



Under embargo until 00:01 Monday 13th February 2017

January 2017

A new milestone: average price in England and Wales tops £300,000

- Strong start to the year sets new peak in average house prices
- January sales volumes beat expectations
- East of England is top performing region, up 7.1%
- Barking and Dagenham leads London with 13.6% growth

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London & the SE)
£300,169	292.4	0.3	3.1	3.7

The market got off to a strong start in 2017, with prices growing 0.3% month on month in January. These latest results push the average price of a home in England and Wales up by £1,029 to reach £300,169 – a new high in the market, and the first fresh peak since March last year.

It leaves prices in January almost £10,000 higher than in the same month in 2016, when the average was £291,165. Prices have now doubled since they topped £150,000 in November 2002 – despite the slump following the financial crisis.

Activity in January was also higher than usual for the time of year, with 60,000 transactions. This was lower than the 62,059 in January 2016, which also started strongly, but up by more than 2,000 on 2015.

Oliver Blake, Managing Director, Your Move and Reeds Rains estate agents, says, “It’s been a confident start to the year from the housing market.

“Following a strong December, the performance in January shows a market whose resilience continues to defy the doubters.”

London had a good December, with prices growing 0.3%, the same as the national average for that month. For the first time in nine months, average prices have risen in the capital, with prices for the year finishing up 1.3%, with the average home in London costing £598,001.

That’s largely the result of strong growth in cheaper areas as buyers search for value or affordability. Barking and Dagenham, where average prices of £301,572 are almost half the London average, saw prices rise 13.6% annually. Waltham Forest and Redbridge, again with prices well below average, also saw double-digit growth (of 11.3% and 10.8%, respectively). The 13 cheapest boroughs in London all saw growth in prices, however, over 2016.

There are also some tentative signs of a recovery at the top end of the market. Of the top five most expensive boroughs at the end of 2016, Wandsworth saw an annual rise of 3.3% and the most expensive borough, Kensington and Chelsea, saw a rise annually of 2.7%. That was largely as a result of an exceptionally strong December, where average prices increased 6.3% (the biggest increase in London over the month).

The biggest fall over the month has been in the City of London, with prices dropping 10.0% in December to finish down 20.2% on the same time last year.

A strong finish to the year means that London rises off the bottom of the table for house price growth over 2016. Instead, the North East takes its place; with prices dropping 0.3% in December to finish effectively flat over the last twelve months.

Every other region of the country has seen prices grow in the last 12 months, led still by the East, where the average price edged up a further 0.1% in the month to finish 7.1% up on last December. The region was supported by strong growth in the last year in Luton (up 10.1%), Thurrock (up 11%) and Southend-on-Sea (up 14.7%), which also saw among the strongest monthly growth at 2.9%.

House price index: historical data



Other top performing regions included the South East, increasing 4.9% annually with double digit growth in Medway and Portsmouth; and the East Midlands, where Rutland saw growth of 12.4% over the year and the region as a whole increased by 4.5%.

The strongest annual growth in a unitary authority, however, was in Kingston upon Hull, 2017 City of Culture. Prices in Hull grew 1.5% in December to finish up 16.8% on the year, with the average house price rising by £19,072 to £132,590. That performance wasn't matched by Yorks & Humber more widely, though. Prices in the region grew just 2.3% over the year.

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 January 2016 – January 2017

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
January	2016	£291,165	283.6	0.9	7.3
February	2016	£297,337	289.6	2.1	9.1
March	2016	£297,787	290.1	0.2	9.1
April	2016	£297,612	289.9	-0.1	8.7
May	2016	£295,347	287.7	-0.8	7.4
June	2016	£296,171	288.5	0.3	7.0
July	2016	£296,353	288.7	0.1	6.6
August	2016	£296,968	289.3	0.2	5.8
September	2016	£297,432	289.7	0.2	5.2
October	2016	£298,448	290.7	0.3	4.4
November	2016	£298,204	290.5	-0.1	4.1
December	2016	£299,140	291.4	0.3	3.6
January	2017	£300,169	292.4	0.3	3.1

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

House prices

A new milestone was reached in January with the average price of a home in England & Wales topping £300,000. This was an increase of £1,029, or 0.3%, over December 2016 levels, lifting the average price to a new high of £300,169, calculated on an arithmetic average basis. Prices have now doubled over the last 14 years from the £150,000 mark passed in November 2002, as we show below in Figure 1.

AVERAGE HOUSE PRICES IN ENGLAND AND WALES, JAN 2013 – JAN 2017

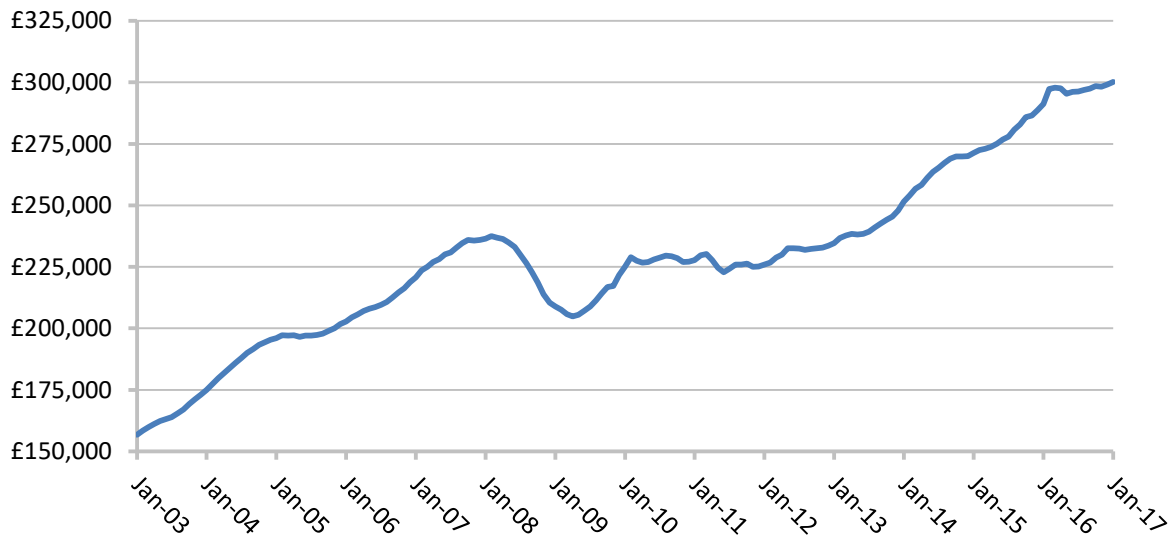


Figure 1. The average house price in England & Wales, January 2003 – January 2017.
Source LSL Acadata HPI. The figures are mix and seasonally adjusted

[link to source Excel](#)

Figure 1 tracks house prices over the last 14 years. It can be seen that from January 2003 to February 2008 prices rose at a relatively rapid rate, until the credit crunch took its toll on the housing market during late 2007/early 2008. The market peaked in February 2008, at £237,500, and then fell away to a low of £204,875, as recorded in April 2009 – a significant fall of 14% in value. Average prices partially recovered in the remainder of 2009, followed by a period of relative stability up until January 2014, when prices started to climb again. The small blip in house prices in 2016 - discernible in the above graph - relates to March 2016, being the month immediately prior to the introduction of the 3% surcharge on stamp duty, charged on second homes and buy-to-let properties.

Notes to Editors:- Rightmove is the other major Index provider which uses an arithmetic average in its HPI calculations. It too saw its average price pass the £300,000 threshold in March 2016 – when the LSL Acadata Index was just £2,200 shy of the mark. The Rightmove Index is based on asking prices as opposed to achieved prices – so one would normally expect Rightmove to be a small step ahead of the LSL Acadata index, as most asking prices are reduced to achieve a sale.

The Housing Market

This release has been written in advance of the government's Housing White Paper which is expected to be published on 7th February. The publication of this White Paper has been much delayed, due as it was in 2016, and apparently has required considerable reworking to strengthen its policy content. Over the last few days we have seen some of its content trailed in the national newspapers. There is a clear focus on the supply side and how to encourage/force local authorities and housebuilders to ensure a sustained increase in output. This is supply for both owning and renting, as the government is acutely conscious that for many households the latter represents the one realistic choice they have, even if that is only until they have saved enough to buy a home. Alongside this the government is planning to announce a renter's charter to improve renting from a tenant perspective in terms of fees and charges, and to make longer term renting a more realistic choice. In addition, it will announce a package of measures aimed at further stimulating the Build-to-Rent market which has begun to attract serious volumes of institutional funding.



The White Paper will set out how the government in England hopes to tackle the current imbalance between supply and demand, and the pressures being faced by younger households whether as buyers or renters. As we have noted above, prices have doubled in 14 years, despite a significant downturn. Price inflation has run ahead of wage inflation and although mortgage lending has been constrained by a wide suite of regulation, the fact is that mortgage pricing and supply remains very competitive in the low-interest environment that has been operating since 2009.

With household formation in England running at around 227,000 a year up to 2024, and housing output - as measured by the net stock calculation (new supply plus conversions/changes of use and minus demolitions) was c190,000 in 2015/16 - we have a gap of around 37,000 homes per annum, let alone dealing with the backlog of unmet demand, which is estimated at around 2 million homes. However, as some commentators remind us, there are in reality more homes than households in England, but of course that doesn't take account of those properties that are second homes or empty. Some of these are in need of repair, others are awaiting the owners' decision to sell etc. Indeed, it is estimated that we also need to have a vacancy rate of around 4% at any time to allow households to move relatively easily. Nor does it take account of location - empty homes are often not in places where people choose to live.

An increased supply of new homes won't suddenly bring prices down, but it will help slow price inflation over the long term. In the short term, prices are driven by incomes, credit supply and the second hand market, ie, existing homes, which make up 90% of the transactions in the year. There is no single solution to the housing problems being faced in England, Wales or indeed the UK. In next month's release we can reflect on the reality of the White Paper and comment on how far it will bring about the much needed housing 'revolution'. In the meantime we can see from our discussion below on transactions that we may be facing a strengthening market.

Housing Transactions

The number of housing transactions in January 2017 in England & Wales is estimated at 60,000. This is 20% lower than December's total, but one should note that on average volumes fall by 28% in January, as the Christmas period takes its toll on the subsequent month's transaction levels. Our predictions for January 2017, although lower than December, are indicative of a strengthening market, with sales higher than normally expected for the time of year.

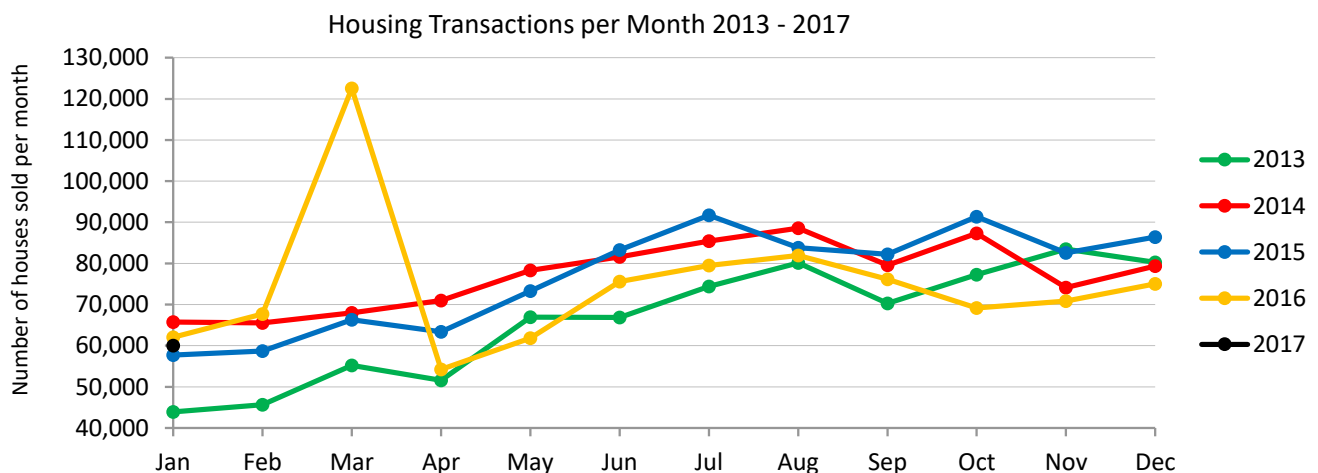


Figure 2. Number of properties sold per month in England & Wales, January 2013 – January 2017. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted.

[link to source Excel](#)

Figure 2 above shows the monthly transaction levels for the England & Wales housing market over the past four years. One can observe that the January 2017 total (the black spot on the left hand side of the graph), is at the same point as the total for January 2016, which is also indicative of a strengthening market as sales in the last quarter of 2016 - as we show below - have been running 17% below the previous year's totals. Overall in 2016 we estimate that sales were 2.6% lower than 2015, despite the extraordinary boost to transactions that took place in March 2016, immediately prior to the introduction of the 3% surcharge in stamp duty.



Table 2. The number of transactions recorded at Land Registry (as at 31/01/2017) for the period October – December 2016, compared to the same period in 2015 [link to source Excel](#)

REGION	Oct - Dec 2015	Oct - Dec 2016	% change
NORTH EAST	8,679	7,557	-13%
NORTH WEST	26,951	24,100	-11%
YORKS & HUMBER	20,387	17,742	-13%
EAST MIDLANDS	20,379	18,136	-11%
WEST MIDLANDS	20,786	18,470	-11%
EAST OF ENGLAND	27,884	22,632	-19%
GREATER LONDON	26,656	18,950	-29%
SOUTH EAST	41,250	31,815	-23%
SOUTH WEST	26,353	22,212	-16%
WALES	11,102	10,615	-4%
ENGLAND & WALES	230,427	192,229	-17%

Table 2 above shows the number of transactions recorded at the Land Registry, as at 31/01/2017, for Q4 2016 and compares these to the equivalent figures for Q4 2015. As can be seen, transactions are a substantial 17% lower in Q4 2016 than a year earlier. The largest fall in sales has been in Greater London, down -29% on 2015, followed by the South East, down -23%, the East of England down -19% and the South West down -16%. The Midlands and the Northern regions of England have seen a decline in volumes of between -11% and -13%, while Wales shows the smallest reduction at -4%. Fewer moves mean more people are staying put – some focussing their efforts on home extensions – and given the uncertainty prompted by Brexit, it may be that we will see more of this. Fewer moves could mean lower SDLT receipts for government, but the latest quarterly figures (Q4 2016) show income was up 20% on the same period in 2015, boosted not least by the new SDLT surcharge on additional properties. So far in 2016/17 that tax has brought in around £1.2 billion.

Given the predominance of Flats in London, it is not surprising to see that they are down -24% in sales volumes across England & Wales, with Detached and Terraced properties both showing a decline of -18% in sales. Semi-detached properties have seen the smallest fall in numbers sold at -10%.

Comparison of indices

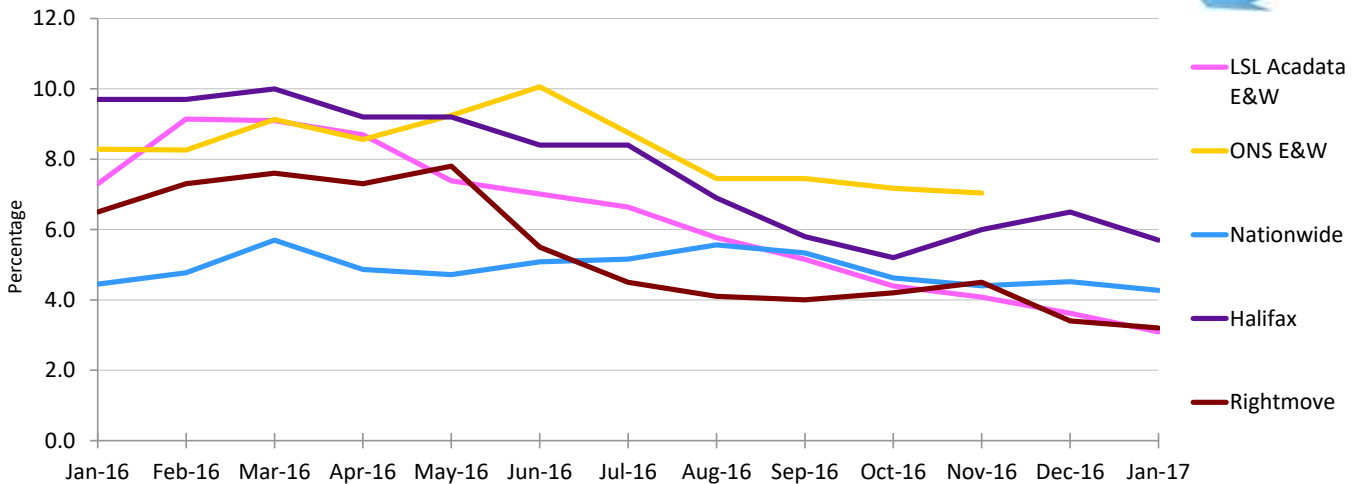


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[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 four 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 other four indices. Over the six month period June – November 2016 (the latest month currently available from the ONS), the ONS seasonally-adjusted figures for England and Wales have on average been 2.5% above LSL Acadata, 3.0% above Nationwide and 3.5% above Rightmove. 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 January, LSL Acadata and Rightmove are in near agreement, at 3.1% and 3.2% respectively (both using the arithmetic mean), while the Halifax and Nationwide indices are higher at 5.7% and 4.3%, both being based on the 'conceptual' price of an average house.

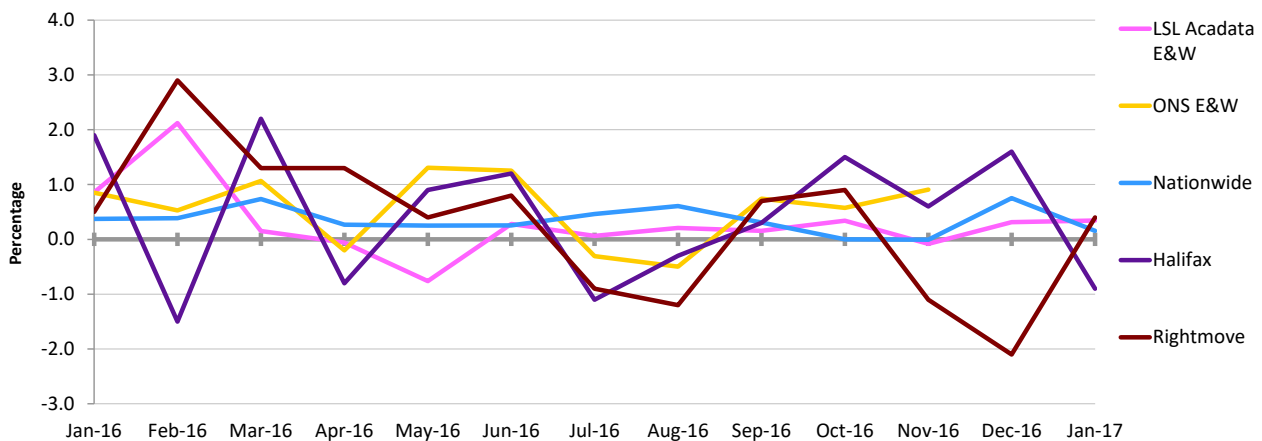


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[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 January, Halifax is the lowest at -0.9%, while the LSL Acadata, Rightmove and Nationwide indices are in a tight band, ranging from +0.2% to +0.4%. Rightmove advises in its monthly report that the 0.4% rise in the price of property coming to the market is “very similar to the 0.5% rise recorded in January 2016” – in other words January 2017 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](#).

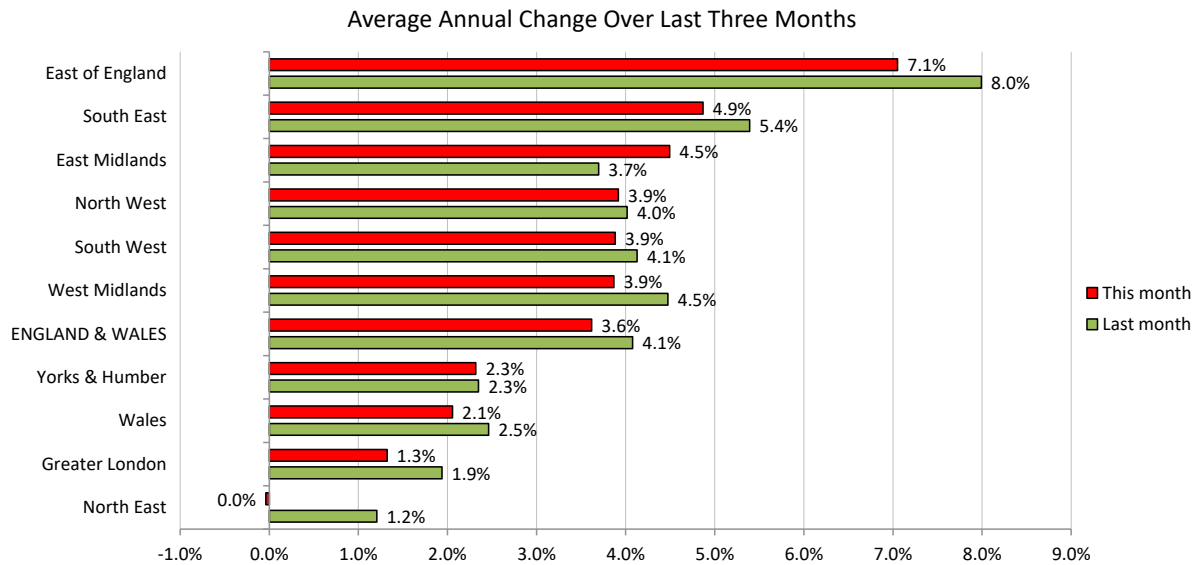
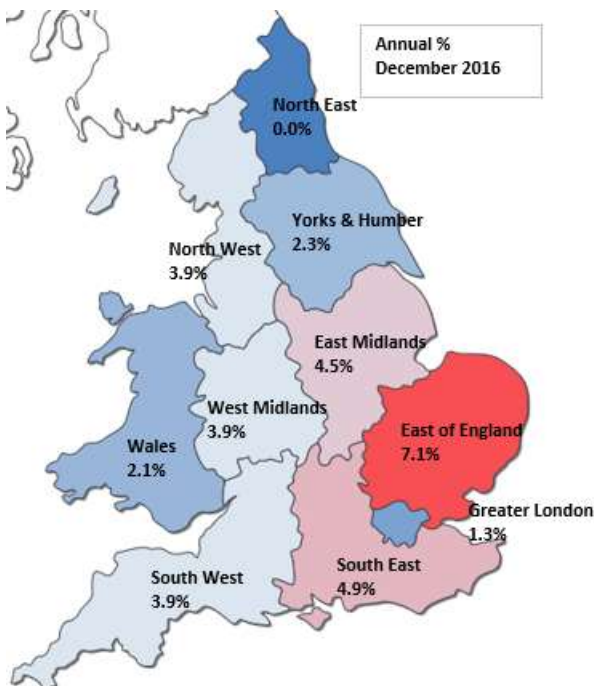


Figure 5. The annual change in the average house price for the three months centered on December 2016, analysed by GOR [link to source Excel](#)

In December 2016, the North East became the first region in three-and-a-half years to have seen a fall in average prices over a twelve month period, albeit by just £60. The North East consequently takes bottom place in our league table above, which shows the annual rate of house price inflation for the ten GOR areas in England & Wales. In the second lowest position we have Greater London, where prices rose by £7,800, or 1.3% over the year.

At the other end of the table is the East of England, in top spot for the eighth month in succession, at 7.1%, with its London commuter areas of Bedfordshire, Luton, Southend-on-Sea and Essex all setting new peak prices in the month. The South East is in second position in the league table at 4.9%, followed by the East Midlands, up from sixth position last month, with locations such as the city of Nottingham, and the counties of Derbyshire, Northamptonshire and Nottinghamshire also setting new peak prices in the month.

In December, the East Midlands was the only GOR area in England & Wales to experience an increase in its annual rate of house price growth, with all the other areas either seeing no movement, or for the majority, their rates fall. The largest decline was in the North East, down by -1.2%, followed by the East of England down by -0.9%. Overall, the annual rate of change in prices, at +3.6%, was -0.5% lower than one month earlier.



The pattern observable in December's regional heat map, which illustrates the annual rates of change in house prices across England & Wales, has altered from November. We are now seeing the highest increase in prices taking place across the eastern regions of England, from the south east coast up as far as the Humber, but excluding London. The price increases in these areas range from +4.5% to +7.1%, with London at +1.3%.

The next band consists of the western regions of England, with the North West, the West Midlands and the South West, all recording a +3.9% increase in house prices. Finally we have Yorks and Humber, Wales and the North East with price increases ranging from 0.0% to +2.3%.

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

London boroughs, counties and unitary authorities



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

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Dec-15	Nov-16	Dec-16	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,931,875	1,866,671	1,983,491	6.3%	2.7%
2	2	CITY OF WESTMINSTER	1,397,559	1,343,126	1,352,878	0.7%	-3.2%
3	3	CAMDEN	1,011,341	959,266	967,463	0.9%	-4.3%
4	4	HAMMERSMITH AND FULHAM	934,448	916,543	890,890	-2.8%	-4.7%
7	5	WANDSWORTH	739,010	772,190	763,304	-1.2%	3.3%
6	6	RICHMOND UPON THAMES	784,615	737,040	741,659	0.6%	-5.5%
8	7	ISLINGTON	686,951	704,773	711,313	0.9%	3.5%
5	8	CITY OF LONDON	888,311	787,551	708,775	-10.0%	-20.2%
12	9	SOUTHWARK	602,262	650,469	625,332	-3.9%	3.8%
13	10	HARINGEY	589,288	578,733	603,746	4.3%	2.5%
11	11	BARNET	608,563	595,949	596,438	0.1%	-2.0%
9	12	HACKNEY	619,661	571,201	574,579	0.6%	-7.3%
14	13	EALING	578,661	567,551	572,935	0.9%	-1.0%
10	14	MERTON	610,045	595,715	570,198	-4.3%	-6.5%
15	15	LAMBETH	556,990	564,194	564,609	0.1%	1.4%
17	16	TOWER HAMLETS	534,002	552,060	556,534	0.8%	4.2%
18	17	KINGSTON UPON THAMES	523,582	538,669	543,967	1.0%	3.9%
16	18	BRENT	540,051	538,537	530,437	-1.5%	-1.8%
20	19	HARROW	481,846	512,559	513,284	0.1%	6.5%
19	20	HOUNSLOW	491,606	473,995	481,974	1.7%	-2.0%
21	21	BROMLEY	455,056	485,364	480,629	-1.0%	5.6%
23	22	LEWISHAM	440,333	454,055	458,254	0.9%	4.1%
26	23	WALTHAM FOREST	410,347	456,639	456,897	0.1%	11.3%
27	24	REDBRIDGE	405,838	440,820	449,683	2.0%	10.8%
22	25	GREENWICH	443,824	461,941	448,786	-2.8%	1.1%
24	26	ENFIELD	429,326	437,042	441,411	1.0%	2.8%
25	27	HILLINGDON	427,942	442,101	438,438	-0.8%	2.5%
28	28	SUTTON	379,169	408,828	405,812	-0.7%	7.0%
29	29	CROYDON	370,217	391,041	394,856	1.0%	6.7%
30	30	HAVERING	349,068	373,330	378,624	1.4%	8.5%
31	31	NEWHAM	344,509	363,950	356,963	-1.9%	3.6%
32	32	BEXLEY	325,415	347,482	349,390	0.5%	7.4%
33	33	BARKING AND DAGENHAM	265,480	295,195	301,572	2.2%	13.6%
		ALL LONDON	590,194	596,238	598,001	0.3%	1.3%

The analysis of Greater London house prices in Table 3 relates to December 2016, and compares these prices to one month and one year earlier. In December 2016, the average price paid for a property in London rose by 0.3%, or £1,763, in the month. This was the first time in nine months that we have seen average prices rise in London, or at least it would have been, were it not for an upward revision to London prices for August and September 2016, as further data has emerged from the Land Registry. The first registration of new-build properties coming to the market tends to be a slower process than the transfer of previously owned dwellings. So, for example, nine new apartments sold in August and September 2016, for an average £2.5 million, at Riverwalk, Millbank (across the Thames from the MI6 building), have only recently appeared in the Land Registry data base. This has resulted in revisions to the average prices paid in London for those two months.

Over the year from December 2015 to December 2016, the average house price in Greater London rose by £7,807, or 1.3%. This is the lowest annual rise seen in London since March 2012, nearly five years ago, and is in sharp contrast to the 13.4% growth recorded in March 2016. London is currently positioned as the region with the second lowest house price growth of the eleven GOR areas in Great Britain.

In London over the past year, we have been reporting that it is the lowest-priced boroughs that have seen the highest growth in house prices, while the more expensive boroughs have been witnessing price falls. This trend has continued through December, but there are some tentative signs that there is a recovery taking place at the top end of the market.



Looking at the top third of the London boroughs ranked by price we find that the change in house prices over the year amounted to an average fall of £32,000 per borough, with the City of Westminster seeing a decline of £44,680 in its property prices. This contrasts with the bottom third of the London boroughs, where prices have risen by an average £24,500 per borough, with Barking and Dagenham, the lowest-priced borough, seeing its prices increase by £36,000 over the year.

However, in December, Kensington and Chelsea - the most expensive borough in London - has bucked the trend, seeing its prices rise by an average £117k in that month, or £52k over the year. The Land Registry is currently reporting 32 terraced properties having been sold in the area for an average price of £6 million apiece and a detached property in January fetching £24 million. Do these high end property sales matter? Well, they give an indication of the confidence held by individuals in the London market – and they probably also help to free up and make available properties further down the price spectrum – resulting in movement in the market as a whole.

In terms of transactions, all 33 London boroughs have seen a reduction in transactions during Q4 2016 compared to a year earlier, with the smallest reductions being recorded in Sutton at -18%, Waltham Forest at -19% and Tower Hamlets also at -19%. In the recent past, we had found that it was the outer boroughs to the east of the capital that had seen the smallest reduction in sales volumes, but that generality no longer appears to apply – at least in the last quarter of the year.

London house price heat map

The heat map below shows the monthly movement in house prices across London for December 2016. The highest price increases in the month were seen in Kensington and Chelsea, up 6.3%, followed by Haringey at 4.3%. Aside from these two areas, the highest price growth is occurring to the east of the capital, with lower or even falling prices occurring in the inner London boroughs, as well as in the outer boroughs that lie to the north and west of the city, with the notable exception of Hounslow where prices rose by 1.7%.

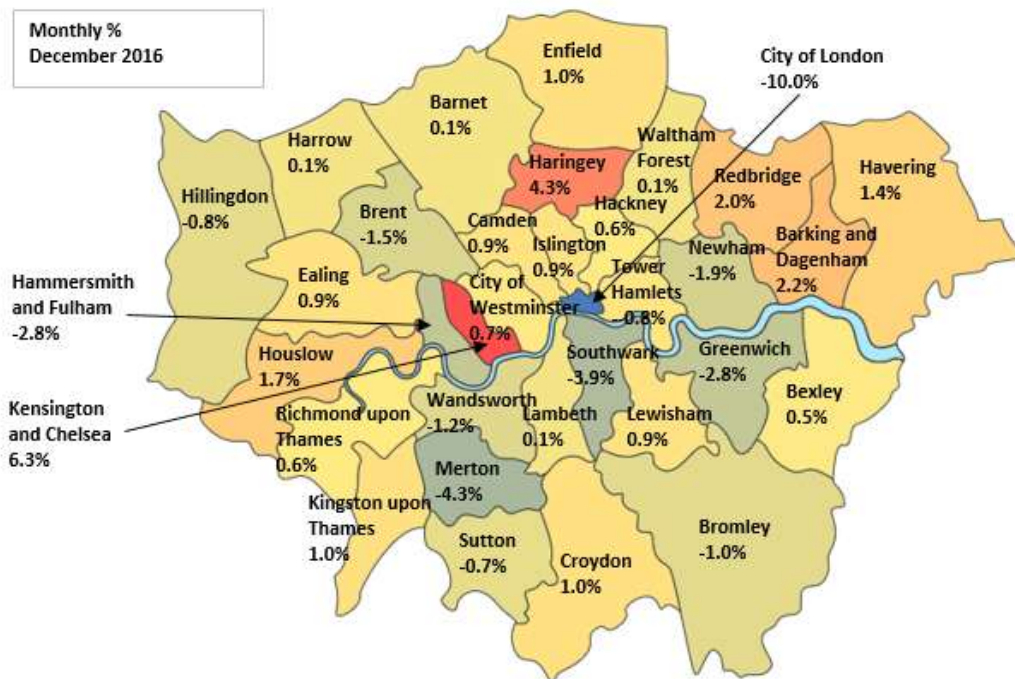


Figure 7. Heat Map of the annual change in the average house price, analysed by region, December 2016

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 December 2015 and November 2016 with December 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	Dec-15	Nov-16	Dec-16	Monthly change	Annual Change
100	102	COUNTY DURHAM	£127,300	£127,663	£128,169	0.4%	0.7%
87	91	DARLINGTON	£153,512	£148,189	£150,248	1.4%	-2.1%
95	96	HARTLEPOOL	£140,284	£135,730	£137,248	1.1%	-2.2%
97	100	MIDDLESBROUGH	£134,184	£130,415	£130,448	0.0%	-2.8%
66	66	NORTHUMBERLAND	£180,887	£185,973	£185,413	-0.3%	2.5%
96	95	REDCAR AND CLEVELAND	£139,541	£138,983	£137,336	-1.2%	-1.6%
85	90	STOCKTON-ON-TEES	£155,678	£153,431	£153,459	0.0%	-1.4%
82	83	TYNE AND WEAR	£161,032	£161,927	£160,742	-0.7%	-0.2%
		NORTH EAST	£153,233	£153,575	£153,173	-0.3%	0.0%
103	101	BLACKBURN WITH DARWEN	£121,168	£128,858	£129,795	0.7%	7.1%
106	105	BLACKPOOL	£111,030	£114,377	£116,157	1.6%	4.6%
41	44	CHESHIRE	£232,312	£242,684	£240,020	-1.1%	3.3%
90	93	HALTON	£149,555	£153,488	£147,549	-3.9%	-1.3%
55	54	WARRINGTON	£199,333	£215,579	£212,985	-1.2%	6.8%
70	68	CUMBRIA	£174,645	£177,981	£183,034	2.8%	4.8%
71	69	GREATER MANCHESTER	£171,619	£181,243	£182,860	0.9%	6.5%
76	82	LANCASHIRE	£165,815	£162,052	£161,880	-0.1%	-2.4%
86	84	MERSEYSIDE	£153,599	£161,311	£160,369	-0.6%	4.4%
		NORTH WEST	£173,859	£180,308	£180,670	0.2%	3.9%
65	64	EAST RIDING OF YORKSHIRE	£180,987	£187,924	£186,149	-0.9%	2.9%
105	98	KINGSTON UPON HULL, CITY OF	£113,518	£130,625	£132,590	1.5%	16.8%
99	99	NORTH EAST LINCOLNSHIRE	£127,443	£130,899	£131,578	0.5%	3.2%
92	92	NORTH LINCOLNSHIRE	£145,291	£147,602	£149,452	1.3%	2.9%
37	36	YORK	£240,757	£255,642	£257,173	0.6%	6.8%
36	38	NORTH YORKSHIRE	£241,019	£247,050	£249,504	1.0%	3.5%
88	87	SOUTH YORKSHIRE	£153,363	£156,243	£156,835	0.4%	2.3%
72	76	WEST YORKSHIRE	£171,600	£171,902	£171,357	-0.3%	-0.1%
		YORKS & HUMBER	£176,629	£180,377	£180,722	0.2%	2.3%
81	81	DERBY	£162,294	£165,221	£163,078	-1.3%	0.5%
78	78	LEICESTER	£164,826	£170,117	£168,016	-1.2%	1.9%
93	89	NOTTINGHAM	£142,278	£151,803	£154,039	1.5%	8.3%
20	15	RUTLAND	£288,609	£316,004	£324,364	2.6%	12.4%
63	62	DERBYSHIRE	£181,954	£187,414	£188,195	0.4%	3.4%
52	50	LEICESTERSHIRE	£213,406	£220,871	£218,943	-0.9%	2.6%
69	63	LINCOLNSHIRE	£180,137	£185,304	£186,343	0.6%	3.4%
49	48	NORTHAMPTONSHIRE	£218,598	£231,790	£232,707	0.4%	6.5%
67	60	NOTTINGHAMSHIRE	£180,874	£190,080	£192,412	1.2%	6.4%
		EAST MIDLANDS	£190,223	£198,210	£198,772	0.3%	4.5%
40	42	HEREFORDSHIRE	£234,304	£237,987	£243,372	2.3%	3.9%
47	45	SHROPSHIRE	£222,170	£235,302	£237,308	0.9%	6.8%
104	107	STOKE-ON-TRENT	£113,995	£114,524	£113,892	-0.6%	-0.1%
77	77	TELFORD & WREKIN	£165,002	£169,781	£168,784	-0.6%	2.3%
57	57	STAFFORDSHIRE	£192,175	£199,643	£200,177	0.3%	4.2%
32	33	WARWICKSHIRE	£258,037	£268,880	£268,461	-0.2%	4.0%
64	61	WEST MIDLANDS	£180,994	£187,024	£188,781	0.9%	4.3%
38	40	WORCESTERSHIRE	£240,496	£245,238	£244,945	-0.1%	1.8%
		WEST MIDLANDS	£200,896	£207,673	£208,666	0.5%	3.9%
23	23	BEDFORDSHIRE	£282,695	£301,151	£304,282	1.0%	7.6%
48	41	LUTON	£222,083	£241,472	£244,545	1.3%	10.1%
68	59	PETERBOROUGH	£180,617	£193,179	£194,147	0.5%	7.5%
26	21	SOUTHEND-ON-SEA	£267,085	£297,629	£306,405	2.9%	14.7%
33	30	THURROCK	£244,776	£272,609	£271,722	-0.3%	11.0%
17	22	CAMBRIDGESHIRE	£299,741	£303,395	£304,808	0.5%	1.7%
15	14	ESSEX	£308,531	£327,766	£329,048	0.4%	6.6%

London boroughs, counties and unitary authorities



5	4	HERTFORDSHIRE	£413,940	£450,402	£443,889	-1.4%	7.2%
50	46	NORFOLK	£217,100	£234,692	£237,298	1.1%	9.3%
34	35	SUFFOLK	£242,907	£258,093	£259,514	0.6%	6.8%
		EAST OF ENGLAND	£294,994	£315,398	£315,794	0.1%	7.1%
		GREATER LONDON	£590,194	£596,238	£598,001	0.3%	1.3%
9	7	BRACKNELL FOREST	£370,255	£405,797	£398,291	-1.8%	7.6%
7	8	BRIGHTON AND HOVE	£374,090	£391,604	£392,182	0.1%	4.8%
45	49	ISLE OF WIGHT	£222,726	£223,946	£226,156	1.0%	1.5%
44	37	MEDWAY	£224,116	£248,010	£249,672	0.7%	11.4%
24	28	MILTON KEYNES	£278,705	£277,763	£275,626	-0.8%	-1.1%
56	52	PORTSMOUTH	£195,339	£214,715	£215,057	0.2%	10.1%
14	16	READING	£310,800	£312,710	£318,375	1.8%	2.4%
19	17	SLOUGH	£295,593	£321,828	£316,724	-1.6%	7.1%
53	55	SOUTHAMPTON	£206,817	£212,402	£211,626	-0.4%	2.3%
8	9	WEST BERKSHIRE	£371,292	£375,038	£377,173	0.6%	1.6%
1	1	WINDSOR AND MAIDENHEAD	£542,550	£540,772	£558,898	3.4%	3.0%
4	5	WOKINGHAM	£421,603	£444,155	£443,198	-0.2%	5.1%
3	3	BUCKINGHAMSHIRE	£438,175	£457,907	£462,829	1.1%	5.6%
21	20	EAST SUSSEX	£288,510	£308,448	£307,418	-0.3%	6.6%
13	13	HAMPSHIRE	£321,640	£337,360	£333,800	-1.1%	3.8%
18	18	KENT	£299,040	£312,906	£314,122	0.4%	5.0%
6	6	OXFORDSHIRE	£376,402	£400,464	£404,948	1.1%	7.6%
2	2	SURREY	£500,402	£518,964	£523,395	0.9%	4.6%
12	12	WEST SUSSEX	£340,323	£352,937	£354,753	0.5%	4.2%
		SOUTH EAST	£349,662	£365,423	£366,680	0.3%	4.9%
11	10	BATH AND NORTH EAST SOMERSET	£343,129	£373,756	£372,675	-0.3%	8.6%
31	32	BOURNEMOUTH	£258,808	£259,651	£270,252	4.1%	4.4%
27	25	BRISTOL , CITY OF	£265,789	£288,893	£288,416	-0.2%	8.5%
39	39	CORNWALL	£237,999	£245,060	£248,292	1.3%	4.3%
29	27	NORTH SOMERSET	£259,950	£272,951	£276,666	1.4%	6.4%
60	71	PLYMOUTH	£184,396	£181,114	£177,943	-1.8%	-3.5%
10	11	POOLE	£352,583	£346,284	£356,764	3.0%	1.2%
30	31	SOUTH GLOUCESTERSHIRE	£259,421	£271,565	£270,511	-0.4%	4.3%
51	53	SWINDON	£214,844	£216,783	£214,532	-1.0%	-0.1%
54	56	TORBAY	£203,833	£202,887	£205,324	1.2%	0.7%
22	24	WILTSHIRE	£285,214	£290,297	£291,806	0.5%	2.3%
28	29	DEVON	£262,534	£267,667	£272,544	1.8%	3.8%
16	19	DORSET	£300,549	£308,654	£309,830	0.4%	3.1%
25	26	GLOUCESTERSHIRE	£269,427	£276,703	£278,221	0.5%	3.3%
42	43	SOMERSET	£229,327	£239,655	£240,120	0.2%	4.7%
		SOUTH WEST	£261,119	£269,171	£271,260	0.8%	3.9%
59	70	ISLE OF ANGLESEY	£184,702	£175,970	£178,075	1.2%	-3.6%
84	74	GWYNEDD	£158,380	£176,581	£172,207	-2.5%	8.7%
73	72	CONWY	£170,337	£177,766	£175,689	-1.2%	3.1%
75	85	DENBIGHSHIRE	£167,116	£158,526	£160,072	1.0%	-4.2%
74	75	FLINTSHIRE	£168,976	£169,651	£171,379	1.0%	1.4%
83	79	WREXHAM	£160,318	£161,928	£165,977	2.5%	3.5%
61	58	POWYS	£182,668	£195,933	£196,951	0.5%	7.8%
58	65	CEREDIGION	£187,979	£189,860	£185,669	-2.2%	-1.2%
62	67	PEMBROKESHIRE	£182,080	£185,162	£185,095	0.0%	1.7%
91	86	CARMARTHENSHIRE	£147,595	£157,035	£158,826	1.1%	7.6%
79	80	SWANSEA	£162,768	£164,836	£165,728	0.5%	1.8%
101	103	NEATH PORT TALBOT	£124,260	£125,060	£122,458	-2.1%	-1.5%
89	88	BRIDGEND	£153,180	£156,608	£156,002	-0.4%	1.8%
43	47	VALE OF GLAMORGAN	£226,954	£230,319	£233,361	1.3%	2.8%
46	51	CARDIFF	£222,609	£215,161	£215,088	0.0%	-3.4%
102	104	RHONDDA CYNON TAFF	£121,379	£121,975	£119,031	-2.4%	-1.9%
107	106	MERTHYR TYDFIL	£103,047	£114,375	£113,928	-0.4%	10.6%



98	97	CAERPHILLY	£129,601	£133,887	£133,619	-0.2%	3.1%
108	108	BLAENAU GWENT	£92,195	£99,066	£102,322	3.3%	11.0%
94	94	TORFAEN	£141,433	£144,603	£144,595	0.0%	2.2%
35	34	MONMOUTHSHIRE	£241,074	£267,124	£266,034	-0.4%	10.4%
80	73	NEWPORT	£162,741	£172,787	£173,076	0.2%	6.4%
		WALES	£169,064	£172,562	£172,540	0.0%	2.1%
		ENGLAND & WALES	£288,693	£298,204	£299,140	0.3%	3.6%

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 December 2015, November 2016 and December 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 December 2016, the monthly rate of house price inflation in England & Wales was 0.3% and the headline annual increase in prices for England & Wales was 3.6%.

Annual Trends

On an annual basis, prices in December 2016 have increased in England & Wales by 3.6%, marginally down from the (revised) 4.1% in November, one month earlier. Some 89 of the 108 unitary authority areas have recorded price rises over the year, the same number as the previous month, which represents some 82% of the unitary authorities in England & Wales. Of the 19 areas where prices have fallen, (with last month's count being shown in brackets), 6 are in Wales (6), 6 are in the North East (4), 2 each are in the North West (2) and the South West (2), with 1 each in the areas of Yorks & Humber (0), the West Midlands (2) and the South East (1), while the East of England (1) and the East Midlands (2) currently have no authorities experiencing price falls.

Peak Prices

In Table 4, those areas highlighted in turquoise have set a new peak price in the month; there are 24 such locations, up by 3 from last month. Of the 24 unitary authority areas that recorded a new peak, 6 are in the East of England (5), 5 are in the South East (3), 4 are in the East Midlands (4), 3 each are based in the West Midlands (3) and the South West (0), 2 are based in Yorks and Humber (2) with 1 based in the North West (3), with zero authorities reaching a peak in the North East (0) and Wales (1). In terms of the large cities, Birmingham, Greater Manchester and Nottingham are all currently experiencing peak prices, while Greater London is not. For the third month running, the City of Kingston upon Hull has set a new peak price – Hull is the UK City of Culture for 2017 and this appears to be reflected in 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 December 2016 shows an increase of 0.3%, compared with a decline of -0.1% one month earlier. There were price rises over the month in 65 of the 108 unitary authority areas, compared to 68 rises seen in the previous month.

Highest and lowest unitary authorities

In December, looking at the unitary authority areas on an individual basis, the City of Kingston upon Hull is once again in first position as having the highest annual rate of change in prices at 16.8%. In second place, we have Southend-on-Sea at 14.7% and in third place Rutland at 12.4%; however, Rutland has the second lowest number of transactions of the 108 unitary authorities/counties in England & Wales, which can produce exaggerated percentage changes in price.

The authority with the largest reduction in prices is Denbighshire, where they have fallen by -4.2% over the year. The property type in the area recording the largest decline in house prices is terraces, where average prices have fallen from £115k in 2015, to £100k in 2016.

Transactions

As we showed in Table 2 on page 5, looking at the change in property transactions for Q4 2016 compared to Q4 2015, there has been an overall reduction in sales of 17%. Flats had the largest reduction in sales volumes at -24%, and semi-detached the smallest at -10%, with detached and terraces both seeing a fall of -18%.



Of the 108 unitary authority areas, only 10 showed an increase in transactions in Q4 2016 compared to Q4 2015, of which 7 are in Wales (Carmarthenshire +10%, Caerphilly +7%, Torfaen +7%, Gwynedd +4%, Neath Port Talbot +3%, Conwy +1%, and Flintshire +0.9%) and 3 in England (Blackpool +0.6%, Thurrock +0.3% and North Lincolnshire +0.2%).

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 Q4 2015 with Q4 2016, was Carmarthenshire at +10%. Carmarthenshire is currently ranked 86th 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 -63%, with terraced sales having fallen from 197 units in October 2015, to just 18 units in October 2016. This was due to a new housing development coming on stream in the Kingswood area of Hull in 2015, which was not repeated in 2016.

Overall

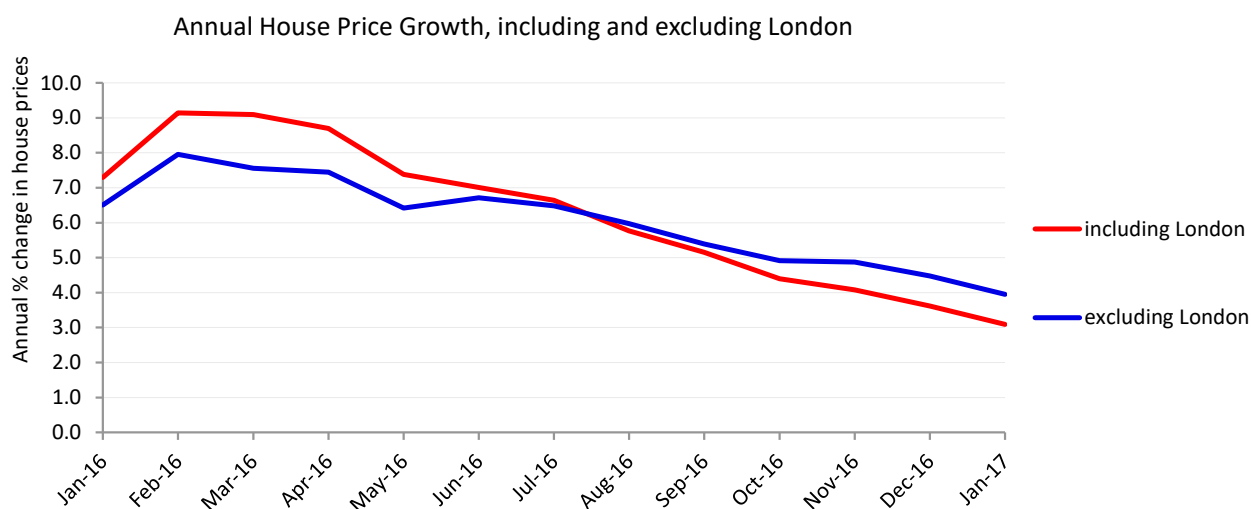


Figure 8. The rate of annual house price growth in England & Wales, for the thirteen months January 2016 – January 2017.

[link to source Excel](#)

Figure 8 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 figures 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 0.9%, 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.



ANNUAL CHANGE IN PRICE BY REGION

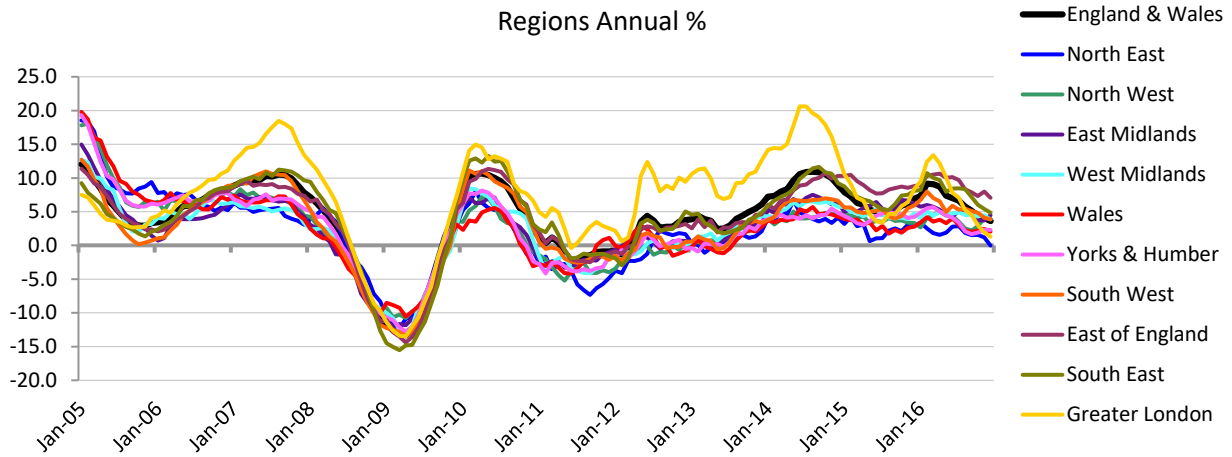


Figure 9. A comparison of the annual change in house prices, by region for the period January 2005 – December 2016 [link to source Excel](#)

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, January 2016 – January 2017, 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
Jan-16	£154,930	1.1	3.4	£174,233	0.2	2.7	£177,888	0.7	4.8	£191,113	0.5	5.7
Feb-16	£156,885	1.3	2.5	£177,344	1.8	4.0	£178,657	0.4	5.5	£193,739	1.4	6.0
Mar-16	£156,419	-0.3	1.8	£178,629	0.7	4.5	£178,953	0.2	5.7	£194,239	0.3	5.8
Apr-16	£155,447	-0.6	1.6	£179,135	0.3	5.0	£177,557	-0.8	5.0	£193,731	-0.3	5.3
May-16	£153,375	-1.3	1.9	£177,782	-0.8	4.4	£178,092	0.3	4.5	£193,444	-0.1	4.6
Jun-16	£154,064	0.4	2.8	£178,236	0.3	4.4	£178,691	0.3	4.1	£194,384	0.5	4.3
Jul-16	£153,500	-0.4	2.9	£177,396	-0.5	3.5	£178,391	-0.2	3.4	£196,018	0.8	5.2
Aug-16	£153,345	-0.1	1.9	£178,032	0.4	2.5	£177,659	-0.4	2.1	£196,727	0.4	5.2
Sep-16	£152,754	-0.4	1.5	£177,727	-0.2	2.2	£177,832	0.1	1.7	£197,725	0.5	4.8
Oct-16	£153,681	0.6	1.6	£179,818	1.2	2.9	£179,614	1.0	1.9	£198,148	0.2	3.7
Nov-16	£153,575	-0.1	1.2	£180,308	0.3	4.0	£180,377	0.4	2.3	£198,210	0.0	3.7
Dec-16	£153,173	-0.3	0.0	£180,670	0.2	3.9	£180,722	0.2	2.3	£198,772	0.3	4.5

	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
Jan-16	£200,806	0.0	4.1	£299,122	1.4	9.0	£597,900	1.3	9.5	£352,481	0.8	8.2
Feb-16	£203,122	1.2	5.1	£307,080	2.7	10.4	£611,345	2.2	12.4	£362,070	2.7	10.7
Mar-16	£202,071	-0.5	4.4	£308,526	0.5	10.5	£613,747	0.4	13.4	£362,167	0.0	10.0
Apr-16	£202,606	0.3	5.0	£310,141	0.5	10.6	£611,587	-0.4	12.2	£361,961	-0.1	9.7
May-16	£203,241	0.3	4.6	£308,719	-0.5	10.0	£604,627	-1.1	10.1	£358,787	-0.9	8.0
Jun-16	£204,987	0.9	4.7	£310,753	0.7	10.1	£600,499	-0.7	7.8	£361,531	0.8	8.4
Jul-16	£205,921	0.5	4.9	£310,998	0.1	9.7	£597,930	-0.4	7.1	£363,594	0.6	8.5
Aug-16	£206,075	0.1	4.5	£312,250	0.4	8.3	£598,242	0.1	5.2	£365,174	0.4	8.3
Sep-16	£206,222	0.1	4.5	£313,437	0.4	7.9	£599,801	0.3	4.5	£365,240	0.0	7.2
Oct-16	£207,485	0.6	4.3	£314,706	0.4	7.3	£599,402	-0.1	3.0	£365,960	0.2	6.0
Nov-16	£207,673	0.1	4.5	£315,398	0.2	8.0	£596,238	-0.5	1.9	£365,423	-0.1	5.4
Dec-16	£208,666	0.5	3.9	£315,794	0.1	7.1	£598,001	0.3	1.3	£366,680	0.3	4.9

	South West			Wales			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Jan-16	£261,934	0.3	6.7	£170,412	0.8	3.4		£291,165	0.9	7.3
Feb-16	£267,678	2.2	8.0	£173,050	1.5	4.2		£297,337	2.1	9.1
Mar-16	£266,666	-0.4	7.0	£172,042	-0.6	3.5		£297,787	0.2	9.1
Apr-16	£267,549	0.3	6.6	£170,971	-0.6	3.8		£297,612	-0.1	8.7
May-16	£264,307	-1.2	5.0	£169,501	-0.9	3.3		£295,347	-0.8	7.4
Jun-16	£266,394	0.8	5.9	£170,220	0.4	4.0		£296,171	0.3	7.0
Jul-16	£266,952	0.2	5.3	£169,728	-0.3	3.1		£296,353	0.1	6.6
Aug-16	£267,850	0.3	5.4	£168,812	-0.5	2.2		£296,968	0.2	5.8
Sep-16	£267,806	0.0	5.1	£169,930	0.7	2.0		£297,432	0.2	5.2
Oct-16	£269,141	0.5	4.8	£171,449	0.9	2.2		£298,448	0.3	4.4
Nov-16	£269,171	0.0	4.1	£172,562	0.6	2.5		£298,204	-0.1	4.1
Dec-16	£271,260	0.8	3.9	£172,540	0.0	2.1		£299,140	0.3	3.6
Jan-17								£300,169	0.3	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](#).