

# House Price Index

## England and Wales

Under embargo until 00:01 on  
Saturday 15 October 2016

Average House Price in England and Wales **£292,763**

AVERAGE MONTHLY CHANGE: **0.0%**

AVERAGE ANNUAL CHANGE: **3.5%**

## Moving towards a new normal

- House price inflation and transactions continue to slow
- However, all regions still show year-on-year price increases
- The East of England continues to top the leader board for price growth
- Along with the West Midlands, the East of England sets a new price peak

### Headline News

House prices edged up by the narrowest of margins in September, with the average price rising £120 over the month to £292,763. Prices in England and Wales are now 3.5% up on last year, with the average house worth £9,896 more than in September 2015.

High priced prime London property continues to see the biggest slowdown in inflation, while cheaper property on the periphery and the leading regions are still seeing strong growth year on year.

### Quick Quotes

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

- “We’re seeing a two speed market become firmly established as cheaper parts of the capital and the regions record big price increases driven by demand for affordable homes, while prime London property stalls.”
- “At the same time transaction levels are showing how much the market has changed, with the number of properties now held by private landlords changing market dynamics.”
- “This all creates big challenges for government housing policies, which are going to have to be flexible enough to allow regions to make use of the solutions that work best for their different needs.”

### Key Insights

- House prices overall were essentially flat in September, but the leading regions continued to buck the trend. Prices for the East of England led the charge again, up 7.5% for the year, ahead of the South East, up 7.2%, and the South West, up 4.2%.
- Typically for the time of year, transactions fell in September from the previous month to an estimated 74,000 sales, with house hunting interrupted for many by the summer holidays. As predicted last month, transactions are at similar levels – or a little above – as they were in 2013, and look likely to rise over the coming couple of months as in that year.
- Overall transactions levels reflect long-term trends of increasing landlordism and let-to-buy, with many owners remortgaging and letting their existing home to finance a move, rather than selling. Despite slower sales in recent months, though, the surge in sales in March ahead of stamp duty changes means transaction levels for the first nine months are still broadly in line with last year – 658,286 sales year-to-date, against 659,495 over the same period of 2015.

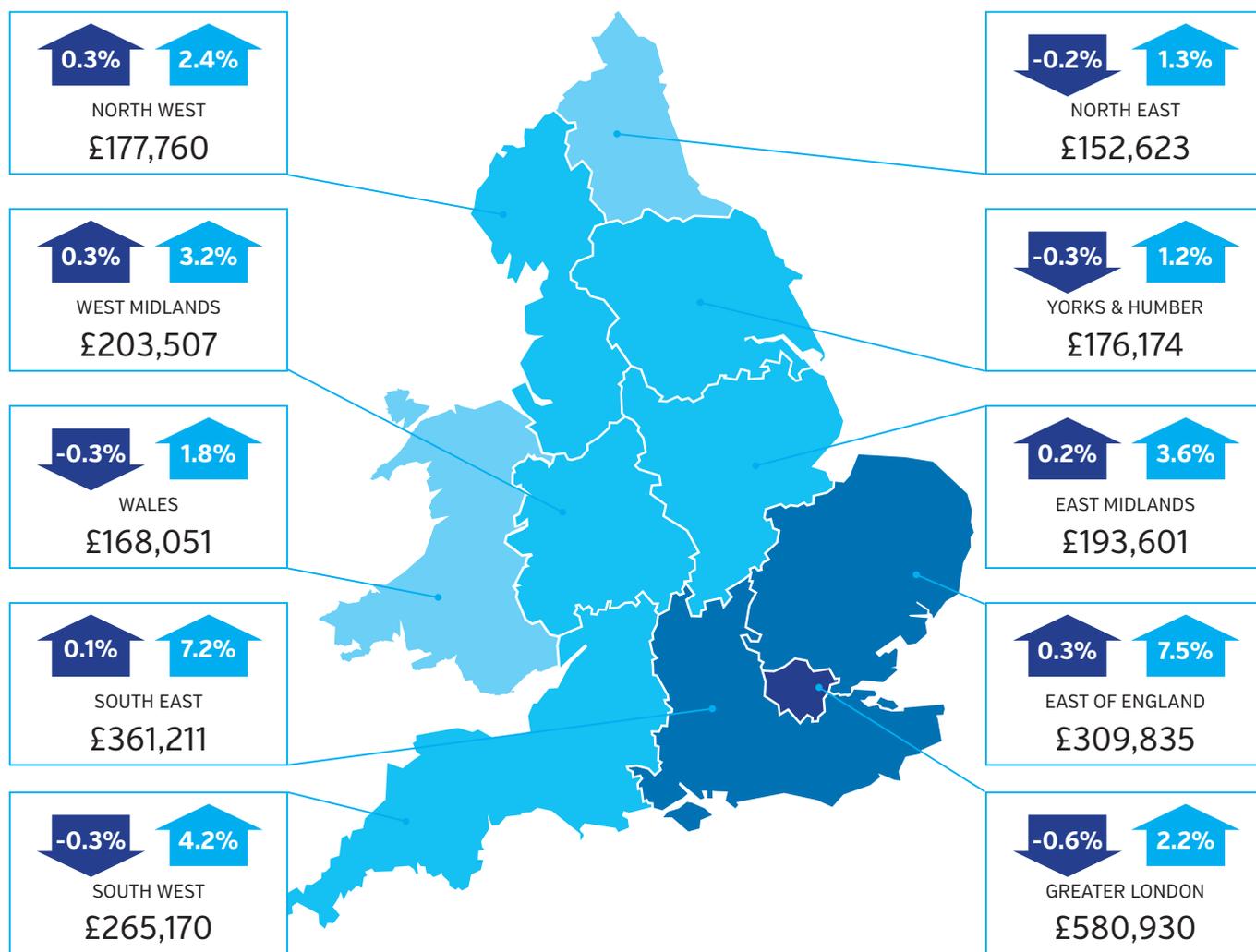
# Regional Heat Map

London price trends may well remain confined to the capital. There are strong arguments that much of the decline in high value properties is the result of the high stamp duty rates of 10% imposed on properties priced over £925,000, and of 12% for those above £1.5 million. Outside London, this has little impact.

In the regions, the East of England continues to perform strongly with the likes of the fastest growing unitary authority Thurrock (up 1.1% over the month and 16.3% on the year), and the second fastest Luton (up 2.1% monthly and 15.7% annually), followed by Hertfordshire (1% and 11%) helping

it maintain its lead. The South East also continues to record strong annual growth, driven by price increases in Slough (up 14.4% annually), Medway (14%) and Brighton and Hove (13.7%). Yorks and Humber (up 1.2% annually) and the North East (1.3%) were the slowest growing regions.

## Average House Prices, September 2015 to August 2016 and variation over same period 2014/15



AVERAGE MONTHLY CHANGE
 AVERAGE ANNUAL CHANGE

### Average House Prices in England and Wales, September 2015 - September 2016

MONTH	YEAR	HOUSE PRICE	INDEX	MONTHLY CHANGE %	ANNUAL CHANGE %
September	2015	£282,867	278.1	0.7	5.2
October	2015	£285,868	280.5	1.1	5.9
November	2015	£286,447	280.3	0.2	6.1
December	2015	£288,650	281.2	0.8	6.9
January	2016	£291,160	283.6	0.9	7.3
February	2016	£297,288	289.6	2.1	9.1
March	2016	£297,557	289.9	0.1	9.0
April	2016	£296,868	289.2	-0.2	8.4
May	2016	£293,208	285.6	-1.2	6.6
June	2016	£293,194	285.6	0.0	5.9
July	2016	£292,920	285.4	-0.1	5.4
August	2016	£292,644	285.1	-0.1	4.2
September	2016	£292,763	285.2	0.0	3.5

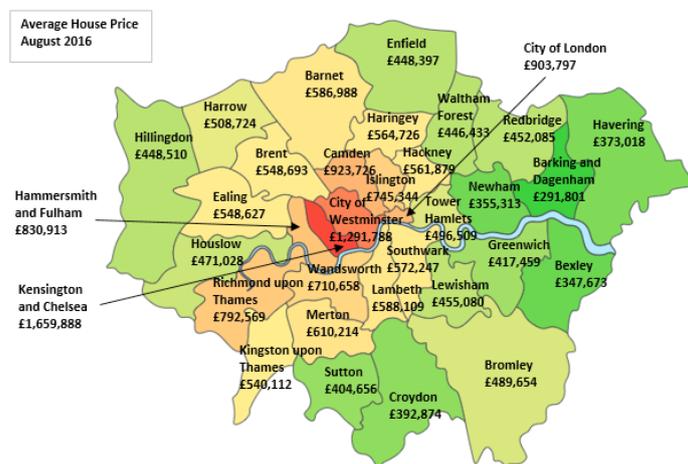
## A look at London

The slowdown in prices is most acute in prime London property. Overall, average annual price increases in greater London have fallen from 4.7% last month to 2.5% this month, with average prices dropping marginally month-on-month by 0.6%. However, more than a dozen boroughs in London are still recording double-digit annual growth.

Price increases are led by Barking and Dagenham (also the cheapest borough), with prices up 0.5% over the month and 16.4% over the year to £291,801; Redbridge, up 1.4% monthly and 15.6% annually to reach £452,085 (still well below the average London house price of £580,930); and Bexley (the second cheapest borough with average prices of £347,673), up 0.7% monthly and 15% annually.

Of the 12 cheapest boroughs in London, 11 have seen double-digit annual house price growth over the year. None of the remaining 21 have. The top five most expensive boroughs, meanwhile, have all seen annual price declines, ranging from a 16.5% decline in

Camden (caused by unusually high flat sale prices in 2015) to 3.9% in the City. House prices in the most expensive borough, Kensington and Chelsea, are now £1,659,888, down 6.8% on last year.



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For downloads see: <https://www.your-move.co.uk/media-centre>

For full report and methodology see: <http://www.acadata.co.uk/acadataHousePrices.php>