



Under embargo until 00:01 Saturday 15th October 2016

September 2016

Moving towards a new normal

- House price inflation and transactions continue to slow
- However, all regions still show year-on-year price increases
- The East of England continues to top the leader board for price growth
- Along with the West Midlands, the East of England sets a new price peak

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London & the SE)
£292,763	285.2	0.0	3.5	3.8

House prices edged up by the narrowest of margins in September, with the average price rising £120 over the month to £292,763. Prices in England and Wales are now 3.5% up on last year, with the average house worth £9,896 more than in September 2015.

High priced prime London property continues to see the biggest slowdown in inflation, while cheaper property on the periphery and the leading regions are still seeing strong growth year on year.

House prices overall were essentially flat in September, but the leading regions continued to buck the trend. Prices for the East of England led the charge again, up 7.5% for the year, ahead of the South East, up 7.2%, and the South West, up 4.2%.

Typically for the time of year, transactions fell in September from the previous month to an estimated 74,000 sales, with house hunting interrupted for many by the summer holidays. As predicted last month, transactions are at similar levels to – or a little above – those in 2013, and look likely to rise over the coming couple of months as in that year.

Overall transactions levels reflect long-term trends of increasing landlordism and let-to-buy, with many owners remortgaging and letting their existing home to finance a move, rather than selling. Despite slower sales in recent months, though, the surge in sales in March ahead of stamp duty changes means transaction levels for the first nine months are still broadly in line with last year – 657,286 sales year-to-date, against 659,495 over the same period of 2015.

London price trends may well remain confined to the capital. There are strong arguments that much of the decline in high value properties is the result of the high stamp duty rates of 10% imposed on properties priced over £925,000, and of 12% for those above £1.5 million. Outside London, this has little impact.

In the regions, the East of England continues to perform strongly with the likes of the fastest growing unitary authority Thurrock (up 1.1% over the month and 16.3% on the year), and the second fastest Luton (up 2.1% monthly and 15.7% annually), followed by Hertfordshire (1% and 11%) helping it maintain its lead. The South East also continues to record strong annual growth, driven by price increases in Slough (up 14.4% annually), Medway (14%) and Brighton and Hove (13.7%). Yorks and Humber (up 1.2% annually) and the North East (1.3%) were the slowest growing regions.

Adrian Gill, director of Your Move and Reeds Rains estate agents, says:

“We’re seeing a two speed market become firmly established as cheaper parts of the capital and the regions record big price increases driven by demand for affordable homes, while prime London property stalls. At the same time transaction levels are showing how much the market has changed, with the number of properties now held by private landlords changing market dynamics. This all creates big challenges for government housing policies, which are going to have to be flexible enough to allow regions to make use of the solutions that work best for their different needs.”

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 September 2015 – September 2016

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
September	2015	£282,867	278.1	0.7	5.2
October	2015	£285,868	280.5	1.1	5.9
November	2015	£286,447	280.3	0.2	6.1
December	2015	£288,650	281.2	0.8	6.9
January	2016	£291,160	283.6	0.9	7.3
February	2016	£297,288	289.6	2.1	9.1
March	2016	£297,557	289.9	0.1	9.0
April	2016	£296,868	289.2	-0.2	8.4
May	2016	£293,208	285.6	-1.2	6.6
June	2016	£293,194	285.6	0.0	5.9
July	2016	£292,920	285.4	-0.1	5.4
August	2016	£292,644	285.1	-0.1	4.2
September	2016	£292,763	285.2	0.0	3.5

Press Contacts:

Melanie Cowell, LSL Property Services
Richard Sumner, Acadata
Sophie Placido, Rostrum Agency

01904 698860
020 8392 9082
020 7440 8678

melanie.cowell@lslps.co.uk
richard.sumner@acadata.co.uk
e.surv@rostrum.agency



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

House prices

The England & Wales housing market is very clearly slowing down, both in terms of the number of properties being sold, as well as the average prices being achieved. In September, house prices rose by just £120, or 0.0%, to an average of £292,763. This price is £4,800 below the peak for England & Wales as recorded in March 2016, immediately prior to the introduction of the 3% stamp duty surcharge on investment property and the subsequent Brexit vote.

On an annual basis, the rate of growth in house prices in September 2016 was 3.5%, down from the 4.2% seen in August. This is the seventh month in succession in which the annual rate has fallen, and represents the lowest recorded rate since July 2013, when prices rose by 2.9%. Transactions for the three months June 2016 – August 2016 are 14% down on the same period in 2015 and 13% down on the same three months in 2014.

The slow-down in house prices is not just limited to prime central London, but can be seen across England and Wales. The graph below, centred on August 2016, shows that the annual rate of change in house prices has fallen in every region in England and in Wales compared to the previous month.

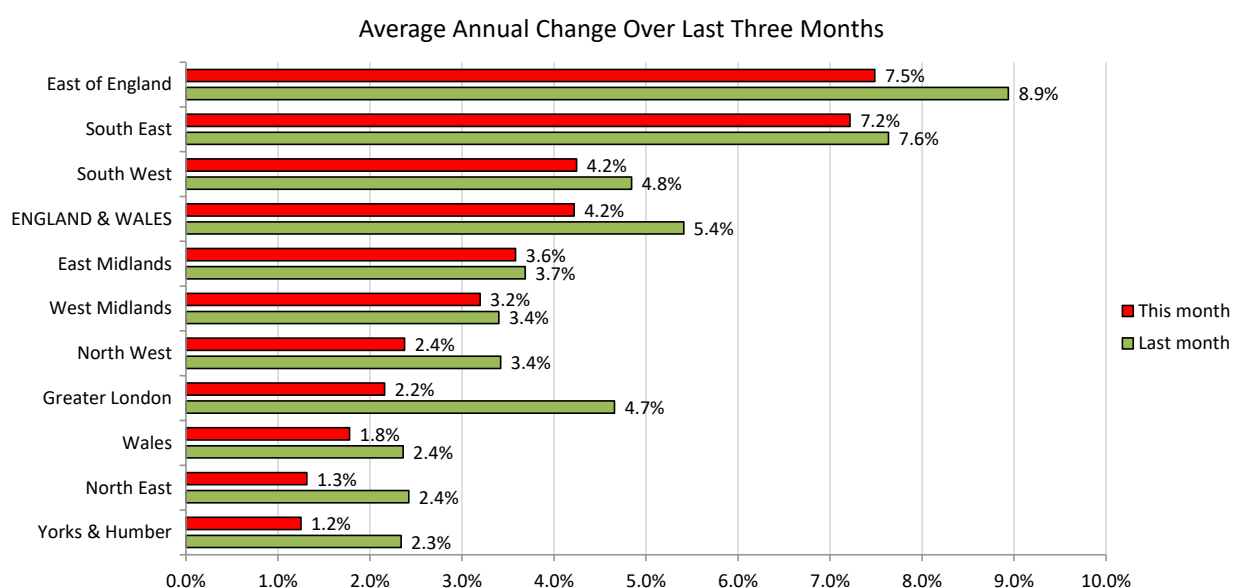


Figure 1. The annual change in the average house price for the three months centered on August 2016, analysed by region [link to source Excel](#)

The analysis of transactions by region and country set out in Table 2 below shows a similar trend – that although Greater London has seen the largest decline in sales volumes over the three month period (-32%), the slowdown in transactions is not limited to the capital, and is now widespread. Transactions in the South East are down by -19%, and in the North East and the South West by -16%.

Table 2. The number of transactions recorded by Land Registry for the three month period June – August 2016, compared to the previous year. [link to source Excel](#)

TRANSACTIONS BY REGION			
REGION	Jun - Aug 2015	Jun - Aug 2016	% change
NORTH EAST	9,300	7,843	-16%
NORTH WEST	26,669	24,253	-9%
YORKS & HUMBER	20,828	18,818	-10%
EAST MIDLANDS	20,431	18,302	-10%
WEST MIDLANDS	20,600	18,728	-9%
EAST OF ENGLAND	28,412	24,515	-14%
GREATER LONDON	29,395	19,974	-32%
SOUTH EAST	42,878	34,874	-19%
SOUTH WEST	27,507	23,056	-16%
WALES	11,037	9,900	-10%
ENGLAND & WALES	237,057	200,263	-16%



The Housing Market

This picture is entirely consistent with what we and other analysts have been suggesting over the last few months – that house prices would slow, but that the major changes would come in terms of transactions as the impacts of the various decisions work through. This pattern is also consistent with analysis of longer-term trends which show that transaction volumes have slowed most in the less expensive end of the market, reflecting not least the rise of landlordism and let-to-buy.

With the decline in savings and pensions it is quite evident that housing as an investment-good as distinct from a consumption-good has been re-emphasised, and that this motivation has helped drive the rise in renting, shifting swathes of properties out of the starter/first-mover home-owner market into that more slowly moving one.

For the most part, this is simply moving existing homes between owning and renting. At the Conservative Party conference, a number of measures were outlined to boost the overall number of new homes being built. These included a £3bn Home Building Fund to support development and a £2bn Accelerated Construction programme to speed up development on public brownfield land, along with the promise of a housing White Paper later this year which will contain further measures.

The new government has clearly returned to a more balanced view of housing policy, with a focus on both home ownership and renting (public and private). There are strong indications that the planned Starter Home initiative (a 20% discount on a newly built home) announced in 2015 is being watered down, and that we will see this redefined to include other options including rent-to-buy schemes. Also that the planned 135,000 increase in shared ownership may now encompass some sub-market rented homes. Flexibility seems to be the order of the day, and the government has clearly recognised that solutions should vary by area. Work is underway better to target the planned supply boost on areas which most need it.

As Acadata has always made clear, housing market conditions vary hugely between areas, and hence the production of a more nuanced housing policy that reflects this will be helpful. There now seems to be widespread recognition that we need upwards of 220,000 new homes per year in England, and though output is rising (170,000 in 2014/15) much more needs to be done. However, slowing prices and transactions in conjunction with Brexit don't help - builders are driven by their sales rates and if these slow so output slows as well. Help-to-Buy Equity loans have been hugely useful here, and that programme continues to 2021. While some may hope that Brexit will slow immigration - which made up around a third of the projected increase in household numbers - it would have to come down substantially in order to impact the housing situation. Indeed, were that to happen, there would then be a question about the labour force needed for such housing construction.

As all of this commentary suggests there are a number of acute stresses around what might happen and where the market goes. It is quite clear that more supply in itself can only really impact upon house price trends over the very long term, and that in the interim the competition between investors and home buyers complicates that process. The latest ONS *Housing Summary Measures* for 2015 issued on 7th October highlights the scale of the challenge. The median price paid had increased by about 90% since 2002, while over the same period the median annual salary had increased by around 30% - housing had simply become less affordable on this measure, despite all the activity on this front over the last decade. This gives some sense of the scale of the challenges to be met by the White Paper later this year.



Housing Transactions

As noted above, transactions are down and we estimate that the number of these in September 2016 in England & Wales will total 74,000, 4.5% down on August 2016, and 8.5% lower than the same month last year.

Figure 2 below plots the number of transactions that have occurred by month over the last four years. The graph illustrates the exceptional level of sales that took place in March 2016 due to buyers bringing forward their purchases to avoid paying the additional 3% surcharge in SDLT on second homes and buy-to-let properties. The surge in sales of such properties in March was followed by a compensating lack of sales in April, with total sales volumes slowly rising over the following four months.

September is the first month since April 2016 when sales volumes have fallen from the previous month, but one should note that a reduction in sales is typical for the time of year, as house-hunting activities in August are frequently curtailed by summer holidays - the graph below has not been seasonally adjusted.

As the graph shows, over the last four months transaction numbers have been broadly similar to those recorded in 2013. We anticipate that sales volumes over the next three months will be similar to those seen in 2013, ie, they will rise – which follow the general seasonal trends for the time of year.

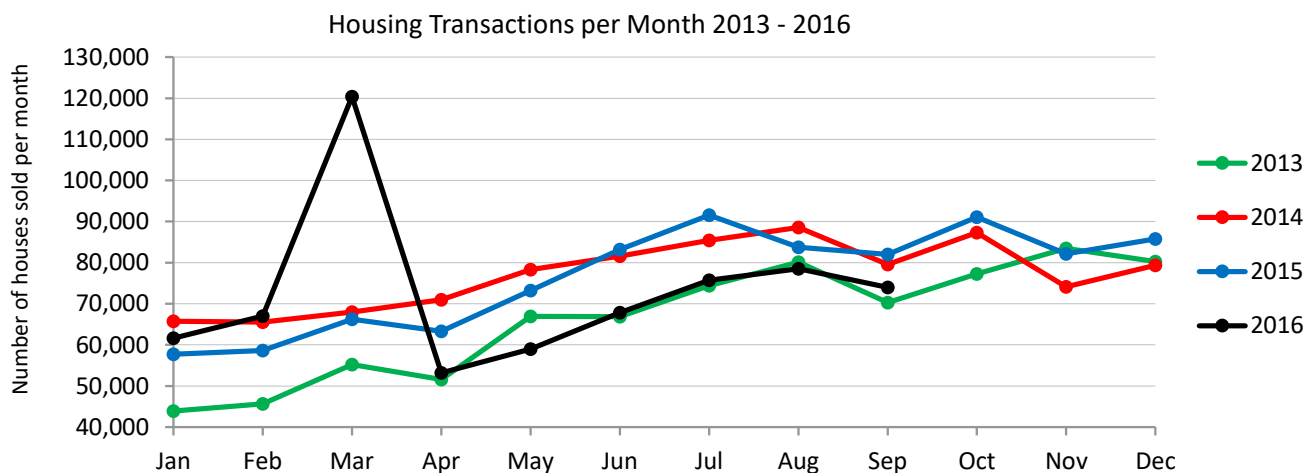


Figure 2. Number of properties sold per month in England & Wales, January 2013 – September 2016. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted. [link to source Excel](#)

Comparison of indices

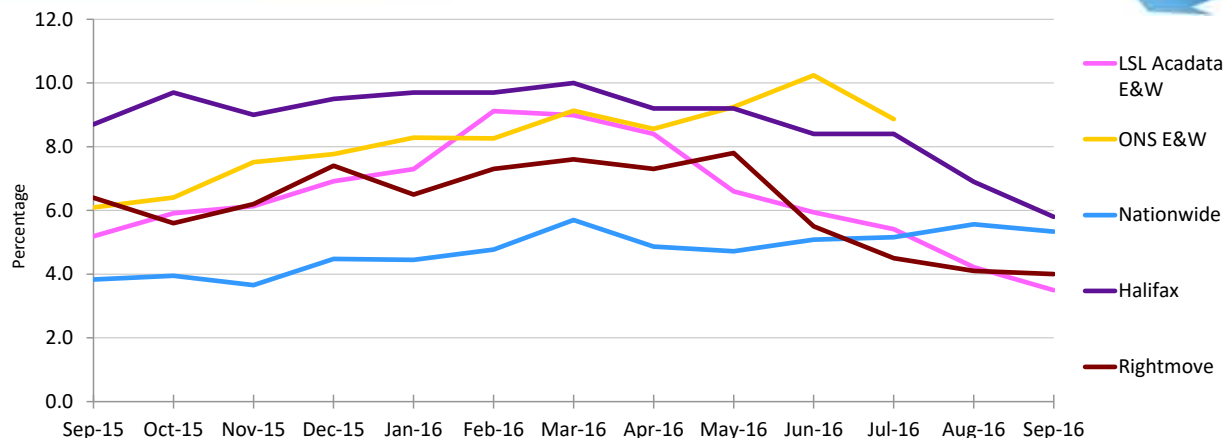


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART [link to source Excel](#)

As Figure 3 shows, all house price indices - including both the mix-adjusted and 'conceptual' price indices - are recording positive movements over the year in terms of the **annual** change in house prices. Over the first nine months shown in Figure 3, the Halifax Index consistently reported the highest rates of annual house price inflation. However, in June 2016, the new ONS Index gave a revised figure of 10.2%, higher than the 8.4% reported by the Halifax for the same month. We believe this high rate from the ONS is due to its use of a geometric as opposed to an arithmetic mean and the impact of the decline in central London prices on that metric.

Of the four indices that have reported in September, there are two separate groups, those that use an arithmetic mean, Rightmove and LSL Acadata, and the two conceptual indices of Halifax and Nationwide. Rightmove and LSL Acadata are both reporting lower annual figures for September of 4.0% and 3.5% respectively, which reflect the fall in high value properties in London. Meanwhile, the Halifax and Nationwide are showing remarkable unanimity compared to the previous twelve months, and are reporting annual price rises of 5.8% and 5.3% respectively.

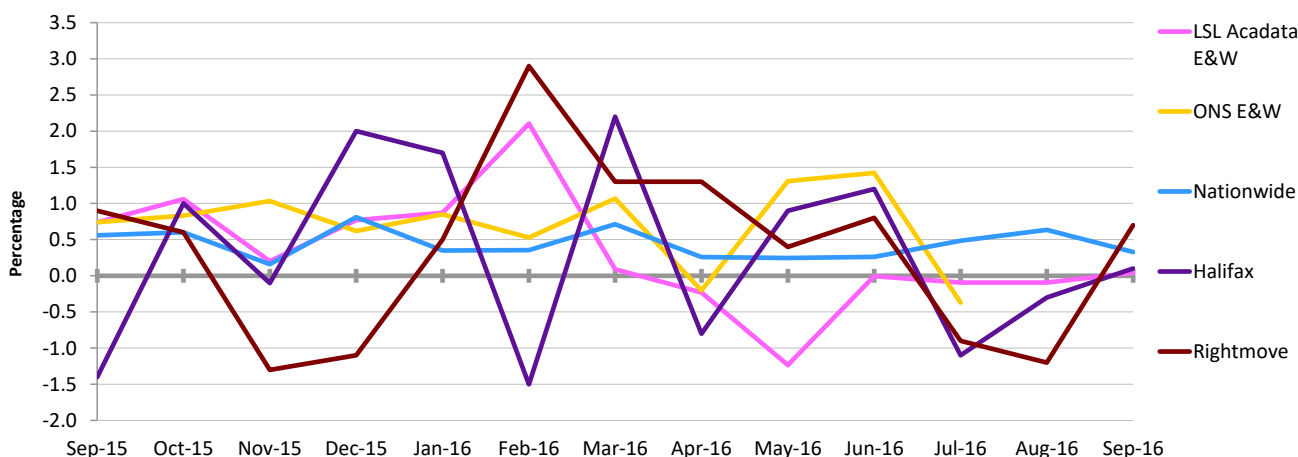


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART [link to source Excel](#)

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. Somewhat surprisingly, the four indices that have reported for the month of September are in a relatively close banding, ranging from a minimum 0.0% reported by LSL Acadata to 0.7% reported by Rightmove. In the middle of this range we have Nationwide at 0.3% and Halifax at 0.1%.

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](#).

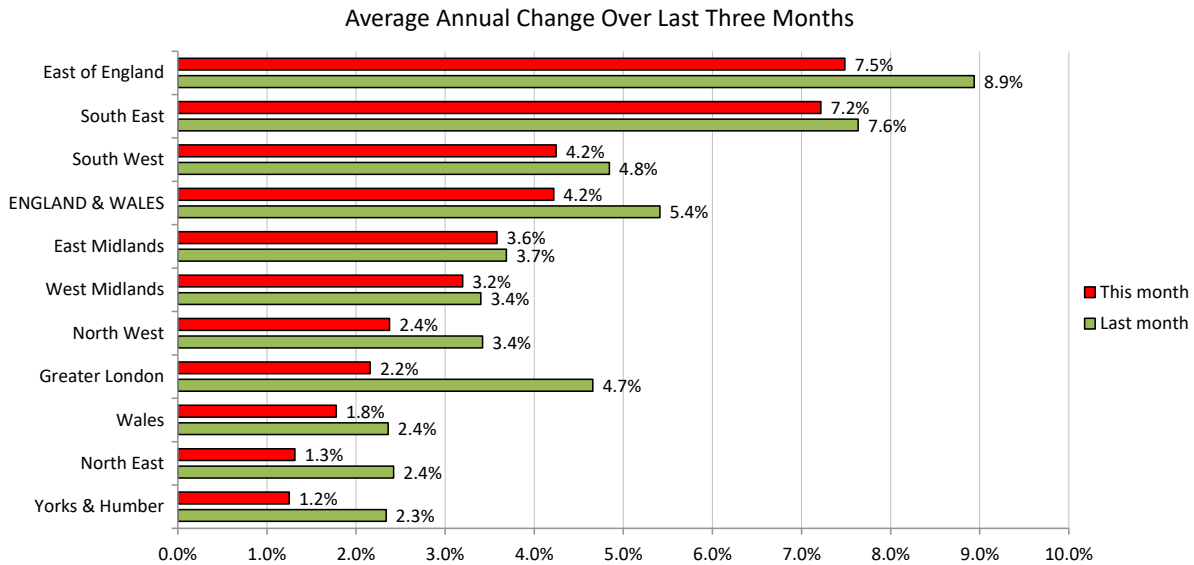
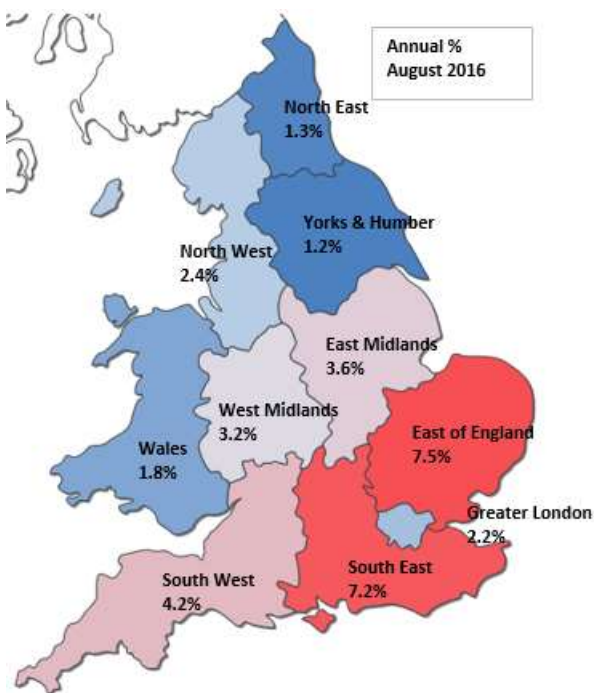


Figure 5. The annual change in the average house price for the three months centered on August 2016, analysed by region [link to source Excel](#)

In August, all Regions in England and Wales experienced a decline in their annual rates of house price inflation. The largest fall was in Greater London, where rates shrank by -2.5%, followed by the East of England, down by -1.4%, with the North East and Yorkshire and Humberside both easing by -1.1%. Despite this slowing, all regions remained in positive territory having higher prices in August 2016 compared to one year earlier, with the East of England and the West Midlands both setting new peaks for their respective average house prices.

The East of England continues to top the “leader board” for the fourth month in succession as the region having the highest annual increase in average house prices, at 7.5%. The South East and the South West remain in second and third position respectively, with both the East Midlands and the West Midlands gaining two places during the month, these being the two regions with the smallest decline in their annual rates. Greater London fell another three places in the league table this month to seventh position, having been top of the league in April, only four months earlier – the decline in London’s fortunes coincides with the introduction of the 3% surcharge on second homes and buy-to-let properties introduced in April 2016.



The low rate of growth in Greater London prices is one of the main features of this month’s heatmap showing the annual rate of house price inflation across the country. As we discuss on the next page, the decline in London prices is occurring in the prime areas of central London, with boroughs on the outer periphery of the capital continuing to experience high house price growth.

A typical pattern observed in the UK housing market is that a trend develops in the capital and then ripples out across the rest of the country. However, there are many commentators who suggest that the decline in the current London market is a factor of the high rates of stamp duty at 10% imposed on properties having a value in excess of £925k, which rises to 12% above £1.5 million. Such high value properties are mainly to be found within the Greater London area, thus the decline in property prices currently occurring in the capital may well be a unique feature of central London and consequently not ripple out as before.

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

London boroughs, counties and unitary authorities



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

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Aug-15	Jul-16	Aug-16	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,781,512	1,662,924	1,659,888	-0.2%	-6.8%
2	2	CITY OF WESTMINSTER	1,416,680	1,299,964	1,291,788	-0.6%	-8.8%
3	3	CAMDEN	1,105,648	911,513	923,726	1.3%	-16.5%
4	4	CITY OF LONDON	940,323	855,400	903,797	5.7%	-3.9%
5	5	HAMMERSMITH AND FULHAM	907,454	850,808	830,913	-2.3%	-8.4%
6	6	RICHMOND UPON THAMES	761,257	802,625	792,569	-1.3%	4.1%
8	7	ISLINGTON	707,391	743,607	745,344	0.2%	5.4%
7	8	WANDSWORTH	718,807	733,983	710,658	-3.2%	-1.1%
9	9	MERTON	586,007	614,014	610,214	-0.6%	4.1%
13	10	LAMBETH	559,873	589,973	588,109	-0.3%	5.0%
12	11	BARNET	563,574	595,914	586,988	-1.5%	4.2%
10	12	SOUTHWARK	568,895	599,970	572,247	-4.6%	0.6%
14	13	HARINGEY	558,878	565,954	564,726	-0.2%	1.0%
11	14	HACKNEY	566,960	561,152	561,879	0.1%	-0.9%
16	15	BRENT	525,203	542,875	548,693	1.1%	4.5%
15	16	EALING	540,218	549,086	548,627	-0.1%	1.6%
17	17	KINGSTON UPON THAMES	504,948	553,625	540,112	-2.4%	7.0%
20	18	HARROW	475,851	504,725	508,724	0.8%	6.9%
18	19	TOWER HAMLETS	495,844	519,951	496,509	-4.5%	0.1%
21	20	BROMLEY	452,469	488,087	489,654	0.3%	8.2%
19	21	HOUNSLOW	489,017	464,019	471,028	1.5%	-3.7%
24	22	LEWISHAM	398,932	462,984	455,080	-1.7%	14.1%
26	23	REDBRIDGE	391,000	445,976	452,085	1.4%	15.6%
22	24	HILLINGDON	401,299	442,670	448,510	1.3%	11.8%
25	25	ENFIELD	397,481	438,649	448,397	2.2%	12.8%
27	26	WALTHAM FOREST	388,448	446,729	446,433	-0.1%	14.9%
23	27	GREENWICH	399,451	421,279	417,459	-0.9%	4.5%
28	28	SUTTON	365,764	402,582	404,656	0.5%	10.6%
29	29	CROYDON	347,466	385,860	392,874	1.8%	13.1%
30	30	HAVERING	325,944	373,528	373,018	-0.1%	14.4%
31	31	NEWHAM	320,400	351,939	355,313	1.0%	10.9%
32	32	BEXLEY	302,245	345,402	347,673	0.7%	15.0%
33	33	BARKING AND DAGENHAM	250,603	290,350	291,801	0.5%	16.4%
		ALL LONDON	568,657	584,384	580,930	-0.6%	2.2%

The analysis of Greater London house prices in Table 3 relates to August 2016 and compares these prices to one month and one year earlier. In August 2016, the average price paid for a property in London decreased by £3,450, or 0.6% in the month, with the average price falling to £580,930. This is the fifth month in succession in which average prices in London have fallen. However, as we discuss below, the fall in prices is a consequence of the fall in the higher-priced boroughs in the central London areas, with the lower-priced more affordable boroughs continuing to see prices rise. Over the year from August 2015 to August 2016, the average house price in Greater London increased by £12,275, or 2.2%. However, the five highest-priced boroughs in London saw prices fall over this same period by an average £123,400, or -9.6%, while the remaining 28 boroughs saw an average increase in prices of +£28,125, or 5.8%.

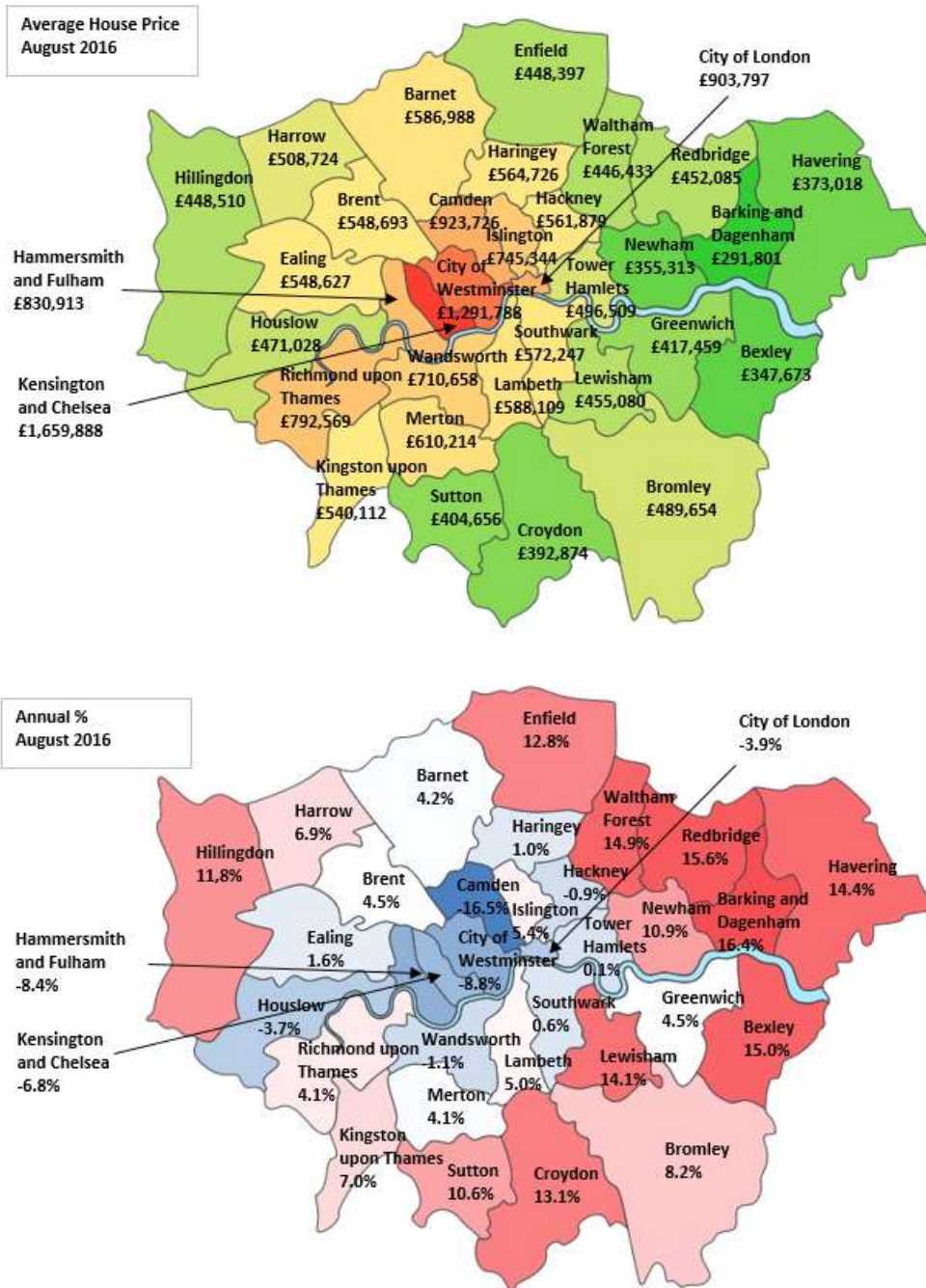
Taking this analysis one stage further, looking at the eleven boroughs with the lowest house prices (those in the bottom third of the London boroughs in Table 3 above), then over the year prices in these boroughs have increased by an average +£44,400, or 12.4%. This contrasts with the top eleven boroughs in London, where prices over the year have fallen by an average -£26,242, or -0.9%.

In terms of transactions, as we have shown in Table 2 on page 3, London has seen a 32% decline in housing transactions over the three months June – August 2016, compared to the same three months in 2015. Kensington and Chelsea and the City of Westminster, the two most expensive boroughs in the capital, have both seen housing volumes fall by 50% over this period, while at the other end of the market, Barking & Dagenham has seen a 13% reduction in sales.



There are 8 boroughs in August that have set new record prices, highlighted in blue in the above table, compared to 9 in July. Again, the distribution of these boroughs is revealing, as none of the top 19 boroughs ranked by price achieved a peak in August, while 8 of the 14 lower-priced boroughs saw average prices establish new record levels. This gives a very real sense of the displacement in demand taking place across London on a sustained basis.

London house price heat maps



The two heat maps show an almost exact inverse relationship between the annual rate of house price inflation and the average house price in each of the London boroughs. House prices around the outer periphery areas of London are rising at the highest rates, particularly to the east of the capital, while prices in the most expensive central London areas are continuing to fall.

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 August 2015 and July 2016 with August 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	Aug-15	Jul-16	Aug-16	Monthly change	Annual Change
100	100	COUNTY DURHAM	£124,279	£125,864	£125,691	-0.1%	1.1%
85	93	DARLINGTON	£154,559	£149,545	£144,894	-3.1%	-6.3%
97	96	HARTLEPOOL	£128,282	£133,347	£135,067	1.3%	5.3%
99	99	MIDDLESBROUGH	£125,211	£129,342	£129,739	0.3%	3.6%
58	61	NORTHUMBERLAND	£187,980	£187,301	£187,527	0.1%	-0.2%
96	97	REDCAR AND CLEVELAND	£132,669	£136,195	£134,857	-1.0%	1.6%
87	86	STOCKTON-ON-TEES	£153,592	£155,156	£156,239	0.7%	1.7%
82	81	TYNE AND WEAR	£157,002	£160,876	£160,528	-0.2%	2.2%
		NORTH EAST	£150,643	£152,895	£152,623	-0.2%	1.3%
101	101	BLACKBURN WITH DARWEN	£121,249	£125,139	£124,432	-0.6%	2.6%
106	105	BLACKPOOL	£108,905	£116,434	£113,440	-2.6%	4.2%
36	40	CHESHIRE	£238,599	£239,347	£239,724	0.2%	0.5%
88	84	HALTON	£153,369	£152,040	£157,187	3.4%	2.5%
52	56	WARRINGTON	£206,941	£199,765	£204,412	2.3%	-1.2%
68	69	CUMBRIA	£177,046	£174,330	£174,462	0.1%	-1.5%
72	68	GREATER MANCHESTER	£168,863	£177,207	£178,170	0.5%	5.5%
78	82	LANCASHIRE	£161,190	£161,672	£160,413	-0.8%	-0.5%
83	79	MERSEYSIDE	£155,805	£159,676	£160,776	0.7%	3.2%
		NORTH WEST	£173,633	£177,233	£177,760	0.3%	2.4%
63	66	EAST RIDING OF YORKSHIRE	£178,889	£182,263	£182,052	-0.1%	1.8%
105	107	KINGSTON UPON HULL, CITY OF	£109,534	£104,960	£105,685	0.7%	-3.5%
98	98	NORTH EAST LINCOLNSHIRE	£126,299	£132,096	£132,501	0.3%	4.9%
93	91	NORTH LINCOLNSHIRE	£142,609	£148,170	£149,782	1.1%	5.0%
33	35	YORK	£246,970	£252,616	£248,822	-1.5%	0.7%
39	41	NORTH YORKSHIRE	£235,282	£241,928	£239,582	-1.0%	1.8%
89	90	SOUTH YORKSHIRE	£153,357	£152,051	£152,747	0.5%	-0.4%
73	72	WEST YORKSHIRE	£167,449	£170,707	£170,269	-0.3%	1.7%
		YORKS & HUMBER	£174,000	£176,627	£176,174	-0.3%	1.2%
76	77	DERBY	£162,250	£167,195	£163,472	-2.2%	0.8%
86	78	LEICESTER	£154,269	£160,889	£161,573	0.4%	4.7%
95	94	NOTTINGHAM	£136,037	£146,062	£142,717	-2.3%	4.9%
19	20	RUTLAND	£284,807	£286,314	£295,686	3.3%	3.8%
69	65	DERBYSHIRE	£176,264	£184,968	£183,361	-0.9%	4.0%
46	51	LEICESTERSHIRE	£215,523	£217,948	£217,898	0.0%	1.1%
66	63	LINCOLNSHIRE	£177,968	£182,689	£183,621	0.5%	3.2%
49	45	NORTHAMPTONSHIRE	£213,171	£225,187	£226,479	0.6%	6.2%
67	64	NOTTINGHAMSHIRE	£177,446	£180,956	£183,407	1.4%	3.4%
		EAST MIDLANDS	£186,904	£193,274	£193,601	0.2%	3.6%
41	47	HEREFORDSHIRE	£229,778	£226,694	£225,441	-0.6%	-1.9%
44	49	SHROPSHIRE	£222,719	£218,589	£222,036	1.6%	-0.3%
104	104	STOKE-ON-TRENT	£112,136	£115,496	£115,236	-0.2%	2.8%
77	76	TELFORD & WREKIN	£162,125	£165,606	£165,997	0.2%	2.4%
57	57	STAFFORDSHIRE	£192,930	£199,156	£200,687	0.8%	4.0%
31	32	WARWICKSHIRE	£250,508	£259,974	£260,449	0.2%	4.0%
65	62	WEST MIDLANDS	£178,007	£184,268	£184,573	0.2%	3.7%
40	42	WORCESTERSHIRE	£229,784	£238,398	£238,008	-0.2%	3.6%
		WEST MIDLANDS	£197,204	£202,953	£203,507	0.3%	3.2%
23	21	BEDFORDSHIRE	£266,361	£294,441	£294,773	0.1%	10.7%
50	38	LUTON	£208,819	£236,521	£241,559	2.1%	15.7%
61	60	PETERBOROUGH	£179,443	£187,282	£188,858	0.8%	5.2%
24	25	SOUTHEND-ON-SEA	£266,282	£285,740	£284,885	-0.3%	7.0%
38	28	THURROCK	£236,119	£271,658	£274,513	1.1%	16.3%
14	19	CAMBRIDGESHIRE	£301,705	£297,967	£296,082	-0.6%	-1.9%
16	15	ESSEX	£300,319	£323,171	£324,179	0.3%	7.9%

London boroughs, counties and unitary authorities



4	4	HERTFORDSHIRE	£403,407	£443,271	£447,609	1.0%	11.0%
48	46	NORFOLK	£214,850	£227,454	£225,971	-0.7%	5.2%
37	34	SUFFOLK	£236,853	£249,047	£249,426	0.2%	5.3%
		EAST OF ENGLAND	£288,253	£308,922	£309,835	0.3%	7.5%
		GREATER LONDON	£568,657	£584,384	£580,930	-0.6%	2.2%
9	9	BRACKNELL FOREST	£352,774	£385,737	£381,263	-1.2%	8.1%
10	7	BRIGHTON AND HOVE	£344,391	£390,616	£391,654	0.3%	13.7%
45	52	ISLE OF WIGHT	£220,193	£216,610	£216,029	-0.3%	-1.9%
47	36	MEDWAY	£214,977	£243,417	£245,058	0.7%	14.0%
25	26	MILTON KEYNES	£263,438	£286,310	£280,916	-1.9%	6.6%
54	50	PORTSMOUTH	£200,216	£220,526	£217,900	-1.2%	8.8%
15	12	READING	£301,330	£333,745	£336,968	1.0%	11.8%
20	16	SLOUGH	£282,702	£318,947	£323,487	1.4%	14.4%
56	53	SOUTHAMPTON	£197,693	£209,403	£212,384	1.4%	7.4%
8	8	WEST BERKSHIRE	£358,129	£378,165	£381,930	1.0%	6.6%
1	1	WINDSOR AND MAIDENHEAD	£519,168	£568,926	£566,538	-0.4%	9.1%
5	5	WOKINGHAM	£398,340	£449,428	£446,914	-0.6%	12.2%
3	3	BUCKINGHAMSHIRE	£419,870	£464,068	£468,519	1.0%	11.6%
22	22	EAST SUSSEX	£273,037	£295,203	£294,489	-0.2%	7.9%
13	13	HAMPSHIRE	£316,133	£336,865	£336,554	-0.1%	6.5%
18	17	KENT	£286,559	£309,286	£309,377	0.0%	8.0%
6	6	OXFORDSHIRE	£380,415	£393,948	£398,616	1.2%	4.8%
2	2	SURREY	£476,811	£497,093	£495,651	-0.3%	4.0%
11	11	WEST SUSSEX	£326,991	£346,117	£348,393	0.7%	6.5%
		SOUTH EAST	£336,895	£360,712	£361,211	0.1%	7.2%
7	10	BATH AND NORTH EAST SOMERSET	£358,947	£371,257	£375,057	1.0%	4.5%
32	30	BOURNEMOUTH	£248,974	£277,227	£267,162	-3.6%	7.3%
28	24	BRISTOL , CITY OF	£255,281	£288,221	£290,252	0.7%	13.7%
35	43	CORNWALL	£240,452	£236,518	£237,637	0.5%	-1.2%
29	27	NORTH SOMERSET	£254,976	£274,719	£274,596	0.0%	7.7%
70	67	PLYMOUTH	£176,204	£182,119	£181,275	-0.5%	2.9%
12	14	POOLE	£325,870	£332,748	£329,466	-1.0%	1.1%
30	29	SOUTH GLOUCESTERSHIRE	£253,763	£272,784	£272,141	-0.2%	7.2%
51	48	SWINDON	£206,966	£222,064	£224,519	1.1%	8.5%
55	54	TORBAY	£199,528	£213,229	£209,349	-1.8%	4.9%
21	23	WILTSHIRE	£274,668	£292,586	£293,379	0.3%	6.8%
27	33	DEVON	£255,672	£255,280	£256,723	0.6%	0.4%
17	18	DORSET	£290,094	£300,704	£298,146	-0.9%	2.8%
26	31	GLOUCESTERSHIRE	£257,814	£264,039	£264,947	0.3%	2.8%
42	44	SOMERSET	£227,157	£244,533	£237,491	-2.9%	4.5%
		SOUTH WEST	£254,369	£265,857	£265,170	-0.3%	4.2%
62	71	ISLE OF ANGLESEY	£179,326	£173,975	£171,721	-1.3%	-4.2%
75	80	GWYNEDD	£165,877	£163,916	£160,678	-2.0%	-3.1%
74	73	CONWY	£167,362	£174,001	£170,106	-2.2%	1.6%
81	88	DENBIGHSHIRE	£159,383	£155,896	£154,278	-1.0%	-3.2%
71	75	FLINTSHIRE	£169,008	£170,406	£167,656	-1.6%	-0.8%
80	85	WREXHAM	£160,019	£155,761	£156,665	0.6%	-2.1%
60	58	POWYS	£186,494	£186,833	£190,126	1.8%	1.9%
59	59	CEREDIGION	£186,667	£192,218	£189,971	-1.2%	1.8%
64	70	PEMBROKESHIRE	£178,203	£176,083	£173,089	-1.7%	-2.9%
90	87	CARMARTHENSHIRE	£153,048	£153,729	£154,474	0.5%	0.9%
84	89	SWANSEA	£155,150	£155,019	£153,677	-0.9%	-0.9%
103	103	NEATH PORT TALBOT	£116,808	£121,007	£120,882	-0.1%	3.5%
92	83	BRIDGEND	£145,394	£157,098	£157,597	0.3%	8.4%
43	39	VALE OF GLAMORGAN	£223,359	£241,377	£240,102	-0.5%	7.5%
53	55	CARDIFF	£200,262	£208,816	£207,715	-0.5%	3.7%
102	102	RHONDDA CYNON TAFF	£119,564	£120,787	£122,704	1.6%	2.6%
107	106	MERTHYR TYDFIL	£100,345	£114,135	£113,406	-0.6%	13.0%
94	95	CAERPHILLY	£136,468	£137,707	£138,697	0.7%	1.6%



108	108	BLAENAU GWENT	£96,295	£91,235	£92,380	1.3%	-4.1%
91	92	TORFAEN	£149,899	£148,271	£149,564	0.9%	-0.2%
34	37	MONMOUTHSHIRE	£241,584	£244,326	£243,912	-0.2%	1.0%
79	74	NEWPORT	£160,690	£167,240	£168,657	0.8%	5.0%
		WALES	£165,114	£168,554	£168,051	-0.3%	1.8%
		ENGLAND & WALES	£280,796	£292,920	£292,644	-0.1%	4.2%

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 (Government Office Regions), for August 2015, July 2016 and August 2016. It also records the percentage change in these prices over the last month and year, highlighting the great diversity that exists across the housing markets in England & Wales. In August 2016, the monthly rate of house price inflation in England & Wales was -0.1% and the headline annual increase in prices for England & Wales was 4.2%.

Annual Trends

On an annual basis, prices in August 2016 have increased in England & Wales by 4.2%, down from the 5.4% in July, one month earlier. Some 87 of the 108 unitary authority areas have recorded price rises over the year, three less than last month, which represents some 81% of the unitary authorities in England and Wales. Of the 21 areas where prices have fallen, 9 are in Wales, 3 are in the North West, 2 each are in the North East, Yorks and Humber and the West Midlands, and 1 each are in the East of England, the South East and the South West. All the constituent areas of the East Midlands region are recording positive movements in their prices over the year.

Peak Prices

In Table 4, we have highlighted in turquoise those areas which have set a new peak price in the month; there are 18 such locations, down by 8 from last month. Of the 18 unitary authority areas that recorded a new peak, 6 are based in the South East, 5 are in the East of England, 3 are in the South West, with 2 each in the East and West Midlands. There are 2 regions this month which have established new peak average prices, being the West Midlands and the East of England.

Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in August 2016 shows a decrease of - 0.1%, the same fall as seen in July, one month earlier. There were price rises over the month in 57 of the 108 unitary authority areas, down by eleven from the 68 areas seeing increases in prices in the previous month, which is indicative of the direction in which house prices are moving.

Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis in August, Thurrock tops the league with the highest annual rate of change in prices at 16.3%, up from its third place last month. In second place, down from the top spot last month, we have Luton at 15.7%, and in third place Slough at 14.4%. What is clear is that these three towns are within a relatively short train journey from Central London and are seeing an increase in demand as their affordability - compared to most of London suburbia - makes them an attractive proposition for would-be commuters. We should perhaps also point out that there is one outer London borough where prices have been rising at a faster rate than that experienced in Thurrock, being Barking and Dagenham, at 16.4%. Barking and Dagenham is the borough with the lowest average price in the Greater London area.

By way of contrast, the authority with the largest reduction in prices over the year is Darlington, where prices have fallen by 6.3%. The average price paid for a property in Darlington in August 2016 was £144,894, which is 9% below the peak price of £159,970 seen in the area in February 2011.

Transactions

As we showed in Table 2 on page 3, looking at the change in property transactions for the three months June - August 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 has been in London at -32%, followed by the South East at -19%, with the North East and the South West at -16%. The six remaining regions all saw transactions fall by -9% to -14%. Flats had the largest reduction in sales at -25% and semi-detached the least at -10%, with detached at -17% and terraces -14%.

5 of the 108 unitary authority areas showed an increase in transactions over the period June 2016 – August 2016, compared with the same period in 2015, being Thurrock +19%, Merthyr Tydfil +10%, North East Lincolnshire and Torfaen +6% and Conwy +2%. Slough saw the largest fall in transaction numbers over the period, at -35%.



Overall

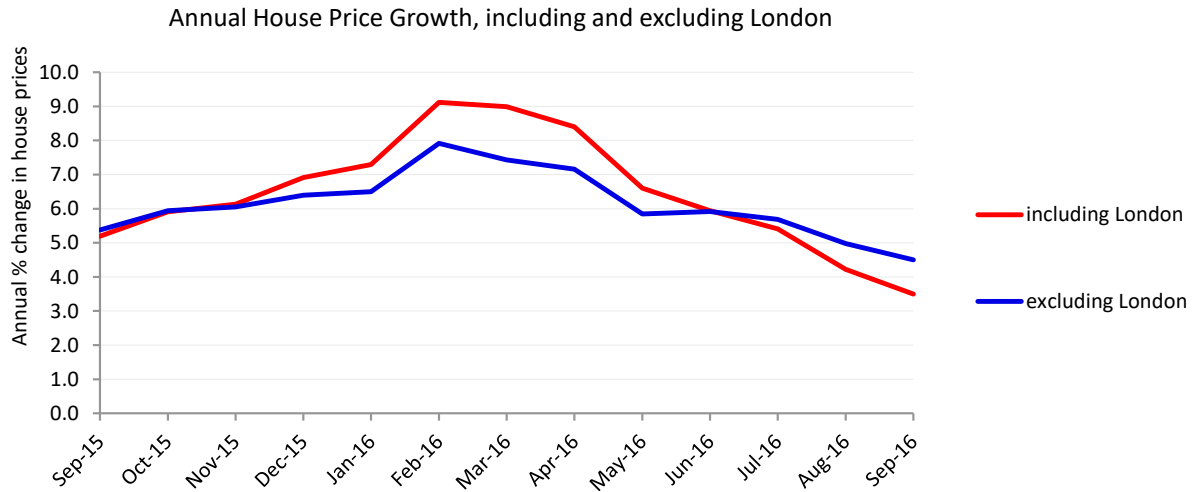


Figure 7. The rate of annual house price growth in England & Wales, for the thirteen months September 2015 – September 2016. [link to source Excel](#)

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 around 5.0%, irrespective of whether London was included or excluded. As the introduction of the 3% 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 growth for England and Wales as a whole from June 2016 onward. The ‘gap’ between the England & Wales rate when including and excluding London is now 1.0%, 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 and Wales is being re-written. 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

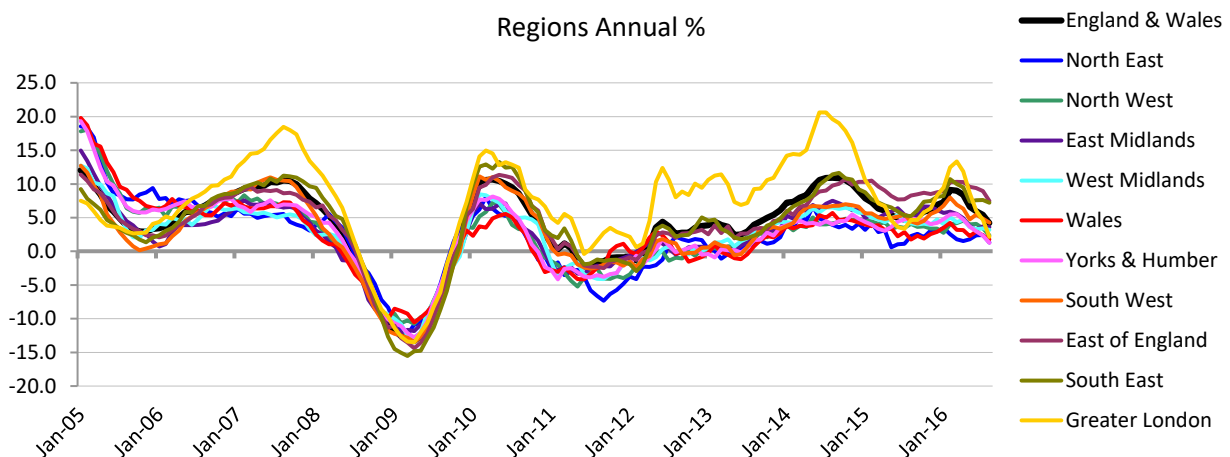


Figure 8. A comparison of the annual change in house prices, by region for the period January 2005 – August 2016 [link to source Excel](#)

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, September 2015 – September 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
Sep-15	£150,543	-0.1	2.6	£173,924	0.2	3.6	£174,812	0.5	4.7	£188,636	0.9	5.2
Oct-15	£151,345	0.5	2.1	£174,801	0.5	3.7	£176,243	0.8	4.6	£190,922	1.2	6.7
Nov-15	£151,773	0.3	3.1	£173,357	-0.8	3.4	£176,175	0.0	4.0	£191,067	0.1	6.6
Dec-15	£153,281	1.0	3.0	£173,901	0.3	3.4	£176,598	0.2	4.2	£190,155	-0.5	6.1
Jan-16	£155,058	1.2	3.5	£174,289	0.2	2.7	£177,793	0.7	4.8	£191,018	0.5	5.7
Feb-16	£156,955	1.2	2.6	£177,235	1.7	4.0	£178,608	0.5	5.5	£193,517	1.3	5.9
Mar-16	£156,377	-0.4	1.8	£178,046	0.5	4.2	£178,747	0.1	5.5	£193,864	0.2	5.5
Apr-16	£155,340	-0.7	1.5	£178,383	0.2	4.5	£177,051	-0.9	4.7	£193,030	-0.4	4.9
May-16	£153,183	-1.4	1.8	£177,089	-0.7	4.0	£176,745	-0.2	3.7	£191,851	-0.6	3.8
Jun-16	£153,462	0.2	2.4	£177,731	0.4	4.1	£176,751	0.0	3.0	£192,370	0.3	3.2
Jul-16	£152,895	-0.4	2.4	£177,233	-0.3	3.4	£176,627	-0.1	2.3	£193,274	0.5	3.7
Aug-16	£152,623	-0.2	1.3	£177,760	0.3	2.4	£176,174	-0.3	1.2	£193,601	0.2	3.6

	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
Sep-15	£197,263	0.0	4.0	£290,494	0.8	8.5	£573,955	0.9	4.7	£340,685	1.1	6.1
Oct-15	£198,949	0.9	4.1	£293,113	0.9	8.7	£581,791	1.4	5.8	£344,987	1.3	7.3
Nov-15	£198,799	-0.1	3.9	£291,964	-0.4	8.5	£584,620	0.5	6.4	£346,615	0.5	7.5
Dec-15	£200,882	1.0	4.7	£294,867	1.0	8.8	£589,943	0.9	8.3	£349,598	0.9	8.1
Jan-16	£200,730	-0.1	4.0	£299,035	1.4	8.9	£597,955	1.4	9.5	£352,445	0.8	8.2
Feb-16	£203,119	1.2	5.1	£306,939	2.6	10.2	£611,384	2.2	12.4	£361,997	2.7	10.7
Mar-16	£201,911	-0.6	4.3	£308,196	0.4	10.3	£613,763	0.4	13.3	£362,070	0.0	10.0
Apr-16	£201,966	0.0	4.7	£309,334	0.4	10.3	£610,164	-0.6	11.9	£361,395	-0.2	9.5
May-16	£201,242	-0.4	3.6	£307,442	-0.6	9.6	£597,162	-2.1	8.7	£356,888	-1.2	7.4
Jun-16	£202,267	0.5	3.3	£308,704	0.4	9.4	£590,392	-1.1	6.0	£358,602	0.5	7.6
Jul-16	£202,953	0.3	3.4	£308,922	0.1	8.9	£584,384	-1.0	4.7	£360,712	0.6	7.6
Aug-16	£203,507	0.3	3.2	£309,835	0.3	7.5	£580,930	-0.6	2.2	£361,211	0.1	7.2

	South West			Wales			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Sep-15	£255,157	0.3	4.1	£166,630	0.9	2.3		£282,867	0.7	5.2
Oct-15	£257,078	0.8	4.5	£167,805	0.7	1.9		£285,868	1.1	5.9
Nov-15	£258,547	0.6	5.5	£168,388	0.3	2.6		£286,447	0.2	6.1
Dec-15	£261,228	1.0	6.0	£169,221	0.5	2.9		£288,650	0.8	6.9
Jan-16	£262,008	0.3	6.8	£170,592	0.8	3.5		£291,160	0.9	7.3
Feb-16	£267,718	2.2	8.0	£173,126	1.5	4.2		£297,288	2.1	9.1
Mar-16	£266,479	-0.5	6.9	£171,517	-0.9	3.2		£297,557	0.1	9.0
Apr-16	£267,012	0.2	6.3	£169,917	-0.9	3.1		£296,868	-0.2	8.4
May-16	£263,720	-1.2	4.7	£167,865	-1.2	2.3		£293,208	-1.2	6.6
Jun-16	£265,304	0.6	5.4	£168,458	0.4	2.9		£293,194	0.0	5.9
Jul-16	£265,857	0.2	4.8	£168,554	0.1	2.4		£292,920	-0.1	5.4
Aug-16	£265,170	-0.3	4.2	£168,051	-0.3	1.8		£292,644	-0.1	4.2
Sep-16								£292,763	0.0	3.5



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](#).