



# LSL Property Services/Acadametrics House Price Index

OCTOBER 2010

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 12TH NOVEMBER 2010



## HOUSING MARKET SHOWS RESILIENCE AS TRANSACTIONS AND PRICES INCH UPWARDS

- **Average house prices registered a 0.3% increase in October.** This is the sixth consecutive month in which the market has seen a marginal gain in price ([Page 5](#)).
- **Year on year house price growth slowed to 6.1%**, and is expected to slow further as the small increases in 2010 fail to match the larger gains of a year ago ([Page 5](#) and table below).
- **The number of transactions in October rose by 2.0%** in the month, but will be down 7.3% compared to last October. This is the first month this year in which transactions are lower than 2009 levels ([Page 4](#)).

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**Richard Sexton, director of chartered surveyors e.surv, part of LSL, comments:** "House price growth may have been marginal over the last six months, but the housing market has shown a surprising resilience in the face of strong headwinds. The dearth of mortgage finance is still reining in potential purchases and lenders are actually dropping LTVs for lower-value buyers, which is hitting first-time buyers disproportionately hard. Future repayments to the government top the list of lenders' priorities, and they aren't likely to loosen their purse-strings any time soon. While house prices and transactions won't nose dive, we don't expect them to rocket up in the foreseeable future.

"For cash buyers – or those with a big enough deposit – the market presents an attractive opportunity. The supply of properties on sale has continued to grow, and vendors are increasingly flexible over price negotiations. We are also seeing gaps between regional markets grow wider. In the last quarter, London's house prices have an annual growth seven times greater than those in the North. Public spending cuts are likely to hit some areas more heavily than others, and these gaps may well become gulfs over the medium-term as buyer finances are affected."

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

# House prices still inching forward



	House Price	Index	Monthly Change %	Annual Change %
<b>November 2009</b>	£212,334	216.2	0.3	1.6
<b>December</b>	£216,508	220.4	2.0	5.3
<b>January 2010</b>	£219,865	223.8	1.6	7.8
<b>February</b>	£223,441	227.5	1.6	10.3
<b>March</b>	£222,081	226.1	-0.6	10.5
<b>April</b>	£221,202	225.2	-0.4	10.5
<b>May</b>	£221,419	225.4	0.1	10.2
<b>June</b>	£222,275	226.3	0.4	9.7
<b>July</b>	£223,150	227.2	0.4	9.3
<b>August</b>	£223,636	227.7	0.2	8.3
<b>September</b>	£224,025	228.1	0.2	7.0
<b>October</b>	£224,709	228.8	0.3	6.1

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

“The average price of a home in England & Wales is now £224,709. At this level, it is still down £7,119, or 3.1%, from the peak in February 2008 of £231,828. Over the last six months, we have witnessed relatively modest changes in house prices with the average price rising by just 1.6%. However, as we show below, this single average figure masks some dramatic movements in prices and transactions at a more local level, and we conclude this month’s commentary with an analysis of property ‘hot and cold’ spots between 2005 and 2010.

“Given that the market is bouncing along the bottom we should not be surprised to note a degree of variation in the reporting from different indices. Last month Halifax reported a revised 3.7% fall which was an outlier result compared to other measures. This month Halifax shows a 1.8% rise, the quantum of which is presumably counteracting last month’s figures. Meanwhile, the Rightmove index, based upon asking prices and thus a forward measure, is reporting a 3.1% increase. Given what we know about the market at present this may reflect an optimistic stance amongst sellers.

“By contrast, our current annual rate of growth at 6.1% reflects past price changes rather than activity in more recent months and, on the assumption that the market does not change significantly for the remainder of the year, the annual rate will decline to approximately 4.0% by December. We anticipate that some, but not all, of the regions in England and Wales will be showing falling prices on an annual basis by the end of the year.

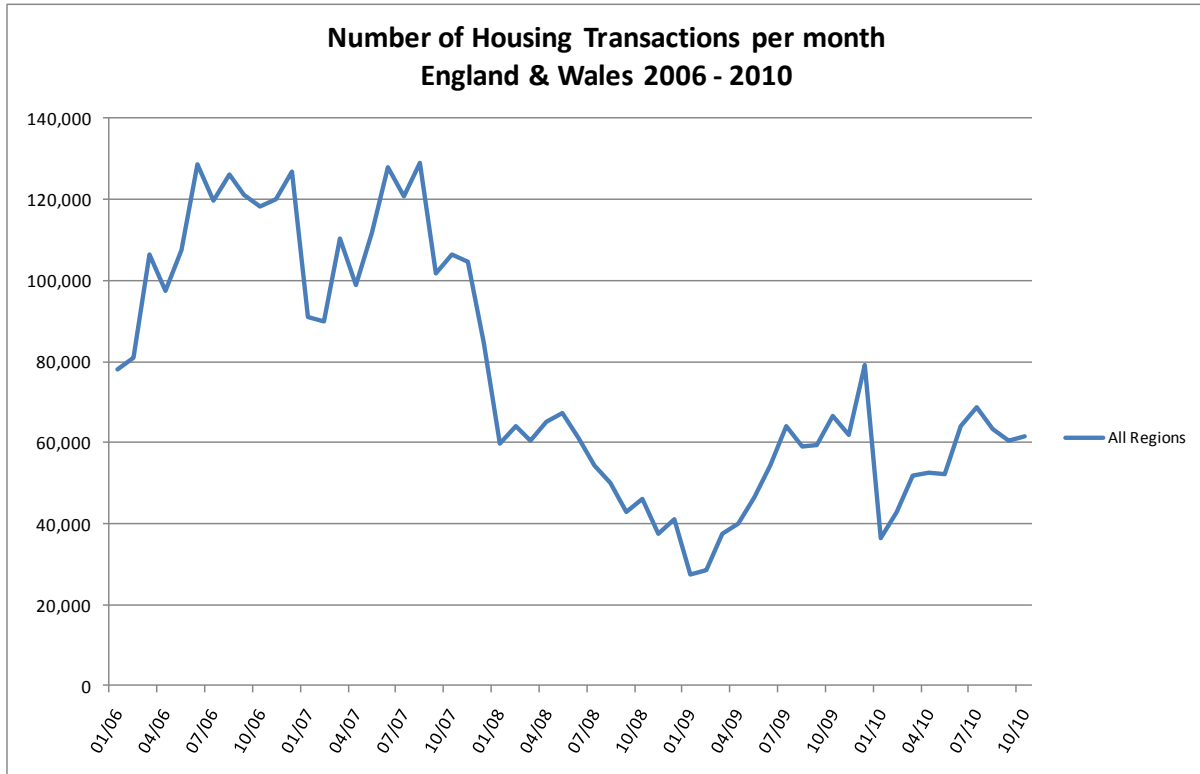
“Our index also shows that, along with relatively flat prices, we continue to have a much reduced volume of transactions. This is indicative of a slow market, reflecting the range of negative factors which both buyers and sellers are facing in the short to medium term, related to overall confidence about the economy and their personal circumstances, along with constrained mortgage supply.

“The Governor of the Bank of England has talked of a ‘sober’ decade dominated by savings, orderly budgets and equitable rebalancing, and it is evident that the Bank is comfortable with a slowly deflating housing sector which, over time, might restore affordability and ease access to the market. However, as is evident from our regional analysis, what we have is a ‘two speed’ market with strong activity, as measured by price and volumes, in some areas and weak activity in others. This has long term significance in terms of labour mobility, economic growth and opportunity.

“The above process might be further exacerbated by the outcome of the Mortgage Market Review. The FSA is clear that any reforms that might be introduced will be aligned with market conditions so that its impact is ‘managed’ but clear concerns remain. The recent analysis by Policis for the Council of Mortgage Lenders raises major questions about the likely shape of future mortgage markets and its flow through to the housing market. To date the government has not taken a view of what might constitute a long term sustainable housing market but it is clear that this is essential. As it stands, we are drifting towards a long term low transaction and low access market which will serve many households and the economy as a whole very poorly.”



“On average, over the last fifteen years, the number of homes sold in October has increased by 2.5% over September levels. Our estimates suggest that October 2010 will prove no exception, with 61,700 units being sold, which is a modest 2.0% higher than the September level. However, for the first time this year, total monthly sales will be lower than in the same month in 2009.”

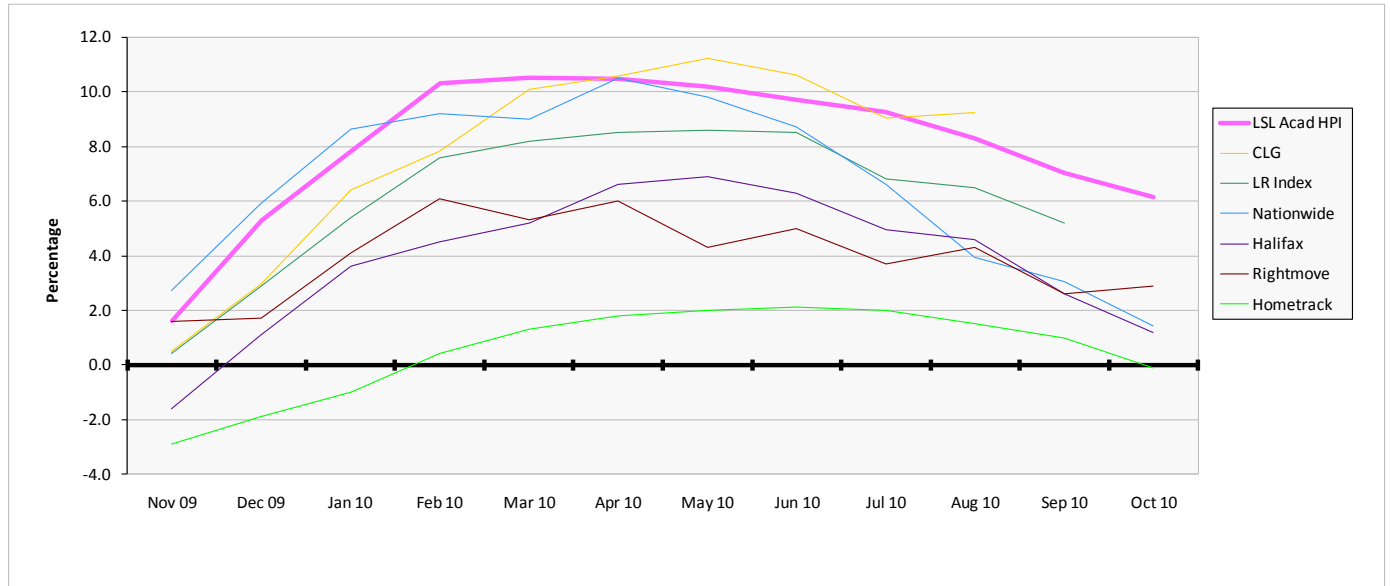


## NOTES

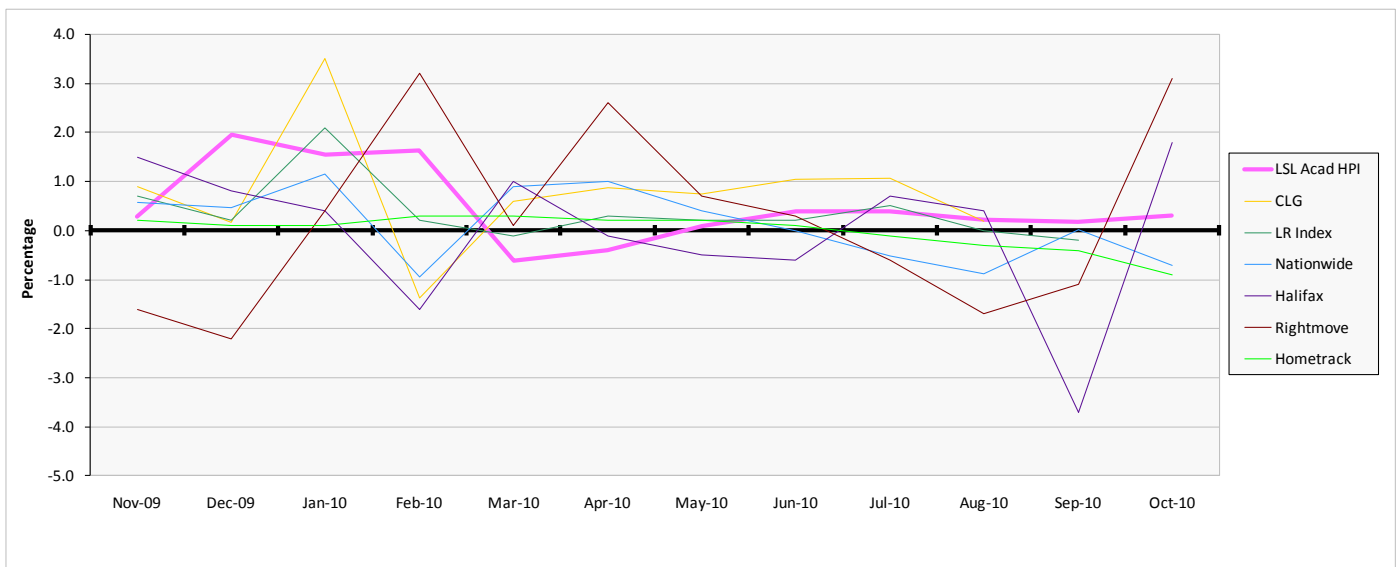
1. LSL Acad HPI is the only house price index to use:
  - the **actual** prices at which every property in England and Wales was transacted, including prices for properties bought with cash, using the factual Land Registry data as opposed to valuation estimates or asking prices
  - the price of **every** single relevant transaction, as opposed to prices based upon samples
 LSL Acad HPI is a price series as opposed to a value series.
2. the current month LSL Acad 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 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 HPI “ultimate” data. All LSL Acad 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 Acadametrics website [www.acadametrics.co.uk](http://www.acadametrics.co.uk) in our “[Development of Forecasts](#)” and in our “[Comparison of Indices](#)”, which shows how each index, including the LSL Acad HPI “forecast”, compares with the LSL Acad HPI, once sufficient factual Land Registry data have replaced forecast data, to enable LSL Acad HPI to approach the “ultimate” results.
5. the Acadametrics website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.
6. Acadametrics 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. Acadametrics Prices and Transactions ([sample here](#)), which exclude any forecast element, underlie the LSL Acad 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.



## ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

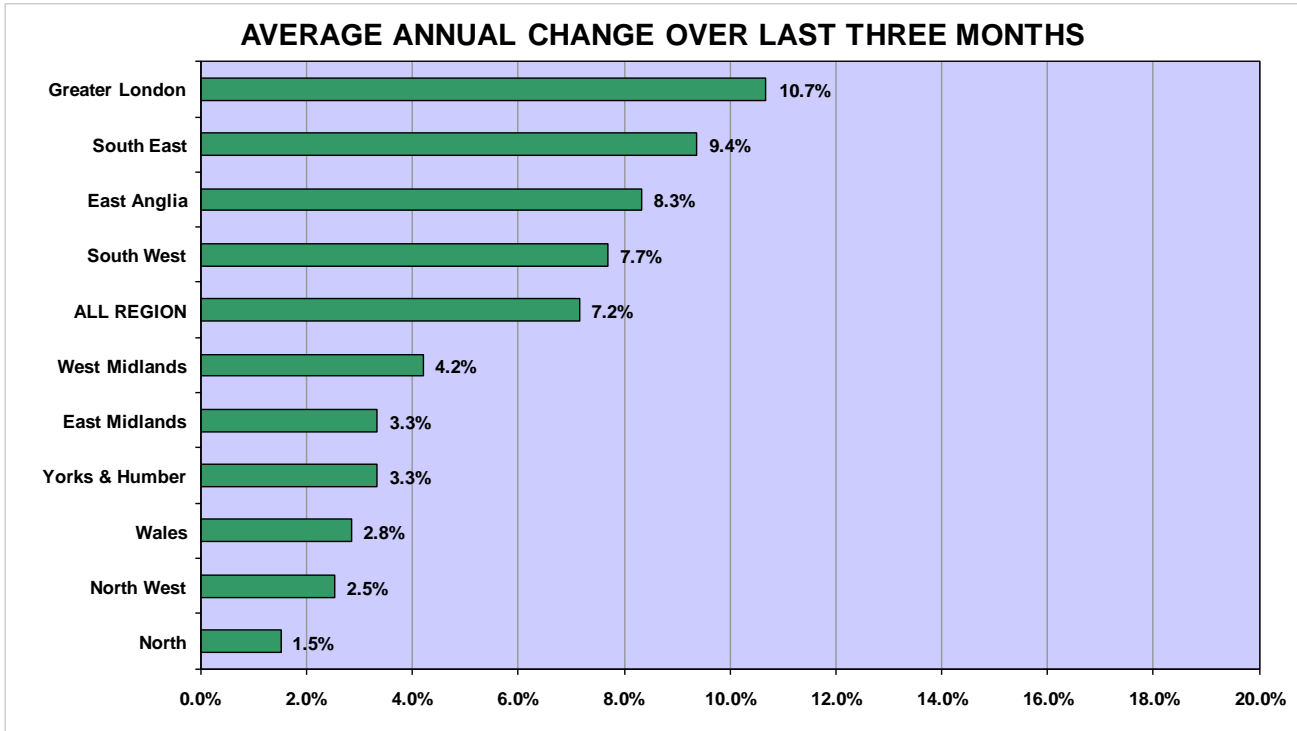


## MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

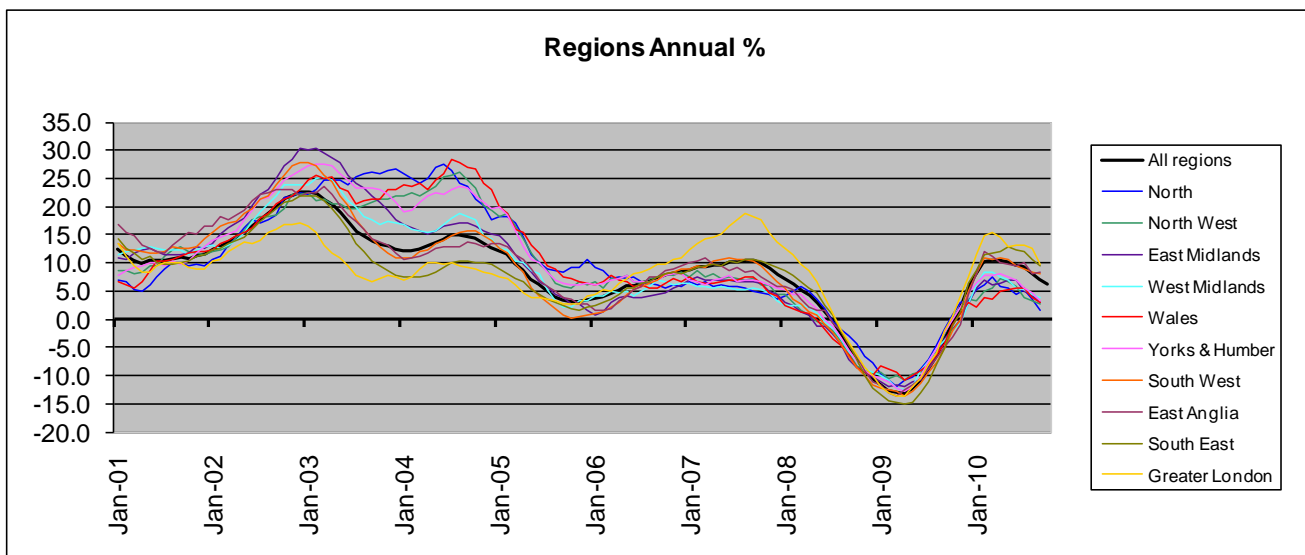




Based on the last three months, all regions in England & Wales are currently experiencing annual house price growth. However, the pattern remains one in which there is an acute contrast in price movements between the southern and northern regions of England and Wales. We anticipate that we will be recording house price falls on an annual basis in the next few months in the North and in Wales, as the strong growth in house prices in the second half of 2009 drops out from the statistics.



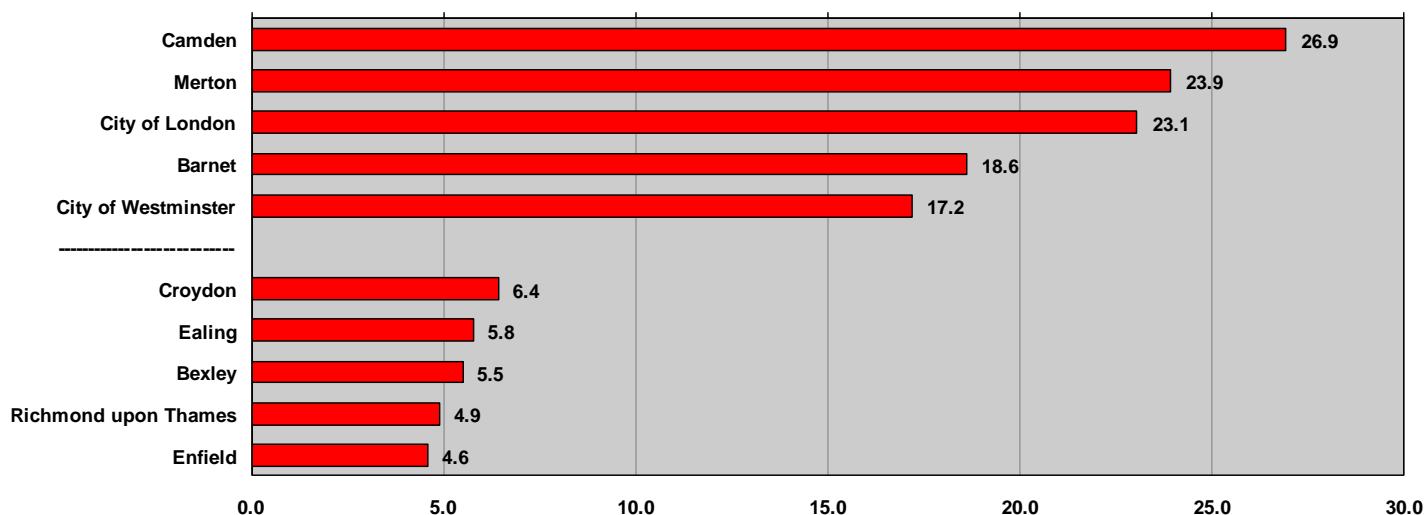
## ANNUAL CHANGE IN PRICE BY REGION



Note that individual regions can be compared using our “National and Regional series from 1995 with Interactive Charts”, linked from page 4 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.



## AVERAGE ANNUAL CHANGE OVER LAST THREE MONTHS - LONDON BOROUGHS



The chart shows the % **annual** price change in ten London boroughs, averaged over three months, for those with the highest and lowest growth. All thirty-three London boroughs are recording annual price increases. The significant increases in the average prices in Camden, Merton and the City of Westminster reflect higher values being achieved in the sale of flats, where prices on average are up over £100K on last year's levels.

Whilst the up-market sector of the London flat market has seen eye-watering increases in price, this is not true of the London market as a whole. Over the last year, comparing Q3 prices in 2010 with Q3 prices in 2009, the average value of a flat has increased by 11.6%, compared with a 17.0% increase in the value of detached properties, a 14.5% increase in the value of terraced properties and a 13.2% increase in the value of semi-detached homes.

Perhaps surprisingly, given the national market outlook, there are now six London boroughs where the average price of a home is at an all time high; Hackney, Hillingdon, Hounslow, Islington, Tower Hamlets and Wandsworth. By contrast, the two boroughs furthest off their previous high are Kensington and Chelsea and Richmond upon Thames, where prices peaked earlier in the year.

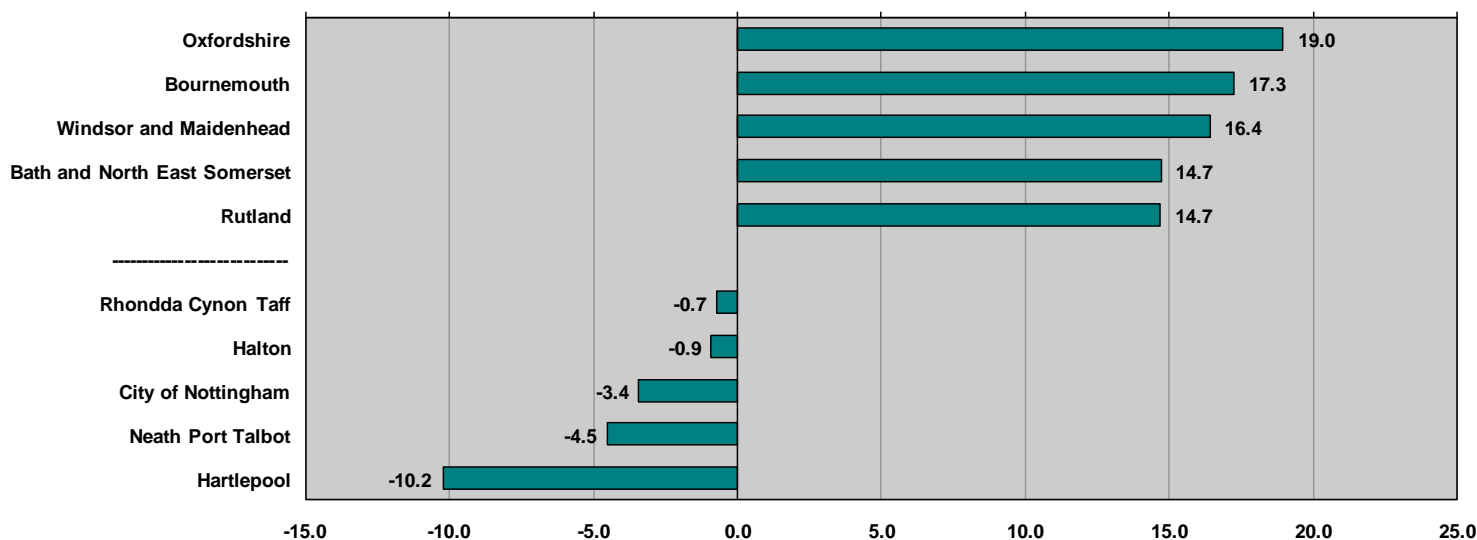
Looking at housing transactions, between Q3 2009 and Q3 2010 London is showing a rise of 16% in the number of homes sold over the year, with all thirty three boroughs showing an increase. The three boroughs with the largest increase in sales are Brent (+59%), Southwark (+51%) and Lambeth (+47%), whilst those showing the least growth over the year are Harrow (0%), Barking and Dagenham (+1%) and Islington (+1%). Over the year, the largest sales growth by property type has been flats (+20%), followed by detached (+17%), semi-detached (+15%) and terraced properties (+11%). The fact that flats top the list in terms of growth is encouraging, given that this is the market which was most evidently over-supplied.

Comparing housing transactions between Q2 2010 and Q3 2010, we have seen an increase in market activity of 7.2%, with twenty five of the thirty three London boroughs recording an increase in transactions. Over this last quarter the biggest increases in transactions have been in Camden, Southwark and Lewisham, whilst the largest declines were in Tower Hamlets, Redbridge and the City of Westminster. There has been a decrease in the number of flats sold during this last quarter (-1%), but all the other property types have seen an increase in transactions of between 16% and 18%. Typically, flats represent just over 50% of all housing sales that take place in London.





## AVERAGE ANNUAL CHANGE OVER LAST THREE MONTHS - COUNTIES



The chart above shows the % **annual** price change for unitary districts and counties, measured over three months and ranked by the highest and lowest 5 districts. Last month, we reported that six of the one hundred and eight counties and unitary districts in England & Wales were recording price falls on an annual basis; this month that number has risen to eight, although we also reported last month that the decline in Hartlepool prices was a statistical anomaly and should therefore be discounted from these league tables.

There is evidence to show that it is the higher priced regions in England and Wales that have been experiencing the largest price increases over the last year. The top quartile of districts by price experienced annual house price increases of 11.1%, whilst the districts in the lowest quartile by price saw annual price increases of 1.6%. This trend is repeated when comparing the latest three months, July to September 2010, with the previous three months, April to June 2010; over this period the top quartile of districts by price experienced a 6.0% increase in prices, whilst the lowest quartile of districts by price experienced an increase of 0.2%.

This month, there are four unitary districts and counties that are setting a new high in terms of their average house prices on a mix-adjusted basis; these are Cambridgeshire, Oxfordshire, West Berkshire and Bournemouth, but prices in most districts and counties remain below their peak; on average some 8.4% down, if we exclude London.

In terms of housing transactions, comparing Q3 2010 with Q3 2009, there has been a 6% increase in the number of properties sold across England and Wales. All regions except East Anglia (-2%) are showing an increase in transactions over the year, with the growth in sales being highest in Greater London (+16%) and the North (+10%). The greatest growth in sales by property type has been in flats (+9%) but, if one excludes Greater London from the figures, flats then show the least growth elsewhere in England and Wales (+3%).

Over the page, we seek to identify the hot and cold spots of housing transactions by property type, by comparing the number of properties sold in the first six months of 2005 with those sold in the first six months of 2010. We then look to see if the level of demand for these properties has influenced price over this same period.





## PERCENTAGE CHANGE IN THE NUMBER OF PROPERTY SALES BY COUNTY/UNITARY DISTRICT

2005–2010 (January – June data)

### DETACHED PROPERTIES

Rank by % change	Area	No of homes sold		% change	Average Price 2005	Average Price 2010	% Change In price
		2005	2010				
1	Reading	141	140	-1%	£336,527	£397,842	18%
2	Powys	328	322	-2%	£212,560	£226,770	7%
3	Southend on Sea	184	179	-3%	£299,318	£348,553	16%
4	Brighton & Hove	203	197	-3%	£365,487	£458,073	25%
5	Isle of Wight	367	356	-3%	£252,052	£290,760	15%
100	Middlesbrough	123	66	-46%	£236,723	£207,075	-13%
101	Stoke on Trent	292	152	-48%	£165,894	£169,178	2%
102	Halton	227	109	-52%	£226,024	£232,957	3%
103	Blackpool	117	53	-55%	£210,506	£196,522	-7%
104	Kingston upon Hull	190	79	-58%	£149,017	£181,990	22%
	All areas	89,930	70,338	-22%	£286,143	£332,307	16%

### SEMI - DETACHED PROPERTIES

Rank by % change	Area	No of homes sold		% change	Average Price 2005	Average Price 2010	% Change In price
		2005	2010				
1	Vale of Glamorgan	240	228	-5%	£162,044	£191,439	18%
2	Windsor & Maidenhead	330	288	-13%	£289,002	£322,932	12%
3	Wokingham	373	325	-13%	£235,312	£265,136	13%
4	Hertfordshire	2,046	1,750	-14%	£163,151	£183,578	13%
5	Bath & NE Somerset	289	247	-15%	£223,391	£262,709	18%
103	Blackpool	558	285	-49%	£122,966	£120,582	-2%
104	Peterborough	509	256	-50%	£133,649	£136,041	2%
105	Wrekin	430	209	-51%	£124,883	£129,914	4%
106	Stoke on Trent	852	397	-53%	£96,840	£105,303	9%
107	Halton	304	126	-59%	£119,072	£134,299	13%
	All areas	122,906	82,766	-33%	£170,486	£199,611	17%

Areas in which there were fewer than 3 properties sold per week in 2005 have been excluded. The analysis treats Greater London as a single entity.

### TERRACED PROPERTIES

Rank by % change	Area	No of homes sold		% change	Average Price 2005	Average Price 2010	% Change In price
		2005	2010				
1	Windsor & Maidenhead	228	218	-4%	£263,818	£311,757	18%
2	Bournemouth	131	116	-11%	£186,220	£198,618	7%
3	Surrey	1,783	1,455	-18%	£229,442	£278,361	21%
4	Somerset	1,368	1,052	-23%	£145,433	£159,721	10%
5	Cornwall	1,366	1,044	-24%	£160,789	£176,124	10%
104	Middlesbrough	730	250	-66%	£61,645	£83,662	36%
105	Stoke on Trent	1,328	450	-66%	£69,433	£72,581	5%
106	Halton	403	130	-68%	£85,438	£97,613	14%
107	Kingston upon Hull	1,943	602	-69%	£61,311	£82,011	34%
108	Hartlepool	615	184	-70%	£52,418	£81,266	55%
	All areas	154,378	86,351	-44%	£144,355	£163,310	13%

### FLATS & MAISONETTES

Rank by % change	Area	No of homes sold		% change	Average Price 2005	Average Price 2010	% Change In price
		2005	2010				
1	Swansea	78	155	99%	£126,208	£165,406	31%
2	Milton Keynes	272	281	3%	£107,507	£123,015	14%
3	City of Derby	142	136	-4%	£111,554	£90,079	-19%
4	Wokingham	150	143	-5%	£186,679	£201,364	8%
5	Derbyshire	255	242	-5%	£122,312	£117,452	-4%
81	Thurrock	502	181	-64%	£128,957	£109,286	-15%
82	Luton	315	113	-64%	£108,654	£103,054	-5%
83	Tyne & Wear	2,970	874	-71%	£103,514	£110,389	7%
84	Wrekin	102	30	-71%	£83,953	£92,245	10%
85	Middlesbrough	139	40	-71%	£112,982	£89,482	-21%
	All areas	93,129	58,069	-38%	£174,242	£216,258	24%

Areas in which there were fewer than 3 properties sold per week in 2005 have been excluded. The analysis treats Greater London as a single entity.

In general, it would appear that there is an association between the 'popularity' of an area, as measured by the percentage change in the number of properties sold, and the change in house prices over time, with 'popular' areas seeing above average increases in prices. However, this association is not 100% assured and there are a number of examples in the above tables, which could be quoted to show that the reverse might also apply. Clearly, the local circumstances of an area have had a significant effect on how prices have changed over the five year time period.

# Regional data table



	North			North West			East Midlands			West Midlands		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Oct-09	£147,897	2.0	0.7	£154,950	0.8	0.2	£159,474	0.5	-1.7	£168,886	0.2	-2.1
Nov-09	£149,159	0.9	3.1	£156,357	0.9	2.1	£160,233	0.5	-0.1	£168,287	-0.4	-0.7
Dec-09	£147,231	-1.3	3.1	£157,047	0.4	3.6	£161,973	1.1	2.6	£172,144	2.3	2.8
Jan-10	£149,328	1.4	5.2	£157,477	0.3	3.3	£164,867	1.8	5.6	£176,308	2.4	6.1
Feb-10	£150,417	0.7	6.0	£158,259	0.5	5.1	£165,898	0.6	6.8	£178,931	1.5	8.3
Mar-10	£152,522	1.4	7.6	£158,656	0.3	5.6	£164,354	-0.9	6.2	£176,438	-1.4	8.3
Apr-10	£150,299	-1.5	5.9	£159,299	0.4	7.2	£163,416	-0.6	6.4	£174,345	-1.2	7.4
May-10	£149,175	-0.7	5.5	£158,681	-0.4	6.6	£163,973	0.3	7.0	£173,449	-0.5	6.9
Jun-10	£148,197	-0.7	4.5	£157,318	-0.9	5.8	£164,856	0.5	7.0	£174,982	0.9	5.6
Jul-10	£148,414	0.1	5.2	£156,334	-0.6	3.9	£163,858	-0.6	5.0	£175,000	0.0	5.2
Aug-10	£147,530	-0.6	3.6	£156,744	0.3	3.2	£163,655	-0.1	4.1	£175,986	0.6	4.4
Sep-10	£147,420	-0.1	1.7	£157,687	0.6	2.6	£163,554	-0.1	3.1	£175,141	-0.5	4.0

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Oct-09	£154,255	2.1	-1.0	£157,113	1.3	-0.1	£213,758	1.5	-2.1	£190,081	-0.2	-3.3
Nov-09	£154,725	0.3	0.9	£158,274	0.7	2.2	£214,075	0.1	-0.1	£187,675	-1.3	-1.0
Dec-09	£156,512	1.2	3.0	£160,737	1.6	4.8	£220,982	3.2	4.9	£194,656	3.7	4.5
Jan-10	£156,221	-0.2	2.2	£161,781	0.6	6.3	£223,980	1.4	8.1	£200,524	3.0	8.0
Feb-10	£157,396	0.8	3.7	£162,685	0.6	7.8	£227,878	1.7	11.0	£206,612	3.0	12.1
Mar-10	£156,120	-0.8	3.6	£160,830	-1.1	7.7	£225,226	-1.2	10.6	£203,298	-1.6	11.2
Apr-10	£155,318	-0.5	4.8	£160,053	-0.5	8.1	£225,556	0.1	10.9	£202,006	-0.6	10.0
May-10	£155,018	-0.2	5.2	£159,256	-0.5	7.6	£226,862	0.6	10.5	£202,667	0.3	9.6
Jun-10	£155,336	0.2	5.5	£158,819	-0.3	6.9	£226,054	-0.4	9.4	£203,646	0.5	9.4
Jul-10	£155,439	0.1	5.5	£158,774	0.0	5.6	£226,309	0.1	8.8	£205,271	0.8	10.0
Aug-10	£155,501	0.0	3.9	£159,669	0.6	4.7	£225,994	-0.1	8.4	£204,905	-0.2	8.0
Sep-10	£155,808	0.2	3.1	£160,251	0.4	3.4	£227,678	0.7	8.1	£206,447	0.8	8.4

	South East			Greater London			ALL REGION		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Oct-09	£249,876	1.7	-1.3	£348,917	0.8	0.5	£211,722	1.2	-0.9
Nov-09	£249,921	0.0	1.4	£351,247	0.7	4.1	£212,334	0.3	1.6
Dec-09	£256,143	2.5	6.4	£358,063	1.9	7.6	£216,508	2.0	5.3
Jan-10	£259,471	1.3	8.6	£366,757	2.4	11.5	£219,865	1.6	7.8
Feb-10	£264,584	2.0	11.3	£375,033	2.3	15.0	£223,441	1.6	10.3
Mar-10	£263,304	-0.5	11.8	£373,485	-0.4	15.5	£222,081	-0.6	10.5
Apr-10	£263,103	-0.1	12.0	£370,533	-0.8	14.6	£221,202	-0.4	10.5
May-10	£264,861	0.7	12.8	£369,698	-0.2	12.8	£221,419	0.1	10.2
Jun-10	£266,129	0.5	12.2	£374,471	1.3	13.1	£222,275	0.4	9.7
Jul-10	£267,626	0.6	12.0	£379,125	1.2	13.2	£223,150	0.4	9.3
Aug-10	£268,309	0.3	10.7	£380,809	0.4	12.6	£223,636	0.2	8.3
Sep-10	£269,051	0.3	9.5	£379,884	-0.2	9.7	£224,025	0.2	7.0
Oct-10							£224,709	0.3	6.1



1. LSL Acad 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 HPI includes cash purchase prices and is the only index based upon the **complete, factual**, house price data for England and 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 HPI, CLG and LR) can be prepared only when the prices at which properties have been transacted have been recorded at LR (LSL Acad HPI and LR) or when firm prices at mortgage completion (CLG) 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. LR overcomes the delay in availability of full LR transaction data by using only the prices of properties for which two prices are recorded at LR and the published American Case Shiller methodology, developed to prepare indices for metropolitan districts, since the USA lacks a central Land Registry. LSL Acad HPI overcomes the above 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; of the price series, LSL Acad HPI, LR and CLG are published in that order.
3. LSL Acad HPI provides prices at national and regional level to 1995 and, at county/London borough level, to 2000; back-cast national prices for graphing are available to 1987.
4. at **national** level, only some 60,000 monthly transactions now occur compared with at least 100,000 in past markets. For any given month, c.33% (20,000) of these will be reported to LR by month end. When monthly sales were c.100,000, we found that using the initial 15,000 transactions then reported to LR, introduced volatility into our first LSL Acad HPI result. Rather than rely upon a small sample, likely to be unrepresentative, LSL Acad HPI therefore employs the above “index of indices”, and a series of auto regression and averaging models. After the elapse of one month, LR provides c.85% of the transactions for the prior month, used to replace the initial LSL Acad HPI “forecast” with a first LSL Acad HPI “update” result. A further month later, LR provides c.90% of transactions, used to replace the first, with a second, LSL Acad HPI “update” result. Three months after any given month, LR provides c.95 % of the month’s transactions, sufficient to enable us to describe our next update as an LSL Acad HPI “final” index, closely approximating the LSL Acad HPI “ultimate” results; LSL Acad HPI “ultimate” includes the price of virtually every single LR transaction for the month, smoothed, seasonally and mix adjusted; the first LSL Acad HPI “update” now uses c.37,000 real transactions for the month (as well as, by smoothing, c.40,000 transactions for the prior month); only CLG with, this year, 28,000 mortgage completions (and the Rightmove asking price index) have specified comparable data volumes; lender index data volumes are not quantified; the Halifax HPI employs three month smoothing for annual change results but not for other results; Hometrack provides survey data and specifies that theirs is a survey, not an index; current results are showing a divide between indices with more, and indices with less, data volumes.
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.85% sample and provide monthly results one month in arrears of the most recent month. In our Regional data table, **red** data represent LSL Acad HPI “forecast” results, **blue** data represent LSL Acad HPI “update” results and black data represent the LSL Acad 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 HPI is indicative until we are able to publish the LSL Acad HPI “final” index using the LR 95% sample. LSL Acad 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 HPI and the LR index are unable to distinguish between 3, 4 or 5 bedroom houses or between those with 2, 1 or even no bathroom; the lender hedonic indices and the CLG mix adjusted index 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 price of a recent new build flat in Manchester is not (at least not yet) reflected in the price of a flat in an upmarket area.
8. LSL Acad HPI is prepared from Land Registry data using a methodology designed to provide a “true measure of house price inflation”; Acadametrics does not guarantee the accuracy of the LSL Acad HPI results and Acadametrics 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 HPI is freely provided for publication with due attribution to Acadametrics. 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 HPI, together with historic data are available from Acadametrics as in page 4 NOTE 7 above.
10. LSL Acad HPI was published under the name FTHPI from September 2003 until December 2009.

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