



Under embargo until 00:01 Monday 16th January 2017

December 2016

England and Wales house prices finish on a high

- Average prices up 0.4% in December to end just £47 shy of all-time high
- Hull is top-performing unitary authority with annual price growth at 16.2%
- The East is the top performing region, up 7.9%
- Hammersmith and Fulham sees largest fall

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London & the SE)
£297,678	290.0	0.4	3.1	4.4

At the end of a year of upheaval and uncertainty, the market proved its resolution in December. Growth of 0.4% pushed the average price of a house in England and Wales up £1,139 to finish the year at £297,678.

Prices have now almost fully recovered from the peak they reached in March 2016 ahead of the 3% surcharge on stamp duty on second homes and buy-to-let properties which was introduced in April. Strong performance in cheaper properties across the country saw every region in England and Wales finish the year with positive house price inflation.

December saw some of the strongest monthly growth since the beginning of the year, however, annual growth slowed slightly to 3.1% in December from 3.5% in November.

The modest gain in average prices over the year also disguises both the volatility immediately before and after the introduction of the changes in stamp duty, and a massive variation in regional performance. Annual price growth has been as high as 16.2% in Hull while falls have been as deep as -11.5% in the London Borough of Hammersmith and Fulham.

The slowdown in transactions has been more consistent across the country, however. Since a strong start to the year, and a surge in March, sales have been lower each month than in either 2014 or 2015. Overall in 2016, they were down 3.9% on 2015 and for the last six months of the year fell 14.7% compared to 2015.

Oliver Blake, Managing Director of Your Move and Reeds Rains estate agents, part of LSL Property Services plc says, “It’s been a strong finish to an uncertain year. Despite the doubts over Brexit, prices have continued to grow, powered by good-value commuter properties.

“As the lower transaction figures since April show, the market faces challenges ahead, but it enters 2017 a lot stronger than many would have expected.”

Richard Sexton, director of e.surv chartered surveyors, says, “Even in the first half of last year London was the UK’s property hotspot, with the highest annual growth. At the end of the year, it trails every other region in England and Wales.

“In its place, the South East and other areas with good value property continue to grow strongly, and even in London itself cheaper boroughs have seen strong increases. It will be interesting to see how far the balance in the property market continues to shift from London to its surrounding areas in the coming year.”

In one respect at least London remains a microcosm of the country as a whole: relatively modest overall annual house price growth of 0.2% fails to reflect the dramatically different fortunes of its various areas.

The average price in London has fallen each month since March 2016, but this largely reflects a slowdown in prime property. As well as Hammersmith and Fulham at the top end, Kensington and Chelsea (the most expensive borough) is down 3.7%, Westminster is down 7.3%, and Camden down 5.3% annually.

Three of the cheapest five boroughs, by contrast, saw double-digit growth: Barking and Dagenham (with the cheapest average prices in London), up 12.1%; Bexley, up 11.8%; and Havering, up 10.2%. Waltham Forest with average prices still about £135,000 below the London average of £585,931 was another to see growth over 10%.

House price index: historical data



Of the 19 lowest priced boroughs as of last November, only two have seen price falls in the last 12 months: Hounslow, down 2.6%, and Greenwich, down 1.4%. Of the 14 highest priced last November, only three have escaped price drops.

For transactions, the story has been more consistent. All 33 London boroughs have seen a reduction over the three months from September to November 2016, compared to a year earlier. Again, though, cheaper areas have fared better, with the smallest reductions in sales in Bexley and Barking and Dagenham.

Overall London has trailed the other regions of England and Wales, with house price growth of 0.2%, well below even the North East, up 1.5% over the year, or Yorks & Humber, up 2%. The latter was boosted by a 16.2% increase in values in Hull, the best performing area after a massive 5.8% increase in November in the run up to its year as the UK City of Culture. Even Wales, which had more areas seeing price falls over the year than any other, was up 2.2% over the year, helped by 13.6% growth in Gwynedd and 10.3% in Blaenau Gwent.

Overall, only 19 (of 108 unitary authority areas) recorded falls over the year, with 82% seeing increases. After Hull, the best performing individual area was Rutland in the East Midlands, up 15.2%, albeit based on relatively few transactions.

The best performing region by a distance, however, was the East of England. There, four of its ten unitary authorities saw growth over 10%, including Thurrock, with the third highest growth in the country, up 13.8%, and Southend-on-Sea, where prices rose 13.6% (fourth equal with Gwynedd in the league table).

Elsewhere, the South East also performed well, with 5.2% growth bolstered by an 11.1% increase in Bracknell Forest and a 10.4% rise in Slough. That was despite Windsor and Maidenhead in the region seeing the biggest fall over the year – down 4.8%. Windsor and Maidenhead, it should be noted, is also the unitary authority with the highest average property price (at £534,224) outside Greater London.

While London prices cool, other large cities, including Birmingham, Greater Manchester and Merseyside are all currently experiencing new peak 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.

Table 1. Average House Prices in England & Wales for the period December 2015 – December 2016

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
December	2015	£288,691	281.2	0.8	6.9
January	2016	£291,155	283.6	0.9	7.3
February	2016	£297,321	289.6	2.1	9.1
March	2016	£297,725	290.0	0.1	9.1
April	2016	£297,516	289.8	-0.1	8.7
May	2016	£295,292	287.6	-0.7	7.4
June	2016	£296,022	288.3	0.2	7.0
July	2016	£295,833	288.2	-0.1	6.5
August	2016	£295,275	287.6	-0.2	5.2
September	2016	£295,146	287.5	0.0	4.3
October	2016	£296,098	288.4	0.3	3.6
November	2016	£296,539	288.8	0.1	3.5
December	2016	£297,678	290.0	0.4	3.1

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

House prices

Annual house price inflation has been falling in England and Wales for the last 9 months and December has proved no exception. The rate now stands at 3.1%, below the revised 3.5% recorded in November - and all the evidence suggests this trend will continue. On a monthly basis, average prices in England and Wales rose by £1,139, or by 0.4%, to an average of £297,678. This is just £47 short of the all-time high of £297,725 reached in March 2016, immediately prior to the introduction of the 3% surcharge on stamp duty on second homes and buy-to-let properties, which became active on 1st April.

Although this average 'national' figure has only fallen by such a small amount, in reality it conceals the considerable movement in prices that have been taking place across the country, ranging from an increase of 16.2% in the city of Kingston upon Hull, to a fall of 11.5% in the London Borough of Hammersmith and Fulham. We explore the detail of these and other price shifts in the remainder of this month's report.

Prices have been falling throughout much of the year - the annual rate of house price inflation has declined from 9.1% in March to 3.1% now, although this rate of decline is now slowing. Similarly, transaction numbers have fallen in the year when compared to 2015. Figure 1 below shows the level of monthly transactions over the last four years, 2013 – 2016.

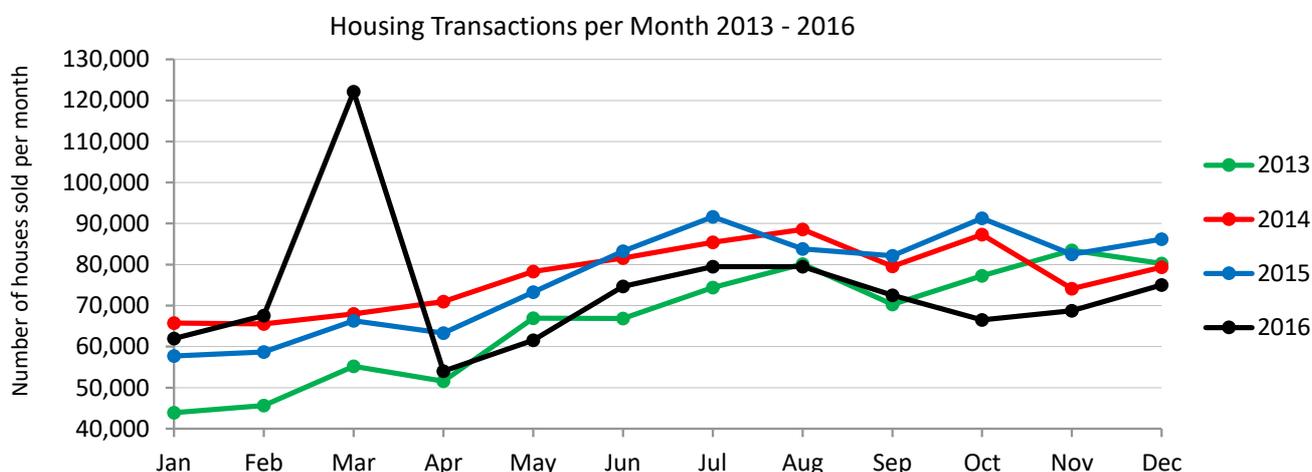


Figure 1. Number of properties sold per month in England & Wales, January 2013 – December 2016. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted.

[link to source Excel](#)

Although the year started well with transaction levels higher than 2015, followed by the surge in sales in March 2016 immediately prior to the stamp duty change, in each of the months from April onwards, sales volumes have been lower than the equivalent months in 2014 and 2015. In 2016, sales for the year are 3.9% down on 2015 and 4.4% lower than 2014. However, if we take the last six months of each year, then the position is more stark, with sales down by 14.7% on 2015 and 10.6% on 2014. And for the three months September – November 2016 (the latest period for which we have detailed figures), sales volumes are down by 18.8% on 2015.

So why have sales volumes fallen so much during the second half of the year? In part, this will be due to the high number of sales that were pulled forward into March 2016 to avoid paying the additional 3% tax. There may also partly be a technical reason, since the Land Registry only record 'domestic sales' on its price-paid dataset – sales to companies are thereby excluded from the count and these have risen in number and significance. To mitigate some of the impact of recent tax changes, buy-to-let landlords have started to use specially-formed companies to purchase buy-to-let properties. And this will have had the effect of reducing the Land Registry transaction count. But in part it will also be because properties to purchase are currently in short supply. The RICS has reported that the average numbers of properties for sale per surveyor are close to an all-time low, and with prices easing and uncertainty widespread it is unsurprising sellers are holding back.



The Housing Market

On the basis of expectations for 2017 and later, 2016 will probably be the peak of the steady rise in transactions from the trough in 2009. The outturn for England & Wales for the year, based on Land Registry and ONS figures, is likely to be around 884,000 properties sold, up from around 625,000 sales in 2009. Looking ahead at 2017, market forecasters are suggesting transactions will fall to somewhere between 813,000 and 850,000¹ sales in the year, and for that decline to continue into 2018. However, as experts in general and expert forecasters in particular would be quick to remind us, there is considerable uncertainty surrounding all numbers because of the uncharted nature of what happens next to the British economy. Although the market is certainly more positive about the future than it was 6 months ago, the fact is that there are still too many unknowns.

In terms of house prices and mortgage lending, expectations for the former are down but for the latter very marginally up. There are different views on prices for the country as a whole, ranging from a -1% fall to an increase of 2% and with very considerable regional variations. Mortgage lending by contrast is forecast by the Council of Mortgage Lenders to rise very modestly from £246 billion of gross mortgage lending (ie, without taking account of repayments) in 2016 to £248 billion in 2017, with house purchase activity falling back and remortgaging increasing – reflecting the widespread view that interest rates can now only rise over the medium term.

Although housing supply remains a top priority, and the government in England will set out its plans later this month, the fact is that the increase in supply that is slowly working through will do little to impact price trends – these are driven by the second-hand market. However, government is having an impact not least through its revised stamp duty regimes. Transacting property at the top of the market is now a very expensive activity, and this is reflected in a reduction in transactions as we show later. The buy-to-Let purchase market is expected to weaken somewhat in 2017, and of course that will help support the continued growth of first time buyers – a key priority. However, with faltering transactions more thought should be given to encouraging more existing owners to move and to adjust their housing requirements.

¹ The equivalent HMRC transaction figures for the UK as a whole are an outturn of 1.25 million sales for 2016 and a forecast of between 1.15 – 1.20 million sales for 2017.



Housing Transactions

The number of housing transactions in December 2016 in England & Wales is estimated at 75,000, 9% up on a revised November figure, but 13% lower than the same month in the previous year. Table 2 below shows the number of transactions recorded at the Land Registry at the end of December 2016, for the period September – November 2016, and compares these with the equivalent figures for 2015. It shows that the level of sales has fallen across all of England and Wales, although the decline is more pronounced in the South. This is especially the case in Greater London where volumes are down by -34%, almost double that of any other region, except for the South East where transactions are down by -25%.

Table 2. The number of transactions recorded at Land Registry (as at 31/12/2016) for the period September – November 2016, compared to the same period in 2015. [link to source Excel](#)

TRANSACTIONS BY REGION			
REGION	Sep - Nov 2015	Sep - Nov 2016	% change
NORTH EAST	8,964	7,346	-18%
NORTH WEST	26,681	23,201	-13%
YORKS & HUMBER	20,302	17,328	-15%
EAST MIDLANDS	20,109	17,831	-11%
WEST MIDLANDS	20,851	17,985	-14%
EAST OF ENGLAND	27,867	22,756	-18%
GREATER LONDON	27,912	18,541	-34%
SOUTH EAST	42,190	31,792	-25%
SOUTH WEST	26,940	22,029	-18%
WALES	10,924	10,147	-7%
ENGLAND & WALES	232,740	188,956	-19%

Taking a longer term view we show below the number of housing transactions per month that took place in England and Wales for the ten year period 2007 – 2016. 2007 was the last year in England and Wales when transactions exceeded an average 100,000 per month. In the aftermath of the banking crisis, volumes dropped in 2008/09 to an average 52,000 sales per month and then - as the graph shows - there was a slow rebuilding of confidence in the housing market over the period 2011 – 2015. However, it is important to note that apart from the peak in sales in March 2016, when 122,000 transactions took place, volumes in 2016 have been significantly lower than the previous two years.

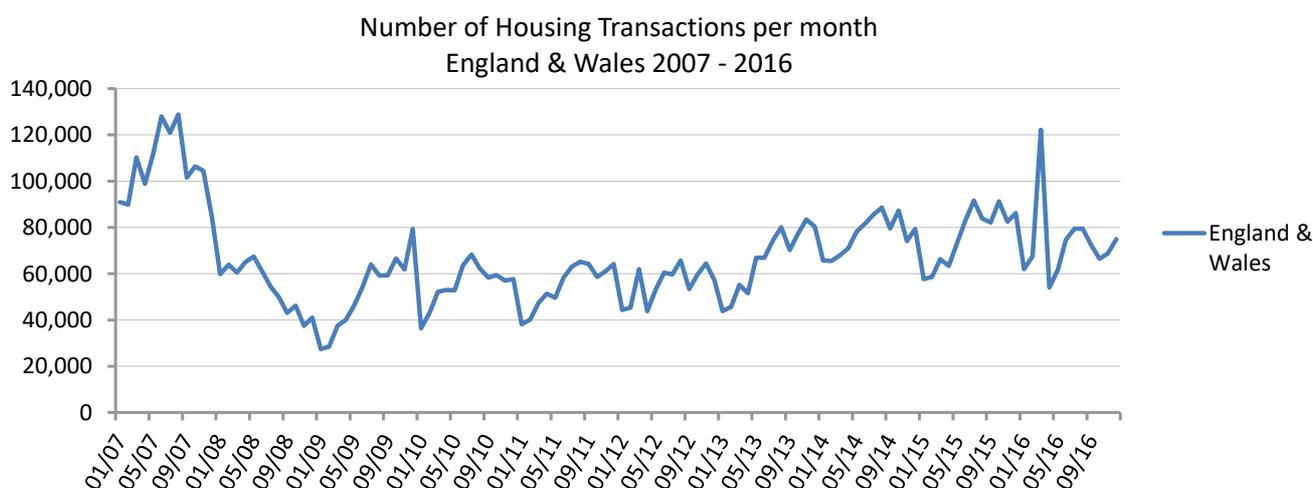


Figure 2. Number of properties sold per month in England & Wales, January 2007 – December 2016.

[link to source Excel](#)

Comparison of indices

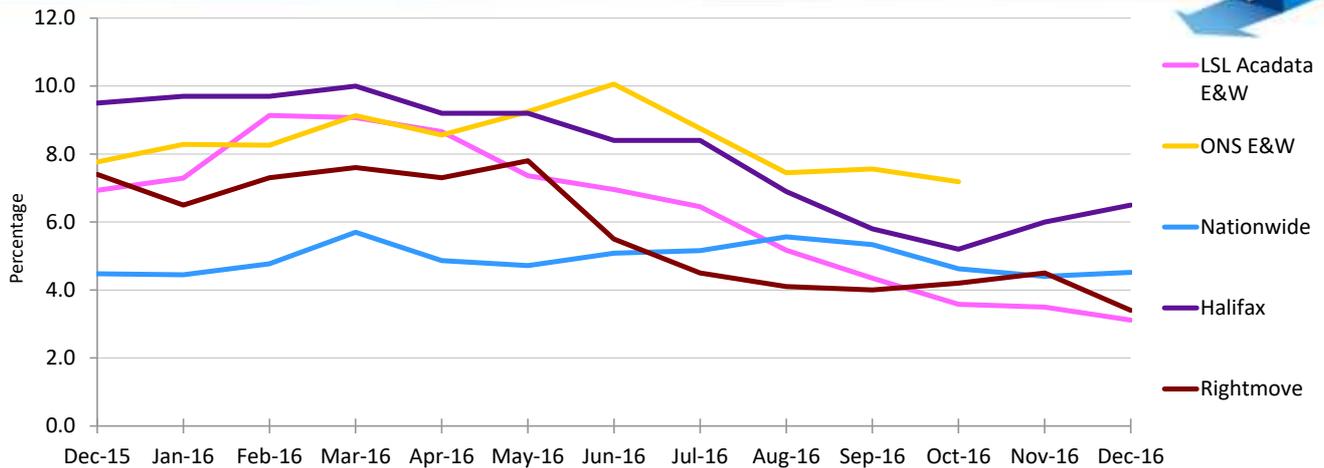


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART [link to source Excel](#)

As Figure 3 shows, all house price indices - including both the mix-adjusted and 'conceptual' price indices - are recording positive movements, albeit at different levels over the year in terms of the **annual** change in house prices. Over the first six months shown in Figure 3, the Halifax Index consistently reported the highest rates of annual house price inflation. However, from June 2016, the new ONS Index has been reporting levels above the Halifax, to the extent that for October (the latest figures available from the ONS), it recorded house price inflation at 7.2% for England & Wales, which is 2.0% above Halifax and more than double the rates being reported by LSL Acadata, using the same base data. We believe that the high rates from the ONS are due to its use of a geometric as opposed to an arithmetic mean and the reduced impact the decline in central London prices has on that metric, since the geometric mean reduces the weighting given to high value properties when compared to the arithmetic mean.

Of the four indices that have to date reported on annual prices to December, there are two in close accord, being Rightmove and LSL Acadata at 3.4% and 3.1% respectively (both using the arithmetic mean), while the Halifax and Nationwide indices are higher at 6.5% and 4.5%, both being based on the 'conceptual' price of an average house.

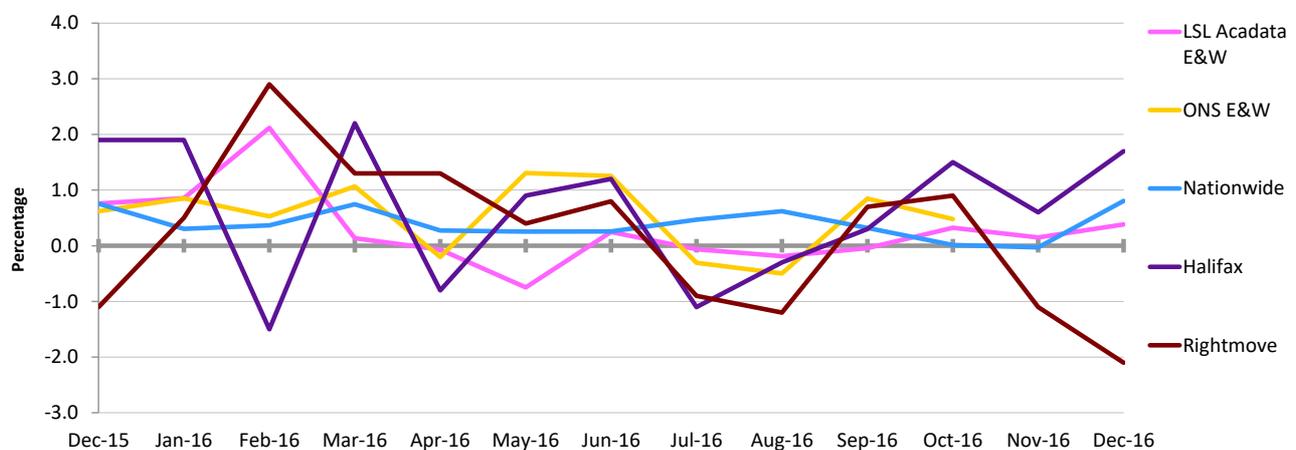


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART [link to source Excel](#)

Figure 4 covers the **monthly** change in house prices. As can be seen, the monthly rates in Figure 4 show more volatility in their respective movements from month-to-month, compared to the annual rates of Figure 3. Of the four Indices that have reported rates for December, Halifax is the highest at 1.7%, the LSL Acadata and Nationwide indices are in a relatively tight band, ranging from +0.4% to +0.8%, while Rightmove is showing a fall of -2.1%. Rightmove advises in its monthly report that the 2.1% fall is "exactly in line with the seasonal average of the last six years" – in other words December 2016 is not a 'special' case caused by Brexit or other extraneous factors.

Acadata has published a briefing note on the new "ONS UK House Price Index" which includes details of the differences between using a geometric mean (ONS) and an arithmetic mean (LSL Acadata and Rightmove). This briefing paper can be viewed or downloaded by clicking [here](#).

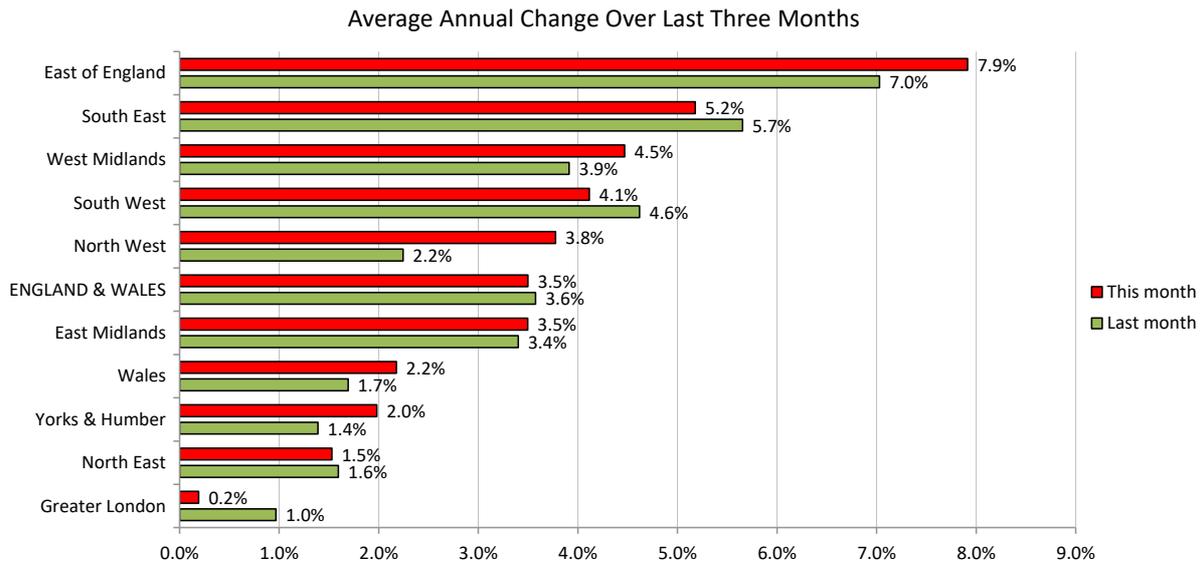


Figure 5. The annual change in the average house price for the three months centered on November 2016, analysed by GOR [link to source Excel](#)

Strikingly, in November - the latest month for which we have regional data available - of the ten GOR areas in England & Wales, Greater London had the lowest rate of annual house price inflation at 0.2%. This contrasts with the position in March 2016, only some eight months earlier, when London had the highest rate of annual house price inflation of all the GORs at 13.3%. As we discuss in more detail later in this report, the largest falls in both London prices and transactions have occurred in the prime central areas of the capital, with many commentators ascribing the decline in values in these areas to the high level of transaction costs, and especially to the rates of stamp duty that now apply to the purchase of properties having a value in excess of £1.5 million.

In November, six of the ten GOR areas in England & Wales experienced a rise in their annual rates of house price inflation, while four saw their rates fall – almost the exact opposite movement to that which occurred in October. The largest fall was in Greater London, where rates shrank by -0.8%, followed by the South East and the South West, both down by -0.5%. Overall, the annual rate of change in prices, at +3.5%, was -0.1% lower than one month earlier.

In November, the East of England held its position at the top of the “leader board” for the seventh month in succession, having the highest annual increase in average house prices, at 7.9%. The South East remained in second position, but the South West fell to fourth place, behind the West Midlands (including Birmingham) which now stands in third place. The North West experienced the highest change in its annual rates, with these increasing by 1.6% in the month.

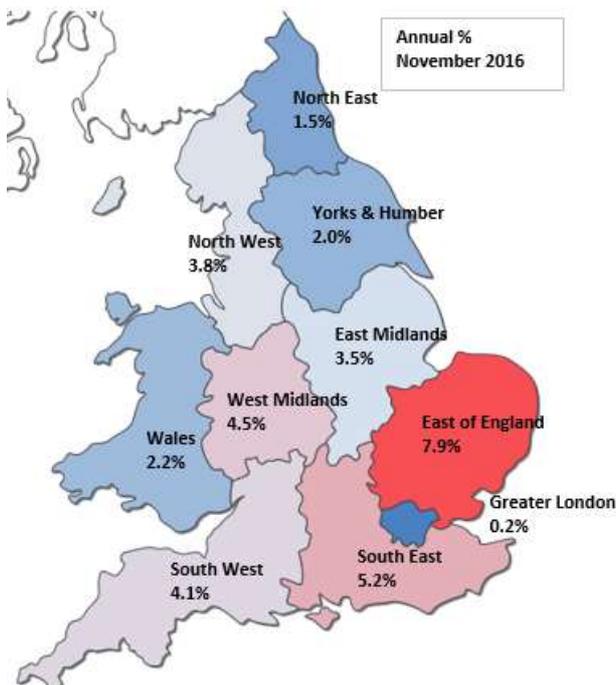


Figure 6. Heat Map of the annual change in the average house price, analysed by region, November 2016

The pattern observable in this month’s regional heat map, which illustrates the annual rates of change in house prices across England & Wales, is beginning to change. The north/south divide, which was predominant in the period April/June 2016, has begun to subside, and we are beginning to see the low price inflation, currently experienced in Greater London, rippling out to the southern areas of the South East and South West. Meanwhile, the West Midlands and the North West are gaining in ascendancy.

Will this be the pattern to be observed in 2017? To a large extent this will depend on employment prospects in the Birmingham and Greater Manchester areas compared to Greater London. We await developments with keen interest.

London boroughs, counties and unitary authorities



Table 3. The change in house prices, for the 33 London boroughs, comparing November 2015 and October 2016 with November 2016. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Nov-15	Oct-16	Nov-16	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,811,708	1,720,273	1,744,096	1.4%	-3.7%
2	2	CITY OF WESTMINSTER	1,372,992	1,295,258	1,272,561	-1.8%	-7.3%
3	3	CAMDEN	1,002,443	940,656	949,554	0.9%	-5.3%
4	4	HAMMERSMITH AND FULHAM	958,051	872,638	847,507	-2.9%	-11.5%
5	5	CITY OF LONDON	787,262	781,517	794,705	1.7%	0.9%
6	6	RICHMOND UPON THAMES	768,929	760,194	745,113	-2.0%	-3.1%
7	7	WANDSWORTH	747,442	751,128	740,024	-1.5%	-1.0%
8	8	ISLINGTON	686,076	685,088	698,258	1.9%	1.8%
9	9	SOUTHWARK	619,850	615,453	629,134	2.2%	1.5%
10	10	MERTON	618,514	603,388	603,294	0.0%	-2.5%
12	11	BARNET	604,059	599,289	590,335	-1.5%	-2.3%
11	12	HARINGEY	604,964	599,445	581,878	-2.9%	-3.8%
14	13	EALING	585,480	566,547	565,647	-0.2%	-3.4%
13	14	HACKNEY	603,804	564,255	565,418	0.2%	-6.4%
15	15	LAMBETH	550,545	572,700	562,959	-1.7%	2.3%
17	16	TOWER HAMLETS	527,339	544,807	542,756	-0.4%	2.9%
16	17	BRENT	539,405	558,453	541,852	-3.0%	0.5%
18	18	KINGSTON UPON THAMES	510,530	539,928	536,909	-0.6%	5.2%
20	19	HARROW	482,869	505,478	513,452	1.6%	6.3%
22	20	BROMLEY	451,733	492,968	490,390	-0.5%	8.6%
19	21	HOUNSLOW	487,048	452,544	474,162	4.8%	-2.6%
23	22	LEWISHAM	439,024	468,096	456,438	-2.5%	4.0%
27	23	WALTHAM FOREST	406,765	446,203	450,949	1.1%	10.9%
21	24	GREENWICH	453,524	440,922	447,040	1.4%	-1.4%
24	25	HILLINGDON	420,768	435,976	441,991	1.4%	5.0%
26	26	REDBRIDGE	409,718	431,252	437,639	1.5%	6.8%
25	27	ENFIELD	410,553	436,557	435,332	-0.3%	6.0%
28	28	SUTTON	378,907	408,259	409,482	0.3%	8.1%
29	29	CROYDON	364,188	386,543	392,016	1.4%	7.6%
31	30	HAVERING	339,607	376,301	374,208	-0.6%	10.2%
30	31	NEWHAM	339,659	356,831	352,838	-1.1%	3.9%
32	32	BEXLEY	312,772	349,563	349,812	0.1%	11.8%
33	33	BARKING AND DAGENHAM	260,892	294,223	292,525	-0.6%	12.1%
		ALL LONDON	584,808	587,506	585,931	-0.3%	0.2%

The analysis of Greater London house prices in Table 3 relates to November 2016 and compares these prices to one month and one year earlier. In November 2016, the average price paid for a property in London fell by -0.3%, or £1,575, in the month. This was the eighth month in succession in which prices in London have fallen since March 2016, by a total of £27,600.

Over the year from November 2015 to November 2016, the average house price in Greater London rose by £1,125, or 0.2%. This was the smallest price increase seen in any of the ten GOR (Government Office Regions) in both percentage and absolute terms, over this period. However, the movements in average house prices within London were far from uniform. At one end of the scale we saw average price falls of £110,500 in Hammersmith and Fulham (ranked 4th in terms of London Borough average prices), while in Bexley (ranked 32nd out of 33) average prices climbed over this period by £37,000.

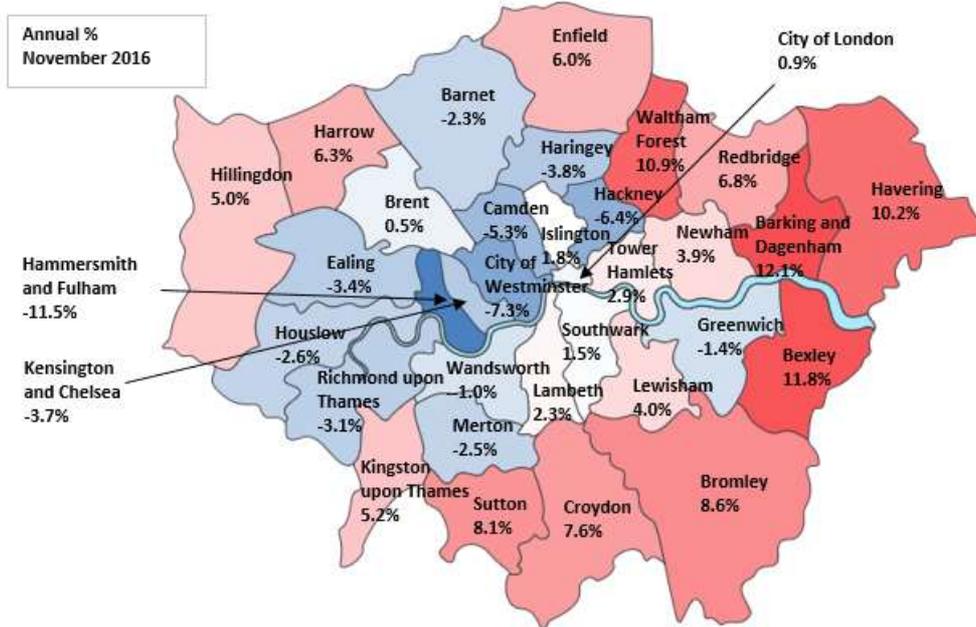
The examples quoted are symptomatic of the general movement in London's house prices over the last twelve months, where the highest-priced boroughs, predominantly in prime central London, have seen prices fall, while the lowest-priced boroughs, on the outskirts of Greater London, have seen prices climb.

In terms of transactions, as we have shown in Table 2 on page 5, London has seen a 34% fall in housing sales over the three months September – November 2016, compared to the same three months in 2015. In London, flats have seen the largest decline in transactions at -38%, followed by detached properties -32%, terraces -30% and semi-detached properties -24%. Leaving aside the City of London, where small volumes exaggerate its percentages, the largest falls in transactions have been in Southwark at -47%, Hammersmith and Fulham at -46% and the City of Westminster at -45%. Thus the largest declines in sales have taken place in the prime central boroughs.



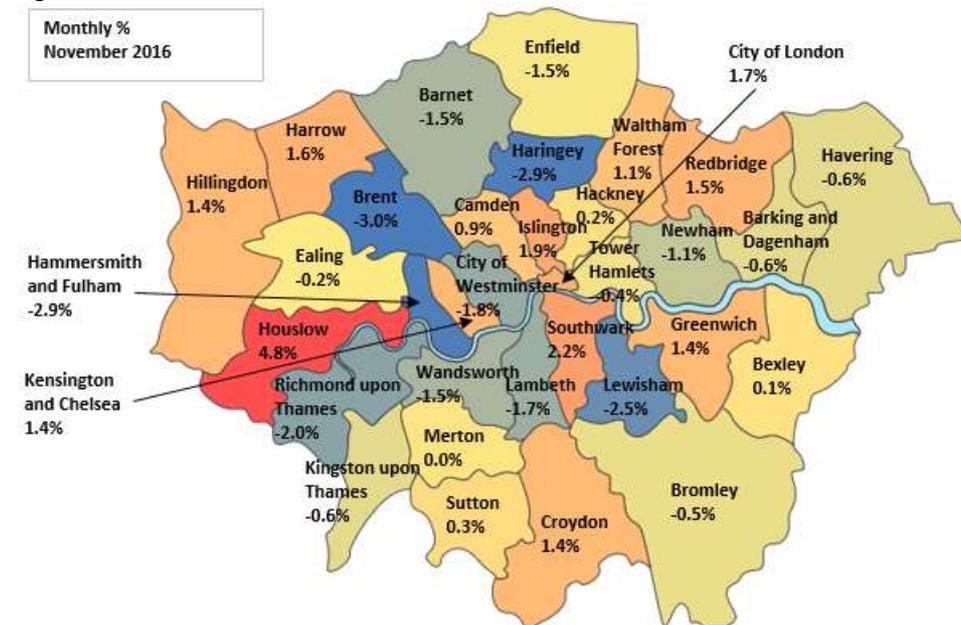
All 33 London boroughs have seen a reduction in transactions over the three month period September – November 2016, compared to a year earlier, but those with the smallest reduction in sales volumes are Sutton, at -15%, Bexley at -16%, and Barking and Dagenham at -20%. These three boroughs are among the six lowest-priced boroughs in London. Interestingly, both Sutton and Bexley achieved new peak average prices during the month of November (highlighted in turquoise in Table 3 above), a reflection of the increased pressure in the demand for affordable housing that these lower-priced boroughs can offer.

London house price heat maps



The heat map above shows the annual change in house prices across London for the period November 2015 – November 2016. The boroughs with declining or low house price changes over the year are coloured in blue, and generally comprise the prime central London areas and a band out to the West along the Heathrow flight path. The areas with rising prices are on the outskirts of the capital, particularly to the east of the city.

The heat map below shows the change in house prices in the month of November. Most increases continue to occur on the outskirts of London, although areas such as Southwark, Islington, Kensington and Chelsea, and Camden are showing signs of growth – a trend we will continue to monitor with much interest.



London boroughs, counties and unitary authorities



Table 4. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing November 2015 and October 2016 with November 2016. 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	Nov-15	Oct-16	Nov-16	Monthly change	Annual Change
108	110	COUNTY DURHAM	£127,733	£127,994	£128,162	0.1%	0.3%
100	102	DARLINGTON	£149,529	£145,464	£146,625	0.8%	-1.9%
104	106	HARTLEPOOL	£135,411	£133,092	£133,934	0.6%	-1.1%
106	111	MIDDLESBROUGH	£133,153	£127,072	£126,977	-0.1%	-4.6%
70	69	NORTHUMBERLAND	£181,493	£188,328	£188,090	-0.1%	3.6%
105	104	REDCAR AND CLEVELAND	£134,080	£139,206	£138,946	-0.2%	3.6%
94	99	STOCKTON-ON-TEES	£154,950	£152,140	£152,547	0.3%	-1.6%
91	89	TYNE AND WEAR	£158,784	£162,454	£163,067	0.4%	2.7%
		NORTH EAST	£151,743	£153,713	£154,062	0.2%	1.5%
112	108	BLACKBURN WITH DARWEN	£122,346	£127,133	£131,195	3.2%	7.2%
116	114	BLACKPOOL	£108,039	£113,787	£114,823	0.9%	6.3%
45	45	CHESHIRE	£231,920	£242,744	£243,346	0.2%	4.9%
97	97	HALTON	£152,100	£156,909	£154,625	-1.5%	1.7%
61	56	WARRINGTON	£197,077	£204,880	£213,866	4.4%	8.5%
75	80	CUMBRIA	£178,412	£176,989	£177,412	0.2%	-0.6%
81	75	GREATER MANCHESTER	£169,996	£178,561	£180,111	0.9%	6.0%
84	90	LANCASHIRE	£164,442	£161,750	£161,788	0.0%	-1.6%
95	91	MERSEYSIDE	£154,551	£160,454	£161,478	0.6%	4.5%
		NORTH WEST	£173,372	£178,726	£179,918	0.7%	3.8%
65	70	EAST RIDING OF YORKSHIRE	£185,867	£188,076	£187,049	-0.5%	0.6%
114	107	KINGSTON UPON HULL, CITY OF	£112,982	£124,052	£131,299	5.8%	16.2%
109	109	NORTH EAST LINCOLNSHIRE	£127,345	£130,626	£130,324	-0.2%	2.3%
102	101	NORTH LINCOLNSHIRE	£144,982	£147,001	£147,200	0.1%	1.5%
38	40	YORK	£244,101	£252,899	£251,932	-0.4%	3.2%
42	42	NORTH YORKSHIRE	£237,740	£243,061	£246,518	1.4%	3.7%
96	94	SOUTH YORKSHIRE	£154,462	£156,563	£156,432	-0.1%	1.3%
82	83	WEST YORKSHIRE	£169,905	£170,079	£170,994	0.5%	0.6%
		YORKS & HUMBER	£176,241	£178,738	£179,730	0.6%	2.0%
85	87	DERBY	£164,065	£164,278	£163,752	-0.3%	-0.2%
90	84	LEICESTER	£159,635	£169,337	£169,557	0.1%	6.2%
99	100	NOTTINGHAM	£150,447	£149,753	£148,995	-0.5%	-1.0%
23	16	RUTLAND	£286,252	£347,315	£329,638	-5.1%	15.2%
67	68	DERBYSHIRE	£183,283	£187,191	£188,235	0.6%	2.7%
53	54	LEICESTERSHIRE	£215,825	£219,301	£219,500	0.1%	1.7%
73	73	LINCOLNSHIRE	£179,631	£184,528	£184,887	0.2%	2.9%
50	51	NORTHAMPTONSHIRE	£218,335	£230,301	£230,561	0.1%	5.6%
69	66	NOTTINGHAMSHIRE	£182,109	£189,115	£190,510	0.7%	4.6%
		EAST MIDLANDS	£191,133	£197,470	£197,815	0.2%	3.5%
43	48	HEREFORDSHIRE	£236,985	£237,197	£236,367	-0.4%	-0.3%
51	49	SHROPSHIRE	£216,944	£229,884	£233,286	1.5%	7.5%
113	116	STOKE-ON-TRENT	£114,887	£112,467	£113,345	0.8%	-1.3%
83	86	TELFORD & WREKIN	£165,933	£170,829	£167,729	-1.8%	1.1%
62	62	STAFFORDSHIRE	£191,742	£201,193	£200,880	-0.2%	4.8%
34	34	WARWICKSHIRE	£254,501	£264,643	£269,729	1.9%	6.0%
74	71	WEST MIDLANDS	£179,605	£185,904	£186,900	0.5%	4.1%
44	43	WORCESTERSHIRE	£233,746	£246,905	£245,814	-0.4%	5.2%
		WEST MIDLANDS	£198,814	£206,729	£207,698	0.5%	4.5%
26	24	BEDFORDSHIRE	£275,435	£298,557	£299,893	0.4%	8.9%
55	46	LUTON	£215,584	£241,339	£241,727	0.2%	12.1%
71	65	PETERBOROUGH	£180,468	£194,961	£193,032	-1.0%	7.0%
30	25	SOUTHEND-ON-SEA	£263,146	£299,271	£298,805	-0.2%	13.6%
39	30	THURROCK	£242,138	£276,298	£275,469	-0.3%	13.8%
18	26	CAMBRIDGESHIRE	£300,312	£302,980	£298,367	-1.5%	-0.6%
17	17	ESSEX	£304,103	£322,452	£326,682	1.3%	7.4%

London boroughs, counties and unitary authorities



6	4	HERTFORDSHIRE	£411,433	£454,462	£455,769	0.3%	10.8%
52	50	NORFOLK	£215,930	£231,967	£233,036	0.5%	7.9%
41	39	SUFFOLK	£239,775	£253,386	£256,185	1.1%	6.8%
		EAST OF ENGLAND	£292,023	£313,804	£315,134	0.4%	7.9%
		GREATER LONDON	£584,808	£587,506	£585,931	-0.3%	0.2%
10	7	BRACKNELL FOREST	£366,793	£404,285	£407,488	0.8%	11.1%
9	9	BRIGHTON AND HOVE	£366,925	£392,840	£391,757	-0.3%	6.8%
49	53	ISLE OF WIGHT	£220,937	£223,193	£224,560	0.6%	1.6%
47	41	MEDWAY	£225,662	£245,968	£246,867	0.4%	9.4%
27	32	MILTON KEYNES	£268,791	£273,910	£274,117	0.1%	2.0%
60	58	PORTSMOUTH	£197,079	£211,379	£213,206	0.9%	8.2%
16	20	READING	£305,000	£318,206	£315,055	-1.0%	3.3%
21	18	SLOUGH	£292,422	£319,911	£322,969	1.0%	10.4%
58	59	SOUTHAMPTON	£205,515	£212,414	£212,497	0.0%	3.4%
8	10	WEST BERKSHIRE	£370,957	£373,200	£376,728	0.9%	1.6%
2	2	WINDSOR AND MAIDENHEAD	£561,398	£552,739	£534,224	-3.3%	-4.8%
5	6	WOKINGHAM	£425,275	£465,163	£449,795	-3.3%	5.8%
4	5	BUCKINGHAMSHIRE	£434,354	£455,015	£455,354	0.1%	4.8%
24	22	EAST SUSSEX	£285,876	£308,515	£308,291	-0.1%	7.8%
15	15	HAMPSHIRE	£318,627	£336,608	£336,218	-0.1%	5.5%
20	21	KENT	£295,732	£311,716	£311,708	0.0%	5.4%
7	8	OXFORDSHIRE	£374,394	£397,153	£403,410	1.6%	7.8%
3	3	SURREY	£495,768	£515,684	£517,255	0.3%	4.3%
12	13	WEST SUSSEX	£336,656	£352,611	£352,022	-0.2%	4.6%
		SOUTH EAST	£346,767	£364,634	£364,729	0.0%	5.2%
13	11	BATH AND NORTH EAST SOMERSET	£334,001	£357,794	£369,815	3.4%	10.7%
36	37	BOURNEMOUTH	£248,796	£268,175	£264,679	-1.3%	6.4%
29	28	BRISTOL , CITY OF	£263,780	£289,833	£290,670	0.3%	10.2%
40	44	CORNWALL	£240,017	£245,240	£244,438	-0.3%	1.8%
35	31	NORTH SOMERSET	£253,252	£271,727	£274,152	0.9%	8.3%
68	74	PLYMOUTH	£182,931	£183,758	£182,404	-0.7%	-0.3%
14	14	POOLE	£332,343	£339,875	£342,802	0.9%	3.1%
32	33	SOUTH GLOUCESTERSHIRE	£258,731	£271,297	£271,433	0.1%	4.9%
54	55	SWINDON	£215,703	£216,551	£216,589	0.0%	0.4%
57	61	TORBAY	£207,202	£201,299	£201,266	0.0%	-2.9%
25	27	WILTSHIRE	£284,243	£290,769	£291,817	0.4%	2.7%
31	36	DEVON	£261,009	£265,214	£266,269	0.4%	2.0%
19	23	DORSET	£299,106	£306,050	£306,570	0.2%	2.5%
28	29	GLOUCESTERSHIRE	£267,403	£277,766	£276,989	-0.3%	3.6%
48	47	SOMERSET	£224,298	£240,906	£240,638	-0.1%	7.3%
		SOUTH WEST	£258,491	£268,571	£269,129	0.2%	4.1%
72	81	ISLE OF ANGLESEY	£180,447	£173,321	£174,680	0.8%	-3.2%
92	78	GWYNEDD	£156,639	£173,853	£177,999	2.4%	13.6%
80	79	CONWY	£172,070	£176,615	£177,870	0.7%	3.4%
87	95	DENBIGHSHIRE	£163,292	£156,781	£156,336	-0.3%	-4.3%
79	85	FLINTSHIRE	£172,182	£169,432	£168,313	-0.7%	-2.2%
89	93	WREXHAM	£162,266	£159,733	£159,912	0.1%	-1.5%
66	63	POWYS	£184,423	£198,371	£198,499	0.1%	7.6%
64	67	CEREDIGION	£189,062	£189,774	£189,769	0.0%	0.4%
76	72	PEMBROKESHIRE	£177,426	£178,729	£185,566	3.8%	4.6%
101	92	CARMARTHENSHIRE	£146,783	£161,899	£160,553	-0.8%	9.4%
88	88	SWANSEA	£162,975	£161,032	£163,438	1.5%	0.3%
110	112	NEATH PORT TALBOT	£123,819	£126,336	£125,444	-0.7%	1.3%
93	96	BRIDGEND	£155,359	£153,168	£155,966	1.8%	0.4%
46	52	VALE OF GLAMORGAN	£227,788	£224,951	£229,449	2.0%	0.7%
56	57	CARDIFF	£213,692	£210,946	£213,591	1.3%	0.0%
111	113	RHONDDA CYNON TAFF	£123,362	£120,888	£121,950	0.9%	-1.1%
115	115	MERTHYR TYDFIL	£109,561	£113,726	£113,727	0.0%	3.8%



107	105	CAERPHILLY	£131,715	£137,113	£134,969	-1.6%	2.5%
117	117	BLAENAU GWENT	£89,789	£96,416	£99,076	2.8%	10.3%
103	103	TORFAEN	£141,404	£145,996	£143,049	-2.0%	1.2%
37	38	MONMOUTHSHIRE	£244,872	£257,247	£261,611	1.7%	6.8%
86	82	NEWPORT	£163,377	£169,959	£171,990	1.2%	5.3%
		WALES	£168,432	£170,651	£172,099	0.8%	2.2%
		ENGLAND & WALES	£286,515	£296,098	£296,539	0.1%	3.5%

Table 4 shows the average property price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary based on the GOR, for November 2015, October 2016 and November 2016. It also records the percentage change in these prices over the last month and year, highlighting the great diversity that exists across housing markets in England & Wales. In November 2016, the monthly rate of house price inflation in England & Wales was 0.1% and the headline annual increase in prices for England & Wales was 3.5%.

Annual Trends

On an annual basis, prices in November 2016 have increased in England & Wales by 3.5%, marginally down from the 3.6% in October, one month earlier. Some 89 of the 108 unitary authority areas have recorded price rises over the year, down by 1 from the previous month, but this still represents some 82% of the unitary authorities in England & Wales. Of the 20 areas where prices have fallen, (with last month's count being shown in brackets), 6 are in Wales (6), 4 are in the North East (3), 2 each are in the North West (2), the East Midlands (1), the West Midlands (2), and the South West (1), with 1 each in the areas of the East of England (1) and the South East (1), while Yorks & Humber currently has zero authorities experiencing price falls (1).

Peak Prices

In Table 4, we have highlighted in turquoise those areas which have set a new peak price in the month; there are 21 such locations, down by 4 from last month. Of the 21 unitary authority areas that recorded a new peak, 5 are in the East of England (6), 4 are in the East Midlands (5), 3 each are based in the North West (0), the West Midlands (2) and the South East (8), 2 are based in Yorks and Humber (1) with 1 based in Wales (1), with zero authorities reaching a peak in the South West (2). In terms of the large cities, Birmingham, Greater Manchester and Merseyside are all currently experiencing peak prices, while Greater London is not. For the second month running, the City of Kingston upon Hull has set a new peak price – Hull is the UK City of Culture for 2017 and is seeing an increase in house prices in the build-up to the start of this event.

There are 7 regions this month which have established new peak average prices, being the North West, Yorks & Humber, the East Midlands, the West Midlands, the East of England, the South East and the South West. Perhaps it would be easier to list those regions not currently recording a peak price, which are the North East, Wales and Greater London.

Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in November 2016 shows an increase of 0.1%, compared with an increase of 0.3% one month earlier. There were price rises over the month in 68 of the 108 unitary authority areas, compared to 75 rises seen in the previous month.

Highest and lowest unitary authorities

In November, looking at the unitary authority areas on an individual basis, the City of Kingston upon Hull is in first position as having the highest annual rate of change in prices at 16.2%. As we remarked above, Hull is currently experiencing a mini-renaissance in house prices as its year of UK City of Culture gets under way. In second place we have Rutland at 15.2%; however, Rutland has relatively low transaction volumes which can produce exaggerated percentage changes in price. In third position we have Thurrock at 13.8%, closely followed by its near neighbour, Southend-on-Sea at 13.6%. What is clear is that Thurrock and Southend-on-Sea, with good rail links into London, are proving to be popular commuter hotspots, pushing up the demand for housing in both areas. Hence the regular appearance of these locations in this analysis of the unitary authorities with the highest rates of change in house prices.

By way of stark contrast, the authority with the largest reduction in prices is Windsor and Maidenhead, where prices have fallen by -4.8% over the year. Windsor and Maidenhead is the unitary authority area with the highest average property price outside of Greater London. In Windsor and Maidenhead, as in central London, there has been a move away from the purchase of top-end properties, which has resulted in a fall in the average prices paid for detached homes from just over £1 million in the period September – November 2015, to £900k in the same three months of 2016. This contrasts with a decline of just £10k in the average price paid for a semi-detached house in the area over this same time frame.



Transactions

As we showed in Table 2 on page 5, looking at the change in property transactions for the period September - November 2016, compared to the same three months in 2015, there has been a -19% reduction in sales. On a regional basis, the largest fall in sales was in London at -34%, followed by the South East at -25%, with the East of England, the South West and the North East all at -18%. The five remaining GOR areas all saw transactions fall, with Wales having the smallest reduction at -7%. Flats had the largest reduction in sales volumes at -27%, and semi-detached the least at -11%, with detached at -21% and terraces at -19%.

Of the 108 unitary authority areas, only 5 showed an increase in transactions in September - November 2016, compared to the same three months in 2015, of which 3 are in Wales (Caerphilly +15%, Monmouthshire +2% and Torfaen +0.5%) and 2 in England (Thurrock +2% and Blackpool +0.5%). The commonality of these locations is that most - but not all - are among the lowest priced areas of England & Wales, suggesting that affordability is a major issue in the current market.

The area with the largest rise in sales, on a percentage basis, comparing September - November 2016 with the same three months in 2015, was Caerphilly at +15%. Caerphilly is currently ranked 96th of the 108 unitary authorities in England & Wales in terms of its average house prices. The area with the largest fall in sales over this same period was the City of Kingston upon Hull, at -56%, with terraced sales having fallen from 500 units in the period September - November 2015 to just under 100 units in the same three months of 2016. Thus, for the period September - November 2016, of all the unitary authorities in England and Wales, the City of Kingston upon Hull has taken top spot in terms of annual price rises, but at the same time is bottom of the pack in terms of the decrease in the number of properties actually sold.

Overall

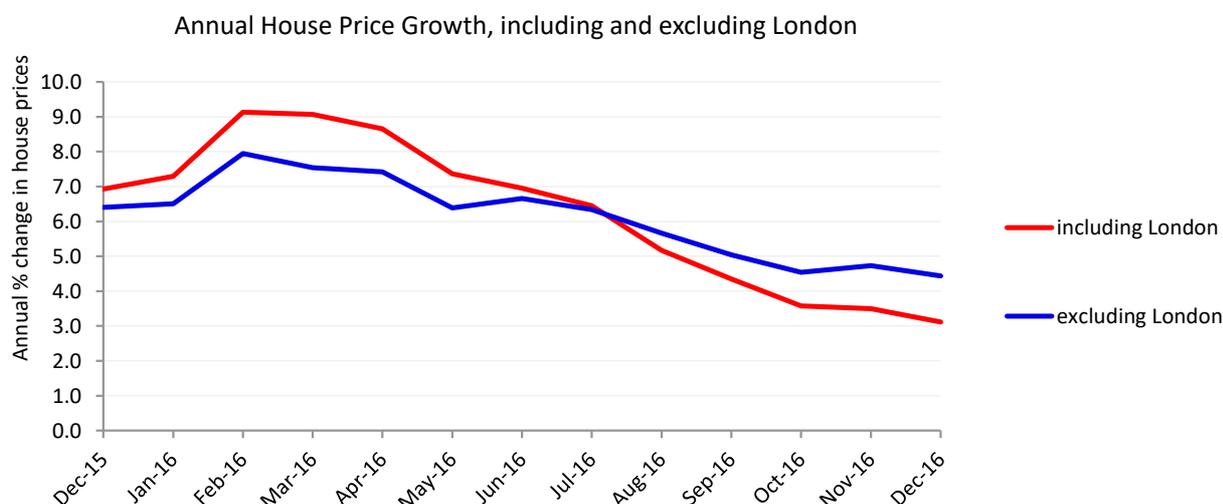


Figure 7. The rate of annual house price growth in England & Wales, for the thirteen months December 2015 – December 2016. [link to source Excel](#)

Figure 7 above shows the annual rate of house price growth for England & Wales as a whole, as well as looking at a similar analysis excluding Greater London. The graph shows a rise in the rate of price growth over the first three months of the year, followed by a relatively steady decline in rates during the remainder of the year. The actual rate of decline in these individual rates is dependent on whether Greater London is included or excluded from the calculations – with the series including Greater London seeing the faster decline.

The 'gap' between the England & Wales rate when including and excluding London is now 1.3%, which is the largest negative difference - ie, London now drags down the index - that we have recorded since we began monitoring this statistic back in 2005. This is indicative of the extent to which the house price geography of England & Wales is being rewritten. The question rightly is whether this will be a permanent structural shift: much turns on policy, the impact of Brexit, the value of the pound and of course the continuation of London as a global centre.

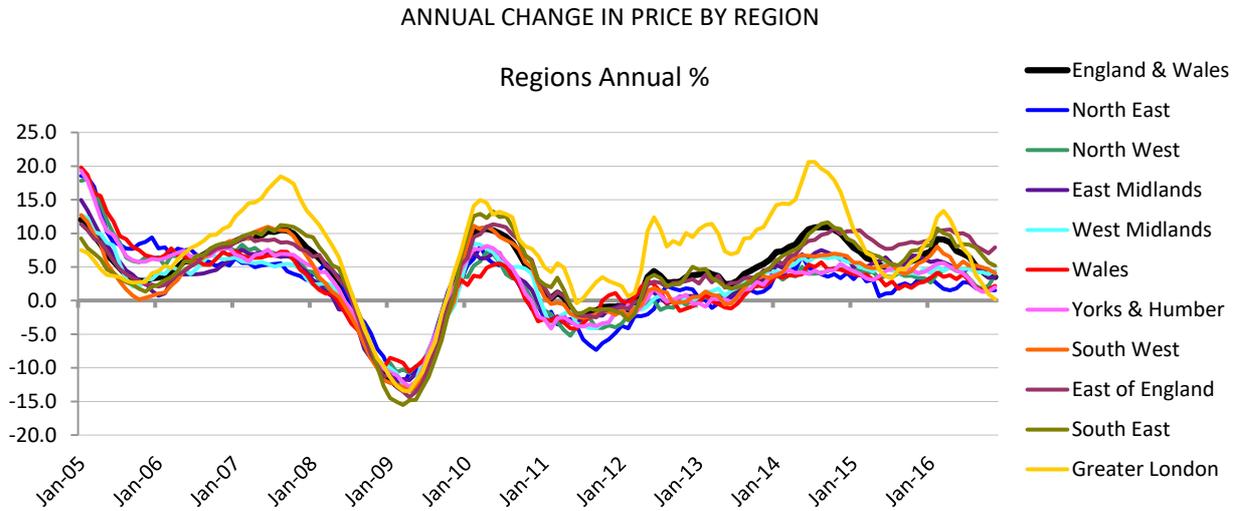


Figure 8. A comparison of the annual change in house prices, by region for the period January 2005 – November 2016 [link to source Excel](#)

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.

Regional data table



Table 5. Average house prices by region, December 2015 – December 2016, with monthly and annual % growth

[link to source Excel](#)

	North East			North West			Yorks & Humber			East Midlands		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Dec-15	£153,233	1.0	3.0	£173,840	0.3	3.3	£176,665	0.2	4.3	£190,202	-0.5	6.2
Jan-16	£154,919	1.1	3.4	£174,220	0.2	2.7	£177,861	0.7	4.8	£191,085	0.5	5.7
Feb-16	£156,844	1.2	2.5	£177,267	1.7	4.0	£178,607	0.4	5.5	£193,687	1.4	6.0
Mar-16	£156,329	-0.3	1.7	£178,577	0.7	4.5	£178,871	0.1	5.6	£194,155	0.2	5.7
Apr-16	£155,372	-0.6	1.5	£179,074	0.3	4.9	£177,535	-0.7	5.0	£193,638	-0.3	5.2
May-16	£153,259	-1.4	1.8	£177,748	-0.7	4.4	£178,115	0.3	4.5	£193,330	-0.2	4.5
Jun-16	£153,936	0.4	2.7	£178,138	0.2	4.3	£178,690	0.3	4.1	£194,218	0.5	4.2
Jul-16	£153,257	-0.4	2.7	£177,027	-0.6	3.3	£178,175	-0.3	3.2	£195,721	0.8	5.0
Aug-16	£153,360	0.1	1.8	£177,449	0.2	2.2	£177,268	-0.5	1.9	£196,172	0.2	4.9
Sep-16	£152,799	-0.4	1.5	£176,942	-0.3	1.7	£177,113	-0.1	1.3	£197,011	0.4	4.4
Oct-16	£153,713	0.6	1.6	£178,726	1.0	2.2	£178,738	0.9	1.4	£197,470	0.2	3.4
Nov-16	£154,062	0.2	1.5	£179,918	0.7	3.8	£179,730	0.6	2.0	£197,815	0.2	3.5

	West Midlands			East of England			Greater London			South East		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Dec-15	£200,894	1.0	4.7	£294,954	1.0	8.8	£590,150	0.9	8.4	£349,712	0.8	8.1
Jan-16	£200,782	-0.1	4.1	£299,097	1.4	9.0	£597,846	1.3	9.4	£352,508	0.8	8.2
Feb-16	£203,122	1.2	5.1	£307,120	2.7	10.4	£611,258	2.2	12.4	£362,079	2.7	10.7
Mar-16	£202,056	-0.5	4.4	£308,530	0.5	10.5	£613,540	0.4	13.3	£362,156	0.0	10.0
Apr-16	£202,610	0.3	5.0	£310,060	0.5	10.6	£611,140	-0.4	12.1	£361,988	0.0	9.7
May-16	£203,225	0.3	4.6	£308,545	-0.5	10.0	£604,585	-1.1	10.1	£358,879	-0.9	8.0
Jun-16	£204,968	0.9	4.7	£310,473	0.6	10.0	£600,191	-0.7	7.8	£361,430	0.7	8.4
Jul-16	£205,669	0.3	4.8	£310,670	0.1	9.6	£596,155	-0.7	6.8	£363,134	0.5	8.3
Aug-16	£205,479	-0.1	4.2	£311,671	0.3	8.1	£590,364	-1.0	3.8	£363,594	0.1	7.9
Sep-16	£205,568	0.0	4.2	£312,540	0.3	7.6	£588,088	-0.4	2.5	£363,722	0.0	6.7
Oct-16	£206,729	0.6	3.9	£313,804	0.4	7.0	£587,506	-0.1	1.0	£364,634	0.3	5.7
Nov-16	£207,698	0.5	4.5	£315,134	0.4	7.9	£585,931	-0.3	0.2	£364,729	0.0	5.2

	South West			Wales			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Dec-15	£261,131	1.0	5.9	£169,041	0.4	2.8		£288,691	0.8	6.9
Jan-16	£261,968	0.3	6.8	£170,401	0.8	3.4		£291,155	0.9	7.3
Feb-16	£267,753	2.2	8.0	£173,018	1.5	4.2		£297,321	2.1	9.1
Mar-16	£266,604	-0.4	7.0	£172,007	-0.6	3.5		£297,725	0.1	9.1
Apr-16	£267,467	0.3	6.5	£170,908	-0.6	3.8		£297,516	-0.1	8.7
May-16	£264,130	-1.2	4.9	£169,329	-0.9	3.2		£295,292	-0.7	7.4
Jun-16	£266,232	0.8	5.8	£170,083	0.4	3.9		£296,022	0.2	7.0
Jul-16	£266,669	0.2	5.2	£169,436	-0.4	2.9		£295,833	-0.1	6.5
Aug-16	£267,220	0.2	5.2	£168,353	-0.6	2.0		£295,275	-0.2	5.2
Sep-16	£267,403	0.1	4.9	£169,144	0.5	1.5		£295,146	0.0	4.3
Oct-16	£268,571	0.4	4.6	£170,651	0.9	1.7		£296,098	0.3	3.6
Nov-16	£269,129	0.2	4.1	£172,099	0.8	2.2		£296,539	0.1	3.5
Dec-16								£297,678	0.4	3.1



NOTES

1. LSL Acadata E&W HPI:
 - uses the **actual** price at which every property in England & Wales was transacted, including prices for properties bought with cash, based upon the factual Land Registry data as opposed to mortgage-based prices, asking prices or prices based upon samples
 - is updated monthly so that prices of **all reported** relevant transactions are employed in our latest LSL Acadata E&W HPI release
 - provides the arithmetic average of prices paid for houses, different from the geometric average prices used in the ONS UK HPI
2. the initial LSL Acadata E&W HPI for each month employs an academic “index of indices” model, custom-built at Cambridge, pending release of further transacted prices from the Land Registry which are reflected in our monthly index updates.
3. all LSL Acadata E&W HPI numbers, published prior to receipt of all transaction data, are subject to change; we publish the precise numbers that result from our calculations but these numbers reflect our mix adjustment and seasonal adjustment methodologies and, initially, our index of indices model. Our indices also reflect our best endeavours and are issued in good faith without any claim as to precision, accuracy or fitness for any purpose. For more detail see www.acadata.co.uk.
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. These comparisons should be viewed in the light of the different data and different methodologies employed by the index producers. Please see our “[Which House Price Index?](#)” paper.
5. Acadata is an independent privately owned consultancy specialising in house price data. Our associated company MIAC Acadametrics Limited is an independent asset valuation service provider, specialising in behavioural modelling, stress testing and collateral valuation for the financial services industry.
6. LSL Acadata E&W HPI may not be used for commercial purposes without written permission from Acadata. Specifically it may not be used to measure the performance of investments or to determine the price at which investments may be bought or sold or for collateral valuation concerning which enquiries should be directed to MIAC Acadametrics. Our “Which House Price Index?” discusses.
7. the AcaData Library provides a portfolio of ready-to-use datasets and calculation series updated monthly, based upon the factual Land Registry and/or Registers of Scotland results ([free sample here](#)). Our comprehensive selections of geography (national/ regional/ unitary authority/ postcode) and of property types with arithmetic mean and median prices provide the “off the shelf” historic data series and analyses needed for rapid study and commentary. AcaData Library is available on subscription or on a one-off basis. It may not be used for collateral valuation, to measure the performance of investments or to determine the price at which investments may be bought or sold; neither may it be used to determine interest payable on loans. Subscribers may use the data for business planning and advisory purposes and for showing national and regional trends. For local builders, developers and estate agents the data show stock and new build results within postcode districts and enables analyses at town and street level.

For further footnotes and a description of the methodology used in the LSL Acadata Index please click [here](#).