



Under embargo until 00:01 Thursday 8th October 2015

September 2015

September sales at eight-year high

- Strongest September for home sales since 2007, driven by activity in the north as supply squeeze stalls sales in the south
- But there's a southern resurgence in price growth, with the South East seeing strongest year-on-year rise of any region
- London housing market back on track, with capital recording its biggest monthly price boost since June 2014
- Overall, average house prices across England and Wales have risen £11,500 in the last year, after 42 months of annual growth
- September's monthly price increase takes property values to ninth consecutive record this year, standing at £284,742

House Price	Index	Monthly Change %	Annual Change %	Annual Change % (excluding London & SE)
£284,742	276.0	0.4	4.2	3.5

Adrian Gill, director of Reeds Rains and Your Move estate agents, comments: "The speed of house price growth across England and Wales may not be setting the world alight, but it's certainly showing it has stamina – September marks the 42nd successive month of positive annual growth. Typical property prices are now £11,500 (4.2%) higher than a year ago, and house price growth continues to outdo rises in wages and consumer prices. In September the average home value in England and Wales rose to reach £284,742, a healthy £1,231 (0.4%) monthly boost from August, setting the ninth new price record this year.

"This growth is primarily being underpinned by sturdy demand and solid activity at the bottom of the property ladder. The most frequently paid property price across England and Wales is just £125,000, mirroring the level at which stamp duty becomes payable, and reflecting the impetus that has been injected in the first-time buyer market recently. It is also the lower to mid-range properties priced between £180,000 and £360,000 which are seeing the fastest increases in value, while the shift in stamp duty bands continues to slow growth at the higher end of the market, and prices above £600,000 are largely stationary.

"Despite this, London is firmly back in the driving seat of property price rises, following a slight pit stop. House price growth in the capital has washed up since September 2014, when annual growth stood at a staggering 19.2%, but a price surge in September seems to have stemmed the flow. Average house prices in London jumped 1.4% in August – the biggest monthly boost for fourteen months since June 2014 – and this has also rallied the annual change. As in the rest of the country, it's the more affordably priced London boroughs which are behind this renaissance, as the strengthening of sterling, rising stamp duty rates and moves against non-doms take their toll on the high-end market. The ten boroughs with the lowest average house prices all set new record highs in August, and it is Barking and Dagenham, at the very bottom of the price rankings, that recorded the fastest year-on-year increase in property values, at 15.7%.

"While London is once again leading the pack in terms of monthly price growth, the South East region has soared two places in the rankings to top the charts with the highest annual increase in property values. Average house prices in the South East have grown 5.8% over the past twelve months. Combined, these two regions are now having a much greater influence on national measures of price growth. Compared to July, when they were only pushing up the overall annual change by 0.1%, this has grown to 0.7%. As house price growth becomes more southern-centric again, the London commuter belt is spurring some of the fastest rates of change – with Luton witnessing the steepest price rise compared to last year, jumping 14.9%.

"This is the strongest September for home sales since 2007, escaping the recession shadow and completely defying the seasonal trend. Monthly sales have totalled 84,000, an increase of 3% from August, and making September only the second month this year in which sales have overtaken 2014 levels. The regional spread of home sales reads like a traditional tale of north/south divide – with cheaper northern regions experiencing the fastest growth in property sales, while a shortage of property stock on the market in the south is slowing activity. In the three months to August 2015, the North and North West of England saw the biggest year-on-year increase in property sales, while East Anglia, London and the South East saw the most significant annual falls, as the squeeze on supply in the south reins back the flow of activity and drives up buyer competition and prices."

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 September 2014 – September 2015

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
September	2014	£273,225	264.9	0.6	11.1
October	2014	£274,214	266.1	0.4	10.7
November	2014	£274,177	266.3	0.0	10.1
December	2014	£274,090	265.7	0.0	9.0
January	2015	£275,389	266.9	0.5	7.9
February	2015	£276,341	267.8	0.3	7.2
March	2015	£276,801	268.3	0.2	6.2
April	2015	£277,614	269.1	0.3	5.9
May	2015	£278,762	270.2	0.4	5.1
June	2015	£280,409	271.8	0.6	4.7
July	2015	£281,650	273.0	0.4	4.5
August	2015	£283,511	274.8	0.7	4.4
September	2015	£284,742	276.0	0.4	4.2

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

House prices

House prices in England & Wales continue to rise faster than wages and consumer prices. In September, there was a 0.4% increase, taking the average price paid for a home to £284,742, up £1,231 on August and setting the ninth new peak for house prices this year.

On an annual basis, house price growth at the end of September was 4.2%, with the average price paid for a home being £11,500 higher than a year earlier. Annual house price inflation has now been positive for the last 42 months, although the rate has been falling for over a year (September was the 13th month in which the annual rate has been falling). However, as is evident from the red line in Figure 1 below, the rate at which prices have been decreasing has slowed over the last three months. Nevertheless, there is a strong expectation that the annual rate will start to rise once more over the next few months. This is partly as the low monthly rates experienced during the last quarter of 2014 - amounting to 0.4% - drop out of the annual house price calculations and are replaced by the higher monthly rates anticipated over the last three months of 2015, as a consequence of strengthening demand supported by an active mortgage market.

Figure 1 also illustrates one of the major features of the housing market over the last two years - that London, and to a lesser extent the South East, have been driving the statistical average rate of house price inflation across England & Wales, causing the observable gap in the rates of house price growth when comparing the market with and without these two regions. However, London's annual rate of house price inflation has been falling over the last year from 19.2% in September 2014 to an estimated 3.9% in September 2015, a startling decline and one which results in the capital now only having a minor influence on the average rate of annual house price inflation for England & Wales. However, the decline in the rate of inflation in Greater London appears to have reached the bottom, with early indications that prices in the capital are once again beginning to move in an upward direction.

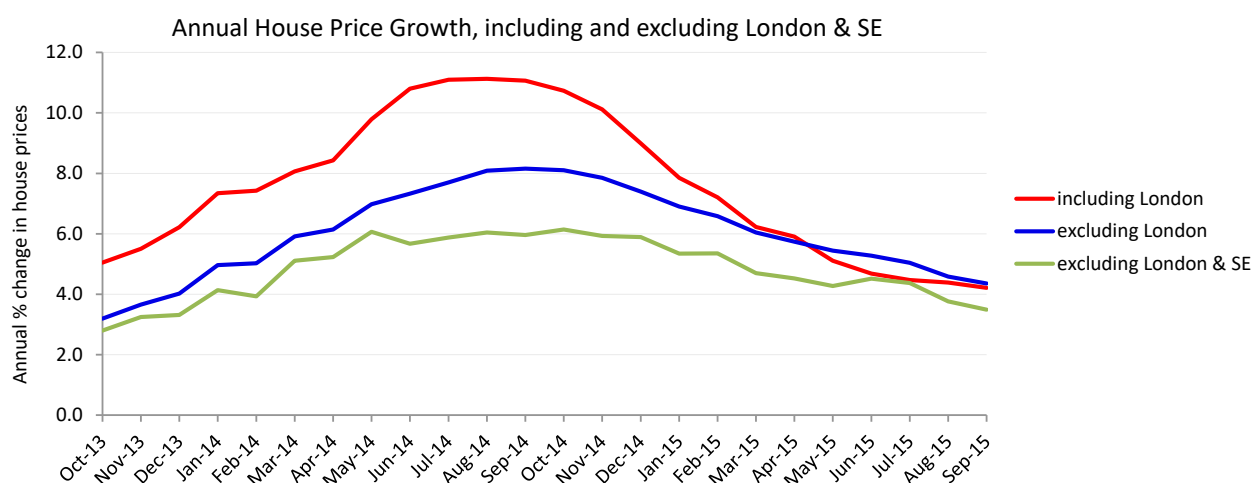


Figure 1. The Annual Rate of House Price Growth in England & Wales by month October 2013 – September 2015, including and excluding London & SE [link to source Excel](#)

In our report this month we explore some of the features and contradictions of the current housing market. On page 4 we report that transactions this September have been at their highest level in the month since 2007, despite the warnings from surveyors that the stocks of properties available for sale are at record lows. [RICS UK Residential Market Survey August 2015]. On page 6 we look at the frequency distribution of house sales during 2015 and discuss how stamp duty thresholds continue to influence buyer purchasers. On page 7 we show that price changes in 2015 have been mainly concentrated in the lower price ranges of the housing market. This has had a strong influence on the London market, which we discuss in some detail on page 11, and in the counties, discussed on page 12 onwards.

The Housing Market

On 25th September the Financial Policy Committee (FPC) of the Bank of England issued a statement on UK housing market risks based on discussions that took place at the committee's latest meeting on 23rd September. Largely the same commentary then re-appeared in the Minutes of the FPC issued on 1st October. The statement noted that house prices were rising faster than incomes and the expectation this trend would continue to strengthen. It then focussed on the Buy to Let (BtL) sector noting its recent rapid growth, compared to the owner occupied sector. In terms of risks posed by the BtL sector, the FPC felt these were manageable in the context of modest price falls, but was concerned that if there were large falls (along with reduced incomes as a consequence of proposed tax changes) then investors would sell their property.



In so doing they might amplify the market cycle and thus pose a risk to financial stability. The FPC recognised there was no immediate case for action, but flagged its on-going focus on this sector and the possible extension of its powers in relation to the BtL market.

The commentary highlights the new focus on the BtL market and the wider private rented sector which is current among both government and regulators. While both accept that there is a growing demand for renting given continued higher house prices, it has clearly generated some political tensions along with the regulatory concerns discussed above. The Government's renewed commitment to home ownership reflects the politics of aspiration and the need to respond to this – an issue also highlighted by the announcement from the Shadow housing minister, John Healey MP, of an independent review of the decline of home ownership.

With renewed market activity alongside continued shortfalls in supply, the RICS has recently revised its house price forecast for 2015 upwards to 6%. Expectations of interest rate rises which may dampen activity have receded into next year but remain a continuing concern not least around interest-only loans. However, a recent CML note suggests the number of outstanding loans has fallen by 25% over the last two years with some 1.9 million remaining at the end of 2014 (and most with an improved equity position). This, along with the fact that some 49% of outstanding mortgage debt is now based on fixed rates (albeit relatively short term) does give some comfort that the rate rises when they happen can be absorbed without too great an impact on the market.

The recent media interest in the arguments for and against downsizing have highlighted the supply constraints in the market for older home owners, an area also developed by the RICS in its latest residential policy review (<http://www.rics.org/Documents/RICS-Residential%20Policy%20Paper-2015.pdf>). Older home owners lack options for moving, and this is one of the factors in the decline in transactions activity. The planned tax changes for landlords will have some impact here in that it might reduce so-called 'consumer Buy to Let' as defined under the new EU Mortgage Credit directive coming into force in 2016. This let to buy market has enabled older owners to mortgage their current property and let it out while buying another home, but the tax changes along with new affordability assessments might limit that.

Housing Transactions

We estimate that the number of housing transactions in England & Wales for the month of September 2015 as recorded by the Land Registry will total some 84,000. This is a 3% increase over the level seen in August 2015, and is the highest number of transactions recorded in the month of September since 2007, when 101,600 sales took place. As can be seen from Figure 2 below, the rise in transactions in September 2015 goes against the trend for the month, when typically sales reduce by 10% from August levels, due to seasonal factors. September is only the second month in 2015 in which sales have exceeded the equivalent month in 2014.

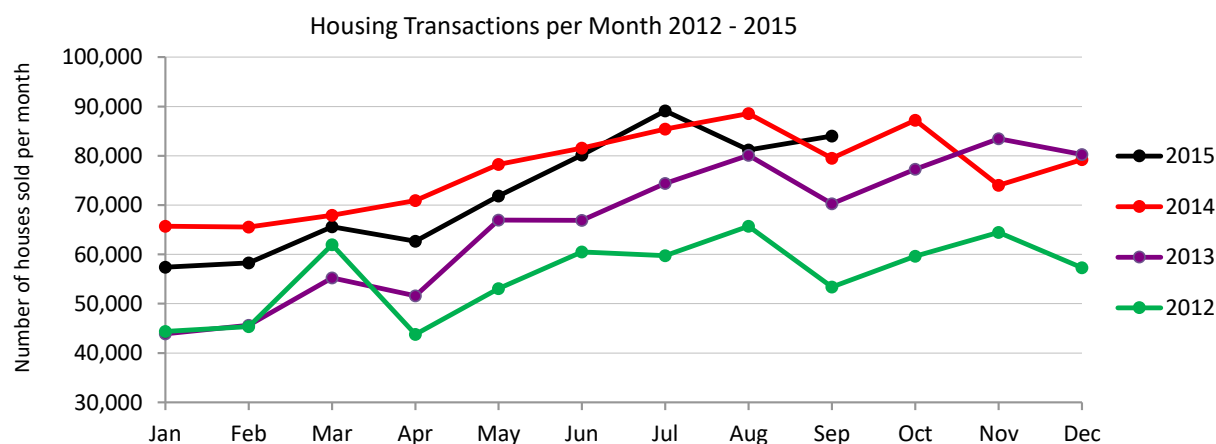


Figure 2. Number of properties sold per month in England & Wales, January 2012 – September 2015. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted. [link to source Excel](#)



Despite the uptick in transactions in September, total sales volumes are still down over the first nine months of 2015, compared to the same period in 2014. However, regions are performing at different rates. As Table 2 below shows, the rate of change in the growth of transactions over the three month period June – August 2015 compared to the same three months in 2014 ranges from +2% in the North to -8% in East Anglia, with England & Wales as a whole being down by -2%. In fact the regional variation in transactions, with the exception of the South West, follows an almost classic North/South divide, with the regions in the north of England still seeing growth in the number of properties being sold, whereas the Midlands and southern areas of England are seeing declining rates in the numbers sold, possibly due to a shortage of available stock.

Table 2. Housing Transactions analysed by Region for the periods June – August 2014 and June – August 2015.

[link to source Excel](#)

REGION	Jun - Aug 2014	Jun - Aug 2015	% change
NORTH	11,373	11,584	2%
NORTH WEST	24,157	24,385	1%
YORKS & HUMBERSIDE	20,752	20,828	0%
WALES	11,106	11,037	-1%
SOUTH WEST	27,770	27,507	-1%
WEST MIDLANDS	21,046	20,600	-2%
EAST MIDLANDS	20,959	20,431	-3%
SOUTH EAST	61,684	60,056	-3%
GREATER LONDON	30,479	29,395	-4%
EAST ANGLIA	12,195	11,234	-8%
ENGLAND & WALES	241,521	237,057	-2%

Looking at property types, and again comparing June 2015 - August 2015 with the same three months in 2014, detached properties are showing a 1% increase in sales numbers, with growth of between 5% - 7% in the North West, the North and Yorkshire & Humberside respectively, while in East Anglia detached sales have fallen by -7%. Sales of semi-detached properties in England & Wales have fallen by -1% over this period, with a fall of -8% in East Anglia. Terraced properties have fallen by -3% and flats by -5%. Again, East Anglia recorded the largest fall in flat sales at -16%, with London, which has the largest number of flat sales of any region in England, also seeing sales of flats fall by -6%.

The relatively large fall in the sale of flats and terraces throughout England & Wales over the period June – August 2015, compared to the same three months in 2014, suggests that the first time buyer market is currently struggling to maintain the momentum that had existed in the sector over the previous two years, although the CML report an increase of 4.5% in the number of loans taken out by first time buyers in July, compared to a year earlier, and the Halifax noted a 60% increase in the average price of a flat in the UK since 2005. This growth in first time buyer loans needs to be contrasted with loans to Buy-to-Let landlords, which the CML reported as increasing by 39% over this same time period, albeit from a lower base.

Analysing sale price bands

This month we include an analysis of the frequency distribution by price of the sale of properties in England & Wales for the period January – July 2015. The data source for this frequency distribution analysis is the Land Registry price paid dataset, which lists every arms-length transaction in the domestic property markets of England & Wales, but excludes reposessions, properties sold to commercial organisations, e.g. sales to housing associations and private landlords trading as companies, and properties sold by auction.



Frequency Distribution of Housing Transactions
January to July 2015

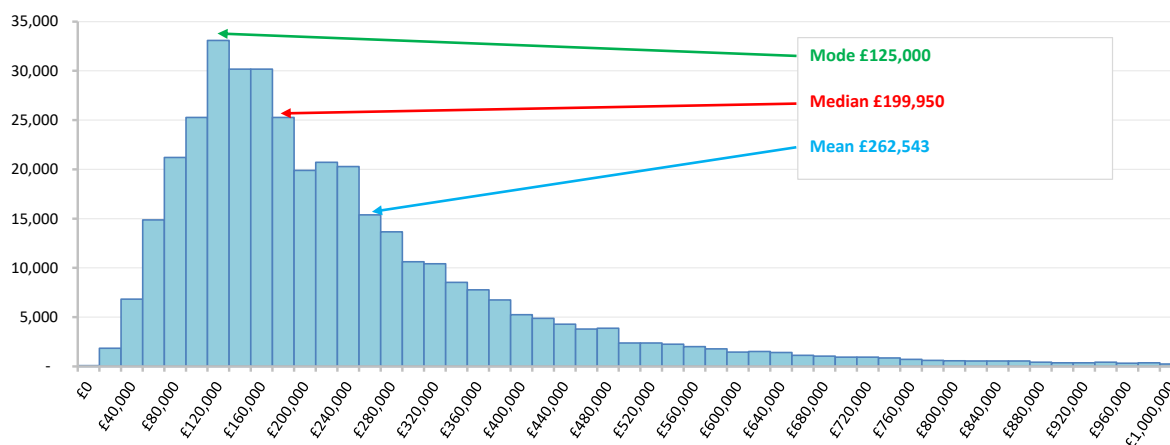


Figure 3. The frequency distribution of housing transactions from Jan - July 2015, analysed by purchase price

[link to source Excel](#)

Unsurprisingly, the distribution as shown in Figure 3 is left-skewed, with a long tail of the most expensive properties to the right. The total number of properties currently recorded in the Land Registry price paid dataset for the seven month period January – July 2015 is 376,516, although this number is likely to increase marginally as further property sales are reported. In the interests of space we have truncated the scale along the bottom (x) axis to £1 million (the highest valued property sold during the period was for £28 million).

The main measures used by statisticians to describe such a distribution are the mode (the most frequent price), the median (the half-way price) and the mean (the arithmetic average price). In the above distribution, the mode is £125,000, (no change from 2013), the median is £199,950 (as noted earlier a £5,000 increase over the median in 2014) and the arithmetic mean is £262,543 (a £2,000 increase from the average for 2014).

The mode price at £125,000 corresponds to the level at which stamp duty becomes payable on the sale of a property. It would thus appear that the most frequent price at which a property is sold matches the highest price at which stamp duty remains at a zero rate. In his autumn statement, delivered in December 2014, the Chancellor altered with immediate effect the old slab system of stamp duty rates, changing these to a more progressive tax, where the rate only increases from the threshold cut-off points, as opposed to applying to the whole purchase price. Under the new system, the cut-off points are £125,000, above which the tax rate changes from zero to 2%; £250,000, above which the stamp duty changes to 5%; £925,000, above which the stamp duty changes to 10% and £1.5 million, above which the stamp duty changes to 12%.

At the time of the introduction of the new stamp duty legislation in December, we suggested that this would likely remove the substantial cliff edge changes in the frequency distribution curve at the then existing thresholds of £125,000, £250,000, £500,000, £1 million and over £2 million. In fact this has not happened, and there is still evidence, as can be seen in Figure 3, of cliff edges in the frequencies at £125,000, £250,000 (these levels also tie in with the new rates), £500,000 and possibly one might just discern a new edge at £900,000, just below the newly introduced threshold of £925,000. Thus pricing in the market continues to be influenced by the new stamp duty rates, even if these are not as draconian in their effect as under the old slab system. There is also some evidence, given the cliff-edge at £500,000, that the market is slow to readjust from its previous behavioural patterns.

Though these remain, it is also clear, as the latest [Knight Frank London Residential Review](#) highlights, that the stamp duty changes have had a disproportionately negative impact on high value sales in London (£1 million plus), with a 21% decline in this market in the year to April 2015 compared to the previous 12 months. We should also note that the tax take in London contributed 47% of total SD revenue in England and Wales in the first quarter of 2015.



Table 3 below shows one of the main features of house price changes in 2015. This is that prices at the lower end of the market have been increasing at a faster rate than that experienced at the top end of the market.

Table 3. Cumulative percentage of housing transactions in England & Wales, analysed by price band.

[link to source Excel](#)

Transactions; cumulative percentage			
Purchase price	A 2014	B 2015	(B - A) diff
£100,000	11.8%	11.9%	0.1%
£120,000	18.8%	18.6%	-0.2%
£140,000	28.0%	27.4%	-0.6%
£160,000	36.4%	35.4%	-1.0%
£180,000	44.7%	43.4%	-1.3%
£200,000	51.7%	50.1%	-1.6%
£220,000	57.1%	55.4%	-1.7%
£240,000	62.8%	60.9%	-1.9%
£260,000	68.9%	66.3%	-2.6%
£280,000	72.3%	70.4%	-1.9%
£300,000	75.6%	74.0%	-1.6%
£320,000	78.2%	76.9%	-1.3%
£340,000	80.8%	79.6%	-1.2%
£360,000	82.9%	81.9%	-1.0%
£380,000	84.8%	84.0%	-0.8%
£400,000	86.4%	85.7%	-0.7%
£440,000	88.9%	88.4%	-0.5%
£480,000	90.9%	90.6%	-0.3%
£520,000	92.5%	92.2%	-0.3%
£560,000	93.6%	93.5%	-0.1%
£600,000	94.5%	94.5%	0.0%

Table 3 shows the cumulative percentage of the number of housing transactions in England & Wales by purchase price bands. The 2014 figures represent the whole year's transactions, whereas the figures for 2015 are for the first seven months, January – July. Thus, for example, 11.8% of total housing transactions in 2014 took place at a price of £100,000 or less. The cumulative percentage in 2015 is similar to 2014 with 11.9% of total transactions taking place at a price of £100,000 or less.

However, as the purchase price increases so the cumulative percentage share reduces in 2015 compared to 2014. So a price of £200,000 or less accounted for 51.7% of the market in 2014, but only 50.1% of the market in 2015. Thus 1.6% of total sales took place at a higher price in 2015 than in 2014.

The difference in market share between 2015 and 2014 reaches a maximum of 2.6% at a price of £260,000, and then begins to reduce, reaching nil percentage difference at a price of £600,000, which represents 94.5% of the market in both 2014 and 2015.

What we are witnessing therefore is that a larger share of the market is paying more for a home in 2015 than 2014, this being especially true in the price ranges between say £180,000 - £360,000 (using a 1% difference in overall market share as the selection criterion). The stamp duty changes seem to have impacted most at higher bands.

This change in cumulative market share could be caused by a shift in buying patterns, for example if more purchases were taking place in the south of England, where prices are higher than the north. However, as we showed in Table 2 the opposite is in fact true, with more sales taking place in the north and fewer sales in the south of England.

Source: Land Registry Price Paid Dataset

Comparison of indices

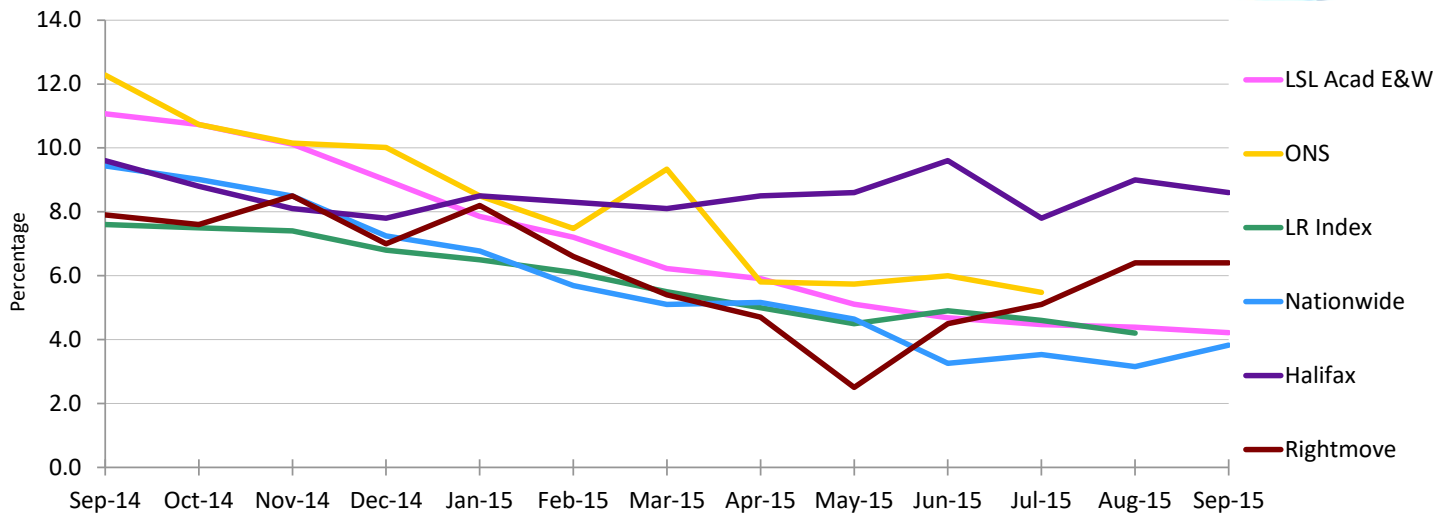


Figure 4. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

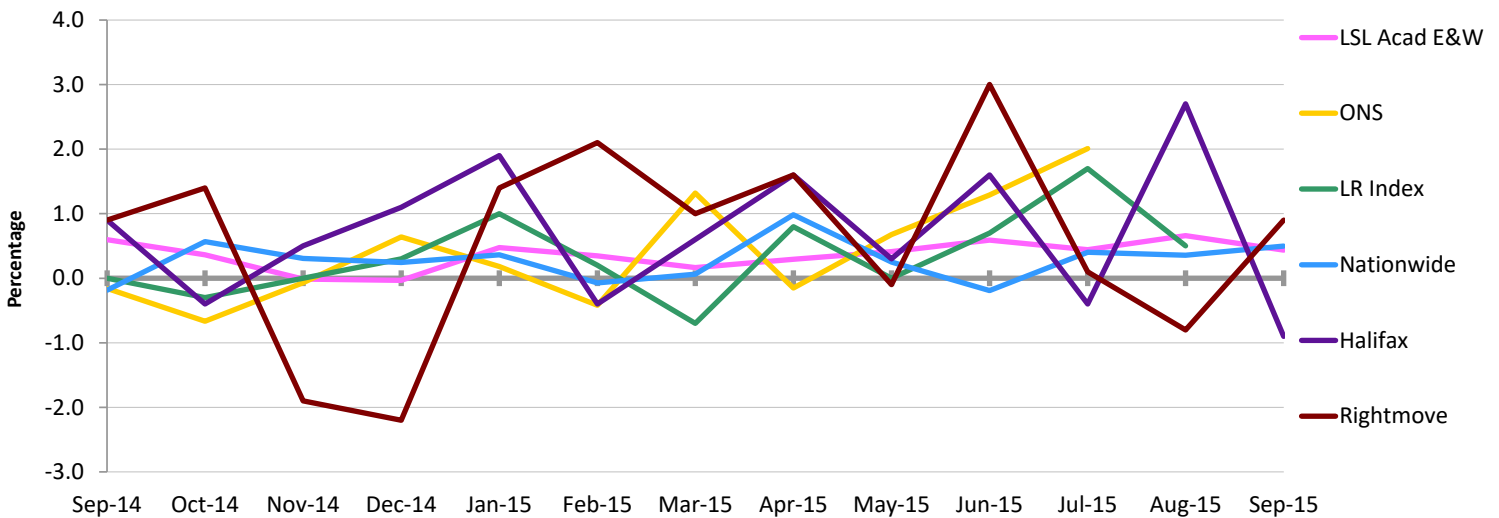


Figure 5. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

As Figure 4 shows, all indices are recording positive movements over the year in terms of the **annual** change in house prices, with the highest rate being recorded by the ONS in Sep 2014 at 12.3%, and the lowest rate being recorded by Rightmove in May 2015, at 2.5%. In September 2015, of the four indices that have reported to date, two are in a relatively tight band with LSL Acad at 4.2% and Nationwide at 3.8%. Halifax is reporting the highest rate at 8.6%, which we discuss below. Meanwhile, Rightmove is reporting a figure of 6.4% for the second month in succession, although this measures the expectations of sellers as opposed to the prices achieved on completion of sales.

Figure 5 covers the **monthly** change in house prices, with the LSL Acad and Nationwide figures again being relatively similar at 0.4% and 0.5% respectively. Rightmove is showing a positive movement of 0.9% in the month and advises in its accompanying text that the change of £2,550 in its average house price in the month is the largest rise seen in the month of September since 2002, driven by a price jump in the family-home sectors (+1.2%) as owners of first time buyer properties see prices stall (-1.1%). Halifax is reporting a decline of 0.9% in the month, but cautions in its accompanying text that monthly movements can be volatile and its quarter on quarter change (+2.0%) is a more reliable indicator of the underlying trend.

Halifax continues to be out of step with the other index providers, with the 8.6% rise on an annual basis being more than double that of the Nationwide at 3.8%. We note that the Halifax price for its average house is £202,859 in September – which is one of the price bands showing the largest shift in the cumulative percentages in Table 3 above. Thus Halifax appears to be concentrating its index on house prices in the bands showing the largest change in house prices over the year, and is potentially ignoring the relatively small change in house prices which are being experienced at the top end of the market.

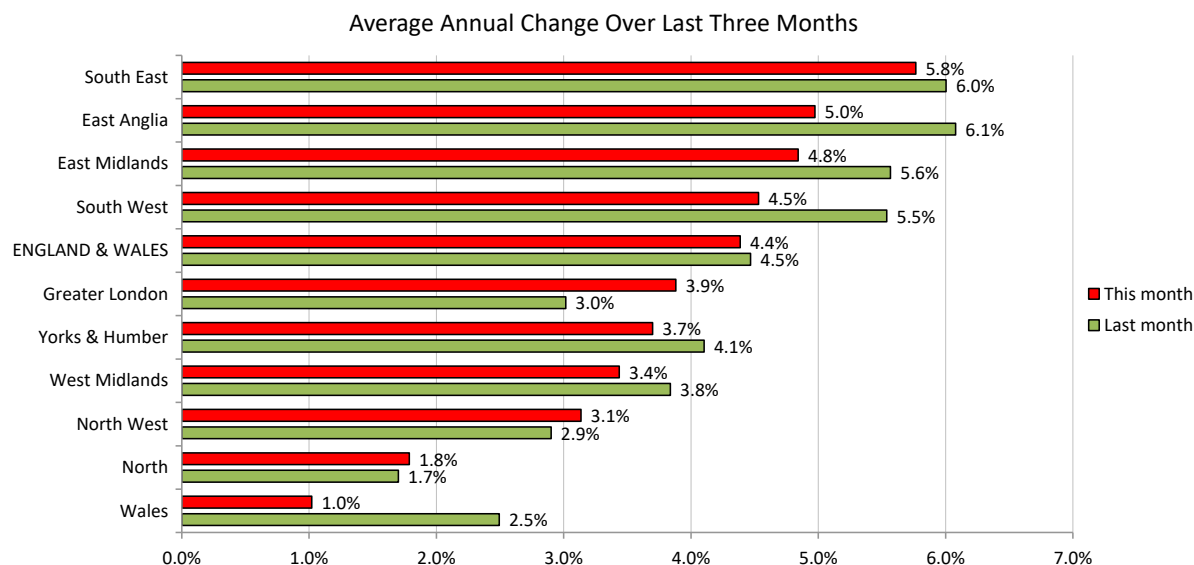


Figure 6. The annual change in the average house price, analysed by region

[link to source Excel](#)

This month we have seen the southernmost regions in England starting to climb back up the league table in terms of annual price change. The South East has climbed two places to top of the league, at 5.8%, pushing East Anglia and the East Midlands into second and third place respectively. Greater London, at 3.9%, has also seen a rise in its relative position and is now in fifth place, up from eighth position last month. All other regions remained steady in their respective positions to each other during the month.

Looking at the rate of change in the annual price inflation during the month, seven regions have seen a reduction in the annual rate of change, while three regions have seen rates climb. The country/region with the largest fall in rates is that of Wales, where the annual rate has fallen by 1.5% from last month, leaving Wales in tenth position in the league, albeit still with annual house price inflation of 1.0%. Conversely, the region with the highest growth in annual rates is that of Greater London, where the rate has increased by 0.9% from last month, to 3.9% this month.

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 4 below shows, this influence was at a maximum in September 2014 when the annual rate of growth was 11.1% including Greater London and the South East, but only 6.0% if one excluded these two regions. In July 2015 this gap was at a minimum of 0.1%, meaning that London and the South East only had a very small influence over the average growth rate for England & Wales as a whole. However, the growth in the rates of these two southern regions, as discussed above, indicates that London and the South East are once again pushing up the average rate of growth in prices for England & Wales as a whole.

Month	including London (A)	excluding London	excluding London & SE (B)	difference 'the gap' (A) – (B)
Sep-14	11.1	8.2	6.0	5.1
Oct-14	10.7	8.1	6.1	4.6
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	5.4	1.8
Mar-15	6.2	6.0	4.7	1.5
Apr-15	5.9	5.7	4.5	1.4
May-15	5.1	5.4	4.3	0.8
Jun-15	4.7	5.3	4.5	0.2
Jul-15	4.5	5.0	4.4	0.1
Aug-15	4.4	4.6	3.8	0.6
Sep-15	4.2	4.4	3.5	0.7

Table 4. The annual percentage change in house prices in England & Wales, from September 2014 – September 2015, including and excluding Greater London and the South East.

[link to source Excel](#)



ANNUAL CHANGE IN PRICE BY REGION

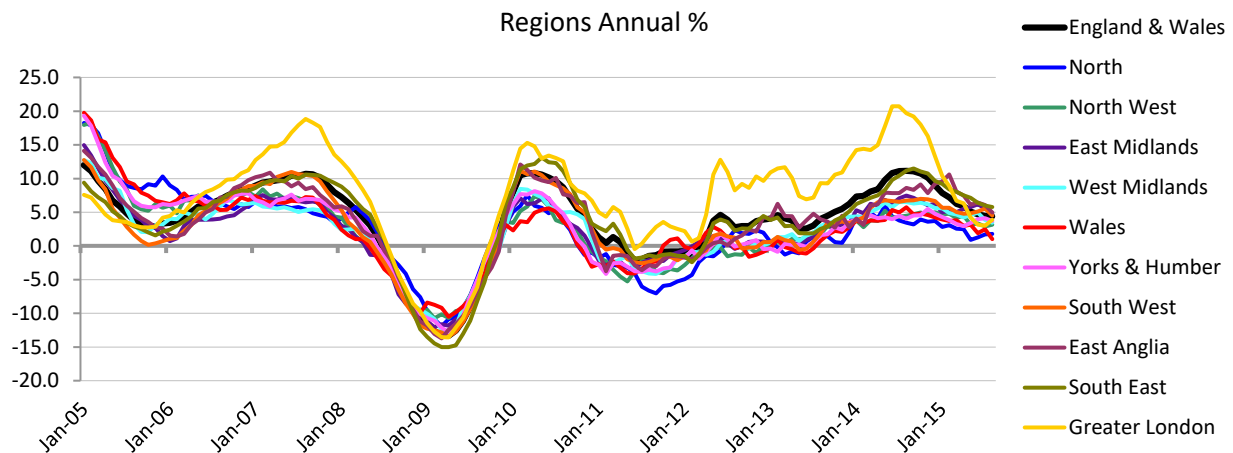


Figure 7. A comparison of the annual change in house prices, by region for the period January 2005 – August 2015

[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 5. The change in house prices, for the 33 London boroughs, comparing August 2014 and July 2015 with August 2015.

[link to source excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Aug-14	Jul-15	Aug-15	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,881,537	1,818,644	1,873,098	3.0%	-0.4%
2	2	CITY OF WESTMINSTER	1,542,024	1,313,792	1,354,154	3.1%	-12.2%
4	3	CAMDEN	977,763	1,049,828	1,112,843	6.0%	13.8%
3	4	CITY OF LONDON	983,764	921,938	903,336	-2.0%	-8.2%
5	5	HAMMERSMITH AND	892,828	904,551	903,138	-0.2%	1.2%
6	6	RICHMOND UPON THAMES	757,519	755,293	764,271	1.2%	0.9%
7	7	WANDSWORTH	727,410	725,295	725,020	0.0%	-0.3%
8	8	ISLINGTON	663,830	723,910	718,799	-0.7%	8.3%
13	9	HACKNEY	529,193	588,086	602,468	2.4%	13.8%
9	10	MERTON	583,622	590,301	592,276	0.3%	1.5%
11	11	SOUTHWARK	548,221	574,450	577,932	0.6%	5.4%
14	12	LAMBETH	521,579	561,407	564,759	0.6%	8.3%
10	13	BARNET	569,092	552,844	553,133	0.1%	-2.8%
15	14	EALING	520,072	539,881	550,953	2.1%	5.9%
12	15	HARINGEY	539,696	516,527	536,569	3.9%	-0.6%
17	16	BRENT	480,576	532,100	530,907	-0.2%	10.5%
16	17	KINGSTON UPON THAMES	519,789	508,803	509,886	0.2%	-1.9%
18	18	HOUNSLOW	452,723	484,610	495,170	2.2%	9.4%
19	19	TOWER HAMLETS	447,795	477,606	484,975	1.5%	8.3%
20	20	HARROW	425,924	479,136	483,293	0.9%	13.5%
21	21	BROMLEY	425,427	446,502	452,324	1.3%	6.3%
22	22	LEWISHAM	373,819	400,967	402,958	0.5%	7.8%
24	23	GREENWICH	367,659	399,153	398,961	0.0%	8.5%
27	24	REDBRIDGE	354,552	397,050	398,315	0.3%	12.3%
26	25	HILLINGDON	355,393	391,724	395,065	0.9%	11.2%
23	26	ENFIELD	368,835	389,243	391,648	0.6%	6.2%
25	27	WALTHAM FOREST	356,668	389,951	391,185	0.3%	9.7%
28	28	SUTTON	337,543	363,766	370,280	1.8%	9.7%
29	29	CROYDON	318,265	343,585	348,948	1.6%	9.6%
30	30	HAVERING	295,490	327,736	332,417	1.4%	12.5%
31	31	NEWHAM	284,375	318,666	319,382	0.2%	12.3%
32	32	BEXLEY	277,284	301,652	305,225	1.2%	10.1%
33	33	BARKING AND DAGENHAM	216,615	246,932	250,535	1.5%	15.7%
		ALL LONDON	559,507	573,332	581,219	1.4%	3.9%

The analysis of Greater London house prices in the above table relates to August 2015, and compares these prices to one month and one year earlier. On a monthly basis, house prices in London overall were 1.4% higher in August than in July. This is the equal highest monthly rate seen in London since June 2014, suggesting that the London market is beginning to rally from the more subdued pace seen in the early months of 2015.

In Table 3, earlier in this report, we showed that on average, the major growth in house prices over the last seven months has taken place in the lower to middle range of properties priced from £180,000 - £360,000, while prices above £600,000 have remained relatively static. The performance seen in London in the above table, with a small amount of artistic licence, appears to be following this script. Thus it is the lower priced boroughs which are seeing the highest growth in house prices, while the high priced boroughs are seeing prices remain static or falling.

There were 18 boroughs in August that set new peak prices, highlighted in grey in the above table. It is particularly noticeable this month that 14 of these boroughs are located at the bottom end of the table, which has been sorted in descending order of average price. Thus the overwhelming majority of boroughs with the lowest average house prices are all setting new peaks, while relatively few of the more expensive areas are establishing new record levels. Similarly, of the seven boroughs where annual prices are currently falling, six are in the top half of London boroughs when ranked by price, with two of the top four boroughs seeing the largest falls in price.

A similar picture emerges when looking at transaction counts. Over the three months June 2015 - August 2015, compared to the same three months in 2014, the City of Westminster and Islington saw transactions fall by 26% and 24% respectively, while Harrow, Brent and Hillingdon saw transactions rise by 22%, 20% and 17% over this same period. Thus currently there would appear to be two separate trends at work in the London housing market: the rise in Stamp Duty rates and associated non-dom measures that were introduced by the Chancellor in his Autumn Statement in December

London boroughs, counties and unitary authorities



2014, along with the strengthening of sterling over the last six months. Both have taken their toll on the high-end London markets, while demand for the more affordable properties remains strong.

Finally, as also occurred last month, the borough with the highest annual increase in house prices in August at 15.7% was Barking and Dagenham, which has the lowest average house price of any borough in London, while the City of Westminster - ranked second by average price - saw the largest fall in values over the last year, down by 12.2%.

Counties and Unitary Authorities

Table 6. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing August 2014 and July 2015 with August 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	Aug-14	Jul-15	Aug-15	Monthly change	Annual Change
16	17	CAMBRIDGESHIRE	275,259	293,265	292,448	-0.3%	6.2%
64	61	CITY OF PETERBOROUGH	170,590	178,177	178,628	0.3%	4.7%
47	47	NORFOLK	204,552	213,406	213,769	0.2%	4.5%
35	37	SUFFOLK	226,481	236,301	235,977	-0.1%	4.2%
		EAST ANGLIA	227,555	239,023	238,874	-0.1%	5.0%
76	75	CITY OF DERBY	159,183	162,769	164,042	0.8%	3.1%
95	94	CITY OF NOTTINGHAM	131,851	137,023	135,672	-1.0%	2.9%
67	64	DERBYSHIRE	170,192	178,843	177,329	-0.8%	4.2%
88	87	LEICESTER	147,409	149,575	151,195	1.1%	2.6%
45	49	LEICESTERSHIRE	206,982	213,191	213,157	0.0%	3.0%
70	62	LINCOLNSHIRE	167,936	177,939	178,188	0.1%	6.1%
49	48	NORTHAMPTONSHIRE	198,611	213,424	213,467	0.0%	7.5%
71	69	NOTTINGHAMSHIRE	165,635	173,286	173,363	0.0%	4.7%
14	15	RUTLAND	288,515	304,466	301,088	-1.1%	4.4%
		EAST MIDLANDS	177,329	186,064	185,916	-0.1%	4.8%
		GREATER LONDON	559,507	573,332	581,219	1.4%	3.9%
61	67	CUMBRIA	173,070	174,060	174,402	0.2%	0.8%
90	88	DARLINGTON	144,274	147,125	149,115	1.4%	3.4%
100	99	DURHAM	125,578	127,090	125,008	-1.6%	-0.5%
94	97	HARTLEPOOL	132,186	129,314	129,643	0.3%	-1.9%
99	100	MIDDLESBROUGH	125,869	121,914	119,767	-1.8%	-4.8%
60	59	NORTHUMBERLAND	175,310	182,784	186,558	2.1%	6.4%
96	96	REDCAR AND CLEVELAND	129,602	132,332	131,696	-0.5%	1.6%
85	86	STOCKTON-ON-TEES	149,510	152,410	151,610	-0.5%	1.4%
84	84	TYNE AND WEAR	150,741	153,682	154,390	0.5%	2.4%
		NORTH	150,899	153,304	153,596	0.2%	1.8%
103	101	BLACKBURN WITH DARWEN	113,817	118,584	119,546	0.8%	5.0%
104	105	BLACKPOOL	108,687	109,874	108,180	-1.5%	-0.5%
39	40	CHESHIRE	222,894	224,510	229,823	2.4%	3.1%
74	73	GREATER MANCHESTER	161,548	165,181	166,504	0.8%	3.1%
81	78	HALTON	153,046	161,488	161,266	-0.1%	5.4%
80	81	LANCASHIRE	157,278	157,910	157,549	-0.2%	0.2%
87	82	MERSEYSIDE	148,028	154,356	155,889	1.0%	5.3%
51	50	WARRINGTON	195,969	209,111	212,934	1.8%	8.7%
		NORTH WEST	165,389	169,031	170,576	0.9%	3.1%
26	23	BEDFORDSHIRE	243,907	264,870	267,446	1.0%	9.7%
11	9	BRACKNELL FOREST	316,576	349,050	351,947	0.8%	11.2%
8	10	BRIGHTON AND HOVE	328,589	348,174	346,225	-0.6%	5.4%
3	3	BUCKINGHAMSHIRE	405,744	431,190	437,065	1.4%	7.7%
20	22	EAST SUSSEX	269,409	273,501	272,520	-0.4%	1.2%
17	16	ESSEX	274,969	294,101	297,661	1.2%	8.3%
13	13	HAMPSHIRE	299,510	317,967	317,001	-0.3%	5.8%
5	5	HERTFORDSHIRE	374,251	394,414	398,524	1.0%	6.5%
46	44	ISLE OF WIGHT	206,045	217,177	222,851	2.6%	8.2%
18	19	KENT	270,943	283,852	284,809	0.3%	5.1%
58	51	LUTON	182,108	204,396	209,272	2.4%	14.9%

London boroughs, counties and unitary authorities



50	46	MEDWAY	197,159	213,573	215,164	0.7%	9.1%
33	25	MILTON KEYNES	235,182	259,288	262,214	1.1%	11.5%
6	6	OXFORDSHIRE	356,211	377,771	385,204	2.0%	8.1%
53	54	PORTSMOUTH	190,091	200,616	200,603	0.0%	5.5%
19	14	READING	269,478	301,967	302,248	0.1%	12.2%
22	20	SLOUGH	256,063	273,573	277,696	1.5%	8.4%
52	56	SOUTHAMPTON	193,528	194,495	193,541	-0.5%	0.0%
29	24	SOUTHEND-ON-SEA	239,396	261,053	264,243	1.2%	10.4%
2	2	SURREY	464,591	474,608	473,776	-0.2%	2.0%
43	36	THURROCK	214,340	235,543	237,522	0.8%	10.8%
7	7	WEST BERKSHIRE	340,573	366,571	369,253	0.7%	8.4%
12	12	WEST SUSSEX	312,908	326,655	327,571	0.3%	4.7%
1	1	WINDSOR AND MAIDENHEAD	535,101	517,817	521,752	0.8%	-2.5%
4	4	WOKINGHAM	384,233	404,760	402,667	-0.5%	4.8%
		SOUTH EAST	315,357	331,763	333,539	0.5%	5.8%
9	8	BATH AND NORTH EAST SOMERSET	321,440	337,676	364,322	7.9%	13.3%
30	26	BOURNEMOUTH	238,494	265,213	258,255	-2.6%	8.3%
27	29	CITY OF BRISTOL	243,269	255,381	254,701	-0.3%	4.7%
66	68	CITY OF PLYMOUTH	170,242	175,204	173,907	-0.7%	2.2%
34	33	CORNWALL	232,020	242,026	243,493	0.6%	4.9%
23	27	DEVON	250,503	256,932	255,721	-0.5%	2.1%
15	18	DORSET	279,886	294,356	292,186	-0.7%	4.4%
24	28	GLOUCESTERSHIRE	249,971	253,001	254,834	0.7%	1.9%
25	31	NORTH SOMERSET	247,355	247,095	250,937	1.6%	1.4%
10	11	POOLE	318,496	344,524	336,957	-2.2%	5.8%
41	43	SOMERSET	221,456	223,465	224,080	0.3%	1.2%
31	30	SOUTH GLOUCESTERSHIRE	238,316	253,521	252,616	-0.4%	6.0%
57	52	SWINDON	183,632	203,187	206,045	1.4%	12.2%
54	55	TORBAY	189,590	200,563	200,075	-0.2%	5.5%
21	21	WILTSHIRE	256,732	273,559	276,219	1.0%	7.6%
		SOUTH WEST	243,849	254,139	254,898	0.3%	4.5%
108	108	BLAENAU GWENT	84,708	91,583	93,287	1.9%	10.1%
91	92	BRIDGEND	142,683	146,376	145,294	-0.7%	1.8%
97	95	CAERPHILLY	128,873	131,266	133,611	1.8%	3.7%
48	53	CARDIFF	199,860	205,036	204,865	-0.1%	2.5%
86	91	CARMARTHENSHIRE	148,516	146,478	147,873	1.0%	-0.4%
59	58	CEREDIGION	178,468	182,144	188,650	3.6%	5.7%
65	71	CONWY	170,540	169,029	169,382	0.2%	-0.7%
83	83	DENBIGHSHIRE	152,521	159,688	154,737	-3.1%	1.5%
72	72	FLINTSHIRE	164,906	169,869	168,144	-1.0%	2.0%
79	76	GWYNEDD	157,668	167,169	163,417	-2.2%	3.6%
62	70	ISLE OF ANGLESEY	172,477	168,699	172,295	2.1%	-0.1%
105	107	MERTHYR TYDFIL	107,619	106,102	104,161	-1.8%	-3.2%
32	34	MONMOUTHSHIRE	237,395	242,622	241,655	-0.4%	1.8%
101	103	NEATH PORT TALBOT	116,665	112,681	111,559	-1.0%	-4.4%
73	79	NEWPORT	164,374	160,309	159,316	-0.6%	-3.1%
63	63	PEMBROKESHIRE	171,760	176,348	177,526	0.7%	3.4%
55	60	POWYS	186,249	181,052	183,084	1.1%	-1.7%
102	102	RHONDDA CYNON TAFF	115,211	115,644	116,622	0.8%	1.2%
78	89	SWANSEA	157,903	152,112	148,961	-2.1%	-5.7%
42	42	THE VALE OF GLAMORGAN	218,105	222,422	225,196	1.2%	3.3%
92	90	TORFAEN	142,326	145,268	148,604	2.3%	4.4%
82	80	WREXHAM	153,032	161,384	159,129	-1.4%	4.0%
		WALES	162,239	163,959	163,897	0.0%	1.0%
36	39	HEREFORDSHIRE	226,070	228,248	229,931	0.7%	1.7%
44	45	SHROPSHIRE	212,437	218,232	222,160	1.8%	4.6%
56	57	STAFFORDSHIRE	185,225	192,100	192,755	0.3%	4.1%



107	104	STOKE-ON-TRENT	103,319	110,842	110,138	-0.6%	6.6%
28	32	WARWICKSHIRE	241,207	245,920	246,665	0.3%	2.3%
68	66	WEST MIDLANDS	168,530	174,334	175,185	0.5%	3.9%
40	41	WORCESTERSHIRE	221,918	227,382	227,934	0.2%	2.7%
75	77	WREKIN	161,468	165,721	162,704	-1.8%	0.8%
		WEST MIDLANDS	188,685	194,371	195,169	0.4%	3.4%
106	106	CITY OF KINGSTON UPON HULL	105,068	107,835	106,924	-0.8%	1.8%
69	65	EAST RIDING OF YORKSHIRE	167,961	177,876	176,704	-0.7%	5.2%
98	98	NORTH EAST LINCOLNSHIRE	127,743	127,557	125,974	-1.2%	-1.4%
93	93	NORTH LINCOLNSHIRE	138,750	142,722	141,872	-0.6%	2.3%
38	38	NORTH YORKSHIRE	222,977	229,132	230,104	0.4%	3.2%
89	85	SOUTH YORKSHIRE	147,116	150,753	151,783	0.7%	3.2%
77	74	WEST YORKSHIRE	159,111	164,580	165,085	0.3%	3.8%
37	35	YORK	223,499	240,160	240,564	0.2%	7.6%
		YORKS & HUMBER	165,378	171,102	171,494	0.2%	3.7%
		ALL ENGLAND & WALES	271,598	281,650	283,511	0.7%	4.4%

Table 6 shows the average house price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for August 2014, July 2015 and August 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 August, the monthly rate of house price inflation in England & Wales is 0.7%, which is the highest monthly rate since August 2014, when the increase was also 0.7%. The headline annual increase in prices for England & Wales in August 2015 is 4.4%, which is down 0.1% from July. This is the twelfth month in succession in which the rate of the annual change in house prices has fallen. In August there were four regions recording peak average prices, which is one less than the previous month, with East Anglia having dropped out of this group.

Annual Trends

On an annual basis, prices have increased in 94 of the 108 unitary authority areas, being three less than last month, which represents some 87% of the England & Wales unitary authority areas. Of the 14 areas where prices are falling, 8 are located in Wales, 3 are located in the North and 1 each in the North West, Yorkshire and Humberside and the South East. In the South East it is Windsor and Maidenhead that has seen prices fall over the year; Windsor and Maidenhead is ranked first in terms of average house price of all the unitary authority areas in England & Wales. It is therefore the most expensive area in England in which to purchase a property, outside of Greater London.

In the above table we have highlighted in turquoise the areas which have set a new peak price in the month; there are 32 such locations, the same total as last month. Excluding Wales, we can conclude that 37% of the unitary authority areas in England are currently experiencing record prices.

Table 7 below shows the annual rate of house price growth outside Greater London, ordered by quartiles in terms of the average house price of each unitary authority area. The table highlights the fact that, despite the fall in prices in Windsor and Maidenhead, 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 house price inflation has been falling across all segments of the housing market, with the largest fall being seen in the second quartile, where prices are in the range of £157,000 - £200,000.

Table 7. Trends in the distribution of house prices changes in the 108 unitary authority/counties, for the period August 2014 to August 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 - £157,134	1.4%	1.7%
2nd Quartile	£157,134 - £200,339	2.9%	4.0%
3rd Quartile	£200,339 - £255,055	5.2%	5.5%
4th Quartile	Above £255,055	6.7%	7.0%



Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in August 2015 shows an increase of 0.7%, up from the 0.4% seen in the previous month. In August, there were price rises over the month in 63 of the 108 unitary authority areas (nine less than the previous month).

Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, it is Luton at 14.9% that tops the league with the highest annual rate of change in prices. Last year Luton was tipped by Rightmove as being one of the top three locations for price increases, with that forecast proving to be true this month, with the average price of detached, semi-detached and terraced properties all increasing by approximately £30k over the last year. The train journey time from Luton Station to London St Pancras is approximately 30 minutes.

By way of contrast, the area with the largest reduction in annual prices is Swansea, where prices have fallen by 5.7%. Swansea is one of the eight local authority areas in Wales where prices have fallen over the year, of which five are based in the south of the Principality.

Transactions

In terms of transactions, looking at the three months June to August 2015 and comparing with the same three months one year earlier, 65 of the 108 unitary authorities in England & Wales have seen a decline in sales volumes over the period, compared to 69 last month. The area in England with the largest decline in transactions over those months was Windsor and Maidenhead, down 13%, with a 25% decline in the number of semi-detached properties sold. As we have already noted, Windsor and Maidenhead is the one unitary authority in the South East region where average house prices have fallen over the year, reflecting the depression being seen in the top priced areas of the country as an outcome of the increase in stamp duty to 12% on properties costing in excess of £1.5 million.

The area that recorded the highest increase in transactions over the year of any English unitary authority, up from second place last month, is the Medway: here transactions increased by 17% over the period June – August 2015 compared to the same period in the previous year, with the number of flat sales increasing by 50%, from 109 to 164 units. This was assisted by the launch of new apartment blocks at Victory Pier, Gillingham. Gillingham has also recently seen an improvement in its transport links to London, with the introduction of high speed trains to St Pancras.

Regional data table



Table 8. Average house prices by region, September 2014 – September 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
Sep-14	£149,845	-0.7	3.2	£166,775	0.8	4.7	£178,827	0.8	7.1	£188,979	0.2	6.3
Oct-14	£151,242	0.9	3.9	£167,293	0.3	4.9	£178,396	-0.2	6.6	£190,348	0.7	6.4
Nov-14	£150,456	-0.5	3.6	£166,431	-0.5	4.7	£178,576	0.1	6.0	£190,582	0.1	6.2
Dec-14	£151,737	0.9	3.7	£166,866	0.3	5.0	£178,538	0.0	6.2	£190,956	0.2	5.6
Jan-15	£152,974	0.8	2.8	£168,052	0.7	4.7	£180,108	0.9	5.0	£192,113	0.6	5.6
Feb-15	£155,018	1.3	3.1	£169,069	0.6	4.8	£182,177	1.1	5.3	£192,381	0.1	4.9
Mar-15	£156,051	0.7	2.6	£169,347	0.2	4.2	£183,118	0.5	5.0	£192,654	0.1	4.7
Apr-15	£154,593	-0.9	2.5	£169,414	0.0	4.5	£183,380	0.1	5.5	£192,077	-0.3	4.2
May-15	£153,105	-1.0	0.9	£168,684	-0.4	3.1	£184,146	0.4	5.8	£193,062	0.5	4.6
Jun-15	£152,952	-0.1	1.3	£168,785	0.1	3.3	£185,453	0.7	6.2	£194,313	0.6	4.9
Jul-15	£153,304	0.2	1.7	£169,031	0.1	2.9	£186,064	0.3	5.6	£194,371	0.0	3.8
Aug-15	£153,596	0.2	1.8	£170,576	0.9	3.1	£185,916	-0.1	4.8	£195,169	0.4	3.4

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Sep-14	£162,802	0.3	4.7	£166,521	0.7	4.5	£245,456	0.7	6.8	£227,292	-0.1	8.3
Oct-14	£164,594	1.1	4.8	£168,089	0.9	4.5	£246,316	0.4	7.0	£228,814	0.7	9.1
Nov-14	£164,072	-0.3	4.6	£168,950	0.5	5.5	£245,473	-0.3	6.9	£227,762	-0.5	7.8
Dec-14	£164,308	0.1	4.2	£168,917	0.0	4.8	£246,999	0.6	6.7	£230,241	1.1	9.3
Jan-15	£164,697	0.2	3.9	£169,143	0.1	4.3	£245,896	-0.4	5.7	£233,056	1.2	9.6
Feb-15	£165,925	0.7	3.7	£168,705	-0.3	3.8	£248,376	1.0	5.7	£237,821	2.0	10.6
Mar-15	£166,070	0.1	3.8	£168,932	0.1	3.3	£249,572	0.5	5.0	£237,919	0.0	8.1
Apr-15	£164,378	-1.0	3.0	£168,445	-0.3	2.9	£251,332	0.7	4.8	£238,588	0.3	7.5
May-15	£163,602	-0.5	3.2	£169,720	0.8	3.4	£251,884	0.2	4.8	£237,462	-0.5	6.1
Jun-15	£162,994	-0.4	1.9	£170,514	0.5	4.0	£251,853	0.0	5.1	£238,843	0.6	6.4
Jul-15	£163,959	0.6	2.5	£171,102	0.3	4.1	£254,139	0.9	5.5	£239,023	0.1	6.1
Aug-15	£163,897	0.0	1.0	£171,494	0.2	3.7	£254,898	0.3	4.5	£238,874	-0.1	5.0

	South East			Greater London			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Sep-14	£316,857	0.5	11.5	£564,755	0.9	19.2	£273,225	0.6	11.1
Oct-14	£317,624	0.2	11.1	£566,265	0.3	18.0	£274,214	0.4	10.7
Nov-14	£318,301	0.2	10.8	£566,110	0.0	16.3	£274,177	0.0	10.1
Dec-14	£319,494	0.4	9.6	£560,057	-1.1	13.3	£274,090	0.0	9.0
Jan-15	£322,129	0.8	9.2	£561,311	0.2	10.4	£275,389	0.5	7.9
Feb-15	£323,972	0.6	8.4	£558,019	-0.6	8.9	£276,341	0.3	7.2
Mar-15	£325,985	0.6	8.0	£555,136	-0.5	6.7	£276,801	0.2	6.2
Apr-15	£326,910	0.3	7.5	£559,172	0.7	6.3	£277,614	0.3	5.9
May-15	£328,790	0.6	7.1	£563,473	0.8	4.2	£278,762	0.4	5.1
Jun-15	£329,855	0.3	6.4	£571,159	1.4	3.2	£280,409	0.6	4.7
Jul-15	£331,763	0.6	6.0	£573,332	0.4	3.0	£281,650	0.4	4.5
Aug-15	£333,539	0.5	5.8	£581,219	1.4	3.9	£283,511	0.7	4.4
Sep-15							£284,742	0.4	4.2



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.

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