



Under embargo until 00:01 Friday 19th October 2018

September 2018

Average house prices increase over the year but monthly slowdown continues

- House price growth continues to slow, down to 0.9% annually, lowest rate in six and a half years
- South East becomes the first region to report negative annual growth
- Monmouthshire in Wales leads growth tables in the regions

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London & the SE)
£302,626	289.9	-0.1	0.9	0.8

Most regions saw annual price rises although average month on month growth (apart from in August) continued to slow, with a 0.1% drop in September and 0.9% increase over the year - the lowest level in six and a half years.

The average price in England and Wales remains above the £300,000 mark, and is up almost £3,000 on a year ago, now standing at £302,626.

Almost every region has seen a significant slowdown in the rate of annual growth. Likewise, transactions remain weak, down 16% from August, with an estimated 72,500 sales in September.

The South East, so far, is the only region showing a fall, however, with prices down a modest 0.1%.

In London it was the lower priced boroughs that sustained the market and the most expensive boroughs that saw the biggest falls. As an example of London prices, Westminster saw prices fall 9.4% in the last year (despite seeing the strongest monthly increase, up 4.9%). In addition, Tower Hamlets has seen prices fall by 9.7% over the year. The area is dominated by the flats that make up approximately 85% of the market, and these are commonly sold to employees, or their landlords, who are working in and around Canary Wharf.

Oliver Blake, Managing Director of Your Move and Reeds Rains estate agents said: “The Chancellor will face a difficult balancing act for housing when he comes to do his Budget at the end of this month. He’ll probably be keen to tackle the continuing problems with affordability whilst addressing ways to stimulate the market.”

Apart from Greater London, the West Midlands and East Midlands led the way in terms of annual house price growth with a 2.9% and 2.3% rise respectively. Every local authority in both regions shows positive annual growth other than Stoke on Trent in the former (flat at 0%) and Nottingham in the latter (down 1.4%).

Herefordshire, up 4.1% annually, and the West Midlands conurbation (up 4.0%) were the top performing areas in the West Midlands, while Rutland, up 4.5% annually, saw the strongest growth in the East Midlands. At 5.8%, it also recorded the highest monthly increase of any authority in England and Wales in August.

Neither region had any area that can match the performance over the last year in Monmouthshire, Wales, however. Despite a slight slowdown in August, with monthly prices down 1.5%, they are up 12.2% annually, the highest in England and Wales for the third month running. That’s despite the fact that the area is already the most expensive local authority area in Wales. The average price paid for a detached home there has risen from £340k in August 2017 to £380k one year later.

Combined with strong performance from Newport, which is up 9.3% annually, means Wales is the only other region with annual growth to top 2.0%. Along with Powys and Rhondda Cynon Taf, all three of these local authorities also set new peak prices in August – half of all those to do so. The others were Southend-on-Sea (up 1.5% annually) in the East, Merseyside in the North West (up 2.7%), and North Lincolnshire in Yorks & Humber (up 5% annually).

Despite the latter’s strong performance, Yorks & Humber actually saw growth slow in August, with annual price rises falling from 2.3% to 1.5%. Much of that is down to the slowdown in South Yorkshire, down from 3.3% in July to 0.5% in August.

It is still showing annual growth, though, unlike the South East. Prices there are down 0.1% annually, with Windsor and Maidenhead, down 6.1% annually, and Slough, down 7.7% (the biggest drop in any region), the big fallers. West Berkshire, up 5.2%, and the Isle of Wight, up 3.0%, were among those bucking the trend.

House price index: historical data



Overall, however, 73 of the 108 unitary authority areas in England and Wales still show prices rising over the year (six less than in July).

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 2017 – September 2018

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
September	2017	£299,815	295.3	0.6	4.5
October	2017	£301,360	294.3	0.5	4.0
November	2017	£302,706	293.2	0.4	3.8
December	2017	£304,866	292.1	0.7	3.8
January	2018	£307,282	294.4	0.8	3.8
February	2018	£308,649	295.7	0.4	3.6
March	2018	£307,721	294.8	-0.3	2.7
April	2018	£305,574	292.7	-0.7	2.1
May	2018	£303,997	291.2	-0.5	1.6
June	2018	£303,306	290.6	-0.2	1.8
July	2018	£302,996	290.3	-0.1	1.8
August	2018	£303,042	290.3	0.0	1.7
September	2018	£302,626	289.9	-0.1	0.9

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

House Prices September 2018

Our latest outlook for the 2018 housing market suggests that the annual rate of house price growth will be in negative territory by the end of the year.

In September, house prices fell by £416, or -0.1%. This was the sixth month out of the last seven in which monthly rates have fallen, with the combined decline since February totalling some -2.0%. The average house price in England & Wales now stands at £302,626. This price is already some £2,240, or 0.7%, below the level of £304,866 seen last December, meaning that it will take a number of months of house price increases to make up this shortfall. As we can see from Figure 1 below, even though London is now experiencing a positive movement in its averages price, the overall trend for the England & Wales market is one of minor monthly price falls, a direction of travel which is unlikely to change over the next three months.

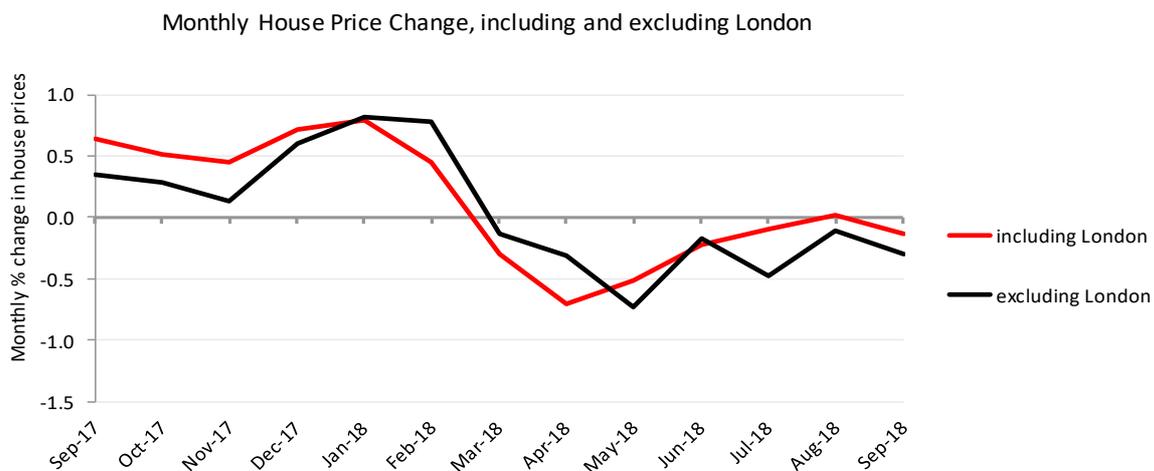


Figure 1. The monthly percentage change in average house prices in England & Wales, September 2017 – September 2018 [link to source Excel](#)

At the end of September, annual house price growth stood at 0.9%, which is the lowest rate seen since April 2012, some six and a half years ago. We show in Figure 6 on page 7 that all regions, with the exception of Greater London, have seen a decline in their annual rates of house price growth, hence the current downward pressure on prices is countrywide, as opposed to being a small number of isolated occurrences.

All this comes at a time when interest rates are at almost historic lows, mortgage supply is good, the number of people in work is higher than a year earlier, and average weekly earnings have increased by 2.4%, on a year-on-year basis. The housing market should be booming. Looking at Figure 2 below - which plots the reality of the situation - we can see that the months from September 2017 to February 2018 did indeed see rising prices, at an average rate of 3.9%. However, February 2018 was the peak, since when prices have been moving in a downward direction.

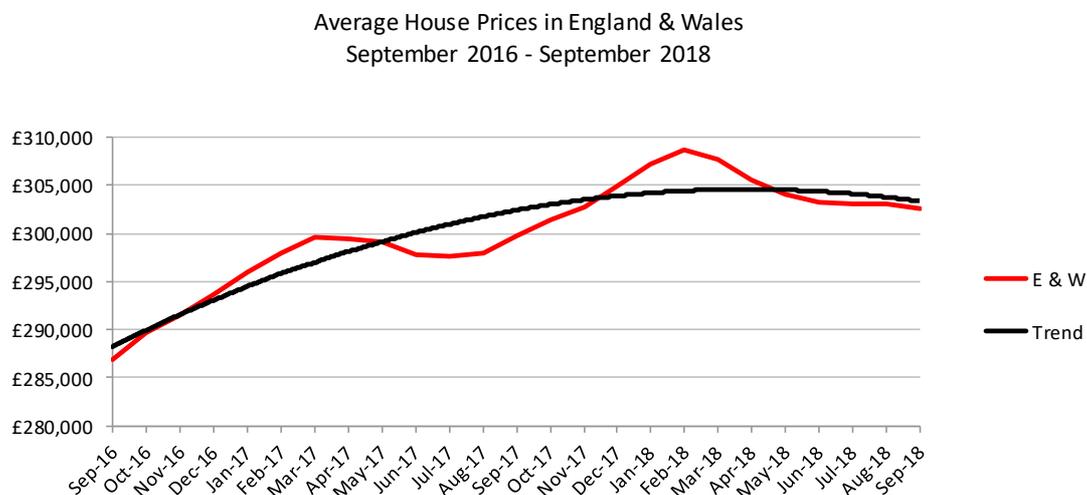


Figure 2. The annual percentage change in average house prices in England & Wales, September 2016 – September 2018 [link to source Excel](#)



The Housing Market

The evidence of a slowing market has been a constant theme in our commentary over recent months, and as we suggest above, this seems likely to continue. There will be important housing announcements in the Autumn Statement, now re-scheduled for October 29th, a move that suggests that the Government is keen to give the economy further momentum in the run-up to Brexit. Announcements on Help-to-Buy, Starter Homes and possibly a Rent-to-Own programme based around giving CGT relief to landlords have all been mooted.

The recent pre-Budget release of a report on *Barriers to home ownership for young adults* by the Institute of Fiscal Studies (prepared as part of its annual Green Budget to be published on October 16th) highlighted the falls in home ownership amongst 25-34-year-olds over the last 20 years, despite endless government initiatives to rectify the situation. As the report notes “*Since 1997, the average property price in England has risen by 173% after adjusting for inflation, and by 253% in London. This compares with increases in real incomes of 25- to 34-year-olds of only 19% and in (real) rents of 38%.*”

This worsening affordability and not least the need for much bigger deposits, and despite low interest rates is all symptomatic of the acute pressures which the government is under. First time buyer numbers have risen, but they are still well below the numbers of households who aspire to ownership. While current initiatives (Help-to-Buy and Stamp Duty relief) have relatively minimal overall effect on prices, as government continues to ratchet up the initiatives, the risk is that these in turn could simply add to the affordability problem by causing prices to rise. This is a real tension that has to be managed. Part of the solution is to increase the supply of rented homes, and not least social rented homes. The removal of the Local Authority borrowing cap should mean we will see an increase in local authority housing provision, and thus a welcome diversification in the supply chain.

Interestingly, the slow-down in prices has stimulated a debate about a looming house price crash. Analysts have highlighted the fact that a market adjustment – downward - is overdue, and that there are risks, for example from rising rates, that could put real pressure on already overstretched household budgets (albeit most have been through the stress tests now in place). However, while it would be wrong to dismiss the idea of a major price correction, in our judgement this still remains unlikely. We are currently experiencing real term falls in average prices, but the nominal rate has remained positive. However, by the year-end we may see this nominal rate move into negative territory as well. Much then turns on the overall trajectory of the economy and wages. We will reflect further on this once we have the October Budget and further clarity on Brexit.



Housing Transactions

The number of September transactions processed by the Land Registry at the end of the month totalled 17,739, which is the lowest number processed during the first month of data emergence since April 2018, with only 60,000 sales having been recorded for that month to date. Should we therefore be estimating sales for September in the region of 60,000 sales, which would represent a 31% fall in transactions compared to August? In practice, we think this would be too severe a reduction in sales volumes, mainly because the last working day in September was a Friday. What we find in recording the date of exchange of a property is that solicitors favour Fridays for the legal transfer date – mainly because this then gives their clients the opportunity to move home on the Friday, leaving the weekend to sort out their new home, before going back to work on the Monday. What we also find is that house sales are concentrated towards the end of a month, so that interest payable on a mortgage is delayed to the end of the month, after the purchaser’s salary is in the bank, rather than taking place mid-month. The fact that the last working day of the month in September 2018 was a Friday will consequently mean that a higher than usual proportion of sales for the month will have taken place on that day – with no time being left in the month for the Land Registry to record these sales. Our estimate for September is therefore 72,500 sales, based on the Land Registry count, which represents a 16% reduction in sales volumes, compared to a seasonal reduction of 9% for the time of year.

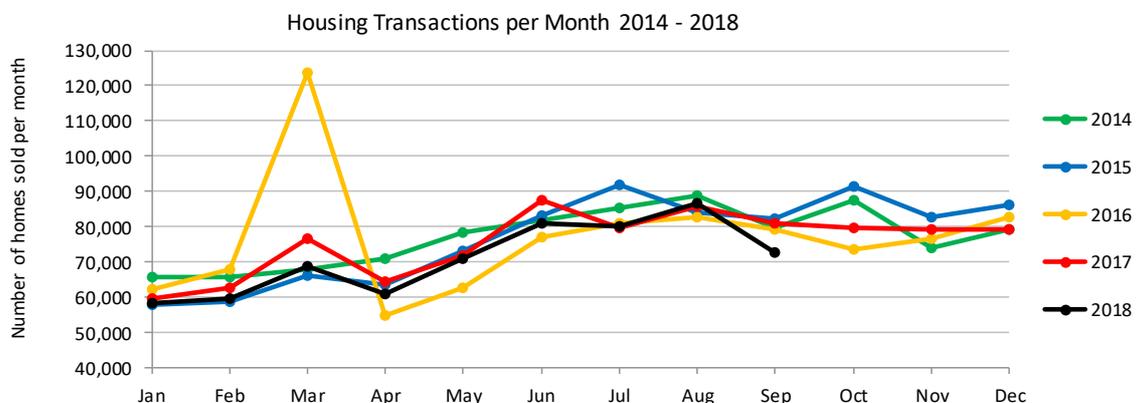


Figure 3. Number of properties sold per month in England & Wales, January 2014 – September 2018

[link to source Excel](#)

Table 2 below analyses the number of transactions for the three months June – August, recorded by Land Registry in September, in each of the last three years 2016, 2017 and 2018. The Table shows that the overall volume of sales in England & Wales for those three months in 2018 was up by 3% compared to 2016, and is level-pegging with 2017. Looking at the comparison with 2017 in particular, we can see a general increase in transactions in the Midlands and regions further north, but a decline in transactions in the southern parts of the country, with the exception of Greater London, where transactions levels have remained almost at a constant over the last three years.

Table 2. Transaction counts at the end of September of each year, for the three months June - August

[link to source Excel](#)

REGION	TRANSACTIONS ANALYSIS BY REGION			Jun - Aug	
	2016	2017	2018	2016/18	2017/18
NORTH EAST	7,843	8,562	9,331	19%	9%
NORTH WEST	24,253	25,679	26,325	9%	3%
YORKS & HUMBERSIDE	18,818	19,732	20,124	7%	2%
EAST MIDLANDS	18,302	18,215	18,648	2%	2%
WEST MIDLANDS	18,728	19,387	19,542	4%	1%
EAST OF ENGLAND	24,515	23,673	22,665	-8%	-4%
GREATER LONDON	19,974	19,958	20,040	0%	0%
SOUTH EAST	34,874	35,295	34,195	-2%	-3%
SOUTH WEST	23,056	23,990	23,699	3%	-1%
ENGLAND	190,363	194,491	194,569	2%	0%
WALES	9,900	11,027	11,255	14%	2%
ENGLAND & WALES	200,263	205,518	205,824	3%	0%



Comparing Indices

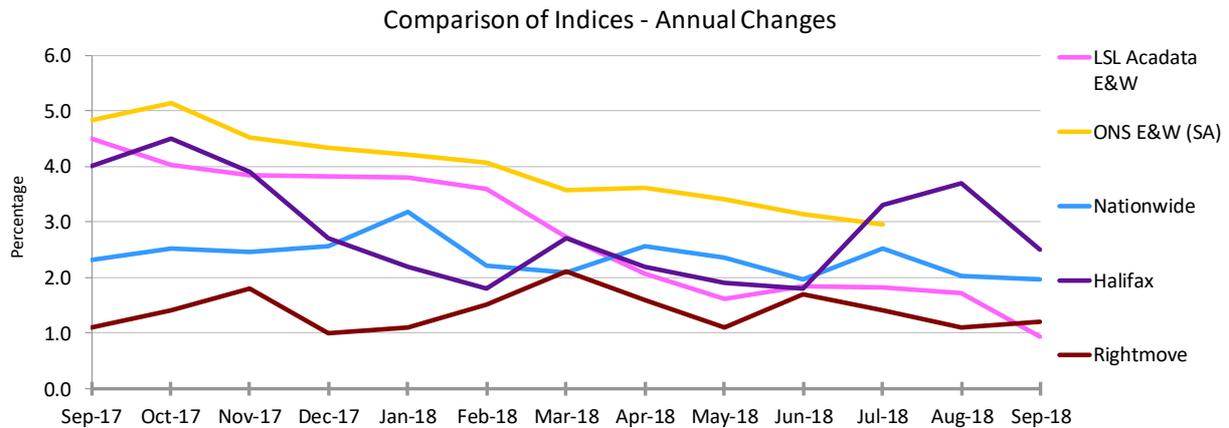


Figure 4. Annual change in house prices

[link to source Excel](#)

Following on from June 2018’s near agreement in the annual rate among four of the house price index providers, August and September are showing a far more divergent pattern, with Halifax at the top of the pack reporting a 2.5% rise in prices over the year, while LSL Acadata is the lowest at 0.9%. This is the first time that LSL Acadata has taken the lowest position in the last thirteen months, displacing Rightmove which has consistently been lowest over the previous twelve months. Meanwhile, Nationwide and Halifax are in relatively close agreement at 2.5% and 2.0% respectively. So why is there a divergence in views? In part it is due to the different mix of properties being considered – for example Halifax and Nationwide have a cap on the size of the mortgages they are willing to provide, which tends to mean that they do not get exposure to the top-end of the market. In its property blog, Rightmove reports that ‘top of the ladder homes’ outside of Inner London have a lower annual rate of price growth than mid- and lower-priced properties – which could be one reason why Halifax and Nationwide are reporting a higher rate of growth than Rightmove and LSL Acadata, both of which include the full spectrum of property sales in their index calculations.

There are also different growth rates in prices for cash buyers and mortgage purchasers – for example, the ONS report that in June, price growth for homes bought by cash purchases in England & Wales had increased by 2.9%, whereas the price growth for mortgage purchases was 3.1%. Cash purchases account for approximately 30% of total sales in England & Wales. Cash buyers are often able to close transactions more quickly, and this gives them more bargaining power - hence the lower price growth. The fact that the mortgage indices don’t reflect cash purchases is a big factor in the differentials we have highlighted.

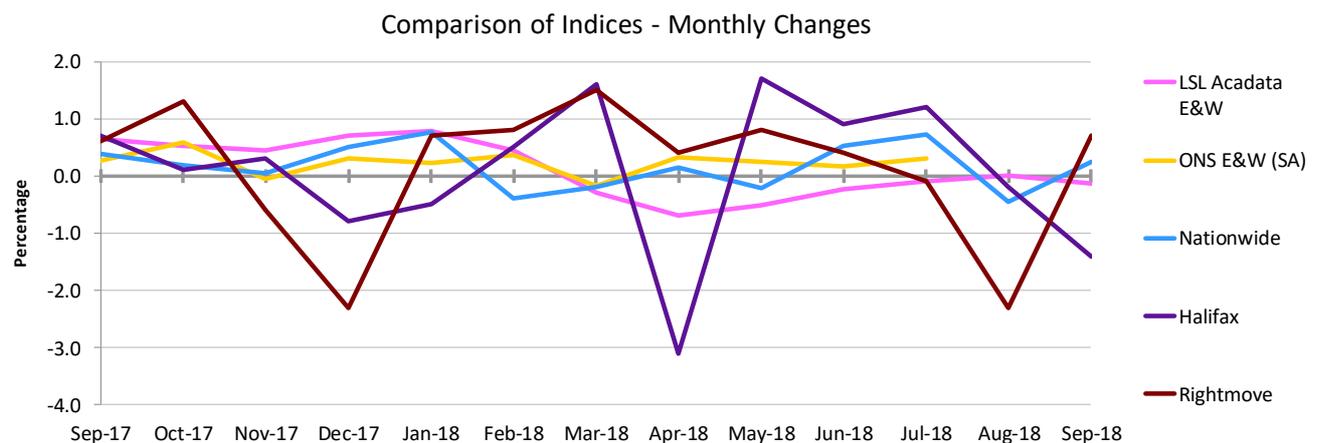


Figure 5. Monthly change in house prices

[link to source Excel](#)

On a monthly basis, three of the indices that we monitor are in close proximity, ranging from Rightmove at +0.7% to LSL Acadata at -0.1%. Meanwhile, Halifax remains out on a limb at -1.4%. As we frequently report, Halifax has the most volatile monthly index of those that we monitor. The Halifax itself advises that its quarterly-change numbers provide a better picture of underlying trends compared to a monthly number as they smooth out any short-term fluctuations.

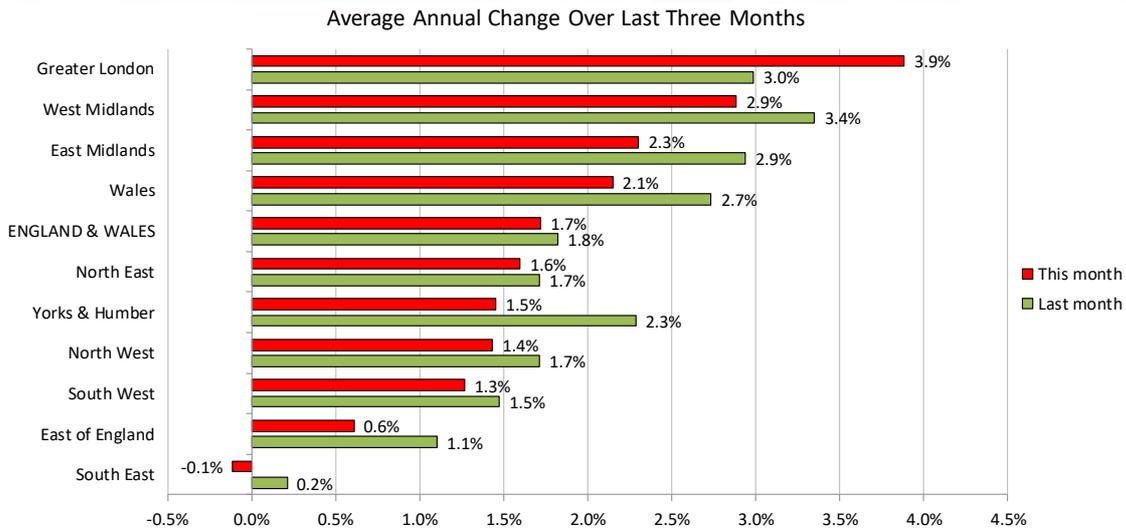
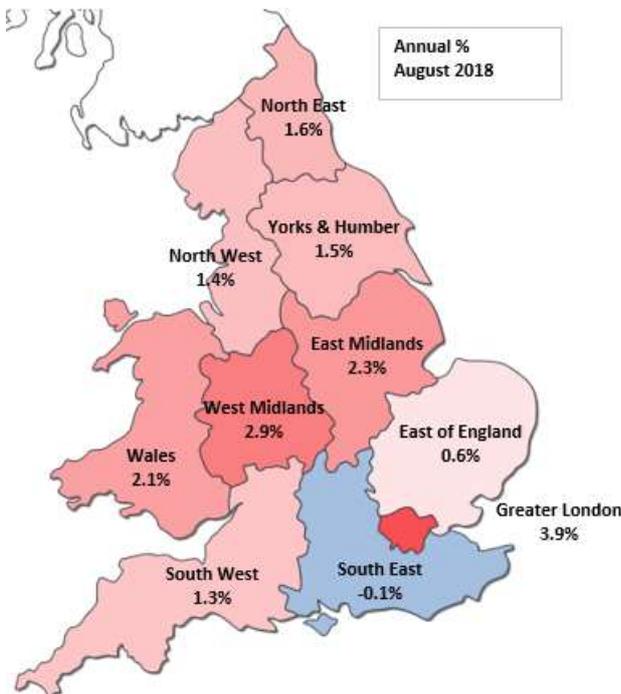


Figure 6. The annual change in the average house price for the three months centred on August 2018, analysed by GOR [link to source Excel](#)

Figure 6 shows the annual change in house prices, averaged over a three-month period centred on August 2018, and contrasts these movements with one month earlier. For the second month running, Greater London tops the leader board as the region with the highest growth rate, ahead of the West and East Midlands which are placed in second and third positions respectively. All regions have seen a fall in their annual growth rates, with the exception of Greater London, where prices have increased by +0.9% to 3.9%.

The largest fall in the month was seen in Yorkshire and the Humber, where prices reduced by 0.8% to 1.5%. As we show in Table 5 on page 13, South Yorkshire saw the largest fall of all the Conurbations we monitor, down from 3.3% in July to 0.5% in August.

There is one region, the South East, where prices have fallen in August and now stand on an annual basis at -0.1%. This is the first time that the South East has seen a negative movement in its annual rate of house price inflation since March 2012, over six years ago.



Heat Map

This month the heat map has one region coloured in blue, indicating a fall in prices, being the South East, which stands in sharp contrast to the remainder of the regions on the map, coloured in red, indicating positive movements in their annual prices.

The 'hottest' area is Greater London, where prices on an annual basis are now climbing by 3.9%.

The second grouping consists of the areas where prices are rising at rates between 2.1% and 2.9%, which are in a strip across the centre of the map, comprising the East and West Midlands and Wales.

The third grouping is where prices are rising between 1.0% and 1.9%, which consists of the three regions to the north of the country, being the North East, the North West and Yorks and Humber, plus the South West.

Finally, we have one region where prices are rising at a rate below 1.0%, being the East of England at 0.6%. Will the East of England be joining the South East in reporting negative growth next month?

Figure 7. Heat Map of the annual change in the average house price of English regions and Wales, August 2018

London boroughs, counties and unitary authorities



Table 3. The change in house prices, for the 33 London boroughs, comparing August 2017 and July 2018 with August 2018 [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Aug-17	Jul-18	Aug-18	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,658,887	1,895,067	1,849,644	-2.4%	11.5%
2	2	CITY OF WESTMINSTER	1,555,980	1,343,585	1,409,010	4.9%	-9.4%
4	3	CITY OF LONDON	977,289	1,226,855	1,181,070	-3.7%	20.9%
3	4	CAMDEN	997,060	1,013,320	1,008,327	-0.5%	1.1%
5	5	HAMMERSMITH AND FULHAM	947,040	921,849	879,827	-4.6%	-7.1%
6	6	RICHMOND UPON THAMES	786,368	762,856	769,026	0.8%	-2.2%
8	7	ISLINGTON	744,120	730,259	730,876	0.1%	-1.8%
7	8	WANDSWORTH	761,740	719,790	694,571	-3.5%	-8.8%
11	9	MERTON	612,828	658,277	648,554	-1.5%	5.8%
13	10	LAMBETH	599,164	654,203	616,136	-5.8%	2.8%
10	11	HARINGEY	642,863	624,241	615,504	-1.4%	-4.3%
9	12	BARNET	645,563	594,338	594,595	0.0%	-7.9%
15	13	HACKNEY	578,499	586,887	592,492	1.0%	2.4%
18	14	BRENT	548,624	578,651	586,618	1.4%	6.9%
12	15	SOUTHWARK	601,021	602,862	584,914	-3.0%	-2.7%
17	16	KINGSTON UPON THAMES	559,475	557,114	558,237	0.2%	-0.2%
16	17	EALING	578,235	546,636	539,958	-1.2%	-6.6%
14	18	TOWER HAMLETS	581,120	551,465	524,489	-4.9%	-9.7%
19	19	HARROW	531,321	495,970	499,701	0.8%	-6.0%
21	20	HOUNSLOW	481,438	510,941	498,498	-2.4%	3.5%
20	21	BROMLEY	501,885	492,368	488,054	-0.9%	-2.8%
25	22	REDBRIDGE	456,325	473,178	471,773	-0.3%	3.4%
27	23	WALTHAM FOREST	450,254	457,690	460,098	0.5%	2.2%
23	24	ENFIELD	458,781	445,012	448,069	0.7%	-2.3%
26	25	HILLINGDON	454,451	436,718	444,103	1.7%	-2.3%
22	26	LEWISHAM	470,457	445,881	439,594	-1.4%	-6.6%
24	27	GREENWICH	458,148	434,956	419,416	-3.6%	-8.5%
30	28	SUTTON	401,715	408,766	407,752	-0.2%	1.5%
31	29	HAVERING	394,577	393,625	390,415	-0.8%	-1.1%
28	30	CROYDON	413,392	392,794	388,947	-1.0%	-5.9%
29	31	NEWHAM	409,520	393,841	378,493	-3.9%	-7.6%
32	32	BEXLEY	365,512	360,517	362,706	0.6%	-0.8%
33	33	BARKING AND DAGENHAM	301,790	307,078	304,706	-0.8%	1.0%
		ALL LONDON	600,361	621,224	623,677	0.4%	3.9%

London

The analysis of Greater London house prices in Table 3 relates to August 2018, and compares these prices to one month and one year earlier. The annual rate of change in London has risen to 3.9% from the revised 3.0% seen in the previous month. Prices have risen by £23,316 over the last twelve months, taking the new average price to £623,677. On a monthly basis, average prices rose by some £2,453, or 0.4%, being the second month in a row in which monthly prices were positive.

Highest and lowest London Boroughs

On an annual basis, prices in August fell in most boroughs, (21 out of 33, the same number as in the previous month), and a similar number of boroughs also saw prices fall in the month. The highest rise over the year was in the City of London, up 20.9%. Normally we would advise caution when considering house prices in the City of London as there are very few domestic properties in the area, which tends to result in large swings in average price, particularly when expressed in percentage terms. However, in June 2018 there were 59 transactions recorded at the Land Registry for the City of London - 3 times the average volume - of which 17 sales relate to a [new] development with individual apartment prices ranging from £2 million to over £6 million. These sales are highly significant, indicating that confidence in properties in Prime Central London remains strong. Next month, these sales will fall out of our price calculations and it will be interesting to see the effect this will have on our London averages.

London boroughs, counties and unitary authorities



The second highest rise in prices over the year occurred in Kensington and Chelsea, with prices having increased by 11.5%. Again this would appear to corroborate the view that prices in Prime Central London are back on the increase, even if sales volumes in the borough are somewhat depressed (see below).

The borough with the largest fall in prices over the year was Tower Hamlets, down by 9.7%. Tower Hamlets properties are dominated by flats (approximately 85% of the market), with most being sold to employees, or their landlords, who work in and around Canary Wharf. The borough therefore acts as a bellwether for those working in the financial sector, with lower prices perhaps indicating that employment trends are on the decrease with the approach of Brexit.

On a monthly basis, the highest increase in prices was seen in the City of Westminster, at 4.9%, again indicating an upswing in prices in Prime Central London. In August there were 108 flats purchased in Westminster with an average price of £1.4 million. Typically, the number of flats sold in the City of Westminster ranges from 180 – 200 units per month, so volumes are down, but notification of new-build sales are still likely to be in the processing stage at the Land Registry, with further purchases remaining to be processed.

London borough peak prices

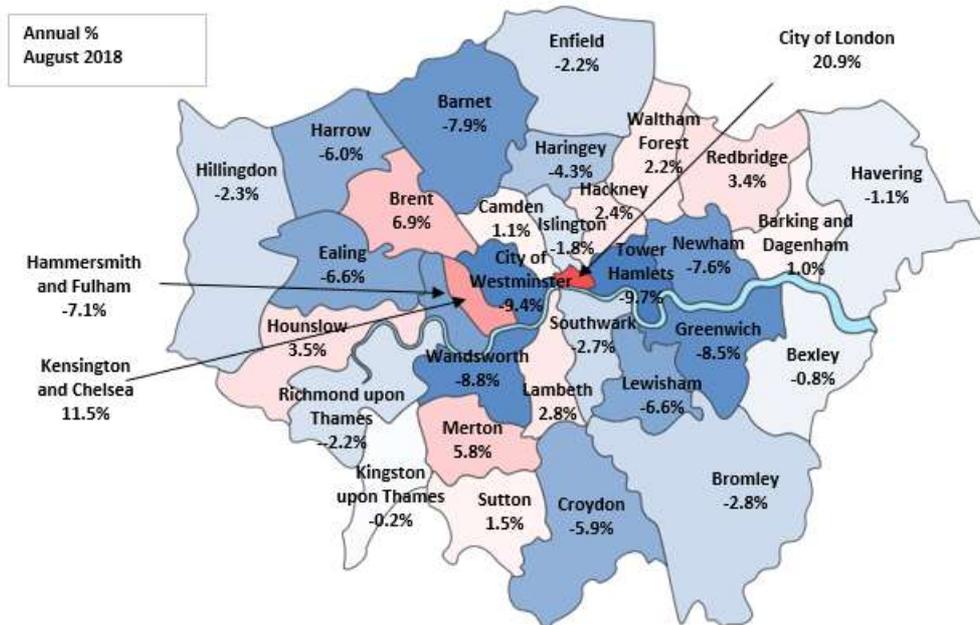
In August 2018, there were no London boroughs recording a new peak price, being down from the two boroughs that reached a new peak average price in July.

London borough transactions

In terms of Greater London transactions, sales for the three months June – August 2018 are level pegging with the same three months in 2017. However, this statement hides some major changes in the types of property sold over the two years. Sales of detached properties have fallen by 6.9% between the two years, with sales of terraces and semi-detached homes down by 3.7% and 2.7% respectively. It is only flats that have seen a positive movement in sales volumes, up by 5.1% over the year. The three boroughs having the highest increase in transactions over this period are the City of London (+63% - discussed above), Southwark (+37%) and Brent (+31%); in each of these boroughs it was the sale of flats that had the largest influence on the increased transaction counts.

The three boroughs with the largest decline in transaction numbers over this period were Kensington and Chelsea (-15%), Lewisham (-13%) and Lambeth (-13%). In Kensington and Chelsea and Lewisham it is flats that have seen the greatest fall in sales volumes, whereas in Lambeth it was the sale of terraces that had the largest decline.

London house price heat map



The heat map is showing an interesting geographical split, with the boroughs displaying an increase in prices (shaded red) largely lying in a strip slightly to the north of the Thames, while the boroughs shaded blue (indicating a fall in prices) are mainly located on the Thames or are located on the outskirts of the Greater London area.

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 2017 and July 2018 with August 2018

[link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Aug-17	Jul-18	Aug-18	Monthly change	Annual Change
101	102	COUNTY DURHAM	£132,572	£132,603	£131,857	-0.6%	-0.5%
94	93	DARLINGTON	£152,122	£157,285	£155,307	-1.3%	2.1%
98	99	HARTLEPOOL	£138,314	£135,398	£134,949	-0.3%	-2.4%
99	98	MIDDLESBROUGH	£137,664	£141,994	£140,985	-0.7%	2.4%
66	63	NORTHUMBERLAND	£192,724	£197,012	£198,517	0.8%	3.0%
97	97	REDCAR AND CLEVELAND	£138,506	£140,878	£140,991	0.1%	1.8%
90	92	STOCKTON-ON-TEES	£160,657	£158,491	£155,885	-1.6%	-3.0%
89	83	TYNE AND WEAR	£161,551	£168,115	£166,208	-1.1%	2.9%
		NORTH EAST TOTAL	£156,500	£160,070	£159,002	-0.7%	1.6%
100	101	BLACKBURN WITH DARWEN	£132,667	£134,786	£134,101	-0.5%	1.1%
106	105	BLACKPOOL	£118,277	£123,740	£122,664	-0.9%	3.7%
41	39	CHESHIRE	£253,825	£256,798	£260,306	1.4%	2.6%
85	87	HALTON	£164,245	£163,100	£164,716	1.0%	0.3%
55	53	WARRINGTON	£214,745	£215,914	£223,390	3.5%	4.0%
67	69	CUMBRIA	£189,496	£188,438	£188,996	0.3%	-0.3%
68	68	GREATER MANCHESTER	£189,204	£191,758	£191,956	0.1%	1.5%
79	81	LANCASHIRE	£172,096	£171,291	£170,880	-0.2%	-0.7%
82	80	MERSEYSIDE	£167,620	£170,872	£172,133	0.7%	2.7%
		NORTH WEST TOTAL	£188,596	£190,386	£191,301	0.5%	1.4%
60	62	EAST RIDING OF YORKSHIRE	£197,998	£201,688	£199,862	-0.9%	0.9%
105	107	KINGSTON UPON HULL, CITY OF	£119,815	£121,346	£120,704	-0.5%	0.7%
96	96	NORTH EAST LINCOLNSHIRE	£141,884	£142,843	£143,170	0.2%	0.9%
91	88	NORTH LINCOLNSHIRE	£156,807	£163,034	£164,627	1.0%	5.0%
35	37	YORK	£262,499	£266,703	£264,154	-1.0%	0.6%
42	42	NORTH YORKSHIRE	£248,739	£250,275	£254,535	1.7%	2.3%
87	89	SOUTH YORKSHIRE	£163,274	£163,454	£164,028	0.4%	0.5%
75	75	WEST YORKSHIRE	£178,018	£180,595	£180,916	0.2%	1.6%
		YORKS & HUMBER TOTAL	£185,769	£187,840	£188,471	0.3%	1.5%
80	78	DERBY	£170,643	£173,596	£174,785	0.7%	2.4%
77	73	LEICESTER	£175,366	£180,586	£181,222	0.4%	3.3%
92	94	NOTTINGHAM	£154,355	£154,015	£152,219	-1.2%	-1.4%
18	15	RUTLAND	£327,543	£323,652	£342,306	5.8%	4.5%
64	65	DERBYSHIRE	£195,905	£199,127	£197,944	-0.6%	1.0%
48	47	LEICESTERSHIRE	£240,375	£246,916	£247,280	0.1%	2.9%
65	61	LINCOLNSHIRE	£194,246	£201,080	£200,846	-0.1%	3.4%
46	45	NORTHAMPTONSHIRE	£243,853	£252,760	£253,285	0.2%	3.9%
62	66	NOTTINGHAMSHIRE	£196,709	£199,102	£197,057	-1.0%	0.2%
		EAST MIDLANDS TOTAL	£208,439	£213,514	£213,238	-0.1%	2.3%
47	44	HEREFORDSHIRE	£243,503	£253,863	£253,389	-0.2%	4.1%
49	49	SHROPSHIRE	£234,918	£240,843	£242,999	0.9%	3.4%
104	104	STOKE-ON-TRENT	£122,941	£122,534	£122,923	0.3%	0.0%
74	74	TELFORD & WREKIN	£179,020	£183,805	£181,202	-1.4%	1.2%
57	57	STAFFORDSHIRE	£210,804	£215,278	£214,991	-0.1%	2.0%
31	32	WARWICKSHIRE	£277,751	£282,649	£284,625	0.7%	2.5%
61	60	WEST MIDLANDS	£197,105	£204,487	£204,953	0.2%	4.0%
38	40	WORCESTERSHIRE	£255,078	£260,430	£259,322	-0.4%	1.7%
		WEST MIDLANDS TOTAL	£216,497	£222,443	£222,741	0.1%	2.9%
22	22	BEDFORDSHIRE	£313,809	£315,385	£312,495	-0.9%	-0.4%
40	43	LUTON	£254,642	£253,395	£253,487	0.0%	-0.5%
58	59	PETERBOROUGH	£210,131	£212,241	£209,834	-1.1%	-0.1%
21	20	SOUTHEND-ON-SEA	£315,390	£317,983	£319,975	0.6%	1.5%
29	30	THURROCK	£283,569	£289,357	£290,379	0.4%	2.4%
16	18	CAMBRIDGESHIRE	£332,404	£333,105	£328,871	-1.3%	-1.1%
14	14	ESSEX	£344,030	£350,202	£348,351	-0.5%	1.3%
5	5	HERTFORDSHIRE	£455,230	£455,635	£456,649	0.2%	0.3%

London boroughs, counties and unitary authorities



45	48	NORFOLK	£245,164	£247,541	£245,947	-0.6%	0.3%
34	35	SUFFOLK	£266,708	£274,269	£272,525	-0.6%	2.2%
		EAST OF ENGLAND TOTAL	£326,511	£329,883	£328,497	-0.4%	0.6%
		GREATER LONDON TOTAL	£600,361	£621,224	£623,677	0.4%	3.9%
10	11	BRACKNELL FOREST	£373,894	£377,844	£370,667	-1.9%	-0.9%
6	8	BRIGHTON AND HOVE	£403,953	£400,565	£393,614	-1.7%	-2.6%
52	51	ISLE OF WIGHT	£228,458	£236,715	£235,362	-0.6%	3.0%
36	36	MEDWAY	£262,035	£266,890	£266,297	-0.2%	1.6%
26	28	MILTON KEYNES	£294,404	£298,823	£290,484	-2.8%	-1.3%
51	50	PORTSMOUTH	£233,127	£237,429	£235,495	-0.8%	1.0%
17	16	READING	£332,023	£335,769	£333,145	-0.8%	0.3%
15	24	SLOUGH	£335,059	£310,557	£309,346	-0.4%	-7.7%
54	55	SOUTHAMPTON	£221,199	£219,317	£221,093	0.8%	0.0%
9	6	WEST BERKSHIRE	£384,045	£423,170	£404,103	-4.5%	5.2%
1	1	WINDSOR AND MAIDENHEAD	£635,799	£591,468	£596,720	0.9%	-6.1%
4	4	WOKINGHAM	£466,173	£465,492	£467,188	0.4%	0.2%
3	3	BUCKINGHAMSHIRE	£477,918	£471,554	£472,932	0.3%	-1.0%
23	21	EAST SUSSEX	£309,597	£315,560	£318,527	0.9%	2.9%
13	13	HAMPSHIRE	£351,241	£354,083	£349,069	-1.4%	-0.6%
19	17	KENT	£324,599	£331,110	£330,132	-0.3%	1.7%
7	7	OXFORDSHIRE	£396,071	£394,805	£395,889	0.3%	0.0%
2	2	SURREY	£520,791	£512,023	£512,408	0.1%	-1.6%
11	12	WEST SUSSEX	£363,484	£363,492	£366,890	0.9%	0.9%
		SOUTH EAST TOTAL	£372,805	£373,429	£372,386	-0.3%	-0.1%
8	9	BATH AND NORTH EAST SOMERSET	£391,227	£384,861	£389,475	1.2%	-0.4%
33	27	BOURNEMOUTH	£266,784	£295,673	£292,133	-1.2%	9.5%
25	23	BRISTOL, CITY OF	£301,377	£306,297	£311,345	1.6%	3.3%
39	38	CORNWALL	£254,727	£261,523	£262,463	0.4%	3.0%
28	33	NORTH SOMERSET	£288,321	£282,690	£282,834	0.1%	-1.9%
69	71	PLYMOUTH	£188,512	£190,801	£185,945	-2.5%	-1.4%
12	10	POOLE	£354,834	£378,055	£376,131	-0.5%	6.0%
30	29	SOUTH GLOUCESTERSHIRE	£282,902	£288,629	£290,449	0.6%	2.7%
50	52	SWINDON	£234,568	£237,945	£233,815	-1.7%	-0.3%
53	56	TORBAY	£222,039	£217,650	£216,115	-0.7%	-2.7%
24	25	WILTSHIRE	£301,702	£298,996	£296,269	-0.9%	-1.8%
32	34	DEVON	£276,043	£277,956	£276,733	-0.4%	0.3%
20	19	DORSET	£320,151	£321,086	£320,667	-0.1%	0.2%
27	26	GLOUCESTERSHIRE	£292,400	£295,395	£293,872	-0.5%	0.5%
43	41	SOMERSET	£248,242	£255,802	£256,461	0.3%	3.3%
		SOUTH WEST TOTAL	£280,049	£284,056	£283,601	-0.2%	1.3%
70	70	ISLE OF ANGLESEY	£186,609	£195,345	£188,154	-3.7%	0.8%
78	84	GWYNEDD	£172,711	£167,235	£164,974	-1.4%	-4.5%
72	76	CONWY	£181,745	£178,185	£177,684	-0.3%	-2.2%
86	90	DENBIGHSHIRE	£163,706	£167,705	£160,834	-4.1%	-1.8%
76	77	FLINTSHIRE	£176,434	£176,804	£175,365	-0.8%	-0.6%
81	79	WREXHAM	£168,866	£170,519	£173,431	1.7%	2.7%
59	58	POWYS	£203,483	£209,989	£213,746	1.8%	5.0%
63	64	CEREDIGION	£196,030	£197,635	£198,338	0.4%	1.2%
71	72	PEMBROKESHIRE	£185,021	£184,390	£184,072	-0.2%	-0.5%
88	91	CARMARTHENSHIRE	£163,010	£160,822	£160,216	-0.4%	-1.7%
83	82	SWANSEA	£166,180	£166,163	£167,046	0.5%	0.5%
102	103	NEATH PORT TALBOT	£129,965	£127,006	£128,599	1.3%	-1.1%
84	85	BRIDGEND	£165,810	£163,804	£164,902	0.7%	-0.5%
44	46	VALE OF GLAMORGAN	£248,219	£247,056	£249,702	1.1%	0.6%
56	54	CARDIFF	£214,569	£218,824	£222,377	1.6%	3.6%
103	100	RHONDDA CYNON TAF	£128,862	£132,164	£134,701	1.9%	4.5%
107	106	MERTHYR TYDFIL	£118,197	£122,321	£122,310	0.0%	3.5%



95	95	CAERPHILLY	£146,970	£148,341	£149,805	1.0%	1.9%
108	108	BLAENAU GWENT	£100,159	£103,125	£101,915	-1.2%	1.8%
93	86	TORFAEN	£153,118	£165,096	£164,866	-0.1%	7.7%
37	31	MONMOUTHSHIRE	£255,448	£290,876	£286,598	-1.5%	12.2%
73	67	NEWPORT	£179,380	£193,431	£196,100	1.4%	9.3%
		WALES TOTAL	£177,203	£180,326	£181,010	0.4%	2.1%
		ENGLAND & WALES TOTAL	£297,916	£302,996	£303,042	0.0%	1.7%

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 August 2017 and July and August 2018. It also records the percentage change in these prices over the last month and year, highlighting the diversity that exists across housing markets in England & Wales. In this table, Regions, Counties and Unitary Authorities highlighted in turquoise are currently at a peak price.

Annual Trends

On an annual basis, prices in August 2018 increased in England & Wales by £5,126, or 1.7%, 0.1% down on the rate seen in July. In August, 73 of the 108 unitary authority areas recorded price **rises** over the year (6 less than in July). Of the 35 areas where prices have fallen, 10 are located in the South East, 8 in Wales, 6 in the South West, 4 in the East of England, 3 in the North East, 2 in the North West, with 1 each in the East and West Midlands. Yorkshire and the Humber is the only region in August to have no authorities with annual growth below zero.

We can note that in August 2018, 35 of the 108 unitary authorities in England & Wales, or 32%, outside of London were witnessing price falls on an annual basis, compared with the position in London, where 21 of the 33 boroughs, or 64%, saw prices decline over the same period. In general, we can conclude that the majority of unitary authorities in England & Wales continue to experience rising house prices, while in London only a minority of boroughs are doing so.

Peak Prices

In Table 4, those areas highlighted in turquoise have set a new peak price in August 2018; there are 6 such locations, compared with 5 seen in July. Of the 6 unitary authority areas that recorded a new peak, there are 1 each in the North West (Merseyside), Yorkshire and the Humber (North Lincolnshire), and the East of England (Southend-on-Sea), with 3 areas in Wales (Powys, Rhondda Cynon Taf and Newport). This month, for the fifth month running, no GOR region established a new peak average price.

Monthly Trends

On a monthly basis, the average price of a home in England & Wales in August rose by £46, which equates to a 0.0% change. Although the increase of £46 is small, and not statistically significant, it is the first time in six months that the monthly rate of change has been positive.

Highest and lowest unitary authorities

In August, looking at the unitary authority areas on an individual basis, for the third month running it is Monmouthshire that has the highest annual rate of change in prices, at 12.2%. As we remarked last month, Monmouthshire is Wales' most expensive local authority area by average house price, and is ranked in 31st position out of the 108 unitary authority areas in England & Wales on the same basis, two places lower than neighbouring South Gloucestershire. In Monmouthshire, the average price paid for a detached home has risen from £340k in August 2017 to £380k one year later.

On an annual basis and for the second month running, the authority with the largest reduction in prices is Slough, where prices over the year have fallen by 7.7%. All property types in Slough have seen a reduction in their respective average prices, with the exception of detached homes, where prices have risen by £3k over the year. It is interesting to observe that in Slough, of the 185 new build sales in 2018 to date, 61 are to commercial organisations, i.e. one-third of all new builds have been sold to companies, or similar bodies. The equivalent figures for 2017 (whole year) are 45 commercial sales out of a total 222 new-builds, i.e. 20% of the total. The sale of new-builds to commercial organisations reflects a move among buy-to-let landlords to purchase via a corporate entity, so to preserve the ability to charge loan interest payments against profits, which is a feature no longer available to private individuals. Sales to commercial organisations are excluded from our calculations for house prices.



The Conurbations

Table 5. The annual percentage change in mix adjusted house prices, for 12 conurbations in England & Wales, comparing June – August 2018

Table 5 is based on three month averages centred on the named month

[link to source Excel](#)

THE CONURBATIONS	Annual rates of change %		
	June	July	August
West Midlands	5.4	5.1	4.0
Greater London	0.9	3.0	3.9
Cardiff	1.3	1.2	3.6
Leicester	5.7	3.7	3.3
Bristol	2.1	2.7	3.3
Tyne & Wear	3.5	3.7	2.9
Merseyside	2.3	1.3	2.7
West Yorkshire	3.0	2.0	1.6
Greater Manchester	3.7	2.1	1.5
South Yorkshire	3.9	3.3	0.5
Southampton	2.2	0.8	0.0
Nottingham	0.5	2.0	-1.4

Table 5 shows the relative movement in the rates of house price growth of 12 conurbation areas/cities in England & Wales.

The West Midlands, which includes Birmingham, tops the conurbation league table at 4.0%, followed by Greater London at 3.9% and Cardiff at 3.6%.

There were 4 areas which saw a rise in rates in August compared to July, the largest gain occurring in Cardiff, up from 1.2% in July to 3.6% in August, followed by Merseyside up from 1.3% to 2.7%.

Comparing August with June, Greater London has seen the largest positive change in its annual rate of growth, up by 3.0%, while South Yorkshire has seen the largest fall over this period, down by -3.4%, from 3.9% in June.

This month Nottingham is bottom of the league, returning to this position, having briefly climbed to eighth position in July. Nottingham is the only conurbation with negative growth in August with the price of terraces in the city having fallen from £125k in August 2017 to £122k in August 2018.

Transactions

As shown in Table 2 earlier, there was a minimal change in transactions in England & Wales between the three months June-to-August 2018 compared to the same three months in 2017. However, there were some relatively large changes in the sale of different property types between the regions. For detached homes there was a 16% increase in sales in the North East, albeit from a low starting base, with a 7% fall in the sale of detached properties in Greater London. For semi-detached properties, the highest increase was again seen in the North East at +9%, with a 3% fall in Greater London. For terraced properties, the highest increase was also seen in the North East at +7%, with a 6% fall in the East of England. Finally for flats, the largest increases in sales volumes were seen in the West Midlands and the North West, both at +9%, and in Greater London at +5%, while the largest fall, of -6%, occurred in the East of England.

Analysing the change in transactions in England & Wales by unitary authority area, the five areas with the highest % increase in transactions are Torfaen (+28%), Gwynedd (+20%), Pembrokeshire (+18%), Hull (+15%) and Bath and North-East Somerset (+15%).

The first three of the five areas mentioned above have a low monthly transaction count, which tends to result in high volatility of monthly sales when expressed in percentage terms. In Hull, there has been a relatively large increase in the number of terraced properties sold, associated with new-build activity in the city. The last of the five areas mentioned above is Bath, where a relatively high number of new-build properties have already been sold in 2018. Bath is ranked 5th of the 108 Unitary Authority Areas in England and Wales in 2018, in terms of the percentage of new-build properties sold, compared to total sales in the area. For the record, the top 5 areas in 2018 by percentage of new-build sales are currently Wokingham (21.9%), Slough (19.3%), the Vale of Glamorgan (17.5%), Stockton on Tees (17.4%) and Bath (16.8%).

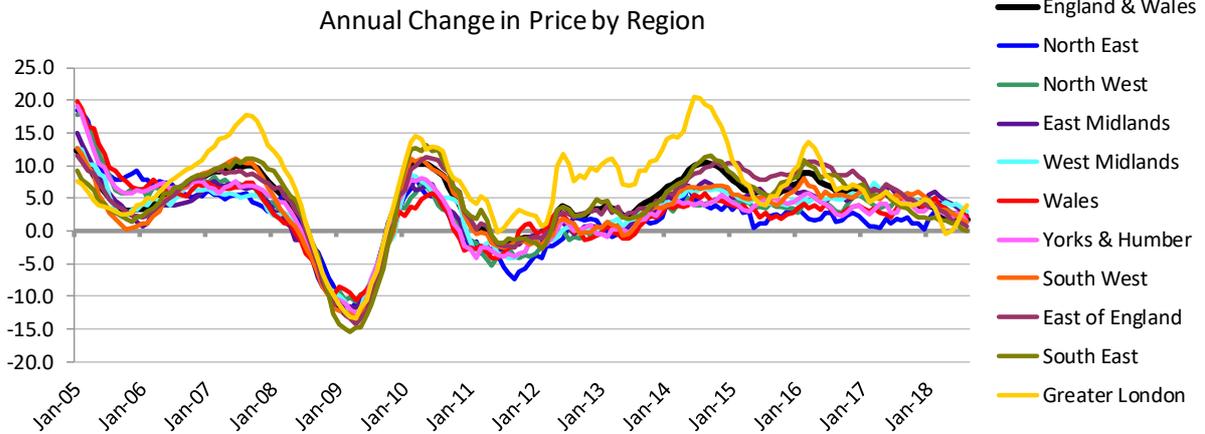


Figure 8. A comparison of the annual change in house prices, by region for the period January 2005 – August 2018 [link to source Excel](#)

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.

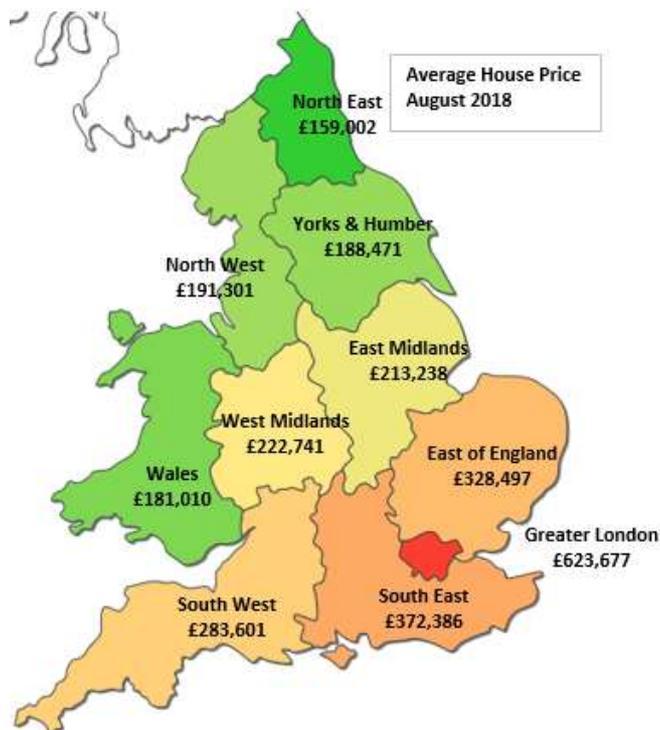


Figure 9. Heat Map of the average house price for England & Wales, analysed by region, August 2018

Regional data



Table 6. Average house prices by region, September 2017 – September 2018, 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-17	£157,487	0.6	2.1	£189,382	0.4	5.7	£188,245	1.3	5.1	£208,779	0.2	5.0
Oct-17	£158,029	0.3	1.2	£190,098	0.4	4.3	£188,424	0.1	3.8	£209,493	0.3	4.7
Nov-17	£158,881	0.5	1.0	£190,676	0.3	4.3	£188,388	0.0	2.9	£210,282	0.4	4.6
Dec-17	£158,534	-0.2	0.3	£192,831	1.1	4.7	£188,885	0.3	2.9	£210,900	0.3	4.5
Jan-18	£161,837	2.1	1.8	£193,227	0.2	5.1	£190,340	0.8	3.6	£215,078	2.0	5.6
Feb-18	£164,230	1.5	2.9	£194,147	0.5	4.5	£190,594	0.1	3.9	£216,842	0.8	5.9
Mar-18	£165,928	1.0	4.4	£193,569	-0.3	3.9	£190,103	-0.3	2.9	£217,065	0.1	5.3
Apr-18	£163,235	-1.6	3.5	£192,607	-0.5	3.5	£189,849	-0.1	2.5	£215,695	-0.6	4.5
May-18	£161,808	-0.9	2.6	£190,691	-1.0	2.7	£188,714	-0.6	1.8	£214,708	-0.5	4.1
Jun-18	£161,187	-0.4	2.4	£190,074	-0.3	2.5	£188,581	-0.1	2.7	£215,141	0.2	3.6
Jul-18	£160,070	-0.7	1.7	£190,386	0.2	1.7	£187,840	-0.4	2.3	£213,514	-0.8	2.9
Aug-18	£159,002	-0.7	1.6	£191,301	0.5	1.4	£188,471	0.3	1.5	£213,238	-0.1	2.3

	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
Sep-17	£217,926	0.7	5.5	£326,053	-0.1	4.8	£609,733	1.6	4.0	£372,576	-0.1	3.4
Oct-17	£218,921	0.5	4.8	£328,721	0.8	4.7	£617,330	1.2	4.0	£371,757	-0.2	2.7
Nov-17	£219,393	0.2	4.7	£328,186	-0.2	4.1	£626,169	1.4	4.2	£371,051	-0.2	2.1
Dec-17	£219,811	0.2	3.9	£329,057	0.3	4.2	£632,921	1.1	4.8	£374,126	0.8	1.9
Jan-18	£222,495	1.2	4.1	£330,634	0.5	3.7	£637,350	0.7	4.6	£378,165	1.1	1.8
Feb-18	£224,567	0.9	4.4	£333,638	0.9	3.9	£633,432	-0.6	3.5	£381,499	0.9	1.9
Mar-18	£224,257	-0.1	3.6	£334,901	0.4	3.2	£628,092	-0.8	1.7	£381,341	0.0	1.6
Apr-18	£224,687	0.2	4.4	£333,913	-0.3	2.8	£615,941	-1.9	-0.5	£380,829	-0.1	1.7
May-18	£223,461	-0.5	3.9	£332,221	-0.5	1.7	£616,933	0.2	0.0	£377,883	-0.8	1.0
Jun-18	£224,129	0.3	4.2	£331,860	-0.1	1.4	£614,319	-0.4	0.9	£376,407	-0.4	1.0
Jul-18	£222,443	-0.8	3.4	£329,883	-0.6	1.1	£621,224	1.1	3.0	£373,429	-0.8	0.2
Aug-18	£222,741	0.1	2.9	£328,497	-0.4	0.6	£623,677	0.4	3.9	£372,386	-0.3	-0.1

	South West			Wales			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Sep-17	£282,372	0.8	5.8	£179,627	1.4	5.2	£299,815	0.6	4.5
Oct-17	£283,582	0.4	5.4	£181,084	0.8	4.7	£301,360	0.5	4.0
Nov-17	£285,883	0.8	6.0	£181,577	0.3	4.2	£302,706	0.4	3.8
Dec-17	£289,054	1.1	5.4	£181,279	-0.2	3.3	£304,866	0.7	3.8
Jan-18	£289,192	0.0	4.5	£182,794	0.8	3.8	£307,282	0.8	3.8
Feb-18	£290,296	0.4	4.0	£186,669	2.1	4.9	£308,649	0.4	3.6
Mar-18	£288,050	-0.8	3.2	£184,341	-1.2	3.8	£307,721	-0.3	2.7
Apr-18	£287,560	-0.2	3.1	£181,447	-1.6	3.5	£305,574	-0.7	2.1
May-18	£286,095	-0.5	2.7	£176,820	-2.5	1.8	£303,997	-0.5	1.6
Jun-18	£284,761	-0.5	2.4	£178,495	0.9	2.8	£303,306	-0.2	1.8
Jul-18	£284,056	-0.2	1.5	£180,326	1.0	2.7	£302,996	-0.1	1.8
Aug-18	£283,601	-0.2	1.3	£181,010	0.4	2.1	£303,042	0.0	1.7
Sep-18							£302,626	-0.1	0.9



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.
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.

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