



LSL Property Services / Acadata
England & Wales

House Price Index



Report

January 2019

House Price £304,739	Index 291.8	Monthly Change % -0.2	Annual Change % -0.9	Annual % (excluding London & the SE) 0.0
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Table 1. Average House Prices in England & Wales for the period January 2018 – January 2019

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
January	2018	£307,458	294.4	0.8	3.9
February	2018	£308,917	295.8	0.5	3.7
March	2018	£307,950	294.9	-0.3	2.8
April	2018	£305,866	292.9	-0.7	2.1
May	2018	£304,349	291.5	-0.5	1.7
June	2018	£303,859	291.0	-0.2	2.0
July	2018	£303,059	290.2	-0.3	1.8
August	2018	£303,604	290.8	0.2	1.9
September	2018	£303,918	291.1	0.1	1.3
October	2018	£305,761	292.8	0.6	1.4
November	2018	£305,579	292.6	-0.1	0.9
December	2018	£305,284	292.4	-0.1	0.1
January	2019	£304,739	291.8	-0.2	-0.9



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

House Prices January 2019

In January, the average house price fell by some £550, or -0.2%. This was the third month in succession that the average price has fallen, albeit by relatively small amounts – and now totalling a decline of some £1,000. However, as Figure 1 below shows, over the last 13 months price movements have been very subdued with the overall change in the average price in 2018 totalling a minuscule increase of £311. This compares to the £11,312 rise in 2017. On this basis, the England & Wales market is close to static - but of course, as we go onto show, there are significant regional variations.

Average House Prices in England & Wales
January 2017 - January 2019

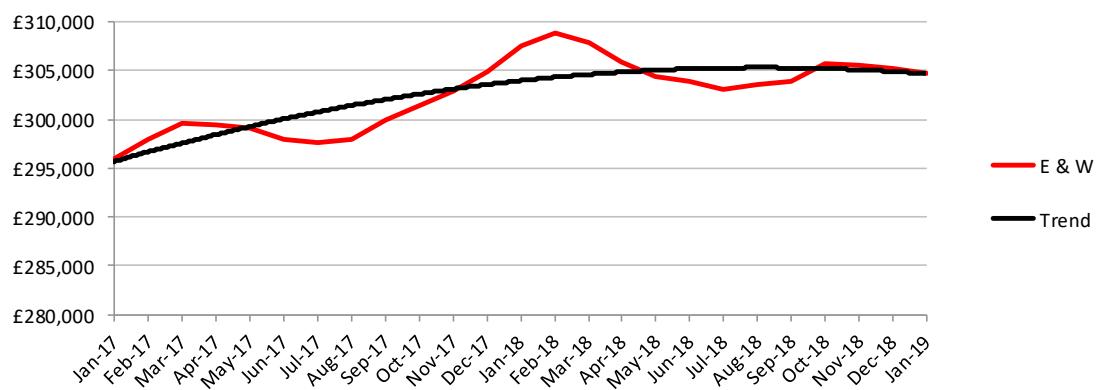
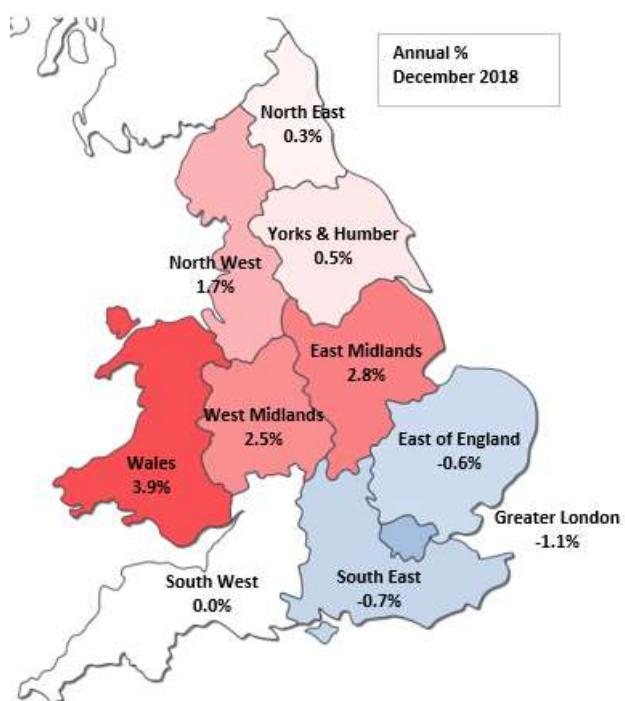


Figure 1. The average house price in England & Wales, January 2017 – January 2019

[link to source Excel](#)

On an annual basis, that is over the last twelve months to the end of January, average prices have fallen by £2,719 or 0.9%, and now stand at £304,739. This annual % rate is the first negative figure we have recorded for England & Wales as a whole since March 2012, although we have seen individual regions with negative rates on a number of occasions in 2018. The annual rate smooths out the monthly fluctuations which can be triggered by shifts in the composition of sales, so is a significant measure of underlying change in the market.

Regional price growth at the end of 2018



The heat map provides a good view of the England & Wales housing market at the end of 2018, by region.

There is a clear north/south divide in the regional housing markets, with the four southernmost regions recording prices at 0.0% or less, while the six regions to the north are all still experiencing positive growth.

Looking at the four southernmost regions, we can observe the ‘familiar’ pattern of price trends rippling out from the hub of Greater London, with the capital at -1.1%, followed by the South East (-0.7%), the East of England (-0.6%) and the South West (0.0%).

Given that the CPIH 12 month rate was 2.0% in December 2018, we can conclude that only three regions saw house prices grow in real terms over the year, being Wales (3.9%), the East Midlands (2.8%) and the West Midlands (2.5%).

This leaves the three northernmost regions with positive growth in nominal terms, but negative growth in real terms (post-inflation). The question of course is how will this pattern evolve? The fact that the strongest price growth is still in the band across the middle of England, and then in Wales is somewhat unusual and will be tracked closely.



The Housing Market

Our market commentary does suggest that overall pressures are rising in the England & Wales market. There are some positives regionally, locally and by conurbation, and with respect to the overall pattern of transactions. However, we can see a general slowing which fits with most of the forecasts for 2019, and it is hard to see that pattern being reversed - not least while Brexit uncertainty dominates. Clearly, if there were to be a breakthrough of some sort in the Brexit negotiations with greater clarity emerging, we might then expect to see something of a bounce: however, until then it is wait-and-see.

The release of the latest English Housing Survey on the 31st January brought the good news that home ownership levels in England had stabilised at 64% (and in actual number terms there was a rise of 340,000, and not least a rise in the number of 35-44 year olds who own their properties). However, a Civitas report out very recently reminded us that the number of 20-34 year old adults living with parents had increased by 1 million between 2003 and 2017, and that 25% of this age group were now in this situation. So progress of sorts, but much still to do!

On that note, the National Audit Office (NAO) review of the performance of the Ministry of Housing, Communities and Local Government (MHCLG) in terms of planning for new homes concluded that it left much to be desired. 50% of English local authorities were likely to fail the 'housing delivery test' in 2020 for not building enough homes, and there had been a 15% overall decrease in numbers of local authority planning staff between 2006 and 2016. The NAO suggested that MHCLG (and the government) needed to take the scale of change required "much more seriously and bring about improvement if they are to meet their ambition of 300,000 new homes per year by the mid-2020s".

Although Brexit looms large, and fears of a downturn and rate rises remain, the England & Wales housing market is predominantly an internal market and to a degree self-contained. The Bank of England has stress-tested financial institutions to see that their reserves could cope with a 30% fall in house prices, but there is little to suggest this is the reality we might face. As we show in this release, buying and selling continues - albeit in a somewhat dampened fashion - and our expectation is that this will continue as it did in previous downturns. As prices slip downwards so is created a new demand for buyers to step in and take advantage of the weakening sellers' market.

Housing Transactions

In January 2019, there were an estimated 56,000 transactions – based on Land Registry counts for England & Wales – which is a -28.4% fall on our still-estimated December figure of 78,250 sales. However, one would normally anticipate a fall in sales volumes of -27.9% at this time of the year, so the decrease of -28.4% represents a relatively small -0.5% reduction in transactions, or -390 sales, on a seasonally-adjusted basis. The estimated 56,000 sales in January 2019 are 4.6% lower than the 58,716 sales in January 2018 and are at their lowest level since January 2013.

On the basis of our sales estimates for December 2018, we are showing that transactions for England & Wales in 2018 will total some 880,270 sales, which are 3.0% down on 2017.

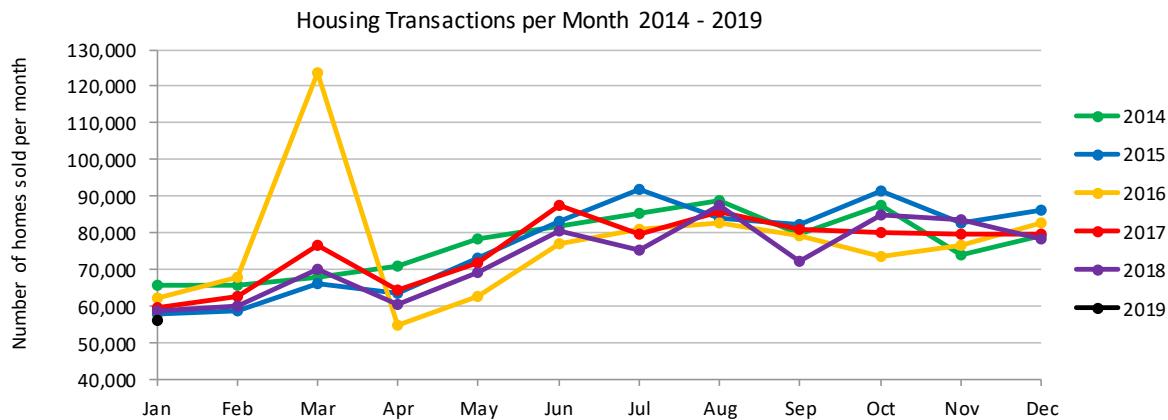


Figure 2. Number of properties sold per month in England & Wales, January 2014 – January 2019

[link to source Excel](#)

Table 2 below analyses the number of transactions by region for the three months October – December, in 2016, 2017 and 2018, and shows that there was an increase in the Q4 2018 totals compared to Q4 2016 and Q4 2017. All the figures used have been measured from the transaction counts at the Land Registry taken one month after the period end of each year, so should represent a similar degree of data emergence across the years. The analysis shows that the overall transaction counts in Q4 2018 are 3% higher than Q4 2017 and 7% higher than Q4 2016, reflecting government support and the recovery of the first time buyer market.

Table 2. Transaction counts at the end of October of each year, for the three months October - December [link to source Excel](#)
TRANSACTIONS ANALYSIS BY REGION

REGION	Oct - Dec			Oct - Dec	
	2016	2017	2018	2016/18	2017/18
NORTH EAST	7,557	8,431	8,973	19%	6%
NORTH WEST	24,100	25,832	27,113	13%	5%
YORKS & HUMBERSIDE	17,742	19,219	20,439	15%	6%
EAST MIDLANDS	18,136	18,178	18,906	4%	4%
WEST MIDLANDS	18,470	19,155	20,371	10%	6%
EAST OF ENGLAND	22,632	22,207	22,574	0%	2%
GREATER LONDON	18,950	18,627	18,755	-1%	1%
SOUTH EAST	31,815	32,625	32,801	3%	1%
SOUTH WEST	22,212	23,564	23,642	6%	0%
ENGLAND	181,614	187,838	193,574	7%	3%
WALES	10,615	11,321	11,668	10%	3%
ENGLAND & WALES	192,229	199,159	205,242	7%	3%

One of the major features of Table 2 is the north/south divide between the regions. Looking at the differences in sales volumes between 2016 and 2018, one can see growth of 10% or higher in the northern and midlands regions and Wales, with the one exception of the East Midlands, where sales only climbed by 4%. The announcement in June 2018 of 4,600 job losses at Rolls Royce HQ in Derby over the next two years may well be part of the cause of the slower increase in housing transactions seen in the East Midlands region during Q4 2018. While transaction growth was in double digits in the northern regions, the southern regions of the country showed relatively minor growth in sales volumes in the range of -1% to +3%, with the one exception of the South West at +6%.

A comparison of 2017 and 2018 transactions shows a broadly similar, although more muted, sales pattern. There are 4 regions in the north with sales volume increases of 5% or higher, with the East Midlands and Wales seeing lower growth at 3% - 4%. Meanwhile, the four southern regions experienced lower rates of growth of between 0% and 2%.

Comparison of indices

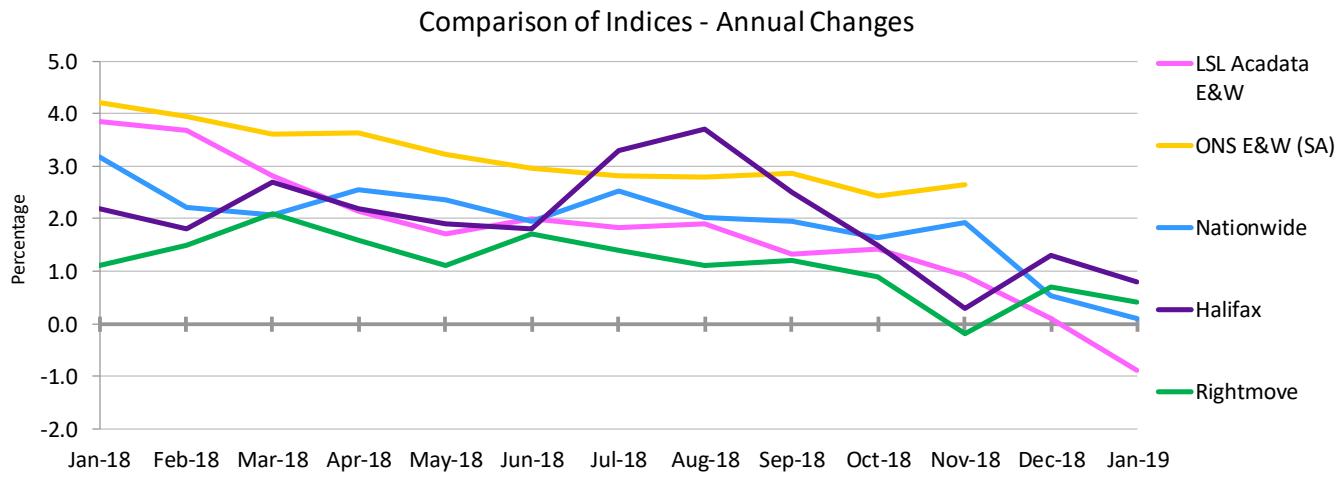


Figure 3. Annual change in house prices

[link to source Excel](#)

Looking now at the range of price indices, in January we have three indices reporting low, but positive, **annual** house price growth, ranging from Nationwide at +0.1% to Halifax at +0.8%, with LSL Acadata on its own in reporting negative growth at -0.9%. We believe that the LSL Acadata index, which is based on home sales recorded at the Land Registry and records every single sale irrespective of price, has a higher weighting of the top-priced homes in London and the South East, where the largest falls in price are currently being experienced, resulting in its negative growth rate.

All four indices which have published in January 2019 are showing a fall in their annual rates, compared to December 2018, with the largest decline in this rate of -1.0% being reported by LSL Acadata and the smallest by Rightmove at -0.3%. Meanwhile, the CPIH index, at 2.0% in December 2018, exceeds all four of the published house price indices, indicating that house prices in January have fallen when expressed in real terms.

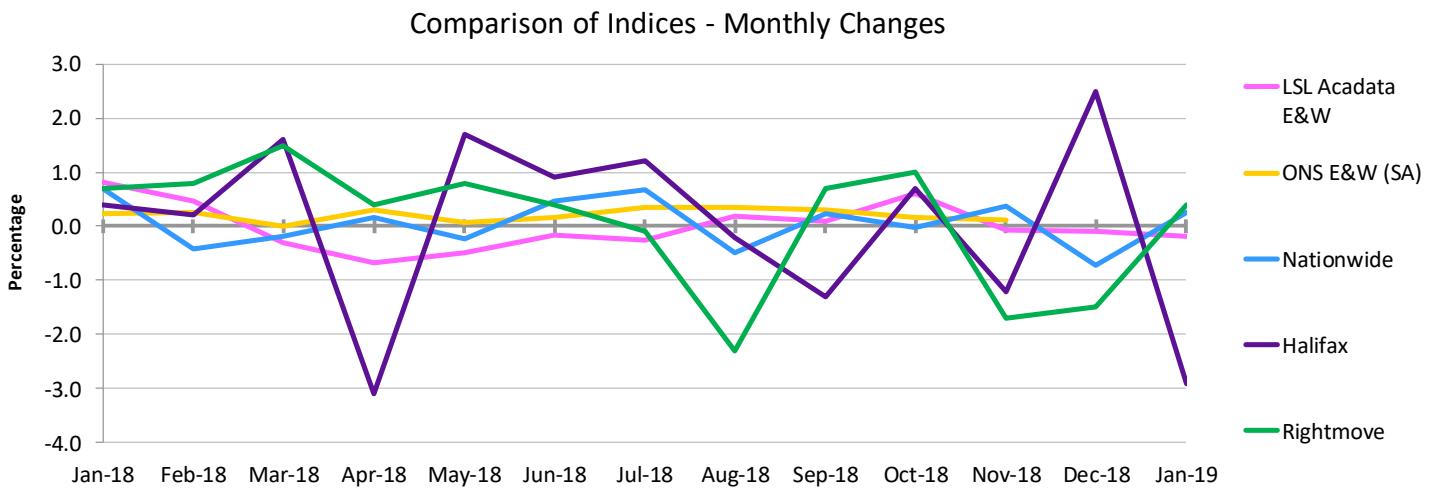


Figure 4. Monthly change in house prices

[link to source Excel](#)

Turning to the **monthly** rates reported in January, the graph is dominated by the dramatic decline in prices reported by Halifax at -2.9%. However, as widely noted the Halifax index is prone to significant oscillations in price on a monthly basis. Halifax itself comments in its index release that "House price data on a quarterly basis provides the clearest indication of overall market trends, smoothing out the monthly volatility caused by the reduced number of monthly transactions used to calculate all house price indices." This is especially true of a January index, which will be based on the lowest number of housing transactions of any month in the year. For the record, the latest Halifax figures show a quarterly price fall of -0.6%. The other three indices which have published in January show near accord in their monthly figures, ranging from Rightmove, at +0.4%, to LSL Acadata at -0.2%. Both Rightmove and Nationwide show an increase in price growth rates during January, compared to December, with their figures climbing by +1.9% and +1.0% respectively.

Regional analysis of house prices

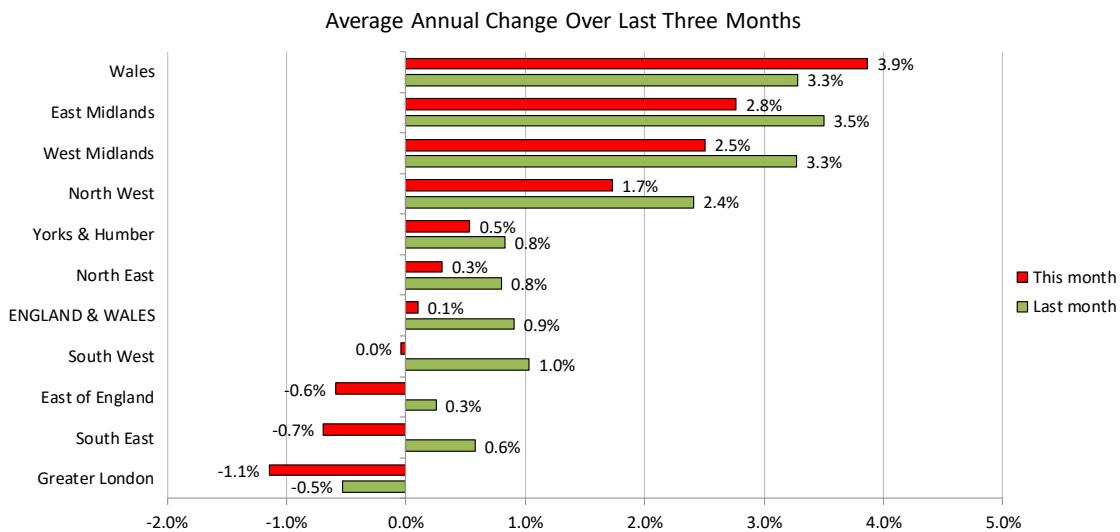
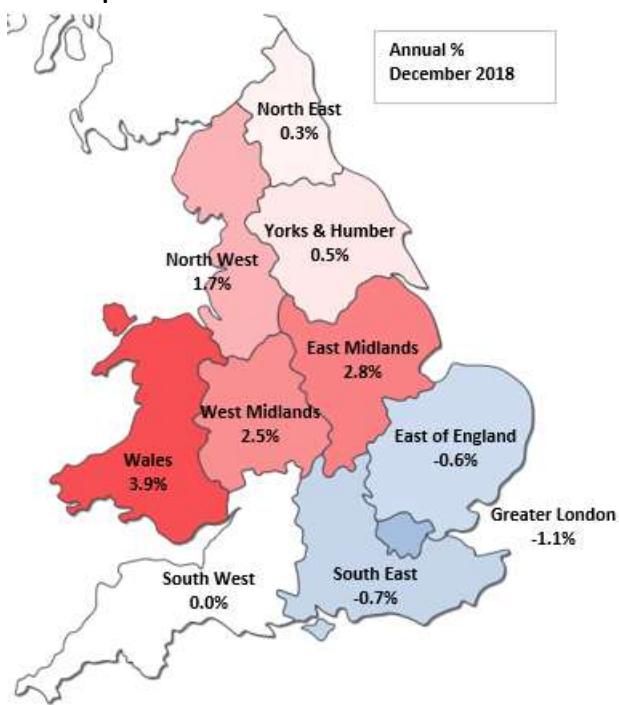


Figure 5. The annual change in the average house price for the three months centred on December 2018, analysed by GOR [link to source Excel](#)

Figure 5 shows the annual change in house prices, averaged over a three-month period centred on December 2018, and contrasts these movements with one month earlier. This month Wales is in top position on our leader board, at 3.9%, having displaced the East Midlands to second at 2.8%. During 2018, Wales has been experiencing strong house price growth in its south-eastern corner, possibly arising from the economic benefits associated with the abolition of the toll charges on the Severn Bridge and the increase in Bristol commuters deciding to live in Wales on affordability grounds.

All regions, other than Wales, have seen the rate of price growth slow during the month, with the largest decline being in the South-East, down by -1.3% on last month. This month there are four regions where price growth is at 0.0% or lower, with the largest fall of -1.1% occurring in London. Although we have seen previous months in 2018 when one region has had a negative rate of growth, December 2018 is the first month in which there has been more than one region with a negative rate, since July 2013.

Heat Map



We have already discussed the main aspects of the Heat Map on page 2 of this report. However, one of the aspects not previously mentioned is that of affordability. In general terms, the four southernmost regions of England & Wales are the least affordable places to live. Using the definition of the affordability ratio as the median price of a home divided by the median annual income of those living in the region, the ratios in 2018 for the southernmost regions range from 12.54 (Greater London) to 8.87 (South West).

The affordability ratios for the three northernmost regions range from 6.68 (Yorks & Humber) to 5.27 (North East). Finally the ratios for the three middle regions of England & Wales range from 6.48 (West Midlands) to 5.67 (Wales).

So why isn't there a 1:1 accord in affordability ratios to the increase in annual prices? The answer in part is that there nearly is – for example, Wales is ranked 9th out of the 10 regions in terms of affordability, which might explain its current position at the top of the Regional leader board. At the same time, the Government housing initiatives, such as Help to Buy, which are designed to help those with affordability issues, will partly obscure the differences in the regional affordability ratios.

Figure 6. Heat Map of the annual change in the average house price of English regions and Wales, December 2018

London boroughs, counties and unitary authorities



LONDON BOROUGHS

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

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Dec-17	Nov-18	Dec-18	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	2,582,565	1,794,090	1,782,859	-0.6%	-31.0%
2	2	CITY OF WESTMINSTER	1,948,423	1,486,872	1,536,923	3.4%	-21.1%
5	3	CITY OF LONDON	964,419	1,026,877	991,222	-3.5%	2.8%
4	4	CAMDEN	1,067,123	911,741	914,806	0.3%	-14.3%
3	5	HAMMERSMITH AND FULHAM	1,070,840	928,023	879,411	-5.2%	-17.9%
6	6	RICHMOND UPON THAMES	746,680	767,451	778,375	1.4%	4.2%
7	7	WANDSWORTH	742,467	727,266	727,993	0.1%	-1.9%
8	8	ISLINGTON	703,245	718,133	704,952	-1.8%	0.2%
12	9	SOUTHWARK	631,636	696,716	651,418	-6.5%	3.1%
14	10	MERTON	598,103	673,316	649,735	-3.5%	8.6%
11	11	BARNET	633,679	646,213	637,434	-1.4%	0.6%
9	12	HARINGEY	655,532	614,338	613,196	-0.2%	-6.5%
10	13	LAMBETH	638,133	612,806	593,840	-3.1%	-6.9%
13	14	HACKNEY	618,055	592,991	589,447	-0.6%	-4.6%
16	15	EALING	585,553	552,253	563,504	2.0%	-3.8%
15	16	BRENT	590,544	556,431	560,087	0.7%	-5.2%
17	17	KINGSTON UPON THAMES	547,491	568,688	550,481	-3.2%	0.5%
19	18	HOUNSLOW	516,290	530,907	506,959	-4.5%	-1.8%
18	19	TOWER HAMLETS	545,754	515,809	505,060	-2.1%	-7.5%
20	20	HARROW	506,041	507,669	496,556	-2.2%	-1.9%
21	21	BROMLEY	492,196	488,368	484,326	-0.8%	-1.6%
24	22	REDBRIDGE	459,435	477,032	473,965	-0.6%	3.2%
25	23	LEWISHAM	457,611	468,531	462,245	-1.3%	1.0%
23	24	WALTHAM FOREST	464,873	458,925	461,461	0.6%	-0.7%
26	25	HILLINGDON	455,623	442,585	444,711	0.5%	-2.4%
27	26	ENFIELD	451,157	443,620	442,467	-0.3%	-1.9%
22	27	GREENWICH	483,327	450,851	436,287	-3.2%	-9.7%
29	28	SUTTON	413,260	405,621	400,445	-1.3%	-3.1%
30	29	CROYDON	403,909	389,908	386,878	-0.8%	-4.2%
31	30	HAVERING	390,249	382,410	383,340	0.2%	-1.8%
28	31	NEWHAM	419,724	394,617	381,636	-3.3%	-9.1%
32	32	BEXLEY	363,007	360,886	363,107	0.6%	0.0%
33	33	BARKING AND DAGENHAM	304,137	304,175	303,856	-0.1%	-0.1%
		ALL LONDON	633,268	623,253	626,005	0.4%	-1.1%

London

The analysis of Greater London house prices in Table 3 relates to December 2018, and compares these prices to one month and one year earlier. The annual rate of change in London prices continues to be below zero, at -1.1%: this is the largest fall in London prices since September 2009 and is the sixth month in 2018 in which annual prices have been negative. On a monthly basis, average prices have risen by some £2,750, or 0.4%, being the fourth month in a row in which the monthly price change has been positive.

Prices in the London Boroughs

On an annual basis, prices in December fell in 23 of the 33 London boroughs, the same number as the previous month.

The borough with the largest reduction in prices over the year was Kensington and Chelsea, where prices have fallen by 31.0%. The average price of a flat in Kensington and Chelsea has tumbled from £2.3 million in December 2017 to £1.4 million in December 2018. In January 2018, two new-build flats were sold near Holland Park for £33 million and £21 million apiece, which helped raise the average price of flats by £200k at the end of 2017, with no similarly-priced flats being sold at the end of 2018 – but without these two properties the average price of flats in Kensington and Chelsea has still fallen by £700k. A reduction in the price of flats in the City of Westminster can also be observed, with average prices falling by £500k over the year, resulting in the 21.1% fall in prices, as shown in Table 3 above.

London boroughs, counties and unitary authorities



The highest rise in average prices over the year was in Merton, at +8.6%. Merton has seen the price of detached homes increase from an average £2.0 million in December 2017 to £2.4 million one year later. The average price in Merton has been marginally assisted by the purchase of a detached home on Parkside, SW19 for £15 million. The property is approximately a 10 minute walk from the Wimbledon Lawn Tennis Club.

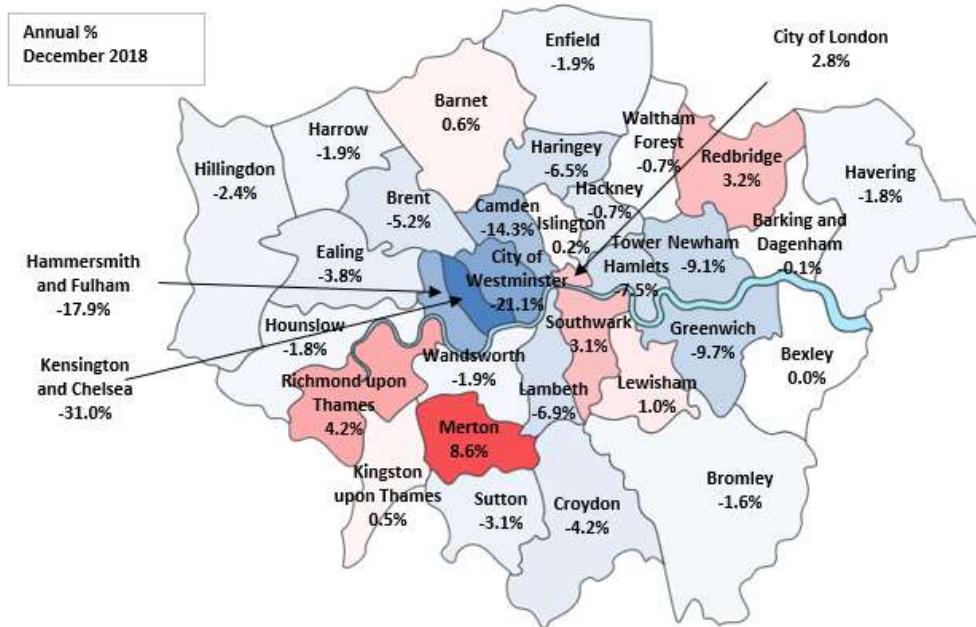
London Borough transactions

In terms of Greater London transactions, sales for the three-month period October – December 2018 are 0.7% up on the same three months in 2017, although this single figure masks the varying changes in the volume of sales for the different property types. Sales of both detached homes and flats have increased by 1.7%, while terraces have seen no change in sales volumes over the year; meanwhile semi-detached homes have seen a fall in transactions of -1.6%.

The three boroughs with the highest increase in transactions over this period are Tower Hamlets (+26%), Brent (+19%) and Islington (+17%); 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 Haringey (-7%), Camden (-16%) and Hounslow (-22%); again, it was the reduction in the number of flats sold which had the largest influence on sales volumes in these three boroughs, with weakening affordability probably lying at the heart of this.

London house price heat map



London boroughs, counties and unitary authorities



England and Wales (excluding London)

Table 4. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing December 2017 and November 2018 with December 2018

[link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Dec-17	Nov-18	Dec-18	Monthly change	Annual Change
102	100	COUNTY DURHAM	£131,343	£134,908	£133,625	-1.0%	1.7%
94	93	DARLINGTON	£149,991	£161,845	£159,352	-1.5%	6.2%
100	97	HARTLEPOOL	£137,193	£141,943	£141,169	-0.5%	2.9%
95	99	MIDDLEBROUGH	£146,687	£133,487	£134,066	0.4%	-8.6%
70	72	NORTHUMBERLAND	£190,765	£189,817	£190,146	0.2%	-0.3%
97	98	REDCAR AND CLEVELAND	£144,580	£135,265	£134,669	-0.4%	-6.9%
87	94	STOCKTON-ON-TEES	£165,695	£160,657	£158,750	-1.2%	-4.2%
86	87	TYNE AND WEAR	£165,756	£169,987	£168,688	-0.8%	1.8%
		NORTH EAST	£158,691	£160,203	£159,173	-0.6%	0.3%
99	102	BLACKBURN WITH DARWEN	£141,675	£128,456	£132,337	3.0%	-6.6%
106	107	BLACKPOOL	£120,347	£117,866	£118,824	0.8%	-1.3%
40	41	CHESHIRE	£258,714	£259,824	£262,896	1.2%	1.6%
84	91	HALTON	£170,647	£165,013	£161,553	-2.1%	-5.3%
56	54	WARRINGTON	£219,983	£232,633	£231,522	-0.5%	5.2%
69	74	CUMBRIA	£194,425	£188,410	£188,378	0.0%	-3.1%
67	68	GREAT MANCHESTER	£194,986	£199,573	£200,453	0.4%	2.8%
79	80	LANCASHIRE	£175,740	£176,653	£176,292	-0.2%	0.3%
85	82	MERSEYSIDE	£167,796	£172,668	£174,413	1.0%	3.9%
		NORTH WEST	£192,824	£195,232	£196,158	0.5%	1.7%
60	61	EAST RIDING OF YORKSHIRE	£201,433	£207,212	£207,034	-0.1%	2.8%
105	104	KINGSTON UPON HULL, CITY OF	£123,303	£124,490	£125,216	0.6%	1.6%
96	96	NORTH EAST LINCOLNSHIRE	£146,478	£143,409	£142,459	-0.7%	-2.7%
92	92	NORTH LINCOLNSHIRE	£157,011	£159,702	£160,608	0.6%	2.3%
37	36	YORK	£262,455	£269,756	£269,039	-0.3%	2.5%
43	48	NORTH YORKSHIRE	£253,157	£242,944	£244,032	0.4%	-3.6%
88	86	SOUTH YORKSHIRE	£163,996	£169,095	£169,186	0.1%	3.2%
75	78	WEST YORKSHIRE	£182,468	£183,662	£183,198	-0.3%	0.4%
		YORKS & HUMBER	£188,928	£189,979	£189,942	0.0%	0.5%
82	79	DERBY	£171,203	£177,436	£178,157	0.4%	4.1%
74	70	LEICESTER	£184,141	£193,753	£193,721	0.0%	5.2%
90	85	NOTTINGHAM	£161,320	£171,886	£170,494	-0.8%	5.7%
15	15	RUTLAND	£340,010	£328,303	£336,095	2.4%	-1.2%
64	62	DERBYSHIRE	£197,821	£206,321	£206,122	-0.1%	4.2%
50	46	LEICESTERSHIRE	£238,343	£249,578	£248,710	-0.3%	4.3%
63	64	LINCOLNSHIRE	£198,500	£202,369	£202,152	-0.1%	1.8%
45	44	NORTHAMPTONSHIRE	£249,722	£251,824	£250,500	-0.5%	0.3%
66	65	NOTTINGHAMSHIRE	£196,830	£204,446	£201,839	-1.3%	2.5%
		EAST MIDLANDS	£211,095	£217,795	£216,933	-0.4%	2.8%
42	39	HEREFORDSHIRE	£254,557	£262,131	£264,076	0.7%	3.7%
48	49	SHROPSHIRE	£240,173	£243,681	£243,037	-0.3%	1.2%
104	105	STOKE-ON-TRENT	£124,852	£125,943	£124,906	-0.8%	0.0%
77	76	TELFORD & WREKIN	£176,394	£182,820	£184,849	1.1%	4.8%
58	57	STAFFORDSHIRE	£208,884	£217,385	£214,617	-1.3%	2.7%
30	33	WARWICKSHIRE	£288,423	£288,022	£286,196	-0.6%	-0.8%
62	60	WEST MIDLANDS	£200,380	£209,176	£207,961	-0.6%	3.8%
39	38	WORCESTERSHIRE	£258,799	£266,625	£265,909	-0.3%	2.7%
		WEST MIDLANDS	£220,016	£226,740	£225,522	-0.5%	2.5%
21	21	BEDFORDSHIRE	£316,979	£318,786	£317,877	-0.3%	0.3%
44	47	LUTON	£251,603	£247,403	£247,302	0.0%	-1.7%
57	63	PETERBOROUGH	£209,089	£206,007	£203,391	-1.3%	-2.7%
22	18	SOUTHEND-ON-SEA	£313,806	£314,178	£324,807	3.4%	3.5%
32	31	THURROCK	£285,417	£298,115	£291,229	-2.3%	2.0%
17	20	CAMBRIDGESHIRE	£331,387	£325,895	£323,129	-0.8%	-2.5%

London boroughs, counties and unitary authorities



13	13	ESSEX	£350,486	£351,416	£348,655	-0.8%	-0.5%
5	4	HERTFORDSHIRE	£453,144	£452,024	£447,789	-0.9%	-1.2%
46	45	NORFOLK	£247,199	£250,795	£249,532	-0.5%	0.9%
35	35	SUFFOLK	£274,585	£272,079	£271,661	-0.2%	-1.1%
		EAST OF ENGLAND	£329,080	£329,099	£327,131	-0.6%	-0.6%
		GREATER LONDON	£633,268	£623,253	£626,005	0.4%	-1.1%
7	12	BRACKNELL FOREST	£410,162	£367,050	£360,802	-1.7%	-12.0%
6	6	BRIGHTON AND HOVE	£413,893	£403,337	£407,251	1.0%	-1.6%
53	50	ISLE OF WIGHT	£229,101	£239,290	£241,942	1.1%	5.6%
41	43	MEDWAY	£258,249	£261,666	£259,814	-0.7%	0.6%
27	27	MILTON KEYNES	£299,890	£300,596	£299,165	-0.5%	-0.2%
51	53	PORTSMOUTH	£233,981	£232,202	£232,633	0.2%	-0.6%
19	19	READING	£326,156	£319,933	£323,701	1.2%	-0.8%
16	24	SLough	£333,834	£315,710	£314,252	-0.5%	-5.9%
52	55	SOUTHAMPTON	£230,043	£226,575	£226,496	0.0%	-1.5%
9	8	WEST BERKSHIRE	£400,156	£390,330	£384,821	-1.4%	-3.8%
1	1	WINDSOR AND MAIDENHEAD	£565,485	£591,855	£585,768	-1.0%	3.6%
4	5	WOKINGHAM	£453,356	£452,270	£443,037	-2.0%	-2.3%
3	3	BUCKINGHAMSHIRE	£473,272	£466,625	£462,383	-0.9%	-2.3%
24	23	EAST SUSSEX	£309,315	£314,410	£314,798	0.1%	1.8%
12	14	HAMPSHIRE	£356,720	£346,405	£342,060	-1.3%	-4.1%
20	16	KENT	£324,844	£335,804	£332,155	-1.1%	2.3%
10	7	OXFORDSHIRE	£394,881	£406,541	£405,036	-0.4%	2.6%
2	2	SURREY	£524,727	£520,801	£522,812	0.4%	-0.4%
11	11	WEST SUSSEX	£367,679	£362,095	£360,817	-0.4%	-1.9%
		SOUTH EAST	£374,218	£373,440	£371,635	-0.5%	-0.7%
8	9	BATH AND NORTH EAST SOMERSET	£408,626	£384,202	£374,866	-2.4%	-8.3%
34	34	BOURNEMOUTH	£276,527	£272,573	£280,429	2.9%	1.4%
23	22	BRISTOL , CITY OF	£313,186	£317,368	£316,143	-0.4%	0.9%
36	37	CORNWALL	£263,740	£264,892	£266,372	0.6%	1.0%
26	28	NORTH SOMERSET	£307,732	£294,552	£298,327	1.3%	-3.1%
71	71	PLYMOUTH	£188,315	£192,492	£190,295	-1.1%	1.1%
14	10	POOLE	£345,804	£368,783	£365,107	-1.0%	5.6%
29	29	SOUTH GLOUCESTERSHIRE	£296,291	£293,885	£291,793	-0.7%	-1.5%
47	51	SWINDON	£243,160	£237,482	£236,236	-0.5%	-2.8%
55	56	TORBAY	£227,968	£224,076	£221,331	-1.2%	-2.9%
25	25	WILTSHIRE	£308,296	£305,483	£303,162	-0.8%	-1.7%
31	30	DEVON	£287,612	£289,164	£291,308	0.7%	1.3%
18	17	DORSET	£327,639	£323,689	£325,794	0.7%	-0.6%
28	26	GLOUCESTERSHIRE	£298,624	£301,239	£302,060	0.3%	1.2%
38	42	SOMERSET	£259,149	£262,833	£262,389	-0.2%	1.3%
		SOUTH WEST	£289,087	£288,823	£288,959	0.0%	0.0%
65	67	ISLE OF ANGLESEY	£197,748	£197,895	£200,744	1.4%	1.5%
80	77	Gwynedd	£172,690	£185,196	£183,473	-0.9%	6.2%
76	73	CONWY	£180,820	£187,877	£189,254	0.7%	4.7%
78	84	DENBIGHSHIRE	£176,191	£169,559	£171,318	1.0%	-2.8%
73	75	FLINTSHIRE	£185,202	£184,996	£186,316	0.7%	0.6%
81	81	WREXHAM	£172,197	£171,654	£175,418	2.2%	1.9%
61	58	POWYS	£200,708	£215,659	£214,236	-0.7%	6.7%
59	59	CEREDIGION	£201,776	£209,623	£208,351	-0.6%	3.3%
68	69	PEMBROKESHIRE	£194,878	£195,149	£199,908	2.4%	2.6%
91	88	CARMARTHENSHIRE	£158,636	£166,584	£167,689	0.7%	5.7%
83	83	SWANSEA	£170,661	£176,830	£174,408	-1.4%	2.2%
101	103	NEATH PORT TALBOT	£133,202	£125,124	£127,090	1.6%	-4.6%
89	89	BRIDGEND	£162,087	£167,481	£167,288	-0.1%	3.2%
49	40	VALE OF GLAMORGAN	£239,537	£257,457	£262,980	2.1%	9.8%
54	52	CARDIFF	£228,425	£233,013	£234,375	0.6%	2.6%



103	101	RHONDDA CYNON TAFF	£130,801	£133,309	£133,464	0.1%	2.0%
107	106	MERTHYR TYDFIL	£119,883	£125,020	£124,805	-0.2%	4.1%
98	95	CAERPHILLY	£142,673	£155,775	£153,817	-1.3%	7.8%
108	108	BLAENAU GWENT	£102,289	£108,062	£110,724	2.5%	8.2%
93	90	TORFAEN	£154,928	£165,256	£164,774	-0.3%	6.4%
33	32	MONMOUTHSHIRE	£278,308	£294,926	£290,873	-1.4%	4.5%
72	66	NEWPORT	£186,494	£199,109	£200,778	0.8%	7.7%
		WALES	£181,261	£187,523	£188,271	0.4%	3.9%
		ENGLAND & WALES	£304,973	£305,579	£305,284	-0.1%	0.1%

Table 4 shows the average property price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary based on the GOR, for December 2017, and November and December 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 Price Trends

As noted at the outset of this release, on an annual basis, prices in December 2018 increased in England & Wales by just £311, or 0.1%, down by 0.8% on the rate seen in November. This is the ninth month in the last twelve in which the annual rate has slowed, and is the second largest reduction in growth in 2018, the highest decline of -0.9% having occurred in March 2018. In December 2017 the annual rate of house price growth was 3.9%, so the pace of growth has fallen by nearly 4% over the last calendar year.

In December 2018, as discussed on page 2, there were four regions where annual house price growth was at a zero % rate, or lower, all located in the south of England. At the unitary authority/county level there were 40 areas where prices fell over the year, compared with 34 areas the previous month, indicating a more widespread downturn in the housing markets across the country. Of the 40 areas where prices have fallen (with last month's comparable figures in brackets), 13 are located in the South East (10), 7 are located in the South West (6), 6 are located in the East of England (4), 4 each are located in the North East (4) and the North West (3), with 2 each located in Yorkshire and the Humber (2) and Wales (3), and 1 each in the East Midlands (0) and the West Midlands (1). Wales was therefore the only region in which there were fewer local authority areas with price falls in December, compared to November.

We can note that in December 2018, 40 of the 108 unitary authorities in England & Wales (or 37%) outside of London were witnessing price falls on an annual basis, contrasting with the position in London, where 23 of the 33 boroughs (or 70%) saw prices decline over the same period. It is evident that the majority of unitary authorities in England & Wales are still experiencing rising house prices, while in London only a minority of boroughs do so.

Peak Prices

In Table 4, those areas highlighted in turquoise have set a new peak price in December 2018; there are 7 such locations, compared with 12 seen in November. Of the 7 unitary authority areas that recorded a new peak, 3 are in Wales (Conwy, the Vale of Glamorgan and Newport), with 2 in the North West (Greater Manchester and Merseyside) and 2 newcomers this month in the South West (Devon and Gloucestershire). This month we also have two GOR areas establishing a new peak average price, (last month three), being the North West and Wales, with the East Midlands, which had been at a peak last month, seeing prices fall in December.

Monthly Trends

On a monthly basis, the average price of a home in England & Wales in December fell by some £300, which equates to a -0.1% change, the same rate as recorded in the previous month. During 2018 there were seven months in which the average price of properties in England & Wales fell and five months in which prices rose.

Highest and lowest unitary authorities

In December, looking at the unitary authority areas on an individual basis, it was the Vale of Glamorgan that had the highest annual rate of change in prices, at 9.8%. Over the last year, the average price of detached and semi-detached homes have both risen in the Vale by £20k apiece, with detached properties reaching an average £400k, while semis now cost an average £240k at the end of 2018, up from £220k one year earlier. In 2018, the Vale has the distinction of being that local authority area in Wales with the highest number of new builds, at 351 properties, which just pips Cardiff at 348 new builds, and is also ahead of Newport which has 317 new properties recorded to date.



At the other end of the scale, the authority with the largest reduction in prices is Bracknell Forest, where prices over the year have fallen by 12.0%. In Bracknell Forest, there has been a reduction in the price of detached properties, from an average £600k in December 2017, down to £500k one year later. However, this has largely occurred as a result of a higher mix of Sandhurst properties being sold at the end of 2018, compared to the rest of the year. The average prices of detached homes in Sandhurst tend to be lower than the prices of similar properties in Ascot, Crowthorne and Bracknell itself, which has reduced the average price of homes being sold in the unitary authority area – but probably only on a temporary basis.

Prices in the Conurbations

Table 5. The annual percentage change in mix adjusted house prices, for 12 conurbations in England & Wales, comparing October – December 2018 Table 5 is based on three month averages centred on the named month [link to source Excel](#)

THE CONURBATIONS	Annual rates of price change %		
	October	November	December
Nottingham	5.4	4.5	5.7
Leicester	8.2	7.8	5.2
Merseyside	2.9	3.0	3.9
West Midlands	5.5	5.1	3.8
South Yorkshire	0.9	3.1	3.2
Greater Manchester	5.0	4.4	2.8
Cardiff	3.6	3.1	2.6
Tyne & Wear	2.2	2.1	1.8
Bristol	4.0	3.1	0.9
West Yorkshire	2.2	1.1	0.4
Greater London	0.0	-0.5	-1.1
Southampton	-2.7	-2.5	-1.5

Table 5 shows the relative movement in the rates of house price growth of 12 conurbation areas/cities in England & Wales. In broad terms, we can observe that the rate of house price growth has slowed in 8 of the 12 conurbations over the three month period, following the national trend.

In December, Nottingham tops the conurbation league table at 5.7%, having been in third place one month earlier. Nottingham is followed by Leicester at 5.2% and then Merseyside at 3.9%. Given that Leicester and Nottingham are both in the East Midlands, one can sense why the region continues to be so highly placed in our regional housing league.

Comparing December with November, Merseyside has seen the largest climb of five places in the league table, with an increase in its growth rate to 3.9%.

There were four conurbations which accomplished an increase in their annual rates in December, Nottingham, up by 1.2%, Merseyside up by 0.9%, South Yorkshire up by 0.1% and finally, Southampton, up by 1.0% - this is the second largest positive change in rates in the month, despite Southampton being at the bottom of our league table.

Transactions

As shown in Table 2 earlier, transactions in England & Wales for the period October – December 2018 were 3% ahead of 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 properties, there was an overall increase of 6% in sales volumes between the years, with a +19% increase in the North East, albeit from a low starting base, and a zero % change in the South West. For semi-detached properties sales volumes increased by 4% overall: however, sales of semis were up by 10% in the West Midlands, while sales fell by 1% in the South East. For terraces there was a 1% increase overall, with ranges from +7% in Wales to -3% in both the South East and the South West. Finally for flats, there was a zero % change overall, but this ranged from +4% in the West Midlands to -5% in both the East Midlands and 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 were Bridgend (+26%), Torfaen (+25%), Pembrokeshire (+22%), Halton (+21%) and York (+20%). Torfaen and Halton both have a small number of sales in a month, so tend to show large changes in transactions when expressed in percentage terms. In Bridgend, the highest increase in sales over the period was seen in terraced properties, up by +39%, and in Pembrokeshire there has been a +45% increase in the sale of semi-detached properties, but both areas starting from a low base. Finally, in York, the largest increase in sales this month was in flats, up by +41% with 141 units sold.

London boroughs, counties and unitary authorities

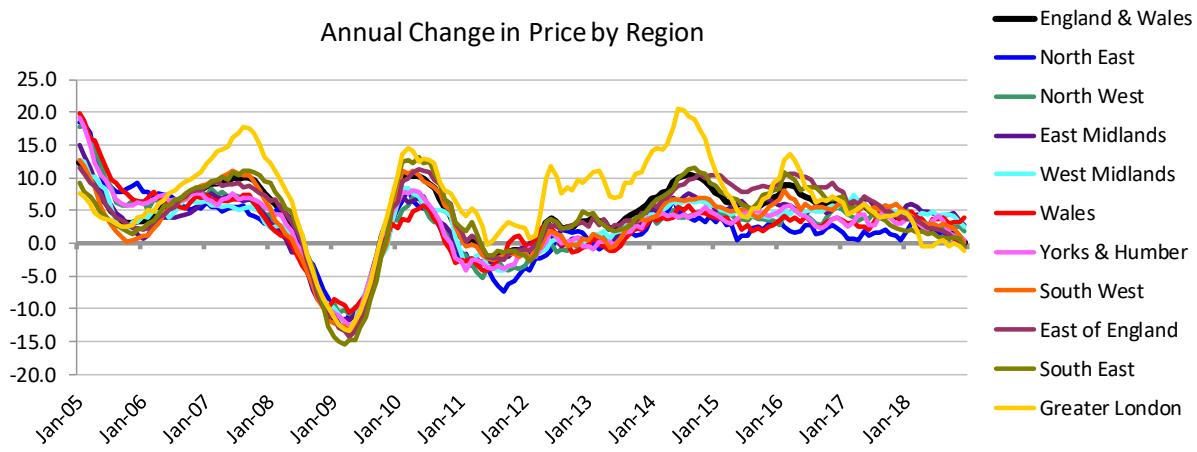


Figure 7. A comparison of the annual change in house prices, by region for the period January 2005 – December 2018 [link to source Excel](#)

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.

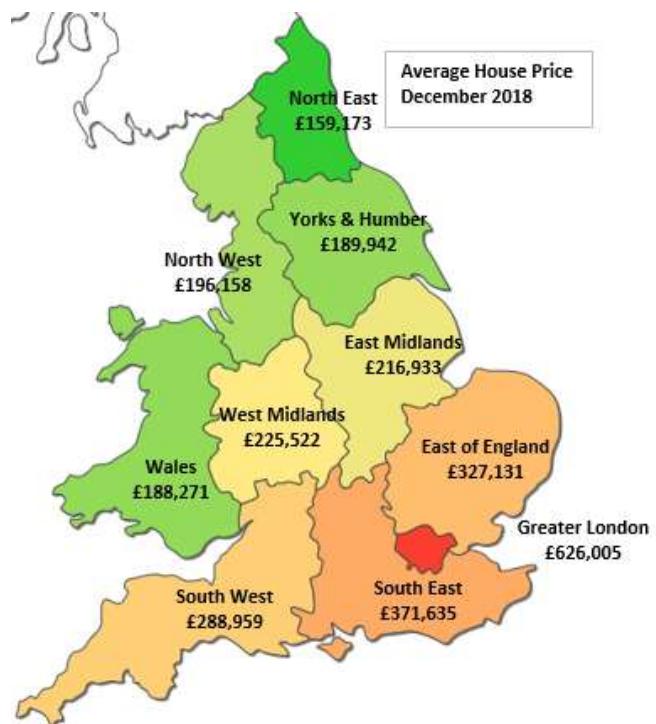


Figure 8. Heat Map of the average house price for England & Wales, analysed by region, December 2018

Regional data



Table 6. Average house prices by region, January 2018 – January 2019, with monthly and annual % growth

[link to source Excel](#)

	North East			North West			Yorks & Humber			East Midlands		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jan-18	£161,927	2.0	1.9	£193,238	0.2	5.1	£190,414	0.8	3.6	£215,194	1.9	5.7
Feb-18	£164,322	1.5	3.0	£194,161	0.5	4.6	£190,768	0.2	4.0	£217,051	0.9	6.0
Mar-18	£165,949	1.0	4.4	£193,637	-0.3	3.9	£190,412	-0.2	3.1	£217,534	0.2	5.5
Apr-18	£163,417	-1.5	3.6	£192,733	-0.5	3.6	£190,110	-0.2	2.5	£216,489	-0.5	4.9
May-18	£161,636	-1.1	2.5	£190,886	-1.0	2.8	£189,422	-0.4	2.0	£216,002	-0.2	4.7
Jun-18	£161,288	-0.2	2.5	£190,888	0.0	2.9	£190,280	0.5	3.5	£217,043	0.5	4.5
Jul-18	£159,531	-1.1	1.4	£191,632	0.4	2.4	£191,096	0.4	4.1	£215,915	-0.5	4.1
Aug-18	£159,335	-0.1	1.8	£193,236	0.8	2.5	£192,023	0.5	3.4	£217,151	0.6	4.2
Sep-18	£158,712	-0.4	0.7	£193,142	0.0	2.0	£191,319	-0.4	1.6	£217,750	0.3	4.3
Oct-18	£160,298	1.0	1.4	£194,665	0.8	2.4	£190,500	-0.4	1.1	£218,876	0.5	4.5
Nov-18	£160,203	-0.1	0.8	£195,232	0.3	2.4	£189,979	-0.3	0.8	£217,795	-0.5	3.5
Dec-18	£159,173	-0.6	0.3	£196,158	0.5	1.7	£189,942	0.0	0.5	£216,933	-0.4	2.8
West Midlands			East of England			Greater London			South East			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jan-18	£222,836	1.3	4.3	£330,800	0.5	3.8	£637,937	0.7	4.7	£378,299	1.1	1.9
Feb-18	£224,868	0.9	4.5	£334,012	1.0	4.0	£634,419	-0.6	3.7	£381,670	0.9	2.0
Mar-18	£224,575	-0.1	3.8	£335,471	0.4	3.4	£628,083	-1.0	1.8	£381,615	0.0	1.7
Apr-18	£224,976	0.2	4.6	£334,801	-0.2	3.0	£615,594	-2.0	-0.6	£381,289	-0.1	1.8
May-18	£224,175	-0.4	4.3	£334,025	-0.2	2.2	£613,770	-0.3	-0.6	£378,846	-0.6	1.2
Jun-18	£225,596	0.6	4.8	£334,929	0.3	2.4	£606,400	-1.2	-0.4	£378,290	-0.1	1.5
Jul-18	£224,263	-0.6	4.2	£332,972	-0.6	2.0	£604,640	-0.3	0.3	£375,818	-0.7	0.8
Aug-18	£226,175	0.9	4.4	£332,148	-0.2	1.7	£602,505	-0.4	0.4	£376,147	0.1	0.8
Sep-18	£227,398	0.5	4.3	£330,286	-0.6	1.3	£606,639	0.7	-0.6	£375,390	-0.2	0.7
Oct-18	£227,949	0.2	4.1	£331,043	0.2	0.7	£617,579	1.8	0.0	£375,468	0.0	0.9
Nov-18	£226,740	-0.5	3.3	£329,099	-0.6	0.3	£623,253	0.9	-0.5	£373,440	-0.5	0.6
Dec-18	£225,522	-0.5	2.5	£327,131	-0.6	-0.6	£626,005	0.4	-1.1	£371,635	-0.5	-0.7
South West			Wales			ENGLAND & WALES						
	Av HP	%monthly	%annual	Av HP	%monthly	%annual				Av HP	%monthly	%annual
Jan-18	£289,286	0.1	4.6	£182,817	0.9	3.8				£307,458	0.8	3.9
Feb-18	£290,427	0.4	4.0	£186,612	2.1	4.9				£308,917	0.5	3.7
Mar-18	£288,097	-0.8	3.2	£184,397	-1.2	3.9				£307,950	-0.3	2.8
Apr-18	£287,492	-0.2	3.1	£181,740	-1.4	3.7				£305,866	-0.7	2.1
May-18	£286,561	-0.3	2.8	£177,420	-2.4	2.2				£304,349	-0.5	1.7
Jun-18	£286,176	-0.1	2.9	£179,931	1.4	3.6				£303,859	-0.2	2.0
Jul-18	£286,943	0.3	2.5	£182,170	1.2	3.8				£303,059	-0.3	1.8
Aug-18	£288,532	0.6	3.0	£184,315	1.2	4.0				£303,604	0.2	1.9
Sep-18	£289,246	0.2	2.4	£185,056	0.4	3.0				£303,918	0.1	1.3
Oct-18	£289,768	0.2	2.2	£186,772	0.9	3.2				£305,761	0.6	1.4
Nov-18	£288,823	-0.3	1.0	£187,523	0.4	3.3				£305,579	-0.1	0.9
Dec-18	£288,959	0.0	0.0	£188,271	0.4	3.9				£305,284	-0.1	0.1
Jan-19										£304,739	-0.2	-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](#).