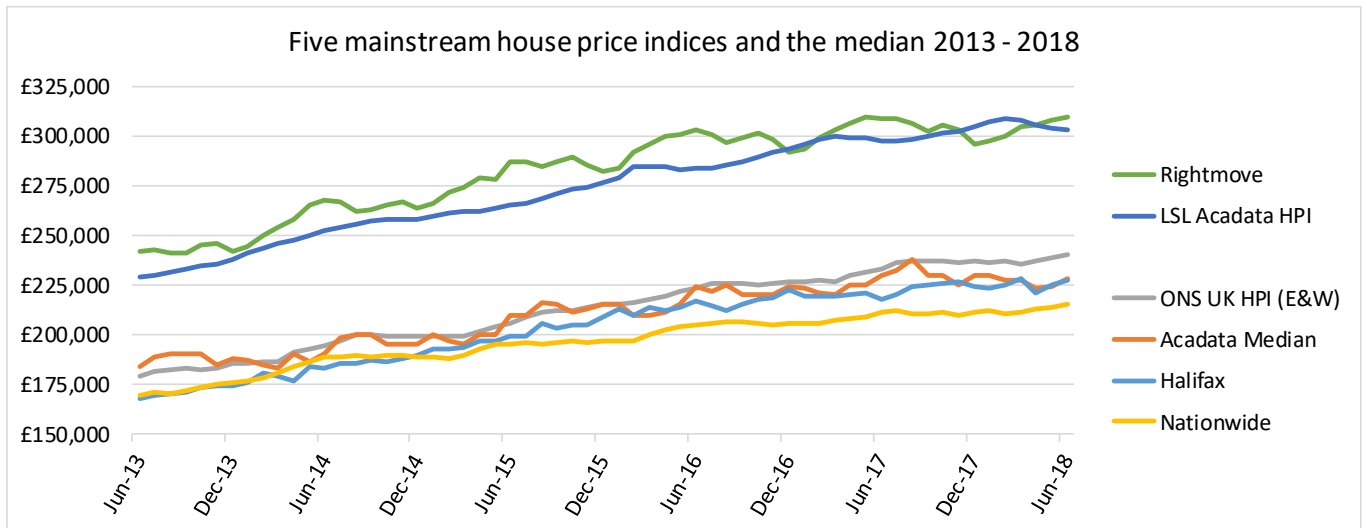


**THE FIVE MAIN\* HOUSE PRICE INDICES PROVIDE THREE ALTERNATIVE PRICES:**

- Rightmove HPI provides the arithmetic “average of all the prices *asked* for houses”
- LSL Acadata HPI provides the [corresponding](#) arithmetic “average of all the prices *paid* for houses”
- Halifax/Nationwide/ONS UK HPI all estimate the “[standardised](#) price of an *average house*”

**THESE ARE COMPLETELY DIFFERENT TYPES OF PRICE:**

- the “*standardised price of an average house*” turns out to lie close to a [median](#) aka centre price
- an arithmetic “average of all the prices” is an average asking/selling price for the *entire market*



**ENTIRE-MARKET SELLING PRICES, SHOWN ABOVE, FAR EXCEED ANY CENTRE PRICE. SEE THE:**

- LSL Acadata HPI “average of all the prices paid for houses” at c.£300,000
- Halifax/Nationwide/[ONS UK HPI “standardised price of an average house”](#) at £210,000/£240,000

An entire-market average must include the price of every property including mansions. Median or centre prices estimated as the “*price of an average house*” must exclude, or minimise the effect of, prices that are not “average”. Entire-market prices lead to the monthly value of the market and link to the prices buyers see on the Rightmove website. Centre prices lead to the affordability of houses.

“CENTRE PRICES” ARE THE MOST SEEN since three such prices are reported, all from big brands in housing. Reports likely read only e.g. that “*average house prices rose last month*”, not that the “*price of an average house rose*” (or “*fell*”). But lenders/estate agents/property developers/builders work in the entire-market and need prices that reflect those at every level, not merely those at the centre. So do economists in business and in national/local government. This is especially so now that a “semi” (not a “mansion”) in an outer London borough can cost £1 million; such prices are spreading.

“WHICH HOUSE PRICE INDEX?” depends upon which house “[price type](#)” is at issue. For:

- an average *asking* price, it’s Rightmove HPI alone, and the price will be for the entire-market
- an average *selling* centre price, it’s either:
  - Halifax (by default for those with the data hard-wired); if not:
  - Nationwide is first to report month-on-month change, or
  - ONS UK HPI (the National Statistic centre-market price) if speed is not essential
- an average *selling* entire-market price, it’s LSL Acadata HPI - first to report regional/local monthly selling prices (the *only* such prices centred on the current month); first with transactions, too

\* ref: Office for National Statistics ONS “[Comparing house price indices in the UK](#)” update 19.11.2018