

House Price Index

England and Wales

Under embargo until 00:01 on
Monday 12 December 2016

NOV 2016 | Average House Price
in England and Wales

£295,276

AVERAGE MONTHLY CHANGE:

0.1%

AVERAGE ANNUAL CHANGE:

3.1%

England and Wales house prices recover to pre-referendum levels

- Prices edge up again, by 0.1% in month
- The market has remained largely flat since June, despite Brexit uncertainty
- London sees the lowest rate of annual house price growth in the country
- Value areas continue to see strong growth

Headline News

After a strong October, house prices continued rising in November, up a more modest 0.1%, still driven by strong gains in cheaper property. The average price of a house in England and Wales is now 3.1% up on the same time last year.

The average house price in England and Wales, at £295,276, is up £380 on the month and exactly the same as it was in May 2016, marking a recovery to the level immediately prior to the referendum.

Key Insights

- Average house prices are still up £8,792 on the same period last year. The most significant impact on the market this year remains the changes to Stamp Duty in April, with strong price increases up to March 2016, followed by a fall following the change. Since then prices have been broadly flat, despite the Brexit vote.
- Transaction levels have followed a similar pattern, but have marginally improved in the last month. The estimated level of 77,500 sales in November is just a little below the recent average for the time of year.

Quick Quotes

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

“House price growth has slowed again, but in London, as elsewhere, there’s still appetite to continue driving up prices where buyers see value.

“For all the talk of Brexit uncertainty, the main factor driving up prices in the housing market is still supply and demand. That imbalance remains even after the Government announcements in the Autumn statement.”

Richard Sexton, director of e.surv chartered surveyors, says:

“The market is still performing better than many expected. Transaction levels remain subdued, but are not far off previous years. Prices are still edging up.

“Supply remains the big issue. The Chancellor has announced plans for 140,000 new homes as part of the Autumn Statement, but the ‘radical’ plans promised to boost supply will be in the Housing Whitepaper, postponed to January. The uncertainty that’s so characterised this year looks set to continue a while longer.”

Regional update

London is surrounded by two regions that continue to demonstrate strong growth. First, the East of England remains the best performing region, with average prices up 6.6% over the year, driven by strong increases in the likes of Thurrock (up 16.2%), Luton (13.7%), and Southend-on-Sea (10.6%) – among the best performing unitary authorities nationally.

While Rutland in the East Midlands recorded the highest annual growth this month, with prices up 23.2%, this is

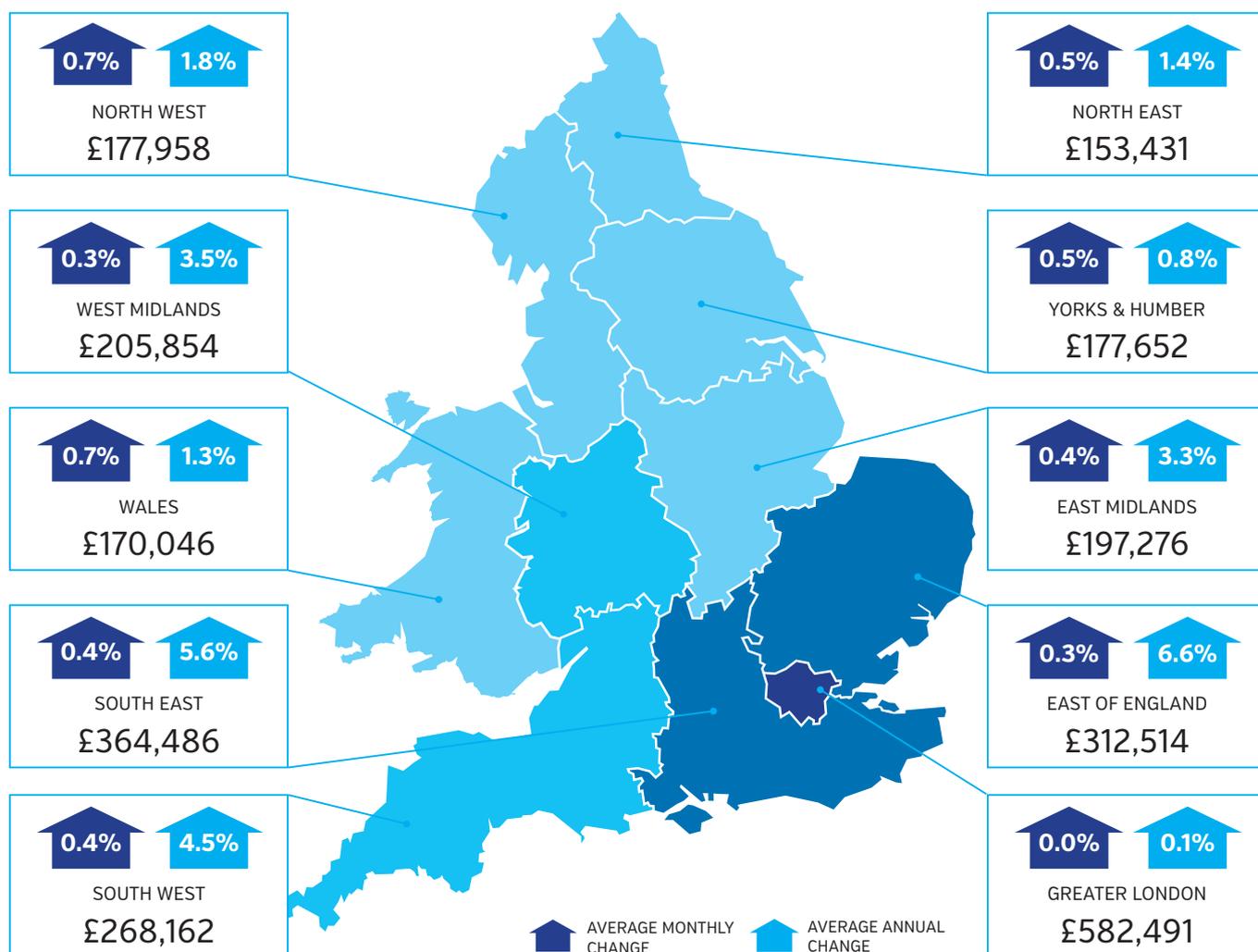
largely the skewed result of relatively low transaction volumes. Thurrock and Luton, in second and third place, have been consistent performers, with good rail links into London making them popular commuter hotspots for those priced out of the capital.

On the other side of London, The South East has also proved robust, with prices up 5.6% annually. Wokingham (up 12.4%), Medway (10.5%) and Brighton and Hove (9.6%) have been the star performers

there. Of the 25 areas setting a new peak price in the most recent month, eight were in the South East, and six in the East of England. The South West, with two, also continues to perform well, with prices up 4.5% annually.

At the other end of the table, the North East (up 1.4%), Wales (1.3%), and Yorks and Humber (up just 0.8%) have all seen much more modest price increases. Every region, though, continues to see growth over the year.

Average house prices by region October 2016 with monthly and annual % growth.



Average House Prices in England and Wales, November 2015 - November 2016

MONTH	YEAR	HOUSE PRICE	INDEX	MONTHLY CHANGE %	ANNUAL CHANGE %
November	2015	£286,484	280.3	0.2	6.1
December	2015	£288,648	281.2	0.8	6.9
January	2016	£291,098	283.6	0.8	7.3
February	2016	£297,304	289.6	2.1	9.1
March	2016	£297,744	290.1	0.1	9.1
April	2016	£297,579	289.9	-0.1	8.7
May	2016	£295,276	287.7	-0.8	7.3
June	2016	£295,728	288.1	0.2	6.9
July	2016	£295,017	287.4	-0.2	6.2
August	2016	£294,006	286.4	-0.3	4.7
September	2016	£293,981	286.4	0.0	3.9
October	2016	£294,896	287.3	0.3	3.2
November	2016	£295,276	287.7	0.1	3.1

A look at London

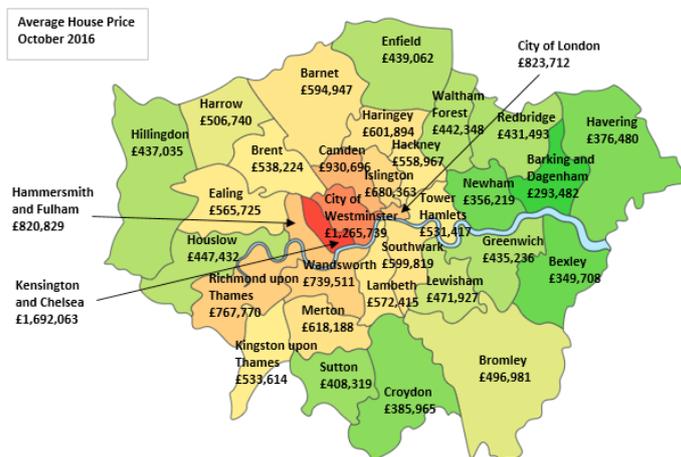
As recently as March this year, Greater London had the highest annual house price inflation of any UK region. In October, it was the lowest, up just 0.1% over the year.

This slowdown is the result of a significant drop in prices and transactions in prime central property. Four out of five of the most expensive areas saw prices fall in the last month, led by Westminster, down 3.5%. These also include three boroughs experiencing the greatest falls over the year: Hammersmith and Fulham, down 13.2%; Westminster, down 12.1%; and Camden, down 10.4%.

Taking the five highest priced boroughs in London as a proxy for “prime central London”, average prices have dropped £112,950 over the year.

This has been more than offset (just about) by strong growth in value areas. In a mirror image of the top of the market, the five cheapest boroughs in London include the top three house price performers: Bexley, up 14.6%; Barking and Dagenham, up 14.4% and Havering, up 13.4%.

Overall transactions remain subdued, down almost a third (32%) over the three months from August to October 2016, against the same period last year.



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For the full report, please see: <http://www.acadata.co.uk/acadataHousePrices.php>