

House prices continue to grow, and strongly in many regions...

- ✓ ...with Wales at 9.6% annually
- ✓ In England, the North West continues to outperform other regions, with Blackpool again experiencing highest annual growth at 13.0%
- ✓ Transactions return to more normal levels

Note: The e.surv Acadata House Price Index was formerly the LSL Acadata House Price Index. Content and methodology are unchanged. Please refer to the Notes at the end for more information.

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London and the SE)
£337,173	324.6	0.5	3.8	2.2

Richard Sexton, director at e.surv, comments:

“Regional performance, or more accurately variation, continues to be the story beneath the headline growth rate in house prices. So while we may talk of slowing growth at a national level, regions like Wales continue to out-perform the national story - Wales continues in top place in the annual price growth league for the fifth month in succession! The North West too continues to enjoy strong house price growth, and Blackpool again has experienced the highest in that region of 13% - coming off its previous high last month of 16.9%. As a piece of context, on a monthly basis the overall growth rate is reducing from a high of 2.7% in September, to 1.2% in October and 0.5% in November.

“The key stimulus factors that have spurred such high growth previously such as the stamp duty holiday and furlough scheme are now no longer supporting the market yet despite this, the imminent arrival of Christmas and the discovery and measures to address the Omicron variant, house prices continue to grow, albeit slower.

“In terms of the property types that are flourishing in this regional story, we are seeing growth in the semi-detached and terraced markets. This is not the narrative that has previously supported price rises as the race for space during the pandemic has previously supported the view that detached and larger properties with gardens have been fuelling the growth. It may now be the case, as the Blackpool data suggests, that the increased demand for properties has moved in terms of price bracket to more affordable property and to semi-detached and terraced properties. It may well explain why the North West region, with its greater share of such properties, is seeing the highest rates of price growth regionally.”

Table 1. Average House Prices in England and Wales for the period November 2020 – November 2021

[Link to source Excel](#)

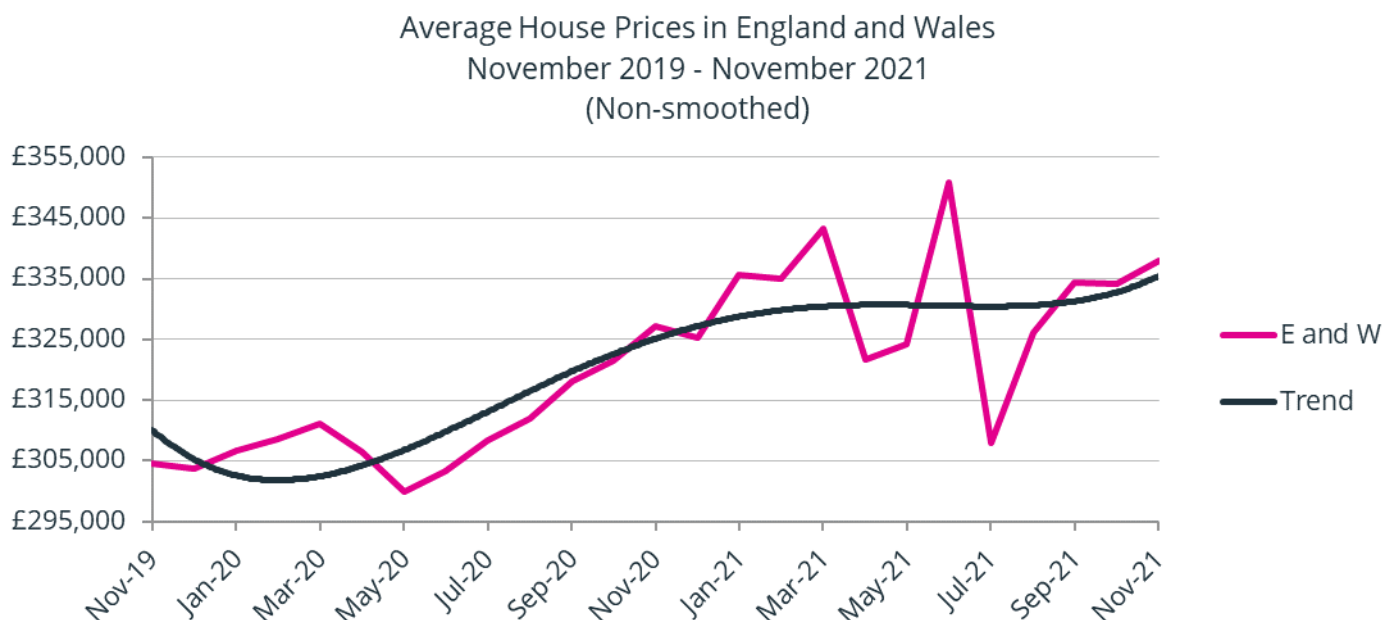
Month	Year	House Price	Index	Monthly Change %	Annual Change %
November	2020	£324,715	313.5	0.8	6.8
December	2020	£329,465	317.1	1.5	8.0
January	2021	£332,041	319.6	0.8	8.4
February	2021	£338,027	325.4	1.8	9.5
March	2021	£333,356	320.9	-1.4	8.0
April	2021	£329,778	317.4	-1.1	7.8
May	2021	£332,281	319.8	0.8	9.6
June	2021	£327,687	315.4	-1.4	7.8
July	2021	£328,291	316.0	0.2	6.6
August	2021	£322,832	310.8	-1.7	3.2
September	2021	£331,590	319.2	2.7	4.5
October	2021	£335,548	323.0	1.2	4.1
November	2021	£337,173	324.6	0.5	3.8

Note: The e.surv Acadata House Price Index provides the “average of all prices paid for domestic properties”, including those purchases made with cash.

Commentary: John Tindale and Peter Williams, Acadata Senior Analysts

Figure 1. The average house price in England and Wales, not smoothed November 2019 – November 2021

[Link to source Excel](#)



Significant price volatility has been evident in the England and Wales market throughout both 2020 and 2021. Figure 1 above tracks the movement in the average house price for England and Wales on a month-by-month basis over this period - without any of our normal smoothing of the data to reduce seasonal fluctuations - so that actual monthly variations are made more obvious, moving from a low

of around £300,000 in May 2020 to a high of £350,000 in June 2021, and then falling to a further low of £310,000 in July 2021 before rising to £335,000 in September – quite a roller coaster!

As is well known, the main drivers in the market over the last two years have been the underlying increase in demand, associated with the “race for space”, along with the onset of working from home, offering a re-assessment of lifestyles. These factors, combined with the stamp duty holidays, which stimulated three peaks in the market in terms of both prices and transactions, are all underpinned by the record low levels of interest rates and increased savings, making housing more affordable over the last two years.

Figure 1 shows that house prices have continued to climb over the last three months, albeit at a slowing rate, despite the various stamp-duty holidays coming to an end.

November - Annual and Monthly Price Trends

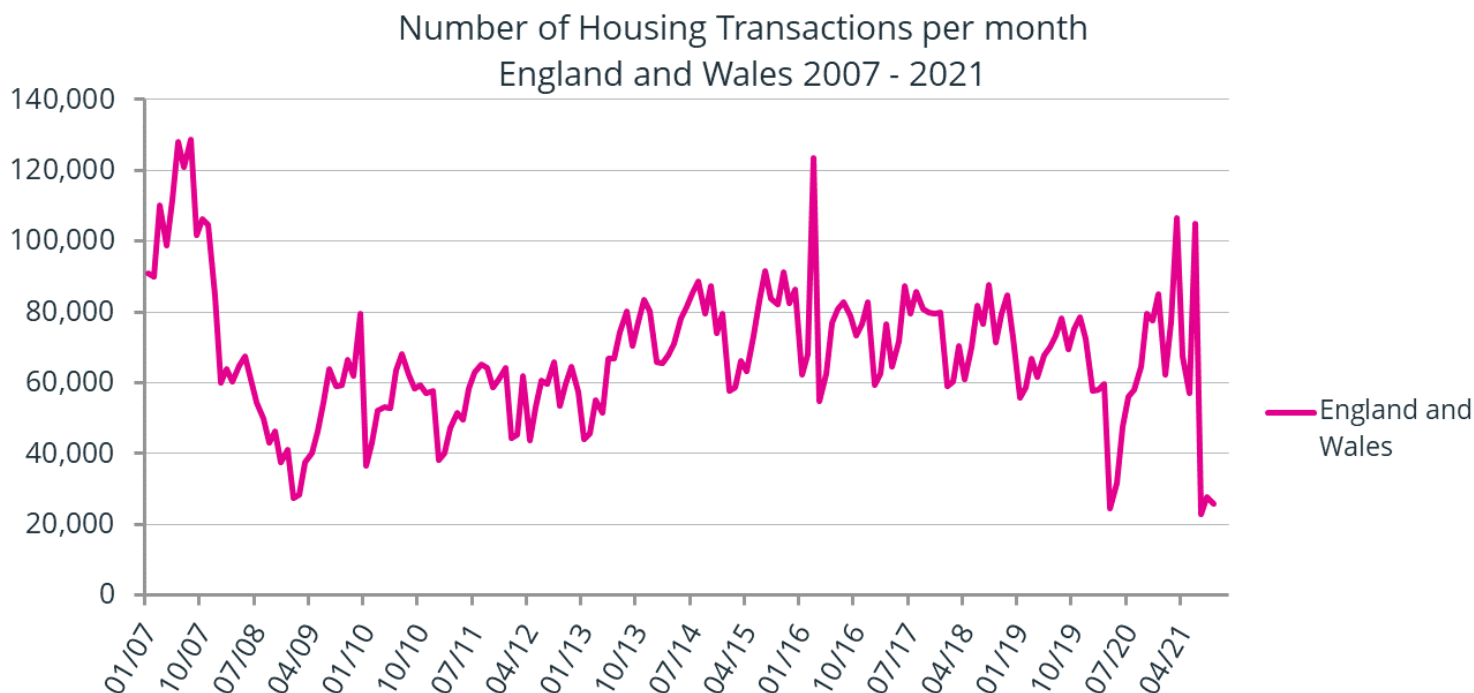
Returning to our normal smoothed figures, set out in Table 1 above, the average price of all completed sales funded by both mortgages and cash grew at an annual rate of 3.8% in November. This is a reduction of 0.3% from the 4.1% seen in October, which itself was a reduction of 0.4% from the 4.5% annual growth in September.

Looking at the change in prices in the month, as opposed to the year, we also see a slow-down in the rates of growth, from a high of 2.7% in September, to 1.2% in October and 0.5% in November.

We could now see the combined effects of Christmas, the arrival of the Omicron variant and the absence of stimulus and support measures all beginning to affect the market. There could be the possible return to the place of work issues, and indeed further measures may be introduced again to favour home working. At the same time, expected interest rate rises have been delayed. Drawing all this together, some may predict a slowdown to continue over the next few months, subject to any radical shift in the external environment. If the economy did start to falter, history tells us that the housing market remains an obvious candidate for stimulus measures, although there is no sign of such interventions to date.

Transactions

Figure 2. The number of housing transactions per month, January 2007 – November 2021 [Link to source Excel](#)



Given the history of both volatility and uncertainty, we can place this year's levels of housing sales into a historical perspective by looking at the number of sales per month over the last fifteen years.

Figure 2 starts in 2007, ie, one year prior to the banking credit crisis of 2008/09. Pre-2008 transaction counts frequently reached levels in excess of 100,000 sales per month during the summer falling to around 60,000 sales in mid-winter. As credit availability from lending institutions became scarce, sales fell to some 27,500 in January 2009.

During the period from July 2009 to July 2013 sales stumbled along at levels between 40,000 and 65,000 per month, with credit among the lending institutions remaining tight. There was one minor peak of just under 80,000 sales in December 2009, which was one month ahead of a lowering of the stamp-duty land tax (SDLT) threshold from £175,000 to £125,000 on 1 January 2010.

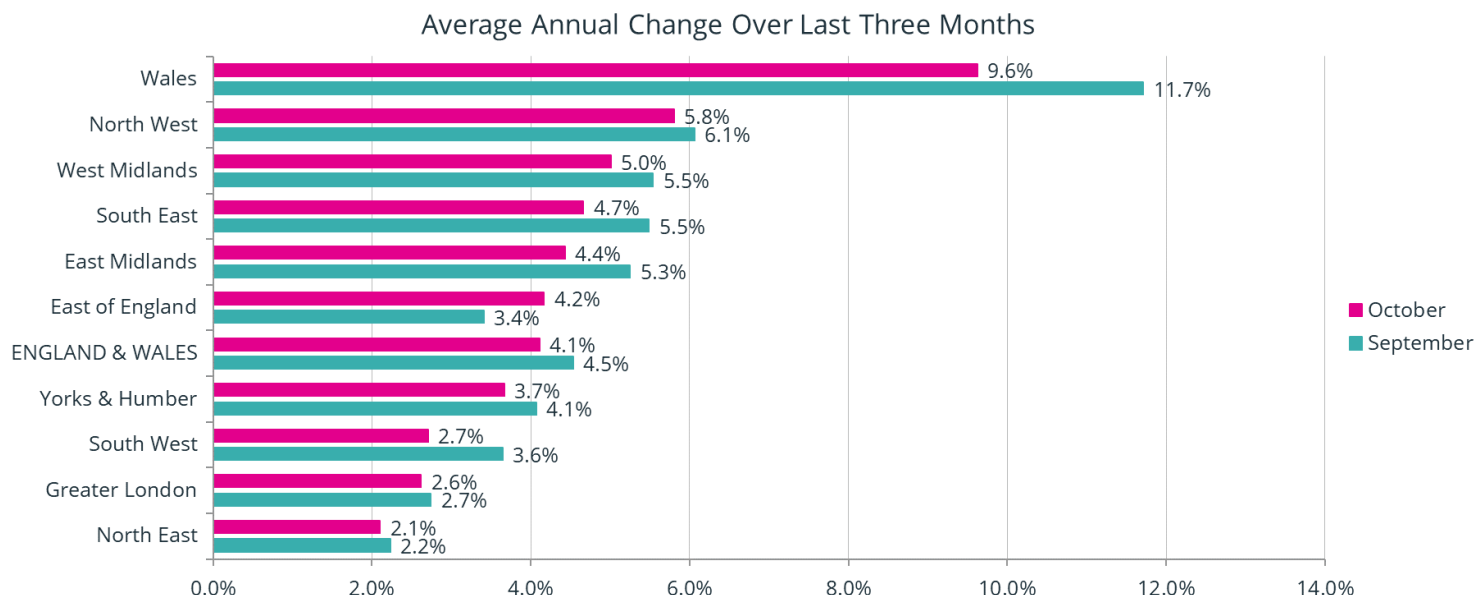
From 2014 the appetite to lend returned, with volumes picking up in a range of between 60,000 – 80,000+ sales per month. There is one noticeable spike of some 123,500 sales in England and Wales, which occurred in March 2016. This was one month ahead of the introduction of the 3% additional SDLT charge on second homes and buy-to-let properties.

The slump in sales at the start of the COVID pandemic in March/April 2020 is clearly visible, as is the pick-up in transactions throughout the remainder of 2020, helped by the SDLT/LTT tax holidays. There are two further spikes in sales in March and June 2021, again taking place one month in advance of changes to the SDLT rates. HMRC also estimates that there will be a further SDLT related spike in September 2021 of 150,000 sales, of which the Land Registry has processed some 25,750 to date.

Regional House Prices, October 2021

Figure 3. The annual change in the average house price for the three months centred on October 2021, analysed by GOR

[Link to source Excel](#)



Regional reporting stands at the heart of the Acadata release, reflecting the great diversity of market performance across England and Wales. Figure 3 shows the percentage change in annual house prices on a regional basis for October, averaged over the three-month period of September, October and November 2021, compared to the same three months in 2020. It also shows the similarly-averaged figures from September 2021.

In general terms, all areas - except for the East of England - have seen their annual rates of growth fall away from the minor peak in prices which was recorded in September, being one month ahead of the ending of the SDLT tax holiday in England.

Wales continues in top place in the annual price growth league for the fifth month in succession - indeed in October there were five Welsh local authorities which took the top five places in terms of the annual growth rates of the 109 unitary authorities in England and Wales. It was no surprise to note that Wales' First Minister, Mark Drakeford, was of the view that there are "too many [purchases of] second homes" in some parts of Wales which were affecting communities and causing housing prices to rise sharply. He promised to take action on that front.

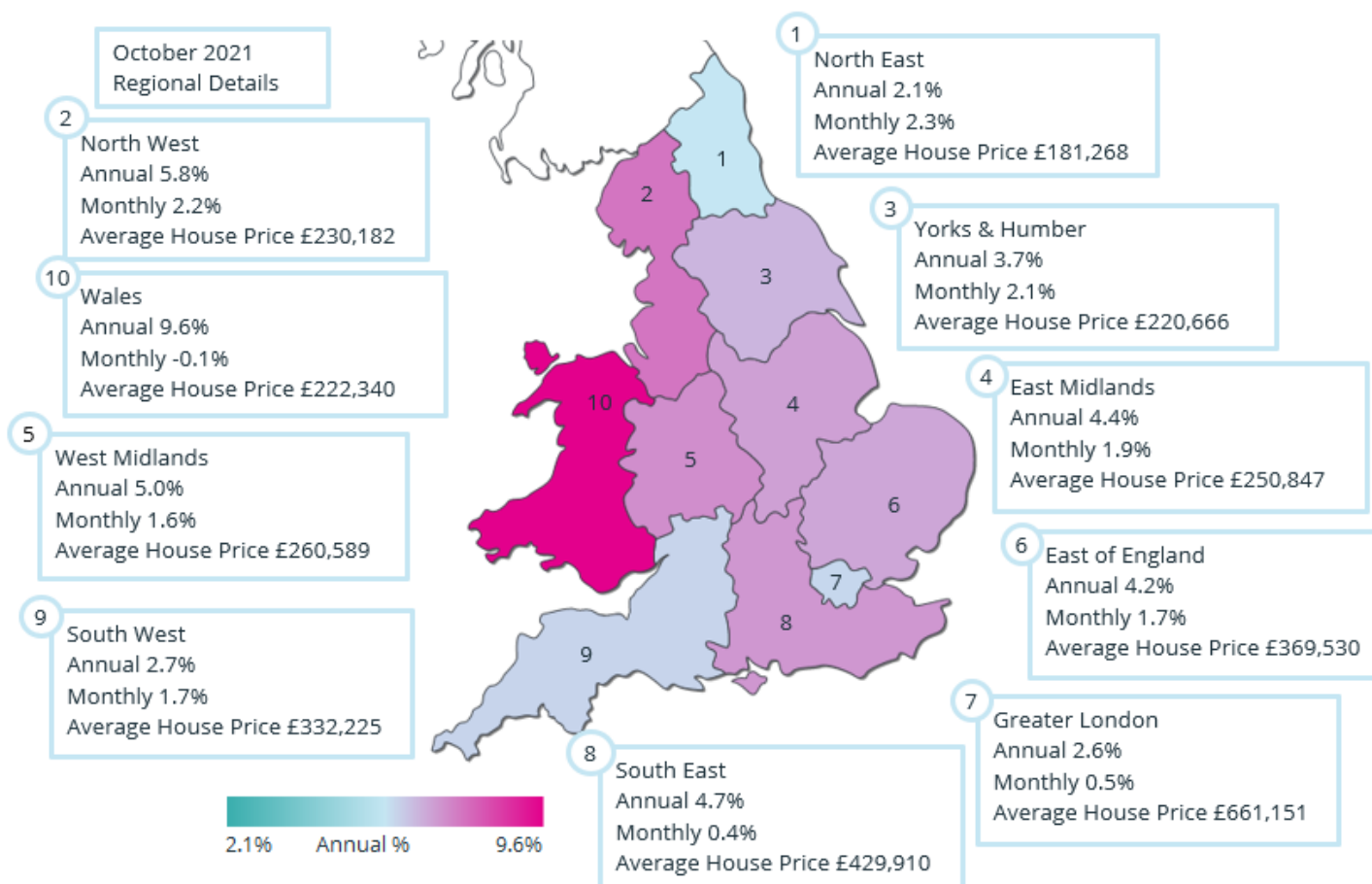
Full details of the prices of the 109 Unitary Authorities and Regional data for the month can be found on the Acadata [website](#).

In second place in the regional price growth league was the North West, which has been in one of the top three positions of the league for the last fourteen months. Blackpool again recorded the highest annual house price growth in England, at 13.0%, largely due to the high proportion of semi-detached and terraced homes that makes up its housing stock. We look at this point in some depth later in this release.

The North East has returned to being the region with the lowest annual price growth in its housing sales, at 2.1%, despite the knowledge that in Scotland, by way of contrast, prices in September 2021 climbed by an annual 13.2%.

England and Wales Regional Heat Map for October 2021

All of these different trends are then highlighted in the Regional Heat Map for October. Once again, Wales stands out as being the only area shaded bright red, reflecting its current status as having the highest rate of annual price growth at 9.6%, while at the other end of the scale is the North East, Greater London and perhaps surprisingly the South West, all shaded in light blue, indicating growth rates below 3.0%. We say “surprisingly” in relation to the South West as it was the region at the forefront of the lifestyle changes associated with the pandemic, reportedly with many homeowners moving away from London to live close to areas of natural beauty – and the South West topped our regional house price growth league from August to December 2020.



Working back from the areas with the lowest growth rates, we next have Yorkshire and the Humber below 4%, with the East of England, the South East and the East and West Midlands all having rates between 4.0% and 5.0%. Finally, the North West retains its title as having the highest rate of growth of all the English regions at 5.8% and is the subject of closer examination on the next few pages of this release.

A further look at the North West of England and Blackpool

For five of the last nine months, the North West has been at the top of our regional league table in terms of having the highest rates of annual house price growth (as described on page 5 above). Although the top position has now been taken by Wales, the North West continues to have the highest rate of growth of the nine GOR regions in England. We take a brief look at what has been happening in the region.

Figure 4. The average house price in the North West Region, October 2019 – October 2021

[Link to source Excel](#)

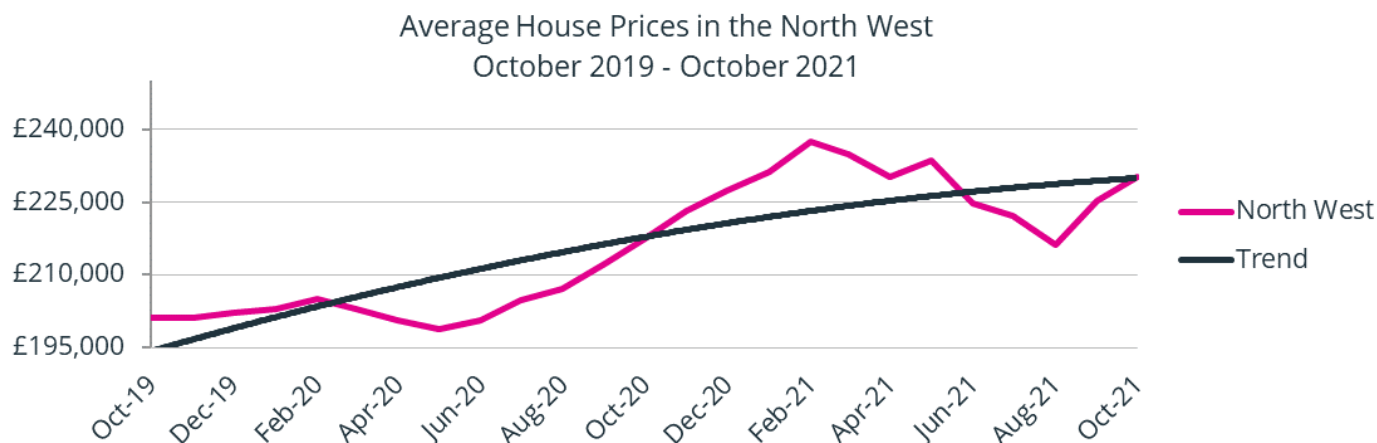


Figure 4 above shows the movement in the average house price in the North West over the last two years. The price movements broadly follow those of England and Wales as a whole.

Table 2. Average House Prices in the North West Region for the periods October 2020 and September and October 2021 (mix adjusted)

[Link to source Excel](#)

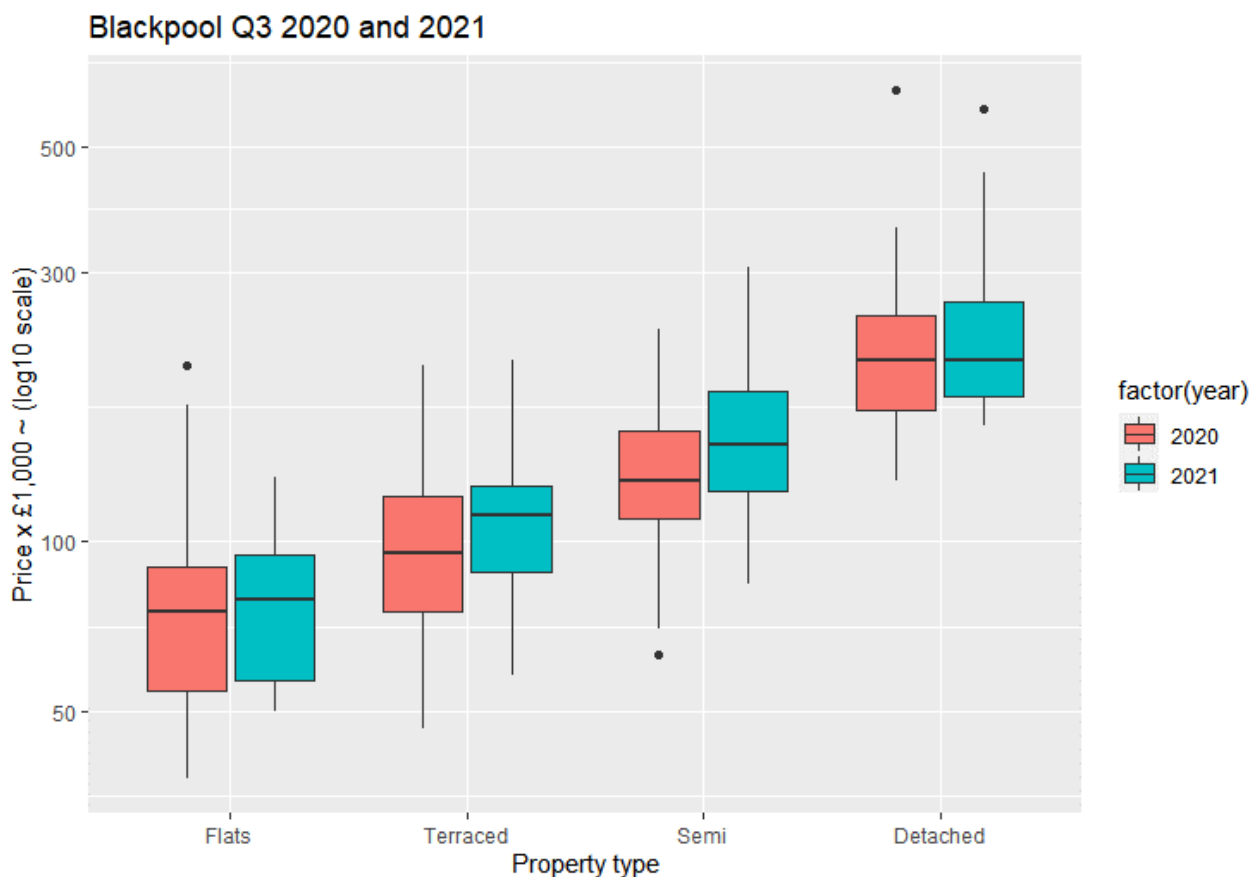
Prior Yr Rank	Rank By Price	Metropolitan County / Unitary Authority	Oct-20	Sep-21	Oct-21	Month % Change	Annual % Change
1	1	Cheshire East	£319,941	£326,313	£340,356	4.3%	6.4%
2	2	Cheshire West and Chester	£267,723	£268,181	£277,190	3.4%	3.5%
3	3	Warrington	£249,439	£259,271	£265,743	2.5%	6.5%
4	4	Greater Manchester	£225,031	£230,334	£235,698	2.3%	4.7%
5	5	Cumbria	£206,360	£210,501	£212,542	1.0%	3.0%
7	6	Merseyside	£188,635	£205,143	£207,160	1.0%	9.8%
6	7	Lancashire	£195,446	£202,527	£207,140	2.3%	6.0%
8	8	Halton	£179,343	£191,953	£192,679	0.4%	7.4%
9	9	Blackburn with Darwen	£161,455	£159,839	£159,589	-0.2%	-1.2%
10	10	Blackpool	£131,240	£147,646	£148,289	0.4%	13.0%
NORTH WEST REGION			£217,562	£225,255	£230,182	2.2%	5.8%

Table 2 above shows the average house price for each Metropolitan County and Unitary Authority area in the North West for October 2020, as well as for September and October 2021, with the ranking being based on average house prices in October 2021. Areas highlighted in blue have reached a new record price in the latest month.

Blackpool Boxplots

As Table 2 shows, Blackpool has the highest rate of growth of all the areas in the North West, and is also currently setting record prices on a near monthly basis. Placing Blackpool under the microscope, we can understand better the detailed price movements by property type, using statistical Boxplots to assist in this analysis.

Figure 5. a Boxplot of Blackpool's housing markets in Q3 and Q4, with analysis of median and quartile house prices by property type



For those unfamiliar with Boxplots, a brief description of their structure may assist. The graph shows eight "Boxplots" summarizing Blackpool's housing sales during Q3 in both 2020 and 2021, by property type. The black line within each box represents the "median" price of the property type, so for example, in Q3 2020 the median price of a flat in Blackpool was £75,000 which had increased to £79,250 one year later.

The top line of each box represents the 75% quartile price, and the bottom line the 25% quartile price. A quartile price can be thought of as follows – if you placed all the flats that had been sold in Blackpool during the given period in a street in ascending order of price, then the bottom 25% quartile would be the price of the flat that was a quarter of the way along the street. The 50% quartile, also known as the "median", would be at the half-way point along the street and the 75% quartile property would be found three-quarters of the way down the street.

The length of the box from the bottom line (25% quartile) to the top line (75% quartile) is known as the “Interquartile Range” or IQR. Thus we can see that the variance in the price of flats in Blackpool is higher than that of detached properties

The whisker lines that protrude from the top and bottom of the boxes show how the remaining properties are distributed, in terms of their prices, relative to the 25% and 75% quartile values.

One of the reasons for showing the “Blackpool Boxplots” is to illustrate the main differences in prices in 2021 compared to 2020. As can be readily seen from the graph, the median prices of both terraces and semi-detached homes have substantially increased over the year, with flats witnessing a smaller rise. Meanwhile, the median price of detached homes has remained almost constant over the period.

It can also be seen that the price of semi-detached homes has generally increased over the year, with the 25% quartile in 2021 - at £123,000 - nearly matching the 50% quartile one year earlier, at £128,000. Terraces have similarly seen a jump at the lower end of their price spectrum, from a 25% quartile in 2020 of £75,000 to a 25% quartile in 2021 of £88,000, but high-priced terraces have seen little change over the year, from a 75% quartile of £120,000 in 2020 to £125,000 in 2021.

The growth of the median prices of semi-detached homes and terraces, but not of detached homes, seems to go against the traditional view of buyer behaviour during the pandemic, which saw an increasing demand for detached properties - a direct consequence of the “race for space”. It may now be the case, as the Blackpool example suggests, that the increased demand for properties has moved further down the property ladder, to semi-detached and terraced properties, which is perhaps why the North West region, with its greater share of such homes, is seeing the highest rates of price growth in England.

Notes

About the e.surv Acadata House Price Index

1. The e.surv Acadata House Price Index was formerly the LSL Acadata House Price Index (e.surv is part of the LSL Property Services group) and is produced by Acadata. Content and methodology are unchanged.

2. The e.surv Acadata House Price Index (England and Wales):

- ✓ uses the **actual** price at which every property in England and 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 Acadata England and Wales House Price Index release
- ✓ provides the arithmetic average of prices paid for houses, different from the geometric average prices used in the ONS UK House Price Index

3. The initial e.surv Acadata House Price Index 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.

4. All e.surv Acadata House Price Index 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.

5. The Acadata website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.

For further footnotes and a description of the methodology used in the e.surv Acadata Index please click [here](#).

About Acadata

1. 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.

2. The e.surv Acadata House Price Index 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.

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e.surv is the UK's largest valuation provider, directly employing over 600 residential surveyors across the UK, supported by a network of consultant valuers.

The business is appointed as Panel Manager for more than 20 mortgage lenders and other entities with interests in residential property, and also provides a number of private survey products direct to the home-buying public.

e.surv is part of [LSL Property Services](#) plc which includes household names Your Move, Reeds Rains and Primis.

For further information, please visit our website: www.esurv.co.uk

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