



Under embargo until 00:01 Monday 12th December 2016

November 2016

## England and Wales house prices recover to pre-referendum levels

- Prices edge up again, by 0.1% in month
- The market has remained largely flat since June, despite Brexit uncertainty
- London sees the lowest rate of annual house price growth in the country
- Value areas continue to see strong growth

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London & the SE)
£295,276	287.7	0.1	3.1	4.1

After a strong October, house prices continued rising in November, up a more modest 0.1%, still driven by strong gains in cheaper property. The average price of a house in England and Wales is now 3.1% up on the same time last year.

The average house price in England and Wales, at £295,276, is up £380 on the month and exactly the same as it was in May 2016, marking a recovery to the level immediately prior to the referendum.

Average house prices are still up £8,792 on the same period last year. The most significant impact on the market this year remains the changes to Stamp Duty in April, with strong price increases up to March 2016, followed by a fall following the change. Since then prices have been broadly flat, despite the Brexit vote.

Transaction levels have followed a similar pattern, but have marginally improved in the last month. The estimated level of 77,500 sales in November is just a little below the recent average for the time of year.

**Adrian Gill, director of Your Move and Reeds Rains estate agents, says,** “House price growth has slowed again, but in London, as elsewhere, there’s still appetite to continue driving up prices where buyers see value.

“For all the talk of Brexit uncertainty, the main factor driving up prices in the housing market is still supply and demand. That imbalance remains even after the Government announcements in the Autumn statement.”

**Richard Sexton, director of e.surv chartered surveyors, says,** “The market is still performing better than many expected. Transaction levels remain subdued, but are not far off previous years. Prices are still edging up.

“Supply remains the big issue. The Chancellor has announced plans for 140,000 new homes as part of the Autumn Statement, but the ‘radical’ plans promised to boost supply will be in the Housing Whitepaper, postponed to January. The uncertainty that’s so characterised this year looks set to continue a while longer.”

As recently as March this year, Greater London had the highest annual house price inflation of any UK region. In October, it was the lowest, up just 0.1% over the year.

This slowdown is the result of a significant drop in prices and transactions in prime central property. Four out of five of the most expensive areas saw prices fall in the last month, led by Westminster, down 3.5%. These also include three boroughs experiencing the greatest falls over the year: Hammersmith and Fulham, down 13.2%; Westminster, down 12.1%; and Camden, down 10.4%.

Taking the five highest priced boroughs in London as a proxy for “prime central London”, average prices have dropped £112,950 over the year.

This has been more than offset (just about) by strong growth in value areas. In a mirror image of the top of the market, the five cheapest boroughs in London include the top three house price performers: Bexley, up 14.6%; Barking and Dagenham, up 14.4% and Havering, up 13.4%.

Overall transactions remain subdued, down almost a third (32%) over the three months from August to October 2016, against the same period last year.

# House price index: historical data



London is surrounded by two regions that continue to demonstrate strong growth. First, the East of England remains the best performing region, with average prices up 6.6% over the year, driven by strong increases in the likes of Thurrock (up 16.2%), Luton (13.7%), and Southend-on-Sea (10.6%) – among the best performing unitary authorities nationally.

While Rutland in the East Midlands recorded the highest annual growth this month, with prices up 23.2%, this is largely the skewed result of relatively low transaction volumes. Thurrock and Luton, in second and third place, have been consistent performers, with good rail links into London making them popular commuter hotspots for those priced out of the capital.

On the other side of London, The South East has also proved robust, with prices up 5.6% annually. Wokingham (up 12.4%), Medway (10.5%) and Brighton and Hove (9.6%) have been the star performers there. Of the 25 areas setting a new peak price in the most recent month, eight were in the South East, and six in the East of England. The South West, with two, also continues to perform well, with prices up 4.5% annually.

At the other end of the table, the North East (up 1.4%), Wales (1.3%), and Yorks and Humber (up just 0.8%) have all seen much more modest price increases. Every region, though, continues to see growth 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 November 2015 – November 2016

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
November	2015	£286,484	280.3	0.2	6.1
December	2015	£288,648	281.2	0.8	6.9
January	2016	£291,098	283.6	0.8	7.3
February	2016	£297,304	289.6	2.1	9.1
March	2016	£297,744	290.1	0.1	9.1
April	2016	£297,579	289.9	-0.1	8.7
May	2016	£295,276	287.7	-0.8	7.3
June	2016	£295,728	288.1	0.2	6.9
July	2016	£295,017	287.4	-0.2	6.2
August	2016	£294,006	286.4	-0.3	4.7
September	2016	£293,981	286.4	0.0	3.9
October	2016	£294,896	287.3	0.3	3.2
November	2016	£295,276	287.7	0.1	3.1

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

## House prices

The moderation of house prices in England & Wales continued in November. The annual rate of house price inflation now stands at 3.1%, fractionally below the 3.2% recorded in October - it is the eighth month in succession in which the annual rate has fallen. On a monthly basis, average prices in England and Wales rose by £380, or by a modest 0.1%, to an average of £295,276. This is exactly the same price as recorded in May 2016, six months earlier, which is indicative of the lack of change in average prices over the second half of 2016. However, as we discuss in subsequent sections of this report, individual areas continue to show considerable movement in their annual house price inflation, ranging from an increase of 16.2% in Thurrock, to a fall of 13.2% in the London Borough of Hammersmith and Fulham.

Figure 1 shows the movement in average house prices over the last year. As can be seen, there was an increase in prices up to March 2016, after which prices fell to a level which are still currently being experienced in November. As discussed previously, this surge reflected the change in Stamp Duty on second homes in April, including buy-to-let properties. As the graph on Page 5 demonstrates, there was a near doubling of transactions in March as purchasers sought to avoid paying this additional tax. Subsequent to this tax effect there has been little change in average house prices, despite the Brexit referendum in June.

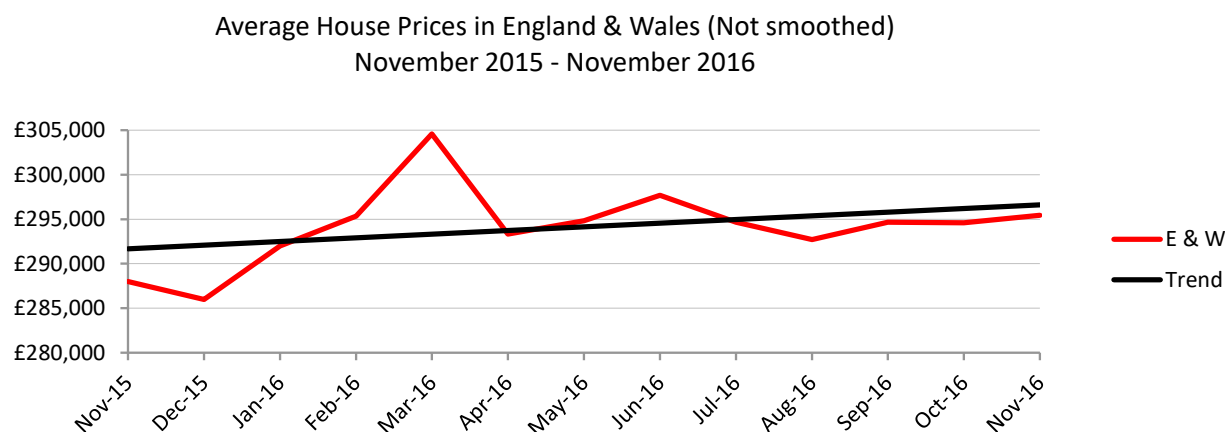


Figure 1. Average House Prices November 2015 – November 2016

[link to source Excel](#)

## The Housing Market

The Chancellor duly delivered his first (and last) Autumn Statement on November 23rd. He announced a £2.3 billion housing infrastructure fund for up to 100,000 new homes in areas of high demand, and £1.4 billion for 40,000 additional affordable homes. Government grants to providers under the Affordable Housing Programme would be relaxed to allow them to deliver a wider range of housing across different tenures – more rental and less shared ownership. London was also to receive £3.15 billion as its share of this programme to deliver more than 90,000 affordable homes, and the government will fund a large-scale regional pilot of Right-to-Buy for housing association tenants. However, the Housing White Paper which had been due to be published at around this time has now been held over till January. The Secretary of State for Communities and Local Government, Sajid Javid MP, indicated that “it will set out a range of radical plans to boost the housing supply”. Reinforcing this, the Prime Minister has put him in charge of a cross-Whitehall housing taskforce covering 8 departments, and charged with coordinating the delivery of these plans.

Alongside the Autumn Statement was the accompanying *Economic and Fiscal Outlook* report from the Office for Budget Responsibility. This noted that the ‘reduced requirement for housing associations to move to a shared ownership model and abandoning plans to force higher rents on some tenants will both reduce the cash inflows available for housebuilding’ although this was partly offset by additional grant funding. OBR suggested the net effect was to reduce cumulative housebuilding by housing associations by around 13,000 over the forecast period. However, the other measures may result in additional housebuilding over the longer term and OBR concludes that ‘taken together with the effect on housing associations, the overall effect is small’.



Also published in November were the fourth annual *State of the Nation* report from the Social Mobility Commission and the *Redfern Review into the Decline of Home Ownership*. The former showed that owning a home was out of reach for an increasing number of young people, noting that in the last ten years, the number of under-25-year-old home owners has more than halved as wages have fallen and house prices have risen. The Commission made a number of housing recommendations including (a) that the Government refocuses its Starter Home on households with around average incomes and ensures that when the original beneficiaries sell their homes the discount is passed on to the next low-income purchasers and (b) that more radical action on housing supply was required: first, by setting a target of 3 million new homes by 2026, and second: by challenging the current dominance of a small number of housebuilders who have in the Commission's view strong incentives to limit supply and inflate prices. The report argues this is a market failure which must be addressed, not least by bringing the public sector back as a major provider (while at the same time enhancing security of tenure in the private rented sector).

The *Redfern Review into the Decline of Home Ownership* (and two accompanying reports<sup>1</sup>) highlights the 6.2% decline in home ownership between 2002 and 2014 with the biggest contribution to this (explaining well over half of the decline in the modelled assessment) coming from tighter first time buyer credit constraints, with house price inflation pre-2007 and the decline in real incomes of FTBs post 2007 adding to the mix. The Review suggests the decline has stabilised, and that policy should now be targeted more closely on first time buyers along with regional caps on eligibility. The Review also rightly raises the issue that although it recommends 'decades of consistent supply improvement', in itself supply does not quickly impact on prices or the home ownership rate. Redfern clearly takes the view that housing problems (and solutions) span tenures. The recent shift in policy towards a more balanced approach has been widely welcomed and the Housing White Paper should consolidate this stance.

As all of this suggests, the housing market remains a continuing source of tension and a focus for policy interventions whether by government, the Bank of England or other regulators. This will continue in 2017, and market expectations are for a year in which a slowing of the market will continue, and not least around Buy-to-Let where tax changes will start to have an impact (as is evident from the latest Kent Reliance *Buy to Let Britain* report). In our December report we will reflect in more detail on prospects for 2017 and the outturn for 2016.

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<sup>1</sup> Oxford Economics (2016) *Forecasting UK house prices and home ownership*; and *The cost and challenges of transitions between tenures*, Supporting document



## Housing Transactions

We estimate that the number of housing transactions in November 2016 in England & Wales will total 77,500, 14% up on October 2016, but 6% lower than the same month last year. Figure 2 below plots the number of transactions by month over the last four years. It illustrates the exceptional level of sales that took place in March 2016, which was then followed by a compensating lack of sales in April, with total sales volumes rising slowly over the following three months. However, it is clear that sales volumes have not recovered to 2015 levels, and that despite the buoyant sales in March, transactions are down by 2.2% in the first eleven months of 2016 compared to the first eleven months of 2015.

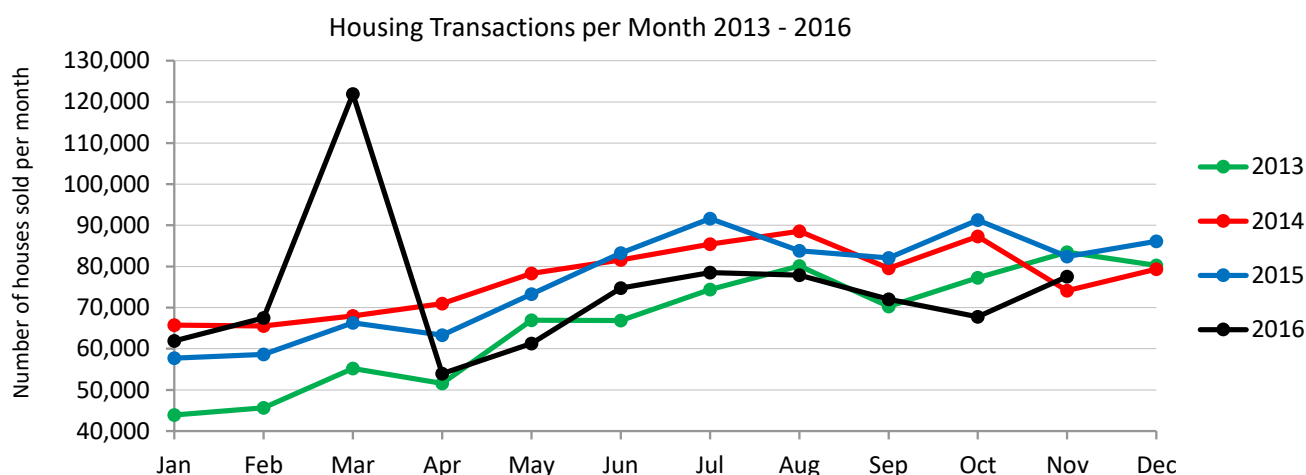


Figure 2. Number of properties sold per month in England & Wales, January 2013 – November 2016. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted.

[link to source Excel](#)

The reduction in sales from 2015 to 2016 is being experienced across the country, albeit at different rates. Table 2 below shows the number of transactions recorded at the Land Registry at the end of November 2016, for the period August – October 2016 and compares these with the equivalent figures for 2015. It shows the level of sales has fallen across all of England and Wales, although the decline is more pronounced in the South, especially in Greater London where volumes are down by -32%, almost double that of any other region, except for the South East where transactions are down by -21%.

Table 2. The number of transactions recorded at Land Registry (as at 30/11/2016) for the period August – October 2016, compared to the same period in 2015.

[link to source Excel](#)

### TRANSACTIONS BY REGION

REGION	Aug - Oct 2015	Aug - Oct 2016	% change
NORTH EAST	8,856	7,372	-17%
NORTH WEST	26,712	23,917	-10%
YORKS & HUMBER	20,610	18,448	-10%
EAST MIDLANDS	20,233	18,681	-8%
WEST MIDLANDS	20,738	19,037	-8%
EAST OF ENGLAND	28,564	24,046	-16%
GREATER LONDON	28,729	19,540	-32%
SOUTH EAST	43,146	34,225	-21%
SOUTH WEST	27,692	23,307	-16%
WALES	10,890	10,311	-5%
ENGLAND & WALES	236,170	198,884	-16%

# Comparison of indices

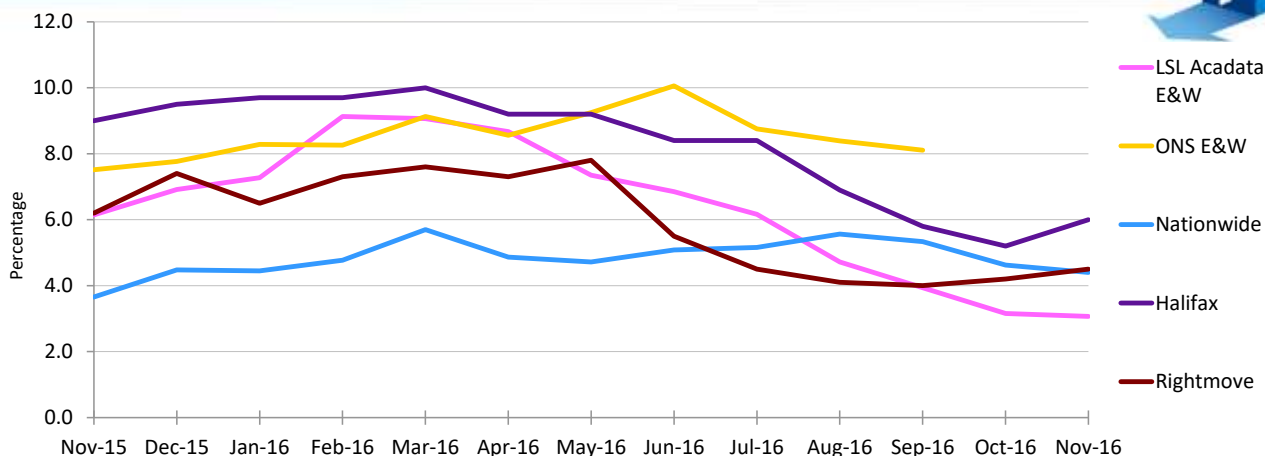


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[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 seven 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 September (the latest figures available from the ONS), it recorded house price inflation at 8.1% for England & Wales, which is 2.8% above Halifax and more than double the rates being reported by both Rightmove (asking prices) and LSL Acadata (completion prices) for the same month. 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 October prices, there are two in close accord, being Nationwide and Rightmove at 4.4% and 4.5% respectively, while the LSL Acadata index is the lowest at 3.1% and the Halifax the highest at 6.0%. The LSL Acadata Index is likely to be more influenced by the downturn in central London prices than the other three, as these are often purchased for cash, so would not be picked up by the Nationwide and Halifax statistics.

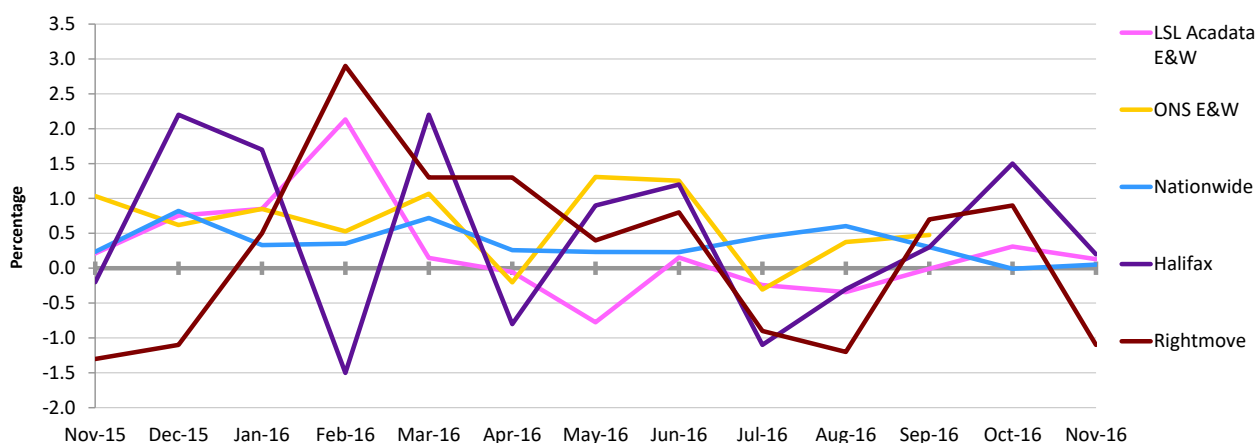


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[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 October, the Halifax, LSL Acadata and Nationwide indices are in a tight band, ranging from 0.1% to 0.2%, while Rightmove is showing a fall of -1.1%. Rightmove reports in its monthly report "that the 1.1% fall is a smaller drop than the 1.8% average for the month over the last six years, showing signs of a resilient market".

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 free of charge by clicking [here](#).

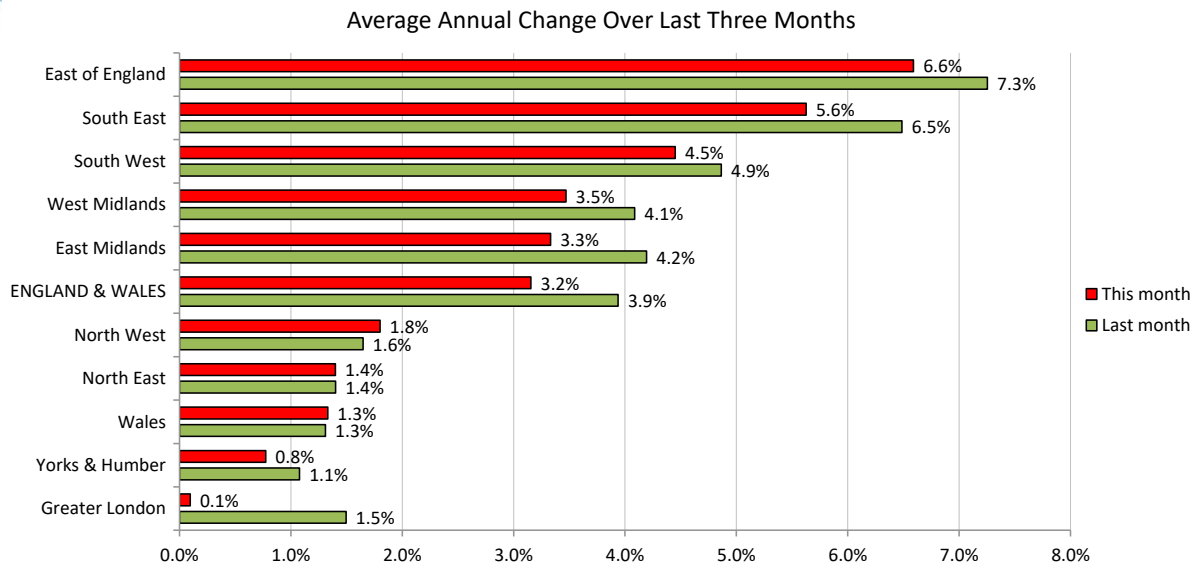
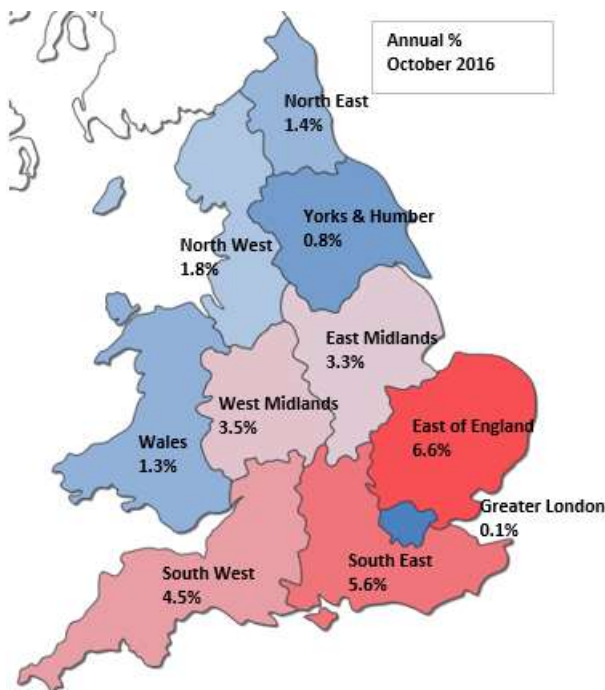


Figure 5. The annual change in the average house price for the three months centered on October 2016, analysed by GOR [link to source Excel](#)

Strikingly, in October, of the ten GOR areas in England and Wales, Greater London had the lowest rate of annual house price inflation at 0.1%. This contrasts with the position in March 2016, only some seven 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.

Seven of the ten GOR areas in England and Wales experienced a decline in their monthly rates of house price inflation, two areas had no change and one, the North West, saw prices rise. The largest fall was in Greater London, where rates shrank by -1.4%, followed by the South East and the East Midlands, both down by -0.9%. Overall, the annual rate of change in prices, at +3.2%, was -0.7% lower than one month earlier.

In October, the East of England held on to its position as top of the "leader board" for the sixth month in succession, with the highest annual increase in average house prices, at 6.6%. The South East and the South West remained in second and third positions respectively. As reported above, Greater London is now bottom of the league.



With the very notable exception of Greater London, there are effectively three main bands in this month's heatmap showing the annual rate of house price inflation across the country. The three southern regions, excluding London, all have house price inflation of 4.5% or higher, with the two Midland regions forming the next band at around 3.4%. The third banding is that of the northern regions, including Wales, where house prices are increasing by less than 2% per annum.

Greater London, at 0.1%, looks very much out of place, being surrounded by the two regions with the highest annual rates of house price inflation. Although this wave-like configuration has been observed in the past, London has typically been driver rather than laggard, and Wales has often been aligned with the Midlands – we will continue to track the geography of house prices.

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

# London boroughs, counties and unitary authorities



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

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Oct-15	Sep-16	Oct-16	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,723,897	1,698,523	1,692,063	-0.4%	-1.8%
2	2	CITY OF WESTMINSTER	1,440,524	1,311,145	1,265,739	-3.5%	-12.1%
3	3	CAMDEN	1,038,381	939,954	930,696	-1.0%	-10.4%
5	4	CITY OF LONDON	852,751	809,978	823,712	1.7%	-3.4%
4	5	HAMMERSMITH AND FULHAM	945,661	829,083	820,829	-1.0%	-13.2%
6	6	RICHMOND UPON THAMES	764,729	761,324	767,770	0.8%	0.4%
7	7	WANDSWORTH	755,781	741,705	739,511	-0.3%	-2.2%
8	8	ISLINGTON	696,699	703,628	680,363	-3.3%	-2.3%
9	9	MERTON	625,983	600,967	618,188	2.9%	-1.2%
12	10	HARINGEY	600,046	588,427	601,894	2.3%	0.3%
10	11	SOUTHWARK	624,193	594,677	599,819	0.9%	-3.9%
11	12	BARNET	611,742	592,675	594,947	0.4%	-2.7%
15	13	LAMBETH	554,628	568,095	572,415	0.8%	3.2%
14	14	EALING	572,719	565,519	565,725	0.0%	-1.2%
13	15	HACKNEY	575,356	569,017	558,967	-1.8%	-2.8%
17	16	BRENT	518,412	529,782	538,224	1.6%	3.8%
18	17	KINGSTON UPON THAMES	499,680	528,679	533,614	0.9%	6.8%
16	18	TOWER HAMLETS	522,377	511,268	531,417	3.9%	1.7%
20	19	HARROW	480,380	509,937	506,740	-0.6%	5.5%
21	20	BROMLEY	452,652	492,339	496,981	0.9%	9.8%
23	21	LEWISHAM	422,591	458,570	471,927	2.9%	11.7%
19	22	HOUNSLOW	493,709	459,741	447,432	-2.7%	-9.4%
27	23	WALTHAM FOREST	403,356	441,809	442,348	0.1%	9.7%
25	24	ENFIELD	408,923	445,664	439,062	-1.5%	7.4%
24	25	HILLINGDON	415,599	434,146	437,035	0.7%	5.2%
22	26	GREENWICH	431,795	429,347	435,236	1.4%	0.8%
26	27	REDBRIDGE	405,089	437,227	431,493	-1.3%	6.5%
28	28	SUTTON	368,824	402,427	408,319	1.5%	10.7%
29	29	CROYDON	356,505	387,742	385,965	-0.5%	8.3%
31	30	HAVERING	332,089	376,502	376,480	0.0%	13.4%
30	31	NEWHAM	334,130	360,310	356,219	-1.1%	6.6%
32	32	BEXLEY	305,207	348,721	349,708	0.3%	14.6%
33	33	BARKING AND DAGENHAM	256,589	293,195	293,482	0.1%	14.4%
		ALL LONDON	581,932	582,483	582,491	0.0%	0.1%

The analysis of Greater London house prices in Table 3 relates to October 2016 and compares these prices to one month and one year earlier. In October 2016, the average price paid for a property in London increased, but by the narrowest of margins, rising by just £8 in the month. This was the first 'gain' seen in average London prices over the last seven months, having fallen by £31,275, or 5.1%, over this period.

Over the year from October 2015 to October 2016, the average house price in Greater London rose by £560, or 0.1%. However, if we take the five highest priced boroughs in London as a proxy for "prime central London", this area saw a decline in average prices of £112,950, or -8.9%, over the year, while the remaining 28 boroughs saw an increase in prices of £13,820, or 2.8% - though this is still below the national average rise of 3.2% for this period. To exceed this national figure we need to look at the lowest eleven boroughs in London by price, where the rise over the year has been an average £30,850, or +8.4% - higher than any region in the UK.

In terms of transactions, as we have shown in Table 2 on page 5, London has seen a 32% fall in housing sales over the three months August – October 2016, compared to the same three months in 2015. In London, flats have seen the largest decline in transactions of -36%, followed by detached properties -35%, terraces -28% and semi-detached properties -23%. Leaving aside the City of London, where small volumes exaggerate its percentages, the largest falls in transactions have been in the City of Westminster at -49%, Hammersmith and Fulham at -48%, Kensington and Chelsea at -46%, with Camden at -44%. Thus the largest declines in sales have taken place in the prime central boroughs.

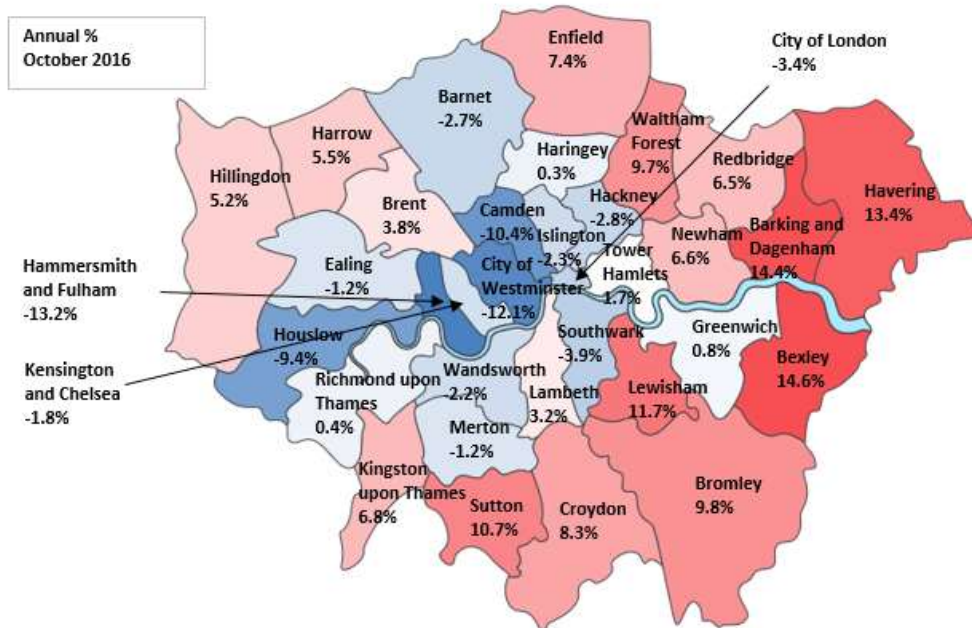


# London boroughs, counties and unitary authorities

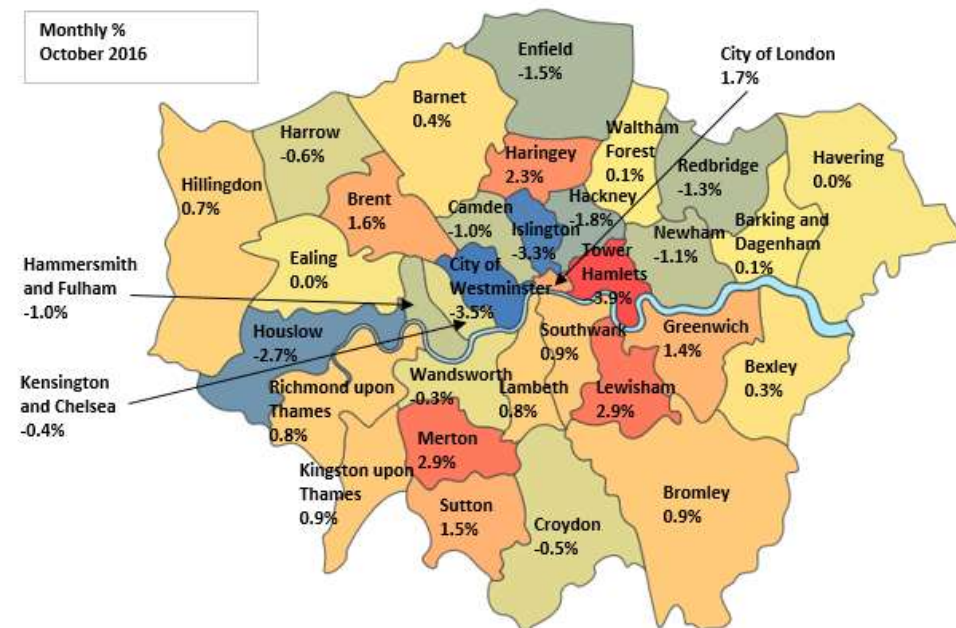


All 33 London boroughs have seen a reduction in transactions over the three month period August – October 2016, compared to a year earlier, but those with the smallest reduction in sales volumes are Sutton, at -11%, Barking and Dagenham at -17%, and Bexley at -18%. These three boroughs are among the six lowest priced boroughs in London. Interestingly, both Sutton and Bexley achieved new peak average prices during the month of October (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 top heat map shows the annual change in house prices across London for the period October 2015 – October 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 lower heat map shows the change in house prices in the month of October. It would appear that the Heathrow flight path continues to have a negative influence on prices, with the highest rises being seen in an 'inner circle' of the outer London boroughs.



# 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 October 2015 and September 2016 with October 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	Oct-15	Sep-16	Oct-16	Monthly change	Annual Change
100	99	COUNTY DURHAM	£125,444	£128,190	£128,573	0.3%	2.5%
87	94	DARLINGTON	£154,848	£142,677	£142,983	0.2%	-7.7%
98	97	HARTLEPOOL	£131,628	£133,587	£131,866	-1.3%	0.2%
96	101	MIDDLESBROUGH	£134,379	£128,338	£126,951	-1.1%	-5.5%
67	62	NORTHUMBERLAND	£180,468	£186,349	£188,103	0.9%	4.2%
97	96	REDCAR AND CLEVELAND	£133,544	£135,866	£137,733	1.4%	3.1%
83	90	STOCKTON-ON-TEES	£158,424	£152,425	£151,382	-0.7%	-4.4%
84	81	TYNE AND WEAR	£158,113	£160,814	£162,286	0.9%	2.6%
		<b>NORTH EAST</b>	<b>£151,313</b>	<b>£152,607</b>	<b>£153,431</b>	0.5%	1.4%
101	102	BLACKBURN WITH DARWEN	£122,261	£124,813	£125,158	0.3%	2.4%
106	106	BLACKPOOL	£109,824	£112,895	£113,223	0.3%	3.1%
39	42	CHESHIRE	£236,656	£236,414	£241,535	2.2%	2.1%
89	87	HALTON	£153,841	£155,015	£155,852	0.5%	1.3%
55	55	WARRINGTON	£199,162	£203,103	£204,070	0.5%	2.5%
69	70	CUMBRIA	£179,443	£176,319	£175,299	-0.6%	-2.3%
72	68	GREATER MANCHESTER	£172,089	£177,002	£177,709	0.4%	3.3%
77	82	LANCASHIRE	£163,849	£159,821	£161,257	0.9%	-1.6%
88	83	MERSEYSIDE	£154,491	£160,233	£160,460	0.1%	3.9%
		<b>NORTH WEST</b>	<b>£174,809</b>	<b>£176,804</b>	<b>£177,958</b>	0.7%	1.8%
59	64	EAST RIDING OF YORKSHIRE	£185,750	£185,492	£185,962	0.3%	0.1%
105	104	KINGSTON UPON HULL, CITY OF	£111,019	£113,601	£116,870	2.9%	5.3%
99	98	NORTH EAST LINCOLNSHIRE	£126,926	£130,670	£129,452	-0.9%	2.0%
93	92	NORTH LINCOLNSHIRE	£146,712	£148,875	£147,805	-0.7%	0.7%
33	35	YORK	£244,738	£251,666	£252,167	0.2%	3.0%
38	43	NORTH YORKSHIRE	£237,160	£237,633	£240,974	1.4%	1.6%
86	86	SOUTH YORKSHIRE	£154,875	£155,693	£155,902	0.1%	0.7%
73	76	WEST YORKSHIRE	£170,034	£169,031	£169,739	0.4%	-0.2%
		<b>YORKS &amp; HUMBER</b>	<b>£176,286</b>	<b>£176,724</b>	<b>£177,652</b>	0.5%	0.8%
81	79	DERBY	£161,275	£163,511	£164,970	0.9%	2.3%
82	77	LEICESTER	£159,596	£166,852	£169,077	1.3%	5.9%
92	91	NOTTINGHAM	£149,301	£143,645	£148,236	3.2%	-0.7%
21	12	RUTLAND	£281,455	£336,441	£346,689	3.0%	23.2%
65	63	DERBYSHIRE	£180,731	£187,289	£187,988	0.4%	4.0%
47	50	LEICESTERSHIRE	£218,303	£219,368	£219,010	-0.2%	0.3%
68	67	LINCOLNSHIRE	£179,568	£184,586	£183,923	-0.4%	2.4%
49	45	NORTHAMPTONSHIRE	£216,561	£228,958	£230,289	0.6%	6.3%
61	61	NOTTINGHAMSHIRE	£184,259	£188,081	£188,580	0.3%	2.3%
		<b>EAST MIDLANDS</b>	<b>£190,936</b>	<b>£196,561</b>	<b>£197,296</b>	0.4%	3.3%
40	44	HEREFORDSHIRE	£235,364	£229,988	£233,328	1.5%	-0.9%
45	47	SHROPSHIRE	£219,303	£227,075	£227,959	0.4%	3.9%
104	107	STOKE-ON-TRENT	£115,166	£112,246	£111,476	-0.7%	-3.2%
79	75	TELFORD & WREKIN	£162,946	£170,761	£169,981	-0.5%	4.3%
57	57	STAFFORDSHIRE	£192,509	£199,976	£200,940	0.5%	4.4%
30	33	WARWICKSHIRE	£254,723	£262,831	£261,496	-0.5%	2.7%
66	65	WEST MIDLANDS	£180,513	£185,537	£185,719	0.1%	2.9%
41	37	WORCESTERSHIRE	£230,588	£243,713	£246,588	1.2%	6.9%
		<b>WEST MIDLANDS</b>	<b>£198,949</b>	<b>£205,309</b>	<b>£205,854</b>	0.3%	3.5%
23	23	BEDFORDSHIRE	£270,581	£295,679	£296,745	0.4%	9.7%
51	40	LUTON	£212,721	£241,903	£241,851	0.0%	13.7%
64	59	PETERBOROUGH	£183,299	£191,175	£194,574	1.8%	6.2%
24	22	SOUTHEND-ON-SEA	£268,344	£294,762	£296,833	0.7%	10.6%
35	26	THURROCK	£240,970	£279,273	£280,043	0.3%	16.2%
16	21	CAMBRIDGESHIRE	£302,591	£296,261	£297,176	0.3%	-1.8%
15	15	ESSEX	£306,332	£324,344	£322,123	-0.7%	5.2%
5	5	HERTFORDSHIRE	£415,307	£451,333	£455,021	0.8%	9.6%
48	46	NORFOLK	£216,699	£228,431	£230,030	0.7%	6.2%

# London boroughs, counties and unitary authorities



36	36	<b>SUFFOLK</b>	£237,991	£250,046	£251,177	0.5%	5.5%
		<b>EAST OF ENGLAND</b>	<b>£293,192</b>	<b>£311,612</b>	<b>£312,514</b>	0.3%	6.6%
		<b>GREATER LONDON</b>	<b>£581,932</b>	<b>£582,483</b>	<b>£582,491</b>	0.0%	0.1%
8	7	<b>BRACKNELL FOREST</b>	£364,273	£391,338	£398,733	1.9%	9.5%
9	8	<b>BRIGHTON AND HOVE</b>	£361,428	£389,682	£395,971	1.6%	9.6%
46	49	<b>ISLE OF WIGHT</b>	£219,297	£219,731	£220,649	0.4%	0.6%
44	38	<b>MEDWAY</b>	£222,415	£243,379	£245,851	1.0%	10.5%
25	28	<b>MILTON KEYNES</b>	£264,616	£275,764	£273,565	-0.8%	3.4%
56	53	<b>PORTSMOUTH</b>	£198,377	£210,867	£212,212	0.6%	7.0%
14	16	<b>READING</b>	£308,059	£325,797	£320,551	-1.6%	4.1%
19	17	<b>SLOUGH</b>	£293,777	£320,618	£318,359	-0.7%	8.4%
52	52	<b>SOUTHAMPTON</b>	£208,541	£213,717	£212,816	-0.4%	2.0%
7	9	<b>WEST BERKSHIRE</b>	£368,574	£377,202	£371,155	-1.6%	0.7%
1	1	<b>WINDSOR AND MAIDENHEAD</b>	£578,687	£559,123	£557,305	-0.3%	-3.7%
4	3	<b>WOKINGHAM</b>	£415,633	£463,615	£467,008	0.7%	12.4%
3	4	<b>BUCKINGHAMSHIRE</b>	£423,326	£463,743	£459,701	-0.9%	8.6%
20	19	<b>EAST SUSSEX</b>	£283,842	£303,778	£309,307	1.8%	9.0%
13	13	<b>HAMPSHIRE</b>	£318,687	£335,478	£336,773	0.4%	5.7%
18	18	<b>KENT</b>	£295,516	£311,309	£312,137	0.3%	5.6%
6	6	<b>OXFORDSHIRE</b>	£376,882	£395,946	£399,295	0.8%	5.9%
2	2	<b>SURREY</b>	£494,174	£505,168	£510,252	1.0%	3.3%
11	11	<b>WEST SUSSEX</b>	£330,849	£351,461	£351,906	0.1%	6.4%
		<b>SOUTH EAST</b>	<b>£345,071</b>	<b>£362,882</b>	<b>£364,486</b>	0.4%	5.6%
10	10	<b>BATH AND NORTH EAST SOMERSET</b>	£343,390	£353,927	£357,551	1.0%	4.1%
31	29	<b>BOURNEMOUTH</b>	£253,838	£271,983	£271,510	-0.2%	7.0%
27	24	<b>BRISTOL , CITY OF</b>	£261,546	£295,267	£293,606	-0.6%	12.3%
37	39	<b>CORNWALL</b>	£237,439	£244,899	£245,405	0.2%	3.4%
32	31	<b>NORTH SOMERSET</b>	£250,927	£268,819	£268,729	0.0%	7.1%
62	66	<b>PLYMOUTH</b>	£183,881	£183,332	£184,534	0.7%	0.4%
12	14	<b>POOLE</b>	£328,692	£327,635	£330,894	1.0%	0.7%
28	30	<b>SOUTH GLOUCESTERSHIRE</b>	£259,460	£268,518	£270,859	0.9%	4.4%
50	51	<b>SWINDON</b>	£212,766	£219,985	£217,934	-0.9%	2.4%
54	56	<b>TORBAY</b>	£202,929	£203,491	£201,583	-0.9%	-0.7%
22	25	<b>WILTSHIRE</b>	£278,535	£291,261	£292,229	0.3%	4.9%
29	32	<b>DEVON</b>	£259,372	£261,669	£262,100	0.2%	1.1%
17	20	<b>DORSET</b>	£295,780	£302,761	£303,478	0.2%	2.6%
26	27	<b>GLOUCESTERSHIRE</b>	£264,304	£273,879	£277,352	1.3%	4.9%
43	41	<b>SOMERSET</b>	£223,193	£239,496	£241,753	0.9%	8.3%
		<b>SOUTH WEST</b>	<b>£256,733</b>	<b>£267,202</b>	<b>£268,162</b>	0.4%	4.5%
63	72	<b>ISLE OF ANGLESEY</b>	£183,321	£173,272	£173,184	-0.1%	-5.5%
78	73	<b>GWYNEDD</b>	£163,229	£168,486	£171,808	2.0%	5.3%
74	71	<b>CONWY</b>	£169,434	£171,912	£175,031	1.8%	3.3%
75	88	<b>DENBIGHSHIRE</b>	£165,100	£155,207	£155,786	0.4%	-5.6%
70	78	<b>FLINTSHIRE</b>	£175,434	£163,862	£167,327	2.1%	-4.6%
85	85	<b>WREXHAM</b>	£157,375	£160,790	£157,468	-2.1%	0.1%
58	58	<b>POWYS</b>	£186,660	£197,938	£198,392	0.2%	6.3%
60	60	<b>CEREDIGION</b>	£184,541	£186,388	£191,412	2.7%	3.7%
71	69	<b>PEMBROKESHIRE</b>	£173,871	£172,345	£175,882	2.1%	1.2%
91	80	<b>CARMARTHENSHIRE</b>	£150,690	£159,763	£164,257	2.8%	9.0%
76	84	<b>SWANSEA</b>	£164,798	£158,196	£158,980	0.5%	-3.5%
103	100	<b>NEATH PORT TALBOT</b>	£121,069	£126,647	£128,381	1.4%	6.0%
90	89	<b>BRIDGEND</b>	£152,833	£155,008	£153,130	-1.2%	0.2%
42	48	<b>VALE OF GLAMORGAN</b>	£227,057	£225,379	£224,309	-0.5%	-1.2%
53	54	<b>CARDIFF</b>	£208,251	£207,992	£209,284	0.6%	0.5%
102	103	<b>RHONDDA CYNON TAFF</b>	£121,587	£123,025	£121,531	-1.2%	0.0%
107	105	<b>MERTHYR TYDFIL</b>	£104,964	£113,729	£115,156	1.3%	9.7%
95	95	<b>CAERPHILLY</b>	£136,457	£137,142	£137,992	0.6%	1.1%
108	108	<b>BLAENAU GWENT</b>	£92,935	£95,573	£93,284	-2.4%	0.4%



94	93	<b>TORFAEN</b>	£143,068	£147,955	£147,077	-0.6%	2.8%
34	34	<b>MONMOUTHSHIRE</b>	£241,153	£244,710	£255,659	4.5%	6.0%
80	74	<b>NEWPORT</b>	£161,882	£170,823	£170,081	-0.4%	5.1%
		<b>WALES</b>	<b>£167,813</b>	<b>£168,799</b>	<b>£170,046</b>	0.7%	1.3%
		<b>ENGLAND &amp; WALES</b>	<b>£285,876</b>	<b>£293,981</b>	<b>£294,896</b>	0.3%	3.2%

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 October 2015, September 2016 and October 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 October 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 3.2%.

## Annual Trends

On an annual basis, prices in October 2016 have increased in England & Wales by 3.2%, down from the 3.9% in September, one month earlier. Some 90 of the 108 unitary authority areas have recorded price rises over the year, the same number as last month, which represents some 83% of the unitary authorities in England and Wales. Of the 18 areas where prices have fallen, (with last month's count being shown in brackets), 6 are in Wales (8), 3 are in the North East (2), 2 each are in the North West (2) and the West Midlands (1), with 1 each in the remaining areas of Yorks & Humber (2), the East Midlands (1), the East of England (1) the South East (1) and the South West (0).

## Peak Prices

In Table 4, we have highlighted in turquoise those areas which have set a new peak price in the month; there are 25 such locations, up by 8 from last month. Of the 25 unitary authority areas that recorded a new peak, 8 are based in the South East (5), 6 are in the East of England (5), 5 are in the East Midlands (3), 2 each are in the West Midlands (1) and the South West (3), and 1 each are in Yorks and Humber (0) and Wales (0). Perhaps we should mention that it is the City of Kingston upon Hull that has set a new peak price for Yorks and Humber – Hull is the UK City of Culture for 2017 and is seeing considerable infrastructure expenditure building up to this.

There are 5 regions this month which have established new peak average prices, being the East Midlands, the West Midlands, the East of England, the South East and the South West.

## Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in October 2016 shows an increase of 0.3%, compared with a no-change position of 0.0% one month earlier. There were price rises over the month in 75 of the 108 unitary authority areas, compared to only 58 rises seen in the previous month.

## Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis in October, Rutland is in first position as having the highest annual rate of change in prices at 23.2%. However, Rutland has relatively low transaction volumes which can produce exaggerated percentage changes in price. In second position we have Thurrock at 16.2% - it was in equal first position last month with Luton, which is now taking third place at 13.7%. What is clear is that Thurrock and Luton, 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 two locations in our analysis of the unitary authorities with the highest rates of change in house prices.

By way of contrast, the authority with the largest reduction in prices over the year, for the third month running, is Darlington, where prices have fallen by -7.7%. The average price paid for a property in Darlington in October 2016 was £142,983, which is 11% below the peak price of £159,970 seen in the area in February 2011.

## Transactions

As we showed in Table 2 on page 5, looking at the change in property transactions for the period August – October 2016, compared to the same three months in 2015, there has been a -16% reduction in sales. On a regional basis, the largest fall in sales was in London at -32%, followed by the South East at -21%, with the East of England and the South West at -16% and the North East at -17%. The five remaining GOR areas all saw transactions fall by -10% or less, with Wales having the smallest fall at -5%. Flats had the largest reduction in sales volumes at -25%, and semi-detached the least at -8%, with detached at -17% and terraces at -16%.

Of the 108 unitary authority areas, 10 showed an increase in transactions in August – October 2016, compared to the same three months in 2015, of which 7 are in Wales (Caerphilly +12%, Ceredigion +2%, Merthyr Tydfil +5%, Monmouthshire +1%, Powys +2%, Swansea +5% and Torfaen +21%) and 3 in England (Blackburn +5%, Blackpool +4%



and Thurrock +21%). 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, between August – October 2015 and the same three months in 2016, was Torfaen at +21%. Torfaen is ranked 93rd of the 108 unitary authorities in England and Wales in terms of its average house price. The area with the largest fall in sales over this same period was the City of Westminster, at -49%, with flat sales having fallen from 633 units in the period August – October 2015 to 310 units in the same three months of 2016.

## Overall

Annual House Price Growth, including and excluding London & SE

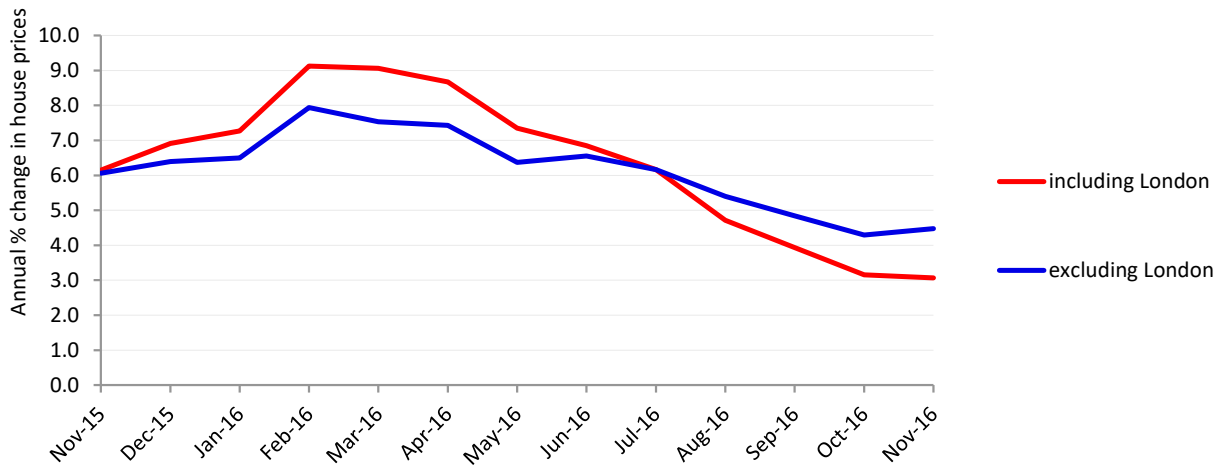


Figure 7. The rate of annual house price growth in England & Wales, for the thirteen months November 2015 – November 2016. [link to source Excel](#)

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 annual rate of growth a year ago was 6.1%, irrespective of whether London was included or excluded. As the introduction of the 3% SDLT surcharge drew closer, prices (and as we discussed on page 5, transactions too) climbed to a mini peak, but subsequently subsided to lower levels, with London starting to drag down the average rate of price growth for England & Wales as a whole from August 2016 onwards. The ‘gap’ between the England & Wales rate when including and excluding London is now 1.4%, which is the largest negative difference 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 impacts of Brexit, the value of the pound and of course the continuation of London as a global centre.

## ANNUAL CHANGE IN PRICE BY REGION

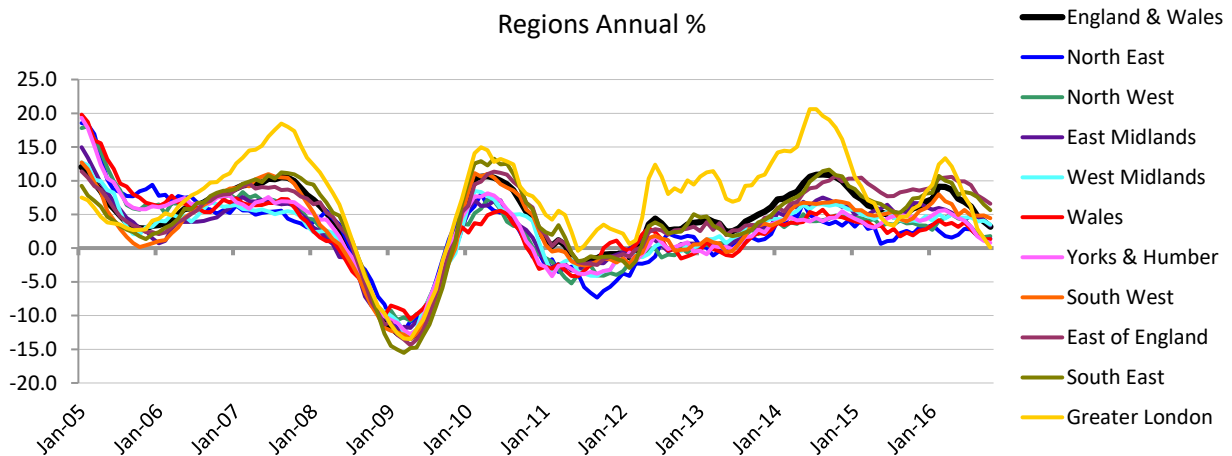


Figure 8. A comparison of the annual change in house prices, by region for the period January 2005 – October 2016 [link to source Excel](#)

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, November 2015 – November 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
Nov-15	£151,760	0.3	3.1	£173,381	-0.8	3.4	£176,231	0.0	4.1	£191,095	0.1	6.6
Dec-15	£153,288	1.0	3.0	£173,853	0.3	3.3	£176,670	0.2	4.3	£190,170	-0.5	6.2
Jan-16	£155,008	1.1	3.4	£174,233	0.2	2.7	£177,872	0.7	4.8	£191,034	0.5	5.7
Feb-16	£156,919	1.2	2.5	£177,256	1.7	4.0	£178,621	0.4	5.5	£193,636	1.4	5.9
Mar-16	£156,409	-0.3	1.8	£178,627	0.8	4.5	£178,906	0.2	5.6	£194,144	0.3	5.7
Apr-16	£155,474	-0.6	1.6	£179,155	0.3	5.0	£177,596	-0.7	5.0	£193,644	-0.3	5.2
May-16	£153,490	-1.3	2.0	£177,799	-0.8	4.4	£178,198	0.3	4.5	£193,347	-0.2	4.5
Jun-16	£154,182	0.5	2.9	£177,974	0.1	4.2	£178,682	0.3	4.1	£194,151	0.4	4.1
Jul-16	£153,414	-0.5	2.8	£176,785	-0.7	3.2	£178,108	-0.3	3.2	£195,410	0.6	4.8
Aug-16	£153,347	0.0	1.8	£177,234	0.3	2.1	£177,033	-0.6	1.7	£195,642	0.1	4.7
Sep-16	£152,607	-0.5	1.4	£176,804	-0.2	1.6	£176,724	-0.2	1.1	£196,561	0.5	4.2
Oct-16	£153,431	0.5	1.4	£177,958	0.7	1.8	£177,652	0.5	0.8	£197,296	0.4	3.3

	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
Nov-15	£198,813	-0.1	3.9	£292,018	-0.4	8.5	£584,716	0.5	6.4	£346,689	0.5	7.5
Dec-15	£200,891	1.0	4.7	£294,931	1.0	8.8	£589,979	0.9	8.3	£349,612	0.8	8.1
Jan-16	£200,758	-0.1	4.1	£299,029	1.4	8.9	£597,598	1.3	9.4	£352,447	0.8	8.2
Feb-16	£203,098	1.2	5.1	£307,024	2.7	10.3	£611,300	2.3	12.4	£362,051	2.7	10.7
Mar-16	£202,056	-0.5	4.4	£308,459	0.5	10.5	£613,766	0.4	13.3	£362,134	0.0	10.0
Apr-16	£202,571	0.3	5.0	£310,059	0.5	10.6	£611,510	-0.4	12.1	£361,983	0.0	9.7
May-16	£203,072	0.2	4.5	£308,396	-0.5	9.9	£604,724	-1.1	10.1	£358,711	-0.9	7.9
Jun-16	£204,634	0.8	4.5	£310,164	0.6	9.9	£599,474	-0.9	7.7	£361,089	0.7	8.3
Jul-16	£205,250	0.3	4.6	£310,112	0.0	9.4	£592,705	-1.1	6.2	£362,523	0.4	8.1
Aug-16	£204,997	-0.1	4.0	£310,900	0.3	7.9	£584,790	-1.3	2.8	£362,570	0.0	7.6
Sep-16	£205,309	0.2	4.1	£311,612	0.2	7.3	£582,483	-0.4	1.5	£362,882	0.1	6.5
Oct-16	£205,854	0.3	3.5	£312,514	0.3	6.6	£582,491	0.0	0.1	£364,486	0.4	5.6

	South West			Wales			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Nov-15	£258,482	0.7	5.5	£168,427	0.4	2.6		£286,484	0.2	6.1
Dec-15	£261,124	1.0	5.9	£169,046	0.4	2.8		£288,648	0.8	6.9
Jan-16	£261,927	0.3	6.7	£170,427	0.8	3.4		£291,098	0.8	7.3
Feb-16	£267,732	2.2	8.0	£173,015	1.5	4.2		£297,304	2.1	9.1
Mar-16	£266,543	-0.4	7.0	£171,966	-0.6	3.5		£297,744	0.1	9.1
Apr-16	£267,479	0.4	6.5	£170,862	-0.6	3.8		£297,579	-0.1	8.7
May-16	£264,175	-1.2	4.9	£169,301	-0.9	3.2		£295,276	-0.8	7.3
Jun-16	£265,828	0.6	5.7	£169,879	0.3	3.8		£295,728	0.2	6.9
Jul-16	£265,949	0.0	4.9	£169,257	-0.4	2.8		£295,017	-0.2	6.2
Aug-16	£266,248	0.1	4.8	£168,201	-0.6	1.9		£294,006	-0.3	4.7
Sep-16	£267,202	0.4	4.9	£168,799	0.4	1.3		£293,981	0.0	3.9
Oct-16	£268,162	0.4	4.5	£170,046	0.7	1.3		£294,896	0.3	3.2
Nov-16								£295,276	0.1	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](http://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](#).