up by 3.7%. However, with the average price of a flat changing hands for £1.2 million, the borough is in a different league to almost every other location in the UK. The area with the largest fall in prices over the month was the City of Westminster, down 2.7%, but this is due to the skewing effect of very expensive homes being sold in particular months.

Across Greater London transactions have increased by 23.5% from Q3 2012 to Q3 2013, with the largest increases being in the sale of detached properties and flats, both up by 27%, followed by semi-detached and terraced properties up 24% and 18% respectively. The highest increase in sales in a borough was in Newham, up 68%, followed by Barking & Dagenham, up 49%; in both locations terraced properties have seen substantial sales increases. The lowest change in a borough over the period has been in Islington, where transactions only increased by 4%.

Counties and unitary authorities



Table 5. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing September 2012 with August and September 2013 [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Sep-12	Aug-13	Sep-13	Monthly change	Annual Change
17	16	CAMBRIDGESHIRE	245,689	255,683	256,534	0.3%	4.4%
66	70	CITY OF PETERBOROUGH	155,883	154,924	155,616	0.4%	-0.2%
50	47	NORFOLK	181,201	188,722	187,384	-0.7%	3.4%
41	43	SUFFOLK	200,387	203,432	203,324	-0.1%	1.5%
		EAST ANGLIA	201,446	207,544	207,307	-0.1%	2.9%
84	87	CITY OF DERBY	141,186	143,065	139,722	-2.3%	-1.0%
100	99	CITY OF NOTTINGHAM	112,499	110,454	111,385	0.8%	-1.0%
63	64	DERBYSHIRE	160,967	163,454	162,121	-0.8%	0.7%
86	88	LEICESTER	139,857	137,697	139,582	1.4%	-0.2%
45	48	LEICESTERSHIRE	183,804	185,714	186,635	0.5%	1.5%
75	69	LINCOLNSHIRE	151,130	155,669	157,050	0.9%	3.9%
51	52	NORTHAMPTONSHIRE	176,851	179,114	180,917	1.0%	2.3%
69	68	NOTTINGHAMSHIRE	154,632	157,652	157,252	-0.3%	1.7%
14	8	RUTLAND	259,207	289,121	306,755	6.1%	18.3%
		EAST MIDLANDS	160,334	162,857	163,414	0.3%	1.9%
		GREATER LONDON	426,485	456,766	460,207	0.8%	7.9%
56	59	CUMBRIA	166,771	172,486	171,927	-0.3%	3.1%
93	90	DARLINGTON	125,059	135,704	134,425	-0.9%	7.5%
95	96	DURHAM	122,422	118,791	118,698	-0.1%	-3.0%
97	97	HARTLEPOOL	120,077	119,023	118,155	-0.7%	-1.6%
98	101	MIDDLESBROUGH	117,952	107,455	105,913	-1.4%	-10.2%
61	53	NORTHUMBERLAND	164,454	174,549	174,330	-0.1%	6.0%
96	95	REDCAR AND CLEVELAND	120,247	123,549	121,850	-1.4%	1.3%
73	80	STOCKTON-ON-TEES	151,531	144,597	145,925	0.9%	-3.7%
89	85	TYNE AND WEAR	135,257	139,179	140,293	0.8%	3.7%
		NORTH	140,472	142,902	143,002	0.1%	1.8%
99	98	BLACKBURN WITH DARWEN	116,681	113,828	116,928	2.7%	0.2%
104	103	BLACKPOOL	100,268	102,173	105,599	3.4%	5.3%
40	38	CHESHIRE	203,000	211,710	209,391	-1.1%	3.1%
80	77	GREATER MANCHESTER	147,604	149,850	150,314	0.3%	1.8%
90	89	HALTON	131,128	138,913	137,232	-1.2%	4.7%
81	79	LANCASHIRE	146,978	147,066	148,281	0.8%	0.9%
87	82	MERSEYSIDE	138,285	141,200	143,345	1.5%	3.7%
49	45	WARRINGTON	181,573	190,321	192,798	1.3%	6.2%
		NORTH WEST	150,853	153,692	154,469	0.5%	2.4%
28	28	BEDFORDSHIRE	214,900	217,972	218,495	0.2%	1.7%
13	11	BRACKNELL FOREST	265,361	290,782	286,304	-1.5%	7.9%
9	12	BRIGHTON AND HOVE	276,002	276,500	281,321	1.7%	1.9%
3	3	BUCKINGHAMSHIRE	356,061	362,422	361,683	-0.2%	1.6%
20	23	EAST SUSSEX	235,493	233,625	234,636	0.4%	-0.4%
16	17	ESSEX	246,785	251,735	253,033	0.5%	2.5%
12	14	HAMPSHIRE	268,773	271,994	271,903	0.0%	1.2%
5	6	HERTFORDSHIRE	324,485	334,119	334,059	0.0%	3.0%
43	44	ISLE OF WIGHT	193,660	200,822	202,340	0.8%	4.5%
19	18	KENT	240,118	248,382	250,030	0.7%	4.1%
67	66	LUTON	155,483	158,500	159,391	0.6%	2.5%
60	58	MEDWAY	164,991	171,050	172,979	1.1%	4.8%
32	32	MILTON KEYNES	211,538	211,637	211,512	-0.1%	0.0%
6	5	OXFORDSHIRE	314,862	337,707	344,417	2.0%	9.4%

Counties and unitary authorities



57	61	PORTSMOUTH	165,820	171,160	168,042	-1.8%	1.3%
21	20	READING	235,158	240,396	240,989	0.2%	2.5%
38	31	SLOUGH	205,299	214,323	212,541	-0.8%	3.5%
54	60	SOUTHAMPTON	173,951	166,190	168,433	1.4%	-3.2%
44	33	SOUTHEND-ON-SEA	193,306	211,596	211,442	-0.1%	9.4%
2	2	SURREY	398,707	413,541	410,926	-0.6%	3.1%
47	49	THURROCK	182,733	184,070	184,919	0.5%	1.2%
8	9	WEST BERKSHIRE	291,741	301,369	305,553	1.4%	4.7%
11	13	WEST SUSSEX	270,836	277,695	279,526	0.7%	3.2%
1	1	WINDSOR AND MAIDENHEAD	434,069	428,093	432,242	1.0%	-0.4%
4	4	WOKINGHAM	326,626	340,451	347,747	2.1%	6.5%
		SOUTH EAST	270,947	278,070	278,988	0.3%	3.0%
7	7	BATH AND NORTH EAST SOMERSET	293,745	321,237	328,091	2.1%	11.7%
26	24	BOURNEMOUTH	216,067	219,041	232,102	6.0%	7.4%
29	27	CITY OF BRISTOL	213,641	222,547	225,706	1.4%	5.6%
70	67	CITY OF PLYMOUTH	153,681	155,989	157,774	1.1%	2.7%
25	25	CORNWALL	216,504	227,159	227,620	0.2%	5.1%
22	21	DEVON	233,202	236,335	237,522	0.5%	1.9%
15	15	DORSET	258,582	262,411	265,123	1.0%	2.5%
23	22	GLOUCESTERSHIRE	225,154	232,666	234,716	0.9%	4.2%
33	35	NORTH SOMERSET	210,969	214,631	211,166	-1.6%	0.1%
10	10	POOLE	275,950	274,243	291,504	6.3%	5.6%
37	39	SOMERSET	205,651	208,211	208,812	0.3%	1.5%
34	40	SOUTH GLOUCESTERSHIRE	210,386	209,157	207,951	-0.6%	-1.2%
59	57	SWINDON	165,151	174,683	173,468	-0.7%	5.0%
48	51	TORBAY	181,921	182,279	181,990	-0.2%	0.0%
18	19	WILTSHIRE	241,158	241,852	242,986	0.5%	0.8%
		SOUTH WEST	221,435	226,428	228,622	1.0%	3.2%
108	108	BLAENAU GWENT	76,366	80,041	83,918	4.8%	9.9%
88	84	BRIDGEND	135,692	137,795	140,511	2.0%	3.6%
94	94	CAERPHILLY	124,852	123,489	124,060	0.5%	-0.6%
46	46	CARDIFF	183,599	189,082	190,609	0.8%	3.8%
85	92	CARMARTHENSHIRE	140,769	130,553	129,464	-0.8%	-8.0%
52	50	CEREDIGION	175,803	179,173	182,199	1.7%	3.6%
71	63	CONWY	153,619	160,474	162,584	1.3%	5.8%
83	83	DENBIGHSHIRE	141,727	137,524	142,514	3.6%	0.6%
68	81	FLINTSHIRE	154,708	144,718	145,253	0.4%	-6.1%
74	75	GWYNEDD	151,324	151,868	152,570	0.5%	0.8%
62	65	ISLE OF ANGLESEY	161,534	161,000	162,017	0.6%	0.3%
106	105	MERTHYR TYDFIL	97,233	97,768	99,440	1.7%	2.3%
24	34	MONMOUTHSHIRE	217,883	212,210	211,397	-0.4%	-3.0%
103	102	NEATH PORT TALBOT	101,484	106,644	105,779	-0.8%	4.2%
72	72	NEWPORT	153,484	153,414	154,416	0.7%	0.6%
58	54	PEMBROKESHIRE	165,344	171,991	173,907	1.1%	5.2%
53	56	POWYS	174,703	172,504	173,786	0.7%	-0.5%
102	104	RHONDDA CYNON TAFF	109,042	103,741	105,425	1.6%	-3.3%
79	78	SWANSEA	148,618	144,378	149,090	3.3%	0.3%
35	37	THE VALE OF GLAMORGAN	209,377	208,786	209,747	0.5%	0.2%
91	93	TORFAEN	127,181	126,400	125,955	-0.4%	-1.0%
65	74	WREXHAM	156,408	150,207	152,739	1.7%	-2.3%
		WALES	151,983	151,216	152,779	1.0%	0.5%
27	29	HEREFORDSHIRE	215,338	216,164	216,785	0.3%	0.7%
42	42	SHROPSHIRE	199,112	201,480	204,279	1.4%	2.6%



55	55	STAFFORDSHIRE	170,893	175,224	173,786	-0.8%	1.7%
107	106	STOKE-ON-TRENT	92,878	98,324	98,024	-0.3%	5.5%
30	26	WARWICKSHIRE	213,117	227,339	226,578	-0.3%	6.3%
77	71	WEST MIDLANDS	149,998	155,203	155,021	-0.1%	3.3%
39	41	WORCESTERSHIRE	204,763	203,765	204,794	0.5%	0.0%
76	76	WREKIN	150,297	152,796	151,158	-1.1%	0.6%
		WEST MIDLANDS	169,521	174,523	174,361	-0.1%	2.9%
105	107	CITY OF KINGSTON UPON HULL	98,381	94,690	96,920	2.4%	-1.5%
64	62	EAST RIDING OF YORKSHIRE	159,645	165,490	166,589	0.7%	4.3%
101	100	NORTH EAST LINCOLNSHIRE	110,585	109,594	110,094	0.5%	-0.4%
92	91	NORTH LINCOLNSHIRE	126,886	130,315	133,057	2.1%	4.9%
31	30	NORTH YORKSHIRE	212,887	214,035	213,411	-0.3%	0.2%
82	86	SOUTH YORKSHIRE	142,354	139,233	140,132	0.6%	-1.6%
78	73	WEST YORKSHIRE	149,734	152,818	153,535	0.5%	2.5%
36	36	YORK	208,701	210,573	210,117	-0.2%	0.7%
		YORKS & HUMBER	154,345	155,512	156,220	0.5%	1.2%
		ALL ENGLAND & WALES	227,012	234,628	235,785	0.5%	3.9%

Table 5 shows the average house price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for September 2012, August 2013 and September 2013. It also records the percentage change in these prices over the last month and year.

We can highlight several trends. Firstly, on an annual basis, prices have increased in 84 unitary authority areas (last month 73) and fallen in 24 (last month 35). Thus prices are now rising in over 75% of the unitary authorities across the country, the highest percentage since October 2010, when the market was on the rebound from the trough of 2009. The area with the highest increase in average house prices among the unitary authorities on an annual basis is Rutland, up 18.3%, but low sales volumes in the area result in volatile percentage changes, masking any underlying trends. Rutland is followed by Bath and North East Somerset, up 11.7%, where the prices of detached and terraced properties have been moving steadily upwards. The area with the largest fall in average prices over the year is Middlesbrough, where prices fell by 10.2%, largely the result of a reduction in the prices of detached and terraced properties.

Secondly, looking at the change in prices over the last month from August 2013 to September 2013, there have been falls in 38 of the 108 unitary authority areas. Last month the equivalent figure was 49 unitary authorities with price falls, indicating that there has been a strengthening in house prices over two thirds of England & Wales during September.

The unitary authority area with the highest change in monthly prices is Poole, where prices rose by 6.3%, with detached properties and flats seeing the highest increase in average prices. Poole is closely followed by neighbouring Bournemouth where prices rose by 6.0%. The unitary authority area with the largest decline in house prices over the month was the City of Derby, down 2.3%, where prices fell across all property types.

Finally, this month there are four unitary authorities in which a new peak price has been set (last month there were six); in the South East region we have Oxfordshire and Wokingham, and in the South West for the second month running, Bath and North East Somerset and the City of Bristol.

Conclusion

This commentary has shown widespread but not universal recovery, and all the indicators point to this continuing. Some may deduce from this that a general housing market bubble is around the corner. However, we have to remember that this recovery is from a low base of activity, where prices at least in some localities were down by 25% in real terms. The headlines may thus give a misleading picture of where the market is, and of the pressures building up. We must also remember that alongside any possible BoE intervention we have a number of other measures which will impact on the future market. Setting aside potential interest rate increases and any possible higher stamp duty on the most expensive properties, the Funding for Lending Scheme - which has helped lenders increase mortgage supply - ends in January 2015 (while the Help to Buy Mortgage Guarantee scheme ends in 2016). This could dampen mortgage availability in 2015 and put a brake on activity. Thus while we can be optimistic for 2014, we should not imagine the market recovery is going to look like a runaway train – it won't.

Please note that Acadametrics has changed its name to Acadata following agreement that MIAC Acadametrics will take the name. Acadata will focus on house price indices and data. Please do not hesitate to email if any queries arise.

Regional data table



Table 6. Average house prices by region, October 2012 – October 2013, with monthly and annual % growth

[link to source Excel](#)

	North			North West			East Midlands			West Midlands		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Oct-12	£141,796	0.9	1.7	£151,709	0.6	-0.2	£161,017	0.4	0.6	£170,101	0.3	-0.3
Nov-12	£141,837	0.0	2.3	£149,788	-1.3	-0.9	£161,512	0.3	0.7	£170,056	0.0	0.6
Dec-12	£140,634	-0.8	2.0	£150,072	0.2	0.0	£160,958	-0.3	0.6	£170,776	0.4	0.2
Jan-13	£139,862	-0.5	0.7	£150,767	0.5	0.2	£161,350	0.2	0.5	£171,733	0.6	0.5
Feb-13	£141,400	1.1	-0.2	£152,840	1.4	0.5	£163,194	1.1	1.0	£173,187	0.8	1.2
Mar-13	£142,124	0.5	-1.3	£152,523	-0.2	0.2	£162,415	-0.5	0.4	£172,368	-0.5	1.2
Apr-13	£142,073	0.0	-0.9	£152,315	-0.1	0.9	£162,302	-0.1	0.4	£171,727	-0.4	1.6
May-13	£140,396	-1.2	-1.1	£151,696	-0.4	1.0	£161,333	-0.6	0.2	£170,655	-0.6	0.6
Jun-13	£141,543	0.8	0.2	£152,880	0.8	1.1	£162,602	0.8	0.8	£172,366	1.0	1.4
Jul-13	£142,179	0.4	1.0	£153,375	0.3	1.8	£162,679	0.0	1.2	£173,190	0.5	1.9
Aug-13	£142,902	0.5	1.6	£153,692	0.2	1.3	£162,857	0.1	1.9	£174,523	0.8	3.0
Sep-13	£143,002	0.1	1.8	£154,469	0.5	2.4	£163,414	0.3	1.9	£174,361	-0.1	2.9

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Oct-12	£152,618	0.4	-1.5	£154,262	-0.1	0.7	£222,017	0.3	-0.2	£202,974	0.8	2.5
Nov-12	£152,566	0.0	-1.3	£154,280	0.0	1.0	£220,757	-0.6	-0.1	£200,684	-1.1	2.1
Dec-12	£152,337	-0.1	-0.8	£153,714	-0.4	-0.1	£223,113	1.1	0.7	£203,379	1.3	4.1
Jan-13	£151,560	-0.5	-0.3	£153,981	0.2	-0.1	£223,117	0.0	0.6	£202,633	-0.4	3.7
Feb-13	£153,427	1.2	0.7	£153,704	-0.2	-0.7	£224,299	0.5	1.3	£206,736	2.0	5.9
Mar-13	£152,789	-0.4	-0.5	£154,066	0.2	0.3	£223,581	-0.3	0.7	£205,922	-0.4	4.3
Apr-13	£152,542	-0.2	-0.8	£154,903	0.5	0.1	£224,064	0.2	0.5	£207,202	0.6	4.2
May-13	£151,503	-0.7	-1.2	£155,130	0.1	0.2	£224,075	0.0	-0.7	£205,367	-0.9	2.5
Jun-13	£150,808	-0.5	-1.2	£155,452	0.2	-0.1	£223,691	-0.2	-0.5	£205,836	0.2	3.3
Jul-13	£151,056	0.2	-0.6	£154,778	-0.4	0.4	£224,805	0.5	0.5	£206,738	0.4	4.2
Aug-13	£151,216	0.1	-0.1	£155,512	0.5	0.9	£226,428	0.7	1.4	£207,544	0.4	3.6
Sep-13	£152,779	1.0	0.5	£156,220	0.5	1.2	£228,622	1.0	3.2	£207,307	-0.1	2.9

	South East			Greater London			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Oct-12	£270,381	-0.2	2.6	£427,031	0.1	9.0	£227,385	0.2	3.0
Nov-12	£270,478	0.0	3.6	£431,777	1.1	10.6	£227,609	0.1	3.6
Dec-12	£271,933	0.5	4.3	£431,397	-0.1	9.7	£228,192	0.3	3.8
Jan-13	£272,182	0.1	3.7	£436,871	1.3	10.8	£229,076	0.4	3.8
Feb-13	£274,434	0.8	4.0	£439,891	0.7	11.4	£230,982	0.8	4.3
Mar-13	£276,036	0.6	2.8	£447,133	1.6	11.8	£232,057	0.5	3.9
Apr-13	£277,172	0.4	2.9	£448,523	0.3	10.1	£232,585	0.2	3.6
May-13	£277,775	0.2	1.9	£450,063	0.3	7.4	£232,476	0.0	2.4
Jun-13	£276,716	-0.4	1.8	£449,294	-0.2	6.6	£232,562	0.0	2.4
Jul-13	£277,808	0.4	1.8	£452,081	0.6	6.8	£233,461	0.4	2.8
Aug-13	£278,070	0.1	2.5	£456,766	1.0	8.6	£234,628	0.5	3.6
Sep-13	£278,988	0.3	3.0	£460,207	0.8	7.9	£235,785	0.5	3.9
Oct-13							£237,161	0.6	4.3



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.