



Under embargo until 00:01 Thursday 11th February 2016

January 2016

House prices jump £700 in January

- Home values rose 0.2% (£688) last month, as the average house price in England and Wales breaks the £290,000 barrier
- Property prices now increasing at twice the pace of earnings, up 5.5% annually compared to 2.1% salary growth
- Biggest monthly boost in Bournemouth with a 2.9% (£7,371) upswing – driven by more tech jobs in the city
- Strongest sales surge found in the North West, up 8.8% year-on-year as buyers seek more property for their money

| House Price | Index | Monthly Change % | Annual Change % | Annual Change % (excluding London & SE) |
|-------------|-------|------------------|-----------------|---|
| £290,642 | 281.7 | 0.2 | 5.5 | 3.8 |

Adrian Gill, director of Reeds Rains and Your Move estate agents, comments: “Existing homeowners have seen a satisfying New Year’s nudge in the value of their homes, making a positive start to 2016. While the 0.2% rise may seem small, we’ve now broken through the £290,000 barrier in average home values across England and Wales. Last June, average prices crossed the £280,000 marker, but we have to go back to August 2014 for the crossing of the £270,000 threshold. We’re now passing these milestones in quicker and quicker succession, as prices pick up pace. This hastening is good news for homeowners, but means it’s getting harder for those still hoping for homeownership. In the last twelve months there’s been a 5.5% upswing in average property prices compared to just a 2.1% rise in average earnings. However, aspiring buyers now have much more support to help get a foothold on the ladder, with the launch of the Help to Buy ISA in December and the new Starter Homes scheme this year. But in the long-term there has to be a huge breakthrough in housebuilding if we’re going to meet the growing demand for homes and keep house price growth sensible.

“While the South East remains the region with the fastest year-on-year price rise at 7.7%, London has now swept to second place. The typical property in London has increased in value by £34,485 in the last year – almost equal to the £35,333 median gross annual earnings in the capital. This 6.2% hike in the capital’s home values has been driven by activity in the more affordable outer boroughs. The cheapest eleven boroughs have seen the biggest boost in property prices, up 14% (£47,052) year-on-year, with a typical home in Newham now costing £63,429 (23%) more than in December 2014. As London workers attempt to find affordable places to buy, prices are rising in the nearby commuter towns as well. The fastest growth year-on-year across the country has been experienced in Luton where home values are up 17.5%, with trains here only taking 23 minutes to get into St Pancras Station.

“Bournemouth has seen the highest house price rises on a monthly basis across England and Wales, up 2.9% (£7,000) in December – equivalent to £226 each day. This upswing has been propelled by the expanding tech sector in the city. Last year Bournemouth was named the fastest-growing digital economy in the UK. This ‘silicon beach’ surge has created more well paid tech jobs in the area – spurring the recent rise in home values, as more people look to move into the neighbourhood.

“Home sales have seen the usual seasonal slump in January, falling 26% from the previous month’s level. However, this is better than expected, with sales typically dropping by 28% between these two months. Regionally, there has been a significant upswing in sales in the North West, rising 8.8% in the last quarter of 2015, compared to the same period in 2014. We are now seeing faster growth in sales in lower-priced areas, as buyers seek more property for their money.

“When looking at the type of property selling successfully, there has been a turnaround in the trend seen in recent years. Sales of detached homes are now rising fastest, up 5% year-on-year in the final quarter of 2015. There was a total of 900,650 home sales in 2015, a decline of 2.6% from the previous year, but sales in the second half of the year were above the same period in 2014. We may see this pattern reversed in 2016, as sales increase before April’s buy to let tax changes.”

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.

House price index: historical data



Table 1. Average House Prices in England & Wales for the period January 2015 – January 2016

[link to source Excel](#)

| | | House Price | Index | Monthly Change % | Annual Change % |
|-----------|------|-------------|-------|------------------|-----------------|
| January | 2015 | £275,414 | 266.9 | 0.5 | 7.9 |
| February | 2015 | £276,394 | 267.9 | 0.4 | 7.2 |
| March | 2015 | £276,849 | 268.3 | 0.2 | 6.2 |
| April | 2015 | £277,730 | 269.2 | 0.3 | 5.9 |
| May | 2015 | £278,968 | 270.4 | 0.4 | 5.2 |
| June | 2015 | £280,845 | 272.2 | 0.7 | 4.8 |
| July | 2015 | £282,005 | 273.3 | 0.4 | 4.6 |
| August | 2015 | £285,058 | 276.3 | 1.1 | 5.0 |
| September | 2015 | £286,902 | 278.1 | 0.6 | 5.0 |
| October | 2015 | £289,233 | 280.3 | 0.8 | 5.5 |
| November | 2015 | £289,372 | 280.5 | 0.0 | 5.5 |
| December | 2015 | £289,954 | 281.0 | 0.2 | 5.8 |
| January | 2016 | £290,642 | 281.7 | 0.2 | 5.5 |

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

House prices

House prices in January 2016 rose by an average £688, or 0.2%, to a new high of £290,642. This is the thirteenth month in succession in which prices have increased. On an annual basis, prices are £15,228, or 5.5% higher than a year earlier. This can be compared with the average increase in total pay (including bonuses) of 2.1% over the year, indicating that housing affordability continues to be a problem at the start of 2016, as house prices rise at a faster rate than earnings - although offset to a degree by continued low interest rates.

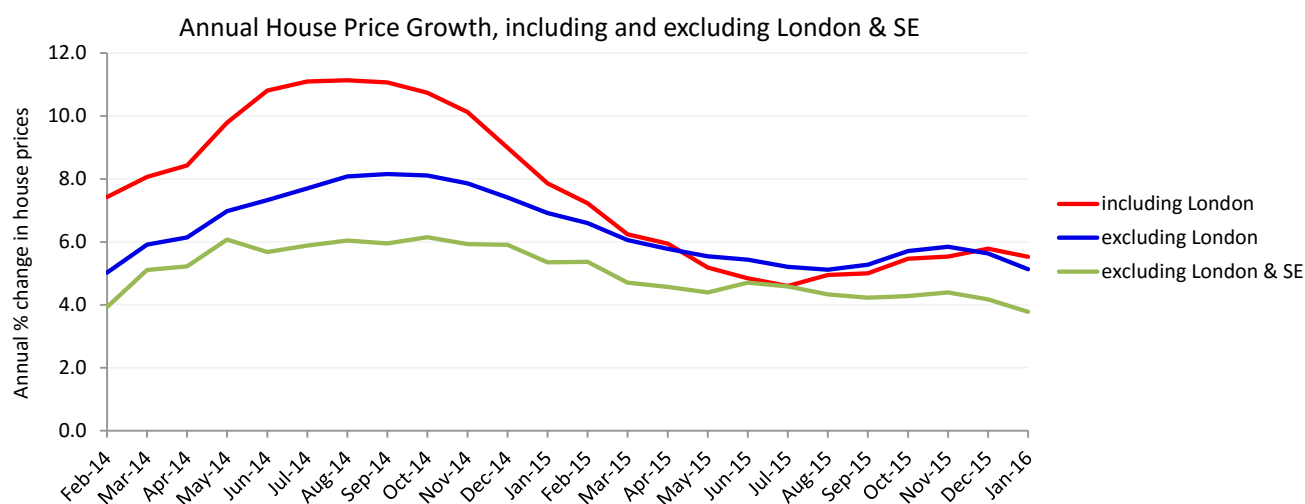


Figure 1. The Annual Rate of House Price Growth in England & Wales by month February 2014 – January 2016, including and excluding London and the South East [link to source Excel](#)

There is perhaps one small consolation for those currently aspiring to purchase a home, in that the annual rate of growth in house prices has fallen marginally to 5.5% in January, from 5.8% in December. This slight fall in rates is just discernible in the above graph, with the lines on the right hand side of the chart all pointing in a downward direction. The graph also illustrates how growth rates in house prices have fallen over the last year-and-a-half, from a peak of 11.1% reached in July and August 2014, to half this rate in January 2016. The Bank of England “Forecasts for the UK economy, a comparison of independent forecasts”, published in January 2016, shows that the average of the (independent) forecasts for House Prices in 2016 is 5.4%, i.e. approximately the same rate as is currently being experienced.

The Housing Market

Further interventions in the England and Wales housing markets will yet again make for difficulties in understanding the changes we are reporting on. The Help-to-Buy ISA began in December 2015, and then others are coming through in 2016. These will include the Starter Home initiative (due as homes come on site), the Help-to-Buy London 40% equity loan scheme (from 1st February, 2016) and the planned introduction of the new additional 3% Stamp Duty levy on the purchase of investment properties and second homes on or after April 1st 2016.

This new tax will probably result in some transactions being brought forward to avoid it (and conversely there will be a decline in transactions in the period after April 1st). There are now 16 schemes listed on the Government Own Your Home site (<https://www.ownyourhome.gov.uk/schemes-all/>), giving a real sense of the scale of activity around the promotion of home ownership. Alongside these are the sustained moves to curb the Buy-to-Let sector via the new tax mentioned above plus the phased reduction in tax reliefs and allowances from 2017/18 onwards. In addition, there is the possibility of stronger regulatory intervention by the Financial Policy Committee on the Buy-to-Let market.

These moves are seen by government as reducing any advantages investors have enjoyed over first time buyers in the housing market (even though in tax terms home ownership is already favoured over rental ownership). However, the scale of this displacement may well be exaggerated. A recent Sunday Times analysis in conjunction with a major estate agency suggested that from the sales the firm recorded in 2015, only a third of homes sold to investors attracted any kind of offer from someone who wanted the property as a main residence (whether first time buyer or not), and that investor purchases made up around 15% of total sales. Clearly this varies by market – investors were more likely to be competing with owner-occupiers in the London market and less likely to be so doing in Wales, the North and the Midlands.



The National Landlords Association has reported that confidence in the Buy-to-Let sector is now lower than in the recent financial crisis, and forecasts that we will see 500,000 rented homes sold off in 2016 with a further 100,000 sales in each year 2017 to 2021, thus shrinking the sector by 136,000 homes: this is in place of its earlier prediction of the continued growth of the private rented sector by another million households over the next five years. Somewhat in contrast was a YouGov survey published by the CML in January, suggesting that 75% of landlords felt they could cope with planned changes with only 13% saying they would reduce or sell their portfolios. Clearly, there will be some sales and some exits from the sector, but with limited returns elsewhere, Buy-to-Let remains an attractive investment opportunity for many despite the reduction in yield over time. Demand to rent remains strong. The recent Savills report *Rental Britain* suggests that the rental market will still grow by one million households to 2021. Savills also highlight the recent growth in institutional investment in the sector, a core theme in the government's thinking around shifting the focus from the so called 'amateur' to professional landlords.

This discussion highlights the tensions playing out in the housing market, which will bear down on prices and transactions. The government is working hard to rebuild the home ownership sector, but as a recent commentary from the National Institute of Economic and Social Research makes clear it is facing acute difficulties. The NIESR argues that there are two priorities for action - improved taxation of housing and a better housing finance system - but it is not clear that there is any real appetite in government circles to address either of these.

Housing Transactions

We estimate that the number of housing transactions in England & Wales for the month of January 2016, as recorded by the Land Registry, will total some 57,750. This total is nearly identical to the 57,600 transactions that occurred in January 2015, and represents a 26% fall from the levels recorded in December 2015. Although this reduction appears large, the seasonal fall from December to January is on average 28%, so the January levels in 2016 are marginally above seasonal expectations. The anticipated 'surge' in sales ahead of the introduction of the 3% stamp duty surcharge on 'additional' homes discussed above has yet to materialise in any discernible way.

We should also advise that we have had to adjust our December 2015 estimate - which we made last month - downwards, as sales during the latter end of the month were below our expectations. It is likely that the heavy rainfall (at record-breaking levels) and floods across northern England and North Wales resulted in a reduction in home sales, as potential buyers stayed away from the affected areas. Our latest forecast for the total number of private housing sales in England & Wales in 2015, based on the Land Registry methodology, now stands at 900,650, a reduction of 2.6% from 2014 levels. However, as far as transactions are concerned, 2015 was a year of two halves with the first half of the year seeing transactions below those recorded in 2014, while the second half of the year saw transactions - with the exceptions of August and December - move ahead of 2014 levels. Many attribute the slow sales in the first half of the year to the uncertainties surrounding the outcome of the May 2015 General Election. We tend to concur with these views.

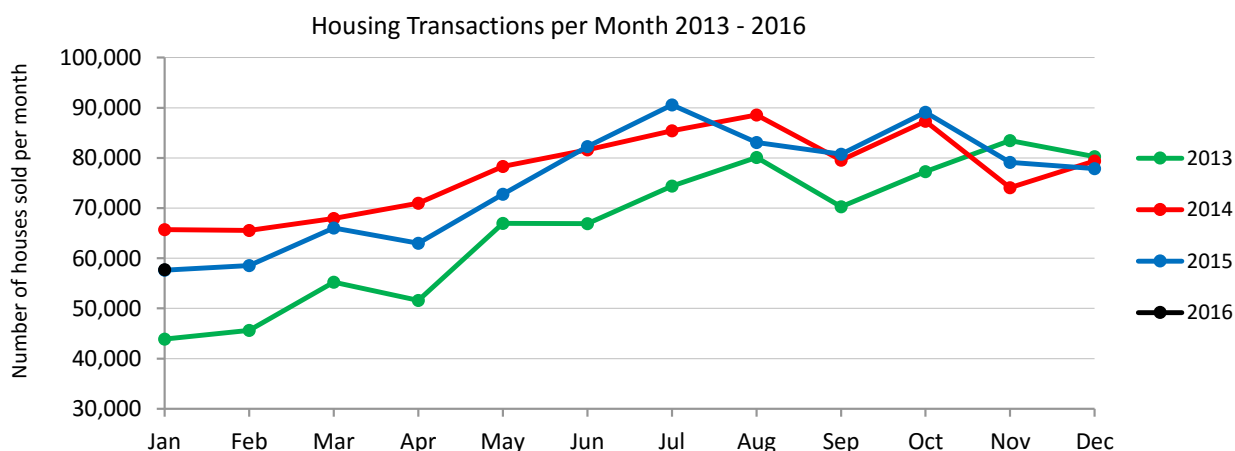


Figure 2. Number of properties sold per month in England & Wales, January 2013 – January 2016. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted. [link to source Excel](#)



Table 2 below analyses the number of property transactions that took place in Q4 2015, by Region, compared to Q4 2014, as recorded at the Land Registry. In England & Wales as a whole, transactions in Q4 2015 are marginally ahead of the same period in 2014, by 1.1%; however this single statistic masks the substantial differences that have occurred between the regions. For example, in the North West sales volumes increased by 8.8% in Q4 2015 compared to Q4 2014, whereas in Greater London sales volumes fell by 3.6% over this same period.

| REGIONS (SSR) | Oct - Dec 2014 | Oct - Dec 2015 | % change |
|--------------------|-------------------|-------------------|----------|
| NORTH WEST | 22,700 | 24,695 | 8.8% |
| WALES | 10,575 | 11,102 | 5.0% |
| WEST MIDLANDS | 20,011 | 20,786 | 3.9% |
| EAST MIDLANDS | 19,943 | 20,379 | 2.2% |
| YORKS & HUMBERSIDE | 19,981 | 20,387 | 2.0% |
| EAST ANGLIA | 11,376 | 11,474 | 0.9% |
| SOUTH WEST | 26,386 | 26,353 | -0.1% |
| SOUTH EAST | 58,074 | 57,660 | -0.7% |
| NORTH | 11,311 | 10,935 | -3.3% |
| GREATER LONDON | 27,662 | 26,656 | -3.6% |
| ENGLAND & WALES | 228,019 | 230,427 | 1.1% |

Table 2. The % change in the number of housing transactions between Q4 2014 and Q4 2015, analysed by Region. [link to source Excel](#)

In the above Table, with the exception of the North, there is a high degree of correlation between ‘affordability’ and the increase/decrease in the number of properties sold. Thus properties in the North West and Wales are amongst the most ‘affordable’, and have seen an increase in sales volumes, while in Greater London and the South East affordability issues are to the fore, with sales numbers falling accordingly. As noted earlier, we attribute the reduction in the number of transactions in the North during Q4 2015 to bad weather and the flooding that took place in Cumbria in December. We should perhaps mention that under the regional definitions that we use, based on the former Standard Statistical Regions (SSR), Cumbria is included in the ‘North’, whereas under the more recently introduced GOR (Government Offices for the Regions), it is included in the ‘North West’. (The Halifax and Nationwide house price indices also both use the SSR definitions for the Regions.)

Table 3. The % change in the number of housing transactions between Q4 2014 and Q4 2015, analysed by property type. [link to source Excel](#)

| REGIONS (SSR) | Detached | Semi | Terraced | Flats | All Types |
|--------------------|----------|-------|----------|--------|-----------|
| NORTH WEST | 11.0% | 11.7% | 5.7% | 5.2% | 8.8% |
| WALES | 4.5% | 3.7% | 7.2% | 2.9% | 5.0% |
| WEST MIDLANDS | 8.5% | 2.4% | 3.3% | -1.5% | 3.9% |
| EAST MIDLANDS | 5.9% | 0.2% | 1.5% | -6.8% | 2.2% |
| YORKS & HUMBERSIDE | 3.8% | 3.7% | -0.1% | -1.0% | 2.0% |
| EAST ANGLIA | 5.2% | -4.5% | 2.9% | -6.4% | 0.9% |
| SOUTH WEST | 2.5% | 1.4% | -1.6% | -3.6% | -0.1% |
| SOUTH EAST | 4.9% | -0.2% | -3.7% | -3.7% | -0.7% |
| NORTH | -5.1% | -1.2% | -1.3% | -12.5% | -3.3% |
| GREATER LONDON | 5.3% | 2.4% | -1.3% | -7.1% | -3.6% |
| ENGLAND & WALES | 5.0% | 2.3% | 0.2% | -4.4% | 1.1% |

Table 3 shows the % change in the volume of transactions that took place in Q4 2014 and Q4 2015, by region, analysed by property type. As can be seen, the highest increase in sales by type is that for detached properties, up by 5.0%, followed by semi-detached properties up 2.3%. The property type showing the greatest reduction in sales is flats, which have seen a decrease of 4.4% in the number of units sold. These changes in property purchases are almost exactly the opposite of what was happening in Q4 2014, when it was flats and terraces seeing the major increases in transaction numbers, associated with strong activity from first time buyers who were attracted by the assistance granted under the then recently introduced Government’s Help to Buy equity loan scheme, particularly outside London, and an expansion in the number of Buy-to-Let landlords. At the same time, the purchase of detached and semi-detached homes was showing a reduction in sales numbers.



In percentage terms, the region with the highest increase in detached sales is the North West, up by 11.0%, followed by the West Midlands showing an increase of 8.5% in the sale of detached properties over this period. The North West also has the highest increase in the purchase of semi-detached homes, up by 11.7%, or 920 properties in the period.

In terms of flats, the North is recording the largest percentage fall in sales at -12.5%, but this only represents a reduction of 146 properties sold over the period, as flats form a relatively small proportion of the overall housing market in the region. In absolute terms it is Greater London that has seen the largest fall in flat sales, down by some 1,068 units over the period, of which 500 fewer sales relate to just three inner London boroughs, Tower Hamlets (-271), Lambeth (-128) and the City of Westminster (-105).

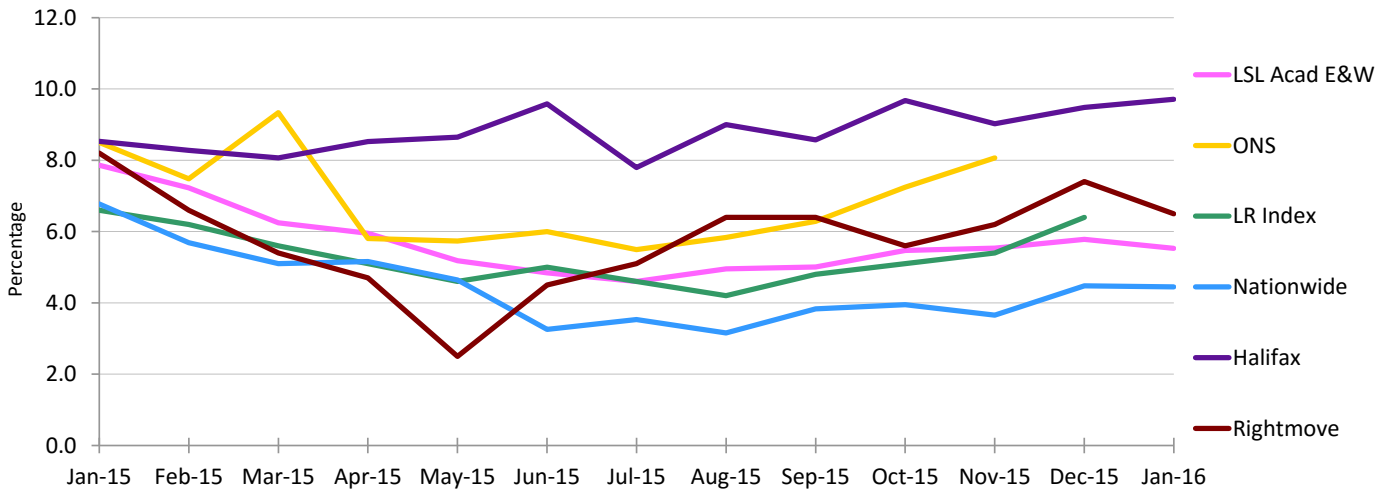


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

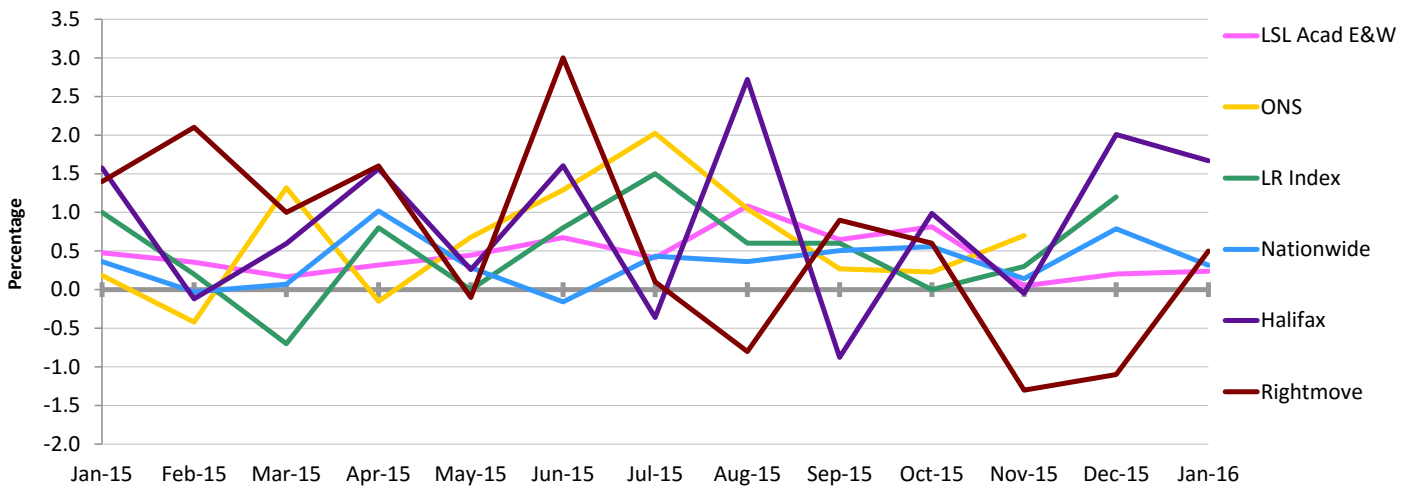


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

As Figure 3 shows, all indices, including both the mix-adjusted and ‘conceptual’ price indices, are recording positive movements over the year in terms of the **annual** change in house prices, with the highest rate being recorded by Halifax this month, at 9.7%, and the lowest rate being recorded by Rightmove in May 2015, at 2.5%. In January 2016, of the four indices that have reported to date, three are in a relatively tight band with Rightmove at 6.5%, LSL Acad at 5.5% and Nationwide at 4.4%. Nationwide has been reporting consistently lower rates than the LSL Acad index for the past twelve months, which might suggest that cash sales are causing upward pressure on house prices in the current market, as Nationwide excludes these from its calculations. However, Halifax, which also excludes cash sales, is reporting much higher house price inflation than all the other indices at 9.7%, with rates of growth double that of Nationwide since June 2015. We discuss this below.

Figure 4 covers the **monthly** change in house prices. Again, in January 2016, Rightmove, Nationwide and LSL Acad are close together, at 0.5%, 0.3% and 0.2% respectively, while Halifax is reporting triple these levels at 1.7%. In its HPI report this month, Halifax cautions its “Monthly house price changes can be volatile. The quarter-on-quarter change (2.2%) is a more reliable indicator of the underlying trend.”

Halifax continues to be significantly out of step with the other index providers in both its annual and monthly rates, with the 9.7% rise on an annual basis being more than double that of the Nationwide at 4.4%. As we discussed last month, our own index climbs by 1.5% if we exclude properties sold in Central London. On the assumption that Halifax does not make significant loans in central London or on other high valued properties in the London area, which are also currently seeing prices fall, it is possible to explain why its Index appears out of kilter with the rest, although the inconsistencies between the Halifax and Nationwide indices continue to pervade.

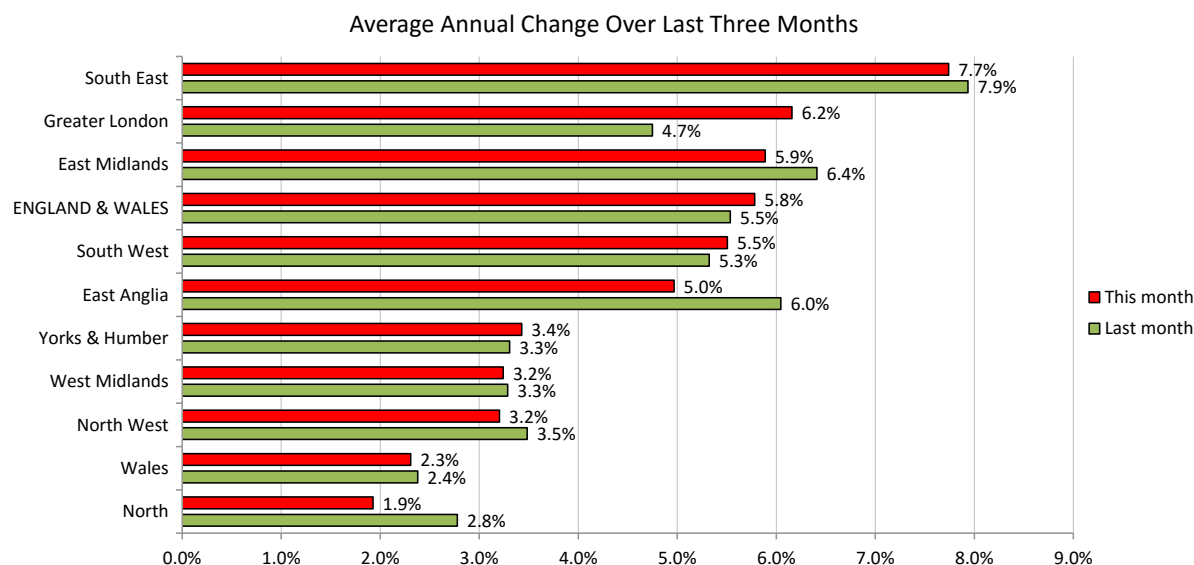


Figure 5. The annual change in the average house price, analysed by region

[link to source Excel](#)

For the third month running, of the ten regions in England & Wales, the South East has the highest rate of house price inflation at 7.7%. All 25 of the unitary authority areas in the South East are recording positive movements in their respective prices, topped by Reading at 14.2%. Greater London has moved up to second place, displacing the East Midlands into third position, although if we were to remove the top five central London Boroughs by price from the calculations, the annual change in prices for London would be 10.4%, easily topping the above regional league table.

Looking at the rate of change in the annual price growth over the month, we have seven regions where prices have slowed, with only three regions where the rate of change has accelerated. The region that saw the largest increase in the rate of annual house price growth was Greater London up by 1.5%, with East Anglia seeing the largest fall at -1.0%.

London and the South East v the Rest

We highlighted earlier our work on the influence of Greater London and the South East on the average house price growth in England & Wales. As Table 4 below shows, this influence was at a maximum in January 2015 when the annual rate of growth was 7.9% including Greater London and the South East, but only 5.4% if one excluded these two regions. In July 2015 this gap had reduced to 0.0%, meaning that London and the South East did not have any influence over the average growth rate in prices for England & Wales as a whole. However, we can also observe that 'the gap' between the rates including and excluding London and the South East is once more beginning to widen, and stands at 1.7% in January 2016.

| Month | including London (A) | excluding London (C) | excluding London & SE (B) | difference 'the gap' (A) – (B) |
|--------|----------------------|----------------------|---------------------------|--------------------------------|
| Jan-15 | 7.9 | 6.9 | 5.4 | 2.5 |
| Feb-15 | 7.2 | 6.6 | 5.4 | 1.8 |
| Mar-15 | 6.2 | 6.1 | 4.7 | 1.5 |
| Apr-15 | 5.9 | 5.8 | 4.6 | 1.3 |
| May-15 | 5.2 | 5.5 | 4.4 | 0.8 |
| Jun-15 | 4.8 | 5.4 | 4.7 | 0.1 |
| Jul-15 | 4.6 | 5.2 | 4.6 | 0.0 |
| Aug-15 | 5.0 | 5.1 | 4.3 | 0.7 |
| Sep-15 | 5.0 | 5.3 | 4.2 | 0.8 |
| Oct-15 | 5.5 | 5.7 | 4.3 | 1.2 |
| Nov-15 | 5.5 | 5.8 | 4.4 | 1.1 |
| Dec-15 | 5.8 | 5.6 | 4.2 | 1.6 |
| Jan-16 | 5.5 | 5.1 | 3.8 | 1.7 |

Table 4. The annual percentage change in house prices in England & Wales, from January 2015 – January 2016, including and excluding Greater London and the South East.

[link to source Excel](#)



ANNUAL CHANGE IN PRICE BY REGION

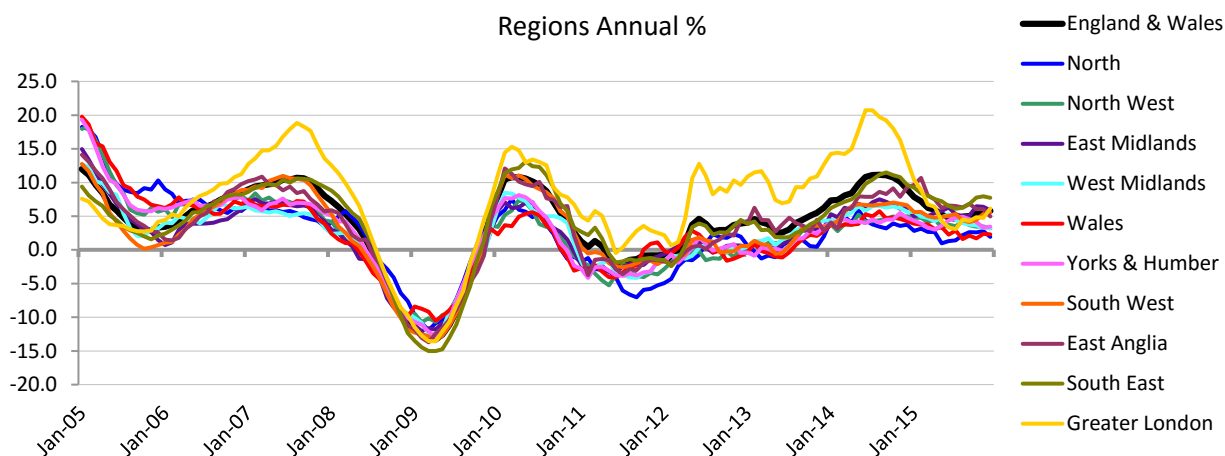


Figure 6. A comparison of the annual change in house prices, by region for the period January 2005 – December 2015

[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.

NOTES

1. LSL Acad E&W HPI is the only house price index to use:
 - the **actual** prices at which every property in England & Wales was transacted, including prices for properties bought with cash, using the factual Land Registry data as opposed to valuation estimates or asking prices
 - the price of **every** single relevant transaction, as opposed to prices based upon samples
 LSL Acad E&W HPI is a price series as opposed to a value series.
2. the current month LSL Acad E&W HPI comprises a forecast of the LR outcome, using an academic “index of indices” model, pending release of sufficient real data from the Land Registry.
3. LSL Acad E&W HPI forecasts are progressively replaced with real data, until every transaction reported to the Land Registry has been recorded and we have provided our LSL Acad E&W HPI “ultimate” data. All LSL Acad E&W HPI numbers, published prior to receipt of all transaction data, are subject to change; in publishing precise numbers for a number of reasons, we do not claim precision.
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 working with Dr Stephen Satchell, Economics Fellow Trinity College Cambridge, and specialist in the assessment of risk in property and mortgage portfolios.
6. Acadata DataLibrary provides a portfolio of ready-to-use datasets and calculation series updated monthly, based upon the factual Land Registry and/or Registers of Scotland results ([free essential series here](#)). Our comprehensive selections of geography (national/ regional/ unitary authority/ postcodes) and of property types with mean and median prices provide the “off the shelf” historic data series and analyses needed for rapid study and commentary. The DataLibrary is available on subscription for e.g. property portfolio analysis, business planning and advisory purposes. For major lending institutions it shows national and regional trends. For local builders, developers and estate agents it shows stock and new build results within postcode districts and enables analyses at town and street level.
7. Given the postcodes in which a portfolio, fund or trust is invested, or in which a lender has exposure, an Acadata house price index for those postcodes alone indicates the effect of monthly house price changes on collateral. Our associated company MIAC Acadametrics provides loan revaluations, aligned to lender risk profile and regulatory requirements. Hearstone plc uses our regional weights in planning the geography of their property portfolio. Our work has a strong academic foundation and our data are used by government. For more detail see www.acadata.co.uk.

London boroughs, counties and unitary authorities



Table 5. The change in house prices, for the 33 London boroughs, comparing December 2014 and November 2015 with December 2015. [link to source Excel](#)

| PRIOR YR RANK | RANK BY PRICE | LONDON BOROUGH | Dec-14 | Nov-15 | Dec-15 | Month % Change | Annual % Change |
|---------------|---------------|------------------------|-----------|-----------|-----------|----------------|-----------------|
| 1 | 1 | KENSINGTON AND CHELSEA | 1,798,904 | 1,684,786 | 1,744,681 | 3.6% | -3.0% |
| 2 | 2 | CITY OF WESTMINSTER | 1,546,812 | 1,338,851 | 1,358,796 | 1.5% | -12.2% |
| 4 | 3 | CAMDEN | 947,893 | 1,008,766 | 976,426 | -3.2% | 3.0% |
| 3 | 4 | HAMMERSMITH AND | 993,318 | 950,178 | 944,456 | -0.6% | -4.9% |
| 5 | 5 | CITY OF LONDON | 865,930 | 801,491 | 863,185 | 7.7% | -0.3% |
| 6 | 6 | RICHMOND UPON THAMES | 757,781 | 771,706 | 770,022 | -0.2% | 1.6% |
| 7 | 7 | WANDSWORTH | 722,642 | 769,840 | 762,699 | -0.9% | 5.5% |
| 8 | 8 | ISLINGTON | 672,883 | 693,588 | 689,564 | -0.6% | 2.5% |
| 16 | 9 | HARINGEY | 512,931 | 611,433 | 626,802 | 2.5% | 22.2% |
| 11 | 10 | SOUTHWARK | 530,042 | 627,663 | 622,382 | -0.8% | 17.4% |
| 9 | 11 | BARNET | 560,555 | 606,154 | 612,676 | 1.1% | 9.3% |
| 10 | 12 | MERTON | 531,029 | 624,333 | 612,390 | -1.9% | 15.3% |
| 15 | 13 | EALING | 513,413 | 601,460 | 597,659 | -0.6% | 16.4% |
| 17 | 14 | HACKNEY | 509,020 | 585,115 | 587,848 | 0.5% | 15.5% |
| 12 | 15 | LAMBETH | 523,106 | 555,605 | 551,414 | -0.8% | 5.4% |
| 14 | 16 | BRENT | 514,400 | 548,639 | 549,828 | 0.2% | 6.9% |
| 13 | 17 | KINGSTON UPON THAMES | 519,607 | 511,020 | 512,927 | 0.4% | -1.3% |
| 20 | 18 | TOWER HAMLETS | 449,603 | 508,661 | 507,625 | -0.2% | 12.9% |
| 19 | 19 | HOUNSLOW | 450,156 | 493,450 | 493,890 | 0.1% | 9.7% |
| 18 | 20 | HARROW | 450,867 | 486,748 | 484,076 | -0.5% | 7.4% |
| 21 | 21 | BROMLEY | 424,497 | 453,613 | 450,133 | -0.8% | 6.0% |
| 22 | 22 | GREENWICH | 393,385 | 448,675 | 447,863 | -0.2% | 13.8% |
| 23 | 23 | LEWISHAM | 386,525 | 437,389 | 441,960 | 1.0% | 14.3% |
| 26 | 24 | HILLINGDON | 369,910 | 421,884 | 421,646 | -0.1% | 14.0% |
| 25 | 25 | ENFIELD | 371,156 | 414,481 | 420,920 | 1.6% | 13.4% |
| 24 | 26 | REDBRIDGE | 377,515 | 416,087 | 415,196 | -0.2% | 10.0% |
| 27 | 27 | WALTHAM FOREST | 357,535 | 411,938 | 414,661 | 0.7% | 16.0% |
| 28 | 28 | SUTTON | 336,114 | 378,992 | 379,623 | 0.2% | 12.9% |
| 29 | 29 | CROYDON | 328,691 | 364,696 | 371,518 | 1.9% | 13.0% |
| 30 | 30 | HAVERING | 299,799 | 342,092 | 345,888 | 1.1% | 15.4% |
| 32 | 31 | NEWHAM | 275,262 | 339,008 | 338,691 | -0.1% | 23.0% |
| 31 | 32 | BEXLEY | 283,406 | 313,617 | 319,119 | 1.8% | 12.6% |
| 33 | 33 | BARKING AND DAGENHAM | 228,855 | 260,075 | 262,799 | 1.0% | 14.8% |
| | | ALL LONDON | 559,994 | 592,996 | 594,479 | 0.3% | 6.2% |

The analysis of Greater London house prices in Table 5 relates to December 2015, and compares these prices to one month and one year earlier. On an annual basis, house prices in London overall were 6.2% higher in December 2015 than 12 months earlier, an increase of £34,485 over the year. This annual increase in average house prices almost equates to the Median Gross Annual Earnings of full time employees in Greater London, which amounts to £35,333. Thus the median annual salary in London has been absorbed by the increase in average house prices over the year.

If we split the above table into thirds ranked by price, the first eleven boroughs saw an annual increase in prices of £9,677, or 1.1%, the second eleven boroughs saw an annual increase of £46,388, or 9.7%, while the bottom eleven boroughs saw an annual increase of £47,052, or 14.0%. Thus it is the lowest-priced areas in London that have seen prices rise at the fastest rate, exceeding the level of gross annual earnings of those working in the London area.

There were just 11 boroughs in December that set new peak prices, down from the 22 in November, which are highlighted in grey in the above table. Of these 11, 8 are ranked in the lowest priced boroughs in London, which provides further evidence of the inverse position of the London market, with the highest increase in prices taking place in the lower priced boroughs, while the higher priced boroughs continue to see prices fall.

In terms of transaction numbers, London has seen a fall of 3.6% in the last three months of 2015, compared to one year earlier. The largest fall in the number of properties sold has been in Tower Hamlets, where volumes are down in Q4 2015 by 25% compared to Q4 2014, and Islington, down by 16% over this same period. Flats in both these boroughs represent a high proportion of the local property market, being 91% and 82% respectively. The boroughs of the City of Westminster (89% flats) and Kensington and Chelsea (82% flats) have also seen transactions fall by 12% and 15% each.

London boroughs, counties and unitary authorities



Counties and Unitary Authorities

Table 6. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing December 2014 and November 2015 with December 2015. Regions, Counties and Unitary Authorities highlighted in turquoise are currently at a peak price. [link to source Excel](#)

| PRIOR YR RANK | RANK BY PRICE | COUNTY / UNITARY AUTHORITY / REGION | Dec-14 | Nov-15 | Dec-15 | Monthly change | Annual Change |
|---------------|---------------|-------------------------------------|----------------|----------------|----------------|----------------|---------------|
| 17 | 18 | CAMBRIDGESHIRE | 280,483 | 299,313 | 294,805 | -1.5% | 5.1% |
| 65 | 61 | CITY OF PETERBOROUGH | 171,988 | 181,092 | 181,644 | 0.3% | 5.6% |
| 45 | 50 | NORFOLK | 208,544 | 214,563 | 215,597 | 0.5% | 3.4% |
| 39 | 36 | SUFFOLK | 225,784 | 237,435 | 240,487 | 1.3% | 6.5% |
| | | EAST ANGLIA | 230,288 | 241,571 | 241,727 | 0.1% | 5.0% |
| 84 | 79 | CITY OF DERBY | 152,439 | 162,700 | 161,265 | -0.9% | 5.8% |
| 95 | 91 | CITY OF NOTTINGHAM | 134,063 | 151,208 | 148,538 | -1.8% | 10.8% |
| 66 | 64 | DERBYSHIRE | 171,463 | 181,941 | 181,399 | -0.3% | 5.8% |
| 86 | 81 | LEICESTER | 150,378 | 156,850 | 160,561 | 2.4% | 6.8% |
| 49 | 52 | LEICESTERSHIRE | 202,203 | 214,013 | 210,656 | -1.6% | 4.2% |
| 68 | 68 | LINCOLNSHIRE | 170,791 | 179,405 | 179,181 | -0.1% | 4.9% |
| 50 | 49 | NORTHAMPTONSHIRE | 200,603 | 217,098 | 215,916 | -0.5% | 7.6% |
| 70 | 60 | NOTTINGHAMSHIRE | 169,768 | 182,618 | 181,811 | -0.4% | 7.1% |
| 10 | 19 | RUTLAND | 325,362 | 290,129 | 294,382 | 1.5% | -9.5% |
| | | EAST MIDLANDS | 178,597 | 190,114 | 189,112 | -0.5% | 5.9% |
| | | GREATER LONDON | 559,994 | 592,996 | 594,479 | 0.3% | 6.2% |
| 67 | 70 | CUMBRIA | 171,194 | 176,824 | 176,876 | 0.0% | 3.3% |
| 91 | 92 | DARLINGTON | 139,964 | 148,180 | 147,671 | -0.3% | 5.5% |
| 99 | 98 | DURHAM | 123,971 | 124,661 | 125,977 | 1.1% | 1.6% |
| 93 | 95 | HARTLEPOOL | 135,944 | 131,327 | 134,071 | 2.1% | -1.4% |
| 100 | 99 | MIDDLESBROUGH | 123,502 | 125,286 | 125,242 | 0.0% | 1.4% |
| 61 | 62 | NORTHUMBERLAND | 180,648 | 182,272 | 181,611 | -0.4% | 0.5% |
| 96 | 97 | REDCAR AND CLEVELAND | 133,733 | 129,829 | 131,711 | 1.4% | -1.5% |
| 85 | 85 | STOCKTON-ON-TEES | 151,098 | 155,410 | 155,026 | -0.2% | 2.6% |
| 82 | 84 | TYNE AND WEAR | 153,120 | 156,431 | 155,971 | -0.3% | 1.9% |
| | | NORTH | 151,793 | 154,620 | 154,718 | 0.1% | 1.9% |
| 101 | 101 | BLACKBURN WITH DARWEN | 122,476 | 120,723 | 120,694 | 0.0% | -1.5% |
| 106 | 105 | BLACKPOOL | 106,704 | 107,720 | 109,361 | 1.5% | 2.5% |
| 36 | 41 | CHESHIRE | 230,980 | 232,418 | 230,994 | -0.6% | 0.0% |
| 73 | 72 | GREATER MANCHESTER | 163,219 | 170,424 | 170,310 | -0.1% | 4.3% |
| 90 | 90 | HALTON | 146,133 | 152,805 | 149,364 | -2.3% | 2.2% |
| 79 | 77 | LANCASHIRE | 158,704 | 161,490 | 161,680 | 0.1% | 1.9% |
| 89 | 86 | MERSEYSIDE | 147,092 | 154,193 | 154,960 | 0.5% | 5.3% |
| 56 | 56 | WARRINGTON | 186,757 | 196,289 | 198,693 | 1.2% | 6.4% |
| | | NORTH WEST | 166,902 | 172,235 | 172,249 | 0.0% | 3.2% |
| 23 | 23 | BEDFORDSHIRE | 260,598 | 272,950 | 277,025 | 1.5% | 6.3% |
| 8 | 9 | BRACKNELL FOREST | 332,632 | 364,275 | 368,348 | 1.1% | 10.7% |
| 7 | 8 | BRIGHTON AND HOVE | 354,036 | 369,139 | 372,017 | 0.8% | 5.1% |
| 3 | 3 | BUCKINGHAMSHIRE | 401,798 | 440,668 | 441,354 | 0.2% | 9.8% |
| 20 | 20 | EAST SUSSEX | 267,671 | 286,786 | 289,363 | 0.9% | 8.1% |
| 16 | 15 | ESSEX | 281,112 | 305,838 | 306,101 | 0.1% | 8.9% |
| 14 | 13 | HAMPSHIRE | 301,551 | 317,104 | 316,298 | -0.3% | 4.9% |
| 4 | 5 | HERTFORDSHIRE | 377,418 | 415,201 | 413,310 | -0.5% | 9.5% |
| 48 | 45 | ISLE OF WIGHT | 203,360 | 221,699 | 223,300 | 0.7% | 9.8% |
| 19 | 17 | KENT | 273,885 | 297,686 | 297,587 | 0.0% | 8.7% |
| 59 | 46 | LUTON | 185,688 | 216,681 | 218,100 | 0.7% | 17.5% |
| 47 | 42 | MEDWAY | 205,614 | 225,830 | 227,292 | 0.6% | 10.5% |
| 30 | 25 | MILTON KEYNES | 244,260 | 266,955 | 268,684 | 0.6% | 10.0% |
| 6 | 6 | OXFORDSHIRE | 361,904 | 379,868 | 379,686 | 0.0% | 4.9% |
| 55 | 55 | PORTSMOUTH | 187,969 | 198,511 | 199,902 | 0.7% | 6.3% |
| 18 | 14 | READING | 276,392 | 310,444 | 315,697 | 1.7% | 14.2% |
| 22 | 21 | SLOUGH | 264,532 | 287,127 | 288,627 | 0.5% | 9.1% |
| 51 | 53 | SOUTHAMPTON | 195,585 | 206,839 | 204,468 | -1.1% | 4.5% |
| 27 | 26 | SOUTHEND-ON-SEA | 248,300 | 265,679 | 266,565 | 0.3% | 7.4% |

London boroughs, counties and unitary authorities



| | | | | | | | |
|-----|-----|------------------------------|----------------|----------------|----------------|-------------|-------------|
| 2 | 2 | SURREY | 472,395 | 497,855 | 501,311 | 0.7% | 6.1% |
| 42 | 34 | THURROCK | 220,418 | 245,912 | 245,075 | -0.3% | 11.2% |
| 9 | 7 | WEST BERKSHIRE | 331,576 | 371,458 | 375,654 | 1.1% | 13.3% |
| 13 | 11 | WEST SUSSEX | 317,263 | 335,609 | 338,249 | 0.8% | 6.6% |
| 1 | 1 | WINDSOR AND MAIDENHEAD | 503,197 | 560,950 | 536,455 | -4.4% | 6.6% |
| 5 | 4 | WOKINGHAM | 372,394 | 422,152 | 419,904 | -0.5% | 12.8% |
| | | SOUTH EAST | 319,527 | 343,638 | 344,258 | 0.2% | 7.7% |
| 12 | 10 | BATH AND NORTH EAST SOMERSET | 320,921 | 345,894 | 345,080 | -0.2% | 7.5% |
| 28 | 28 | BOURNEMOUTH | 247,634 | 253,861 | 261,232 | 2.9% | 5.5% |
| 33 | 27 | CITY OF BRISTOL | 239,733 | 262,415 | 265,587 | 1.2% | 10.8% |
| 62 | 63 | CITY OF PLYMOUTH | 174,497 | 182,090 | 181,602 | -0.3% | 4.1% |
| 34 | 38 | CORNWALL | 233,861 | 239,395 | 239,717 | 0.1% | 2.5% |
| 26 | 29 | DEVON | 252,624 | 259,426 | 260,947 | 0.6% | 3.3% |
| 15 | 16 | DORSET | 286,947 | 297,223 | 299,451 | 0.7% | 4.4% |
| 24 | 24 | GLOUCESTERSHIRE | 255,281 | 267,912 | 271,885 | 1.5% | 6.5% |
| 29 | 31 | NORTH SOMERSET | 244,924 | 252,983 | 256,810 | 1.5% | 4.9% |
| 11 | 12 | POOLE | 322,223 | 328,879 | 333,227 | 1.3% | 3.4% |
| 41 | 43 | SOMERSET | 221,673 | 225,220 | 227,016 | 0.8% | 2.4% |
| 32 | 30 | SOUTH GLOUCESTERSHIRE | 242,378 | 259,618 | 258,293 | -0.5% | 6.6% |
| 54 | 48 | SWINDON | 188,667 | 215,334 | 216,240 | 0.4% | 14.6% |
| 53 | 54 | TORBAY | 190,415 | 204,041 | 203,441 | -0.3% | 6.8% |
| 21 | 22 | WILTSHIRE | 265,064 | 283,031 | 286,169 | 1.1% | 8.0% |
| | | SOUTH WEST | 246,897 | 258,427 | 260,490 | 0.8% | 5.5% |
| 108 | 108 | BLAENAU GWENT | 90,199 | 88,657 | 89,642 | 1.1% | -0.6% |
| 81 | 87 | BRIDGEND | 155,937 | 154,794 | 154,514 | -0.2% | -0.9% |
| 98 | 96 | CAERPHILLY | 129,442 | 134,554 | 132,676 | -1.4% | 2.5% |
| 46 | 47 | CARDIFF | 206,434 | 215,638 | 217,056 | 0.7% | 5.1% |
| 88 | 89 | CARMARTHENSHIRE | 147,537 | 148,454 | 149,821 | 0.9% | 1.5% |
| 58 | 57 | CEREDIGION | 185,858 | 188,388 | 189,059 | 0.4% | 1.7% |
| 72 | 73 | CONWY | 164,540 | 169,814 | 169,914 | 0.1% | 3.3% |
| 77 | 75 | DENBIGHSHIRE | 160,207 | 163,846 | 165,244 | 0.9% | 3.1% |
| 69 | 71 | FLINTSHIRE | 170,347 | 173,133 | 171,304 | -1.1% | 0.6% |
| 80 | 83 | GWYNEDD | 157,372 | 158,058 | 157,781 | -0.2% | 0.3% |
| 63 | 69 | ISLE OF ANGLESEY | 173,820 | 177,493 | 178,687 | 0.7% | 2.8% |
| 104 | 107 | MERTHYR TYDFIL | 109,015 | 108,121 | 107,021 | -1.0% | -1.8% |
| 35 | 33 | MONMOUTHSHIRE | 231,773 | 243,128 | 245,535 | 1.0% | 5.9% |
| 102 | 102 | NEATH PORT TALBOT | 120,114 | 118,564 | 119,961 | 1.2% | -0.1% |
| 76 | 82 | NEWPORT | 161,815 | 160,635 | 159,393 | -0.8% | -1.5% |
| 60 | 66 | PEMBROKESHIRE | 181,868 | 175,733 | 180,499 | 2.7% | -0.8% |
| 52 | 59 | POWYS | 192,946 | 186,034 | 185,877 | -0.1% | -3.7% |
| 103 | 103 | RHONDDA CYNON TAFF | 115,129 | 120,302 | 119,540 | -0.6% | 3.8% |
| 83 | 78 | SWANSEA | 152,708 | 161,804 | 161,527 | -0.2% | 5.8% |
| 43 | 44 | THE VALE OF GLAMORGAN | 217,201 | 228,850 | 223,421 | -2.4% | 2.9% |
| 94 | 94 | TORFAEN | 134,484 | 140,765 | 139,546 | -0.9% | 3.8% |
| 78 | 80 | WREXHAM | 159,460 | 158,117 | 161,028 | 1.8% | 1.0% |
| | | WALES | 164,343 | 167,982 | 168,135 | 0.1% | 2.3% |
| 37 | 39 | HEREFORDSHIRE | 229,933 | 237,807 | 237,006 | -0.3% | 3.1% |
| 44 | 51 | SHROPSHIRE | 213,349 | 216,322 | 214,845 | -0.7% | 0.7% |
| 57 | 58 | STAFFORDSHIRE | 185,992 | 189,425 | 188,084 | -0.7% | 1.1% |
| 107 | 104 | STOKE-ON-TRENT | 106,513 | 112,131 | 111,296 | -0.7% | 4.5% |
| 25 | 32 | WARWICKSHIRE | 254,381 | 253,686 | 253,240 | -0.2% | -0.4% |
| 71 | 67 | WEST MIDLANDS | 169,185 | 178,322 | 179,440 | 0.6% | 6.1% |
| 40 | 40 | WORCESTERSHIRE | 222,036 | 228,594 | 231,032 | 1.1% | 4.1% |
| 74 | 76 | WREKIN | 162,283 | 161,811 | 162,361 | 0.3% | 0.0% |
| | | WEST MIDLANDS | 191,072 | 196,896 | 197,267 | 0.2% | 3.2% |
| 105 | 106 | CITY OF KINGSTON UPON HULL | 107,738 | 108,625 | 108,982 | 0.3% | 1.2% |
| 64 | 65 | EAST RIDING OF YORKSHIRE | 173,737 | 182,285 | 180,522 | -1.0% | 3.9% |
| 97 | 100 | NORTH EAST LINCOLNSHIRE | 129,633 | 126,196 | 124,938 | -1.0% | -3.6% |



| | | | | | | | |
|----|----|--------------------------------|----------------|----------------|----------------|-------------|-------------|
| 92 | 93 | NORTH LINCOLNSHIRE | 137,031 | 143,690 | 143,188 | -0.3% | 4.5% |
| 38 | 35 | NORTH YORKSHIRE | 227,905 | 236,118 | 241,057 | 2.1% | 5.8% |
| 87 | 88 | SOUTH YORKSHIRE | 147,751 | 153,050 | 151,637 | -0.9% | 2.6% |
| 75 | 74 | WEST YORKSHIRE | 161,899 | 168,235 | 168,492 | 0.2% | 4.1% |
| 31 | 37 | YORK | 244,040 | 241,900 | 240,168 | -0.7% | -1.6% |
| | | YORKS & HUMBER | 168,930 | 174,521 | 174,723 | 0.1% | 3.4% |
| | | ALL ENGLAND & WALES | 274,105 | 289,372 | 289,954 | 0.2% | 5.8% |

Table 6 shows the average property price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for December 2014, November 2015 and December 2015. It also records the percentage change in these prices over the last month and year, highlighting the great diversity that exists across the markets in England & Wales. In December 2015, the monthly rate of price inflation in England & Wales is 0.2% and the headline annual increase in prices for England & Wales in December 2015 is 5.8%, up from 5.5% in November one month earlier.

Annual Trends

On an annual basis, prices have increased in 94 of the 108 unitary authority areas, six less than last month, but this still represents some 87% of the England & Wales unitary authority areas. Of the 14 areas where prices are falling, 7 are located in Wales, 2 are located in the North, 2 in Yorkshire & Humber, and 1 each in the North West and the East and West Midlands.

In the above table we have highlighted in turquoise those areas which have set a new peak price in the month; there are 26 such locations, which is 14 fewer than last month, being an indicator of a general slowing in prices towards the end of last year. Of these 26 local authority areas, 13 are based in the South East, which represents just over half of the areas in that region.

Table 7 below shows the annual rate of property price growth outside Greater London, ordered by quartiles in terms of the average price of each unitary authority area. The table highlights the fact that the most expensive unitary authority areas in England & Wales are seeing the highest increase in house prices. Comparing the figures this month with the equivalent for those produced last month, we can see that the rate of price inflation has been decreasing across all segments of the housing market, with the lowest quartile seeing the largest fall of 1.0% in the rate of change in annual prices compared to the previous month.

Table 7. Trends in the distribution of house prices changes in the 108 unitary authority/counties, excluding Greater London, for the period December 2014 to December 2015, by quartile, based on average house prices.

| Quartile | Price range | Average price change over the 12 months | Last month's equivalent price change over 12 months |
|--------------|---------------------|---|---|
| 1st Quartile | £0 - £160,269 | 1.7% | 2.7% |
| 2nd Quartile | £160,269 - £201,672 | 3.4% | 3.8% |
| 3rd Quartile | £201,672 - £262,321 | 5.5% | 6.2% |
| 4th Quartile | Above £262,321 | 7.4% | 7.9% |

Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in December 2015 shows an increase of 0.2%, which is up from the no-change position of 0.0% seen in the previous month. In December, there were price rises over the month in 58 of the 108 unitary authority areas (fifteen fewer than the previous month).

Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, in December it is Luton at 17.5% that tops the league with the highest annual rate of change in prices. Luton's transport infrastructure has been boosted by the introduction of fast train services to London St Pancras (23 minutes) and Blackfriars (42 minutes), which makes the town one of the most affordable areas with good access to London. This is the third time in 2015 that Luton has appeared as the area with the highest annual rise in house prices: however, Luton stands behind Reading in having the most frequent appearance at the top of the leader board, with Reading taking this position on five separate occasions in 2015, and Bracknell Forest in third position, having taken the title twice.



By way of contrast, the area with the largest reduction in annual prices is Rutland, where prices have fallen by 9.5%. However, Rutland has the lowest number of sales of any Unitary Authority Area in England - for example in December 2015 only 60 sales were recorded in the area, which tends to result in volatile changes in price when expressed in percentage terms. Next to Rutland, it was Powys that had the largest fall in annual prices, at -3.7%. Powys has seen a reduction of £10k in the price of detached homes sold over the year, which represent over 50% of all properties sold in the county, resulting in the £7k fall in average prices observed in Table 6.

Transactions

In terms of transactions, looking at the volume of sales for the three months October – December 2015 and comparing with the same three months in 2014, 45 of the 108 unitary authorities in England & Wales have seen a decline in sales volumes over the period, compared to 36 last month. This provides further evidence that there has been a 'slow-down' in sales across the country in the last few months of 2015 compared to the previous year, as we noted in Figure 2 above.

The area that recorded the highest increase in transactions for the period Oct – Dec 2015, compared to the same three months in 2014, was the Vale of Glamorgan, up by 25%, or 120 homes. The Vale borders Cardiff to the north-east, Rhondda Cynon Taff to the north and Bridgend to the north-west. It is ranked second of all the principal areas in Wales in terms of average house prices, just behind Monmouthshire which is in first place. It is a pleasant rural area for people commuting into Cardiff. The most popular property type in the Vale of Glamorgan is the detached home, which has seen an increase of 38% in transactions over the last year, assisted by new housing developments of detached properties in Rhoose and Barry.

The area in England with the largest decline in transactions over the three months was Slough, down 35%, with a reduction in the number of flats sold from 220 units in Oct – Dec 2014 to 120 units in the same three months of 2015. However, the price of flats in Slough increased by 9% over this same period, suggesting that the fall in the number of flats sold is a factor of supply as opposed to one of demand.

Regional data table



Table 8. Average house prices by region, January 2015 – January 2016, with monthly and annual % growth [link to source Excel](#)

| | North | | | North West | | | East Midlands | | | West Midlands | | |
|--------|----------|----------|---------|------------|----------|---------|---------------|----------|---------|---------------|----------|---------|
| | Av HP | %monthly | %annual | Av HP | %monthly | %annual | Av HP | %monthly | %annual | Av HP | %monthly | %annual |
| Jan-15 | £152,990 | 0.8 | 2.8 | £168,136 | 0.7 | 4.8 | £180,155 | 0.9 | 5.0 | £192,162 | 0.6 | 5.6 |
| Feb-15 | £155,104 | 1.4 | 3.2 | £169,080 | 0.6 | 4.8 | £182,174 | 1.1 | 5.3 | £192,487 | 0.2 | 4.9 |
| Mar-15 | £156,184 | 0.7 | 2.7 | £169,315 | 0.1 | 4.1 | £183,081 | 0.5 | 5.0 | £192,739 | 0.1 | 4.7 |
| Apr-15 | £154,778 | -0.9 | 2.6 | £169,533 | 0.1 | 4.5 | £183,334 | 0.1 | 5.5 | £192,123 | -0.3 | 4.2 |
| May-15 | £153,200 | -1.0 | 1.0 | £169,002 | -0.3 | 3.3 | £184,207 | 0.5 | 5.8 | £193,457 | 0.7 | 4.8 |
| Jun-15 | £153,009 | -0.1 | 1.3 | £169,459 | 0.3 | 3.7 | £185,625 | 0.8 | 6.3 | £195,016 | 0.8 | 5.3 |
| Jul-15 | £152,854 | -0.1 | 1.4 | £169,971 | 0.3 | 3.5 | £185,614 | 0.0 | 5.3 | £195,424 | 0.2 | 4.4 |
| Aug-15 | £154,212 | 0.9 | 2.2 | £172,281 | 1.4 | 4.2 | £186,184 | 0.3 | 5.0 | £196,209 | 0.4 | 4.0 |
| Sep-15 | £153,763 | -0.3 | 2.6 | £172,760 | 0.3 | 3.7 | £187,910 | 0.9 | 5.1 | £196,065 | -0.1 | 3.7 |
| Oct-15 | £155,142 | 0.9 | 2.6 | £173,100 | 0.2 | 3.5 | £190,049 | 1.1 | 6.5 | £197,329 | 0.6 | 3.6 |
| Nov-15 | £154,620 | -0.3 | 2.8 | £172,235 | -0.5 | 3.5 | £190,114 | 0.0 | 6.4 | £196,896 | -0.2 | 3.3 |
| Dec-15 | £154,718 | 0.1 | 1.9 | £172,249 | 0.0 | 3.2 | £189,112 | -0.5 | 5.9 | £197,267 | 0.2 | 3.2 |

| | Wales | | | Yorks & Humber | | | South West | | | East Anglia | | |
|--------|----------|----------|---------|----------------|----------|---------|------------|----------|---------|-------------|----------|---------|
| | Av HP | %monthly | %annual | Av HP | %monthly | %annual | Av HP | %monthly | %annual | Av HP | %monthly | %annual |
| Jan-15 | £164,670 | 0.2 | 3.9 | £169,159 | 0.1 | 4.3 | £245,780 | -0.5 | 5.6 | £233,183 | 1.3 | 9.6 |
| Feb-15 | £165,946 | 0.8 | 3.7 | £168,805 | -0.2 | 3.9 | £248,288 | 1.0 | 5.6 | £237,895 | 2.0 | 10.7 |
| Mar-15 | £165,969 | 0.0 | 3.8 | £169,007 | 0.1 | 3.3 | £249,542 | 0.5 | 5.0 | £237,983 | 0.0 | 8.1 |
| Apr-15 | £164,538 | -0.9 | 3.1 | £168,580 | -0.3 | 3.0 | £251,346 | 0.7 | 4.8 | £238,640 | 0.3 | 7.5 |
| May-15 | £163,949 | -0.4 | 3.4 | £169,996 | 0.8 | 3.6 | £251,986 | 0.3 | 4.9 | £237,796 | -0.4 | 6.2 |
| Jun-15 | £163,560 | -0.2 | 2.3 | £171,172 | 0.7 | 4.4 | £251,729 | -0.1 | 5.0 | £239,190 | 0.6 | 6.6 |
| Jul-15 | £164,523 | 0.6 | 2.8 | £172,184 | 0.6 | 4.7 | £253,731 | 0.8 | 5.3 | £240,096 | 0.4 | 6.5 |
| Aug-15 | £164,856 | 0.2 | 1.6 | £173,531 | 0.8 | 4.9 | £254,677 | 0.4 | 4.4 | £241,852 | 0.7 | 6.3 |
| Sep-15 | £166,246 | 0.8 | 2.1 | £174,103 | 0.3 | 4.6 | £255,562 | 0.3 | 4.1 | £242,810 | 0.4 | 6.8 |
| Oct-15 | £167,404 | 0.7 | 1.7 | £175,028 | 0.5 | 4.1 | £257,260 | 0.7 | 4.4 | £242,690 | 0.0 | 6.1 |
| Nov-15 | £167,982 | 0.3 | 2.4 | £174,521 | -0.3 | 3.3 | £258,427 | 0.5 | 5.3 | £241,571 | -0.5 | 6.0 |
| Dec-15 | £168,135 | 0.1 | 2.3 | £174,723 | 0.1 | 3.4 | £260,490 | 0.8 | 5.5 | £241,727 | 0.1 | 5.0 |

| | South East | | | Greater London | | | ENGLAND & WALES | | | |
|--------|------------|----------|---------|----------------|----------|---------|-----------------|----------|---------|-----|
| | Av HP | %monthly | %annual | Av HP | %monthly | %annual | Av HP | %monthly | %annual | |
| Jan-15 | £322,182 | 0.8 | 9.2 | £561,317 | 0.2 | 10.4 | | £275,414 | 0.5 | 7.9 |
| Feb-15 | £323,997 | 0.6 | 8.4 | £558,235 | -0.5 | 8.9 | | £276,394 | 0.4 | 7.2 |
| Mar-15 | £326,042 | 0.6 | 8.0 | £555,313 | -0.5 | 6.7 | | £276,849 | 0.2 | 6.2 |
| Apr-15 | £327,031 | 0.3 | 7.6 | £559,477 | 0.7 | 6.4 | | £277,730 | 0.3 | 5.9 |
| May-15 | £328,983 | 0.6 | 7.2 | £563,581 | 0.7 | 4.3 | | £278,968 | 0.4 | 5.2 |
| Jun-15 | £330,186 | 0.4 | 6.5 | £572,069 | 1.5 | 3.3 | | £280,845 | 0.7 | 4.8 |
| Jul-15 | £332,039 | 0.6 | 6.1 | £573,603 | 0.3 | 3.1 | | £282,005 | 0.4 | 4.6 |
| Aug-15 | £335,069 | 0.9 | 6.3 | £584,936 | 2.0 | 4.5 | | £285,058 | 1.1 | 5.0 |
| Sep-15 | £338,438 | 1.0 | 6.8 | £589,114 | 0.7 | 4.3 | | £286,902 | 0.6 | 5.0 |
| Oct-15 | £342,328 | 1.1 | 7.8 | £593,797 | 0.8 | 4.9 | | £289,233 | 0.8 | 5.5 |
| Nov-15 | £343,638 | 0.4 | 7.9 | £592,996 | -0.1 | 4.7 | | £289,372 | 0.0 | 5.5 |
| Dec-15 | £344,258 | 0.2 | 7.7 | £594,479 | 0.3 | 6.2 | | £289,954 | 0.2 | 5.8 |
| Jan-16 | | | | | | | | £290,642 | 0.2 | 5.5 |



1. LSL Acad E&W HPI is derived from Land Registry (LR) house price data, seasonally and mix adjusted by property type. © Crown copyright material reproduced with the permission of Land Registry. The prices are smoothed to show underlying trends. LSL Acad E&W HPI includes cash purchase prices and is the only index based upon the complete, factual house price data for England & Wales, as opposed to a sample.
2. Most indices employ data available to the provider as result of its business; index methodologies are designed to exploit the advantages and overcome the disadvantages of each particular dataset; a valuation series (whether the values are professionally estimated at e.g. time of mortgage offer or by an estate agent) is not the same as a price series; price series (LSL Acad E&W HPI, ONS HPI and LR HPI) can be prepared only when the prices at which properties have been transacted have been recorded by the Land Registry (LSL Acad E&W HPI and LR HPI) or when firm prices at mortgage completion (ONS HPI) have been made available by lenders; valuation series can be prepared whenever the data (e.g. asking or mortgage offer prices) are available to the provider; publicity accrues to those indices which are released first; indices published at or before month end are likely to employ data for the current and prior months.
3. Typically, only some 38% of transactions are reported to LR at month end. LSL Acad E&W HPI overcomes this delay with an “index of indices” forecasting model, purpose developed by Dr Stephen Satchell Economics Fellow Trinity College Cambridge and Dr George Christodoulakis, then at the Sir John Cass Business School. LR HPI relies on the sample being reflective of all of the month’s price changes and uses c.40% of these (say c.9,000 price changes) being the prices of properties for which two prices are recorded on the Land Register and a repeat sales regression methodology based on work published by USA academics, notably for the USA S&P Case Shiller HPI. RSR was developed to prepare indices for single family homes using only the limited data volumes available for metropolitan districts, since the USA lacks a central Land Registry. LSL Acad E&W HPI, LR HPI and ONS HPI are published monthly in this order.
4. LSL Acad E&W HPI provides prices at national and regional level back to 1995 and, at county/London borough level, back to 2000; back-cast national prices for graphing are available to 1987. With only some 60,000 monthly transactions now occurring compared with at least 100,000 in past markets, reduced data volumes are a problem for every HPI. LSL Acad HPI employs not only the above “index of indices”, but also a series of auto regression and averaging models. The latter use a rolling 3 months of data to provide an average price for each month to show trends, as mentioned above. After the elapse of one month, LR provides c.88% of the transactions for the prior month, used to replace the initial LSL Acad E&W HPI “forecast” with a first LSL Acad E&W HPI “updated” result. Two months after any given month, LR provides c.96 % of the month’s transactions, sufficient to enable us to describe our next update as an LSL Acad E&W HPI “final” index, closely approximating the LSL Acad E&W HPI “ultimate” results; LSL Acad E&W HPI “ultimate” includes the price of virtually every single LR transaction for the month, smoothed, seasonally and mix adjusted; the LSL Acad E&W HPI “updated” now uses c.37,000 real transactions for the month (as well as, by smoothing, c.40,000 transactions for the prior month); LR HPI also provides an updated LR “latest” HPI shown in our monthly Comparison of Indices table. ONS HPI with, in 2013, c. 28,000 mortgage completions (and the Rightmove asking price index) are also based upon significant data volumes; lender HPI data volumes are not quantified; the Halifax HPI employs three month smoothing for annual but not for monthly change results; Hometrack provides survey data and specifies that theirs is a survey, not an index.
5. In each of the 10 **regions**, an average of only some 6,000 transactions now occur monthly; hence, we wait one month, pending receipt from LR of the c.88% sample and provide monthly results one month in arrears of the most recent month. In our Regional data table, **red** data represent LSL Acad E&W HPI “forecast” results, **blue** data represent LSL Acad E&W HPI “updated” results and **black** data represent the LSL Acad E&W HPI “final” index.
6. At **county and London borough** levels, c.60,000 national monthly transactions, spread over 10 regions and 108 counties and 33 London boroughs, provide an average of only c.425 house prices monthly within each sub-district. Even delayed one and smoothed over three months, LSL Acad E&W HPI is indicative until we are able to publish the LSL Acad E&W HPI “final” index using the LR 96% sample. LSL Acad E&W HPI data are calculated on a consistent basis from county and London borough through to region and ultimately to national level; at every level, the current month price represents the average of the prices for the current month and for the prior and subsequent months (“three month, centre month smoothed”). LR employs a “four month, end month smoothed”, process for county/London borough data, but not for national and regional results.
7. **Data limitations** are not confined to volumes. LSL Acad E&W HPI and the LR HPI are unable to identify different prices according to e.g numbers of bedrooms; the lender hedonic indices and the ONS mix adjusted HPI do so. LR data exclude commercial and, thus auction sales and do not reflect repossession prices on the grounds that such prices do not reflect those between a willing buyer and a willing seller; some feel that auction prices represent true market prices; others believe that the repossession prices do not.
8. LSL Acad E&W HPI is prepared from Land Registry data using a methodology designed to provide a “true measure of house price inflation”; Acadata does not guarantee the accuracy of the LSL Acad E&W HPI results and Acadata shall not be liable for any loss or damage, whatsoever, consequential upon any error, incorrect description of or inadequacy in the data; persons using the data do so entirely at their own risk; LSL Acad E&W HPI is freely provided for publication with due attribution to Acadata. Permission is required for any commercial use of the data.
9. The monthly, smoothed, average Land Registry prices at regional, county and London borough level by property type, which underlie LSL Acad E&W HPI, together with historic data, are available from Acadata as in NOTE 6 above.
10. LSL Acad E&W HPI was published under the name FTHPI from September 2003 until December 2009. Until the October 2013 LSL Acad E&W HPI was published, it was prepared by Acadametrics. Acadametrics then changed its name to Acadata to reflect its new focus entirely upon house price indices and data following its agreement to sell its 50% holding in MIAC Acadametrics to MIAC Analytics over a 4 year period.

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LSL PROPERTY SERVICES PLC

LSL is one of the leading residential property services companies in the UK and provides a broad range of services to a wide range of customers including mortgage lenders together with buyers and sellers of residential properties.

LSL's operations cover four key areas; surveying, estate agency, corporate services and financial services.

Surveying

LSL's [surveying](#) business operates under the e.surv Chartered Surveyors brand, and the Walker Fraser Steele brand in Scotland. e.surv is one of the largest employers of residential Chartered Surveyors in the UK and is the largest distributor and manager of mortgage valuations and private surveys.

Estate Agency

LSL's [estate agency](#) business operates under the Your Move, Reeds Rains, Intercounty and several independent brands. Your Move is the single largest estate agency brand in the UK.

In January 2010 the acquisition of the Halifax Estate Agency (HEA) business from Lloyd Banking Group saw LSL increase in size to become the second largest UK estate agency network - with around 570 branches. It is also the largest letting agency in the UK.

Corporate Services

LSL Corporate Client Services was launched in 2008 to provide asset management and lettings property portfolio management services to corporate clients. This business has grown through the addition of St Trinity Asset Management - which previously operated as HEA Corporate Services - and Templeton LPA, which LSL acquired in February 2010.

Financial Services

LSL offers financial services across its entire branch network. In May 2010 LSL acquired over 450 advisers from leading financial services network Home of Choice - these advisers now operate under the brand of First Complete.

In October 2010 LSL also announced the acquisition of mortgage distribution company, Advance Mortgage Funding Limited (trading as Pink Home Loans) and its subsidiary business BDS Mortgage Group Limited, (together known as Pink), from Skipton Building Society. It further confirmed LSL's position as one of the largest mortgage advisory businesses in the UK today.

For further information see www.lslps.co.uk