

LSL Property Services/Acadametrics England & Wales House Price Index

JANUARY 2013

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 8TH FEBRUARY 2013



House prices climb £7,000 in 12 months as mortgage rates fall

- House prices increase for eight consecutive months up to January
- Sales up 8% as mortgage availability improves and bank funding conditions loosen

House Price	Index	Monthly Change %	Annual Change %
£227,478	231.6	0.2	3.1

David Newnes, director of LSL Property Services plc, owner of Your Move and Reeds Rains estate agents, comments: "January's figures are better than expected. Values have climbed £7,000 in just twelve months. Sales are up 8%. And prices have increased for eight consecutive months. All of this bodes well for 2013. It's particularly encouraging given the state of the economy.

"Market conditions are certainly improving. Funding is cheaper, thanks to a combination of the Funding for Lending Scheme and an improvement in investor confidence. And mortgage lenders have started competing for more business from high LTV borrowers, which is driving down mortgage rates to record lows. Lending criteria are becoming less restrictive, so borrowers no longer have to cross such a painfully high financial threshold in order to get a mortgage. That's a source for optimism, as is rising employment and a mini-revival in the first-time buyer market. These are rays of light which will help brighten the housing market in 2013.

"But there is a more sobering sub-plot to this good news. Sales activity and prices in London are charging along at a furious pace, which is dragging national house prices up on its coat tails. The capital is in a league of its own. Take the capital out of the equation, and the average rate of house price growth in England & Wales falls to a mere 1%, reflecting a slower rate of improvement outside of the south-east. We're seeing a three-speed housing market emerge. On the top rung are fickle foreign buyers and the ultra-prime, with London on the second rung, and the rest of the country languishing at the bottom.

"With the recovery of the housing market outside of London still on such a precarious footing, house prices and sales in 2013 will closely be tied to how well banks cope with the financial grenades being thrown their way by regulators and the eurozone. George Osborne's plans to electrify the ring fence separating retail and investment banking could give lenders a sharp shock in 2013. They will be forced to focus their energy on implementing drastic reforms, rather than on ways to improve lending levels and mortgage availability. And capital adequacy rules will leach away funds which could be used to jumpstart the first-time buyer market. There are also mounting fears over a triple-dip recession. If the economy does begin to congeal in 2013, it will undo much of the gains made in the mortgage market over the past few months. With any luck, George Osborne will be bold and use March's budget to implement a more dynamic economic growth strategy. That should see the housing market really kick on in 2013 and put it on the road to a sustained recovery. All eyes on you, Mr. Osborne."

For detailed analysis by Dr Peter Williams, housing market specialist and Chairman of Acadametrics, see page 3.



Table 1. Average House Prices in England & Wales for the period January 2012 – January 2013

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
January	2012	£220,535	224.5	0.3	-0.7
February	2012	£221,391	225.4	0.4	-1.2
March	2012	£223,378	227.4	0.9	-0.5
April	2012	£224,425	228.5	0.5	1.0
May	2012	£226,887	231.0	1.1	3.5
June	2012	£227,038	231.1	0.1	4.4
July	2012	£226,990	231.1	0.0	3.7
August	2012	£226,200	230.3	-0.3	2.6
September	2012	£226,634	230.7	0.2	2.8
October	2012	£226,955	231.1	0.1	2.7
November	2012	£227,250	231.4	0.1	3.4
December	2012	£226,998	231.1	-0.1	3.2
January	2013	£227,478	231.6	0.2	3.1

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Dr Peter Williams, housing market specialist and Chairman of Acadametrics, comments:

House prices

The average price paid for a house in December was £480 more, or 0.2% higher, than that paid in December. This is the eighth month in succession in which the monthly change in average prices has been within a band of +0.2% to -0.3%, the cumulative total over this period being +0.3%. This is an indication of relative price stability in the housing market at the national level, although as we show later it is not the case at a more local level (see Figures 6 and 7, and Tables 2 and 3).

The black trend line in Figure 1 below shows the movement in house prices nationally over the last twelve months and supports the view of slow growth over the period. However, the red line, which records the actual movement in the average price, shows that over the year there have been two distinct periods in the market. The first shows relatively high growth in prices of +3.2% from January to May 2012, followed by a period of stability with prices remaining within the narrow band between £226K and £228K.

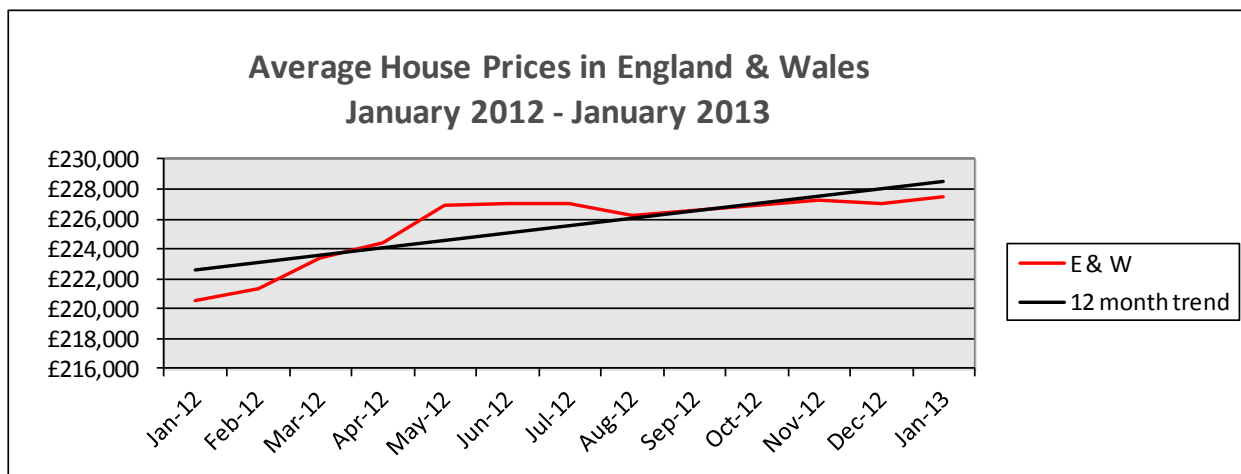


Figure 1. The Average House Price in England & Wales, January 2012 – January 2013

[link to source Excel](#)

Over the last year average house prices in England & Wales have risen by 3.1%, in line with the annual rate of inflation (RPI was 3.1% in December). If, however, house price inflation continues at the same rate as over the last eight months, the relatively high price rises experienced in the early months of 2012 will drop out of the annual statistics during the first half of 2013, leaving the figure below the forecast RPI level.

There are, nonetheless, a few potential factors which might suggest an increase in the current rates of monthly house price rises. Improved mortgage volumes coupled with lower mortgage pricing are probably the most obvious; however, favourable employment statistics and an upturn in first time buyer activity point to increased confidence among both lenders and buyers. Hopefully this will tempt more sellers back into the market and lift the level of transactions. Time will tell, but with new housing remaining in short supply, prices will be affected by such shortages, except in those areas where low demand and over-supply remain.

Halifax recently reported (26th January) that house prices in cities have risen by more than in the UK as a whole over the past decade, with the majority (67%) having outperformed their region since 2002. This is largely unsurprising, given the concentrations of demand that they represent. In some respects London is an extreme example of this, although the South East has also recorded substantial rises. Table 2 shows how individual London Boroughs have performed in 2012 compared to 2011 but even in London there is significant variation, from a 39% rise in the City of Westminster and Chelsea to a 2.8% fall in Newham. Given the general over-performance by London, Figure 2 makes clear its significance on the England & Wales average, which would be only 1.0% without the capital's influence.

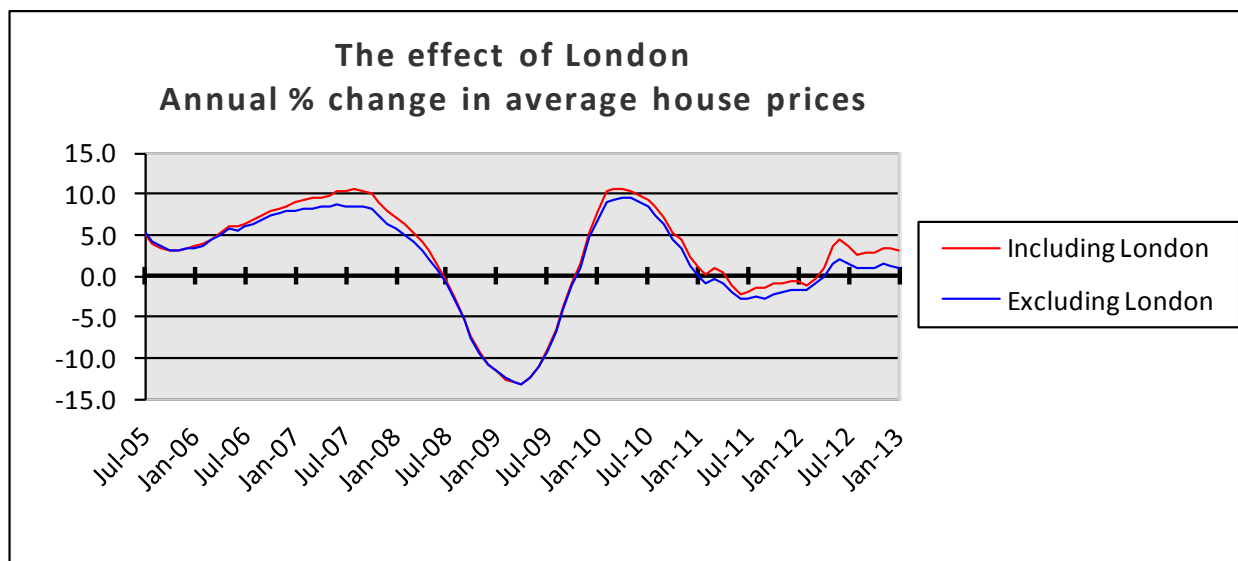


Figure 2. The Average House Price in England & Wales, July 2005 – January 2013, including and excluding Greater London properties [link to source Excel](#)

Housing Transactions

In an average year housing transactions in January fall by a typical 28% from December levels, a consequence of the Christmas holidays dampening house purchasing activity in the latter half of December: this has a knock-on effect in housing completions during the month of January. 2013 is no exception to this rule, although the reduction in transactions took place both during December 2012 and January 2013, rather than over just the single month of January as is more usual. We anticipate that housing transactions in January 2013 in England & Wales will total 47,500 properties, an increase of 7.5% on the January 2012 total of 44,245 sales. 2013 is likely to get off to a good start with an extra 3,250 sales over January 2012.

Our latest estimate of the number of housing sales in England & Wales in 2012 is 665,000, which represents a 0.6% increase over 2011 levels and almost exactly matches the number of sales in 2010. Given that the market has been at approximately the same level of activity for the last three years, should we now consider this to be the new 'normal', or can we anticipate a return to higher transaction levels as witnessed over the period 1997 - 2007? The general market view is that transactions will be slightly higher this year, reflecting increased activity, but there is little expectation that numbers will climb to the long-run average which, using Land Registry data since 1995 for England & Wales, was just over 1 million a year (the old 'normal').

Our transaction numbers are obtained from Land Registry data. As such they are subject to the same filtering that Land Registry applies to its own reports on the housing market. The Land Registry limits the data it publishes to transactions taking place on the residential market between individuals, operating at 'arms length'. Consequently Land Registry filters out transactions which involve transfer to a corporate body, transfers not for the full market value (for example between family members) and purchases under the right-to-buy scheme.

The other Government body that provides data on housing transactions is HMRC, which uses a count of the stamp duty forms it receives involving property. Over the last few years the HMRC count has been approximately 150,000 transactions higher per annum than that of the Land Registry. Unfortunately, there does not appear to have been any public attempt so far by either body to provide a definitive explanation of the differences in their respective counts.

This month, for the first time in its monthly report Land Registry has published repossession volumes, which are not included in its main reports. This suggests that for the period July to October 2012 there were an average 1,523 properties per month repossessed. This figure represents a decrease from the similar four-month period in 2011 when there were 1,864 properties repossessed. If we take the figure of an average 1,864 properties per month in 2011 and gross this up, it equates to approximately 22,500 properties over the year. This figure falls a long way short of the CML's 37,300 repossessions in the UK in 2011.

In the meantime we will continue to use the Land Registry data as the most detailed of the publicly available statistics available to us.



Finally, returning to the earlier point about a new 'normal', this is a topic of much debate. It is one which questions whether we are simply in the midst of a short-to-medium term cyclical adjustment and will, therefore, return to the past 'normal', being one of much higher prices and levels of transactions, at some future date. However, the evidence probably suggests we are experiencing both a structural shift in the availability of mortgage finance and a cyclical reduction in demand, itself a consequence of wider economic conditions. If so, the new 'normal' may be what we are indeed seeing. Taken together with widening regional variations and possible shifts in tenure preferences, we have a very complex situation which will probably only be properly understood as it unfolds over the next few years.

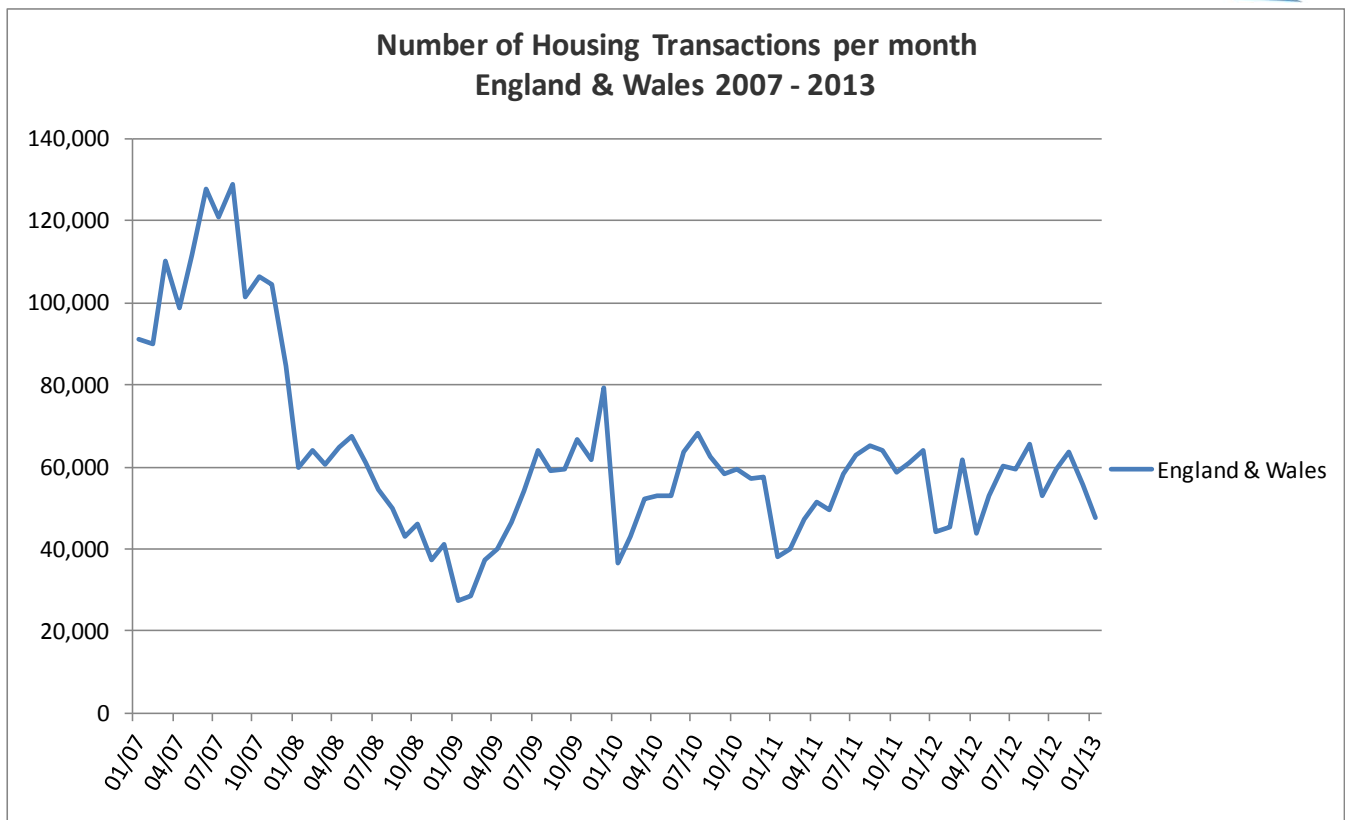


Figure 3. The number of housing transactions by month in England & Wales, 2006- 2013 (not seasonally adjusted) [link to source Excel](#)

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 accuracy of our forecasts is shown monthly on the Acadametrics website www.acadametrics.co.uk in our “[Development of Forecasts](#)” and in our “[Comparison of Indices](#)”, which shows how each index, including the LSL Acad E&W HPI “forecast”, compares with the LSL Acad E&W HPI, once sufficient factual Land Registry data have replaced forecast data, to enable LSL Acad E&W HPI to approach the “ultimate” results.
5. the Acadametrics website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.
6. Acadametrics is an independent privately owned consultancy working with Dr Stephen Satchell, Economics Fellow Trinity College Cambridge, and specialises in the assessment of risk in property and mortgage portfolios.
7. Acadametrics Prices and Transactions ([sample here](#)), which exclude any forecast element, underlie the LSL Acad E&W HPI data and are available upon subscription for organisations needing the factual month by month Land Registry prices, at county/London borough level by property type, for e.g. property portfolio valuation, planning and advisory purposes.

Comparison of indices

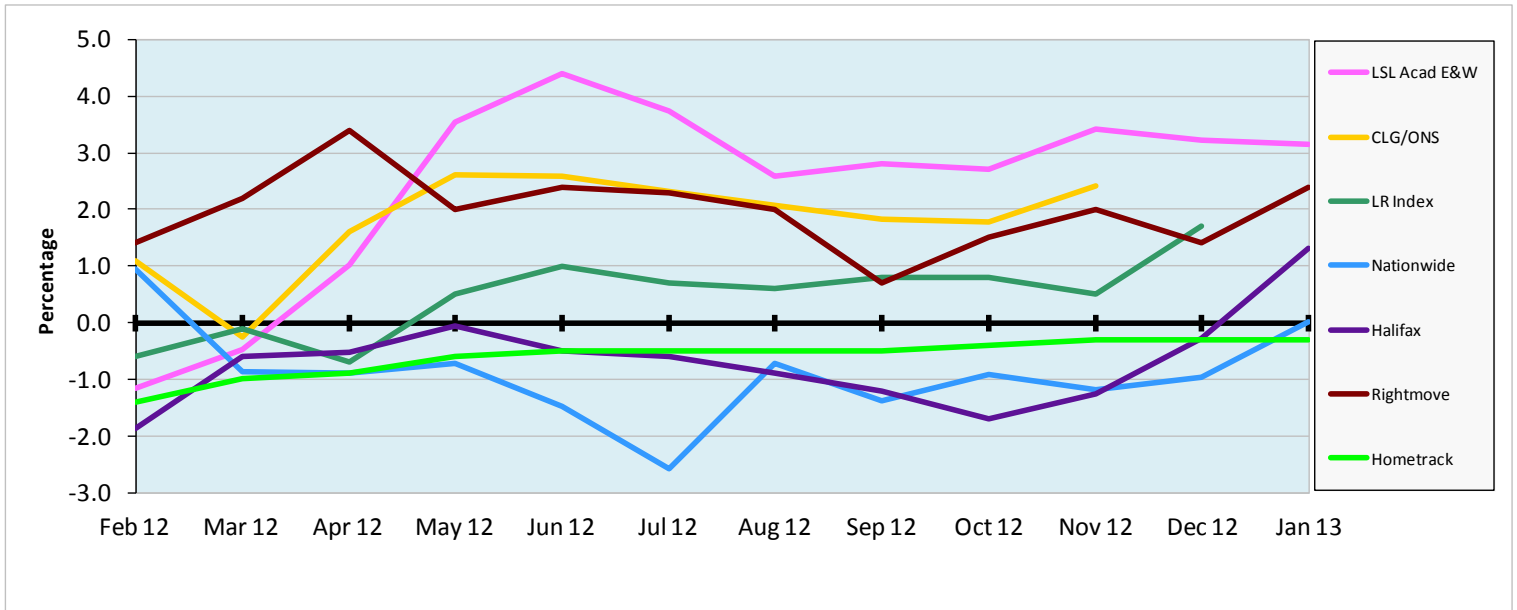


Figure 4. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

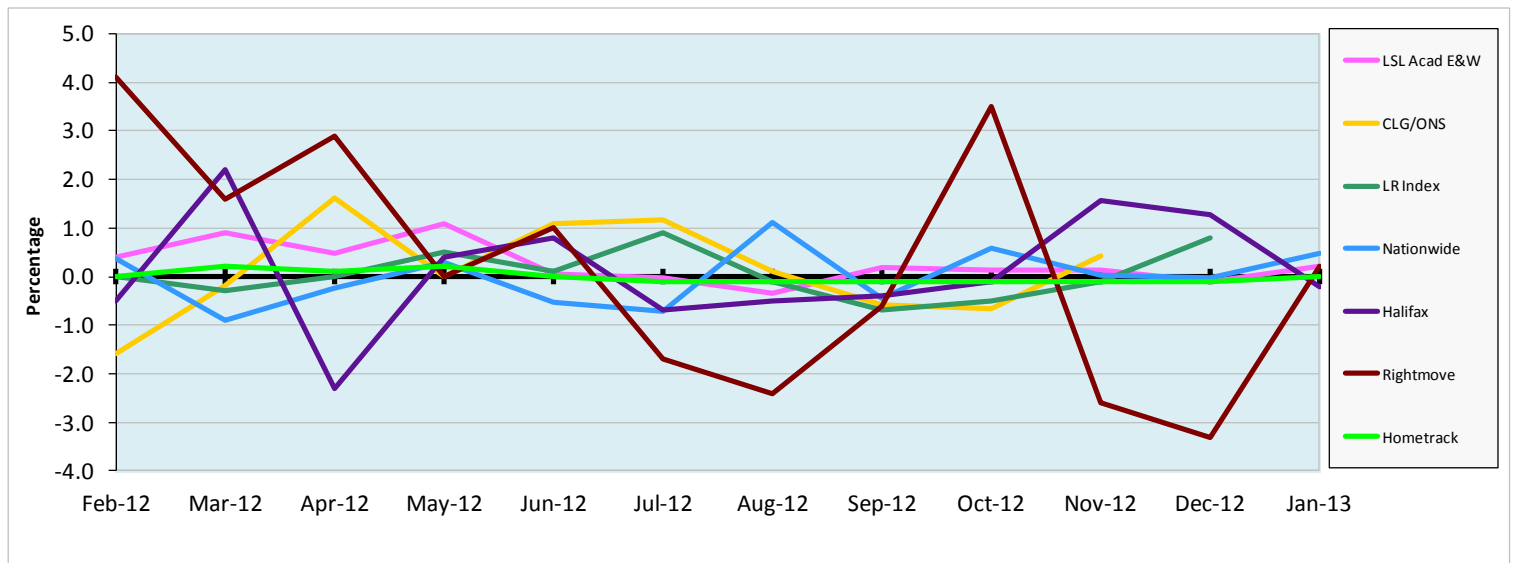


Figure 5. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)



Greater London continues to dominate the housing market in terms of annual price change, with house price inflation almost three times higher than in any other region of England & Wales. The month has seen a slight decline in prices, with five regions having lower price inflation this month than last, compared to only two last month. On a similar note there are six regions with house price growth above zero this month, which is two less than last month: all of which suggests that outside of Greater London, prices are beginning to falter. The range of price movements in the regions from -1.3% in Wales to +9.4% in Greater London dispels the assertion that house prices are generally stable: this is only valid when looking at prices from a national perspective.

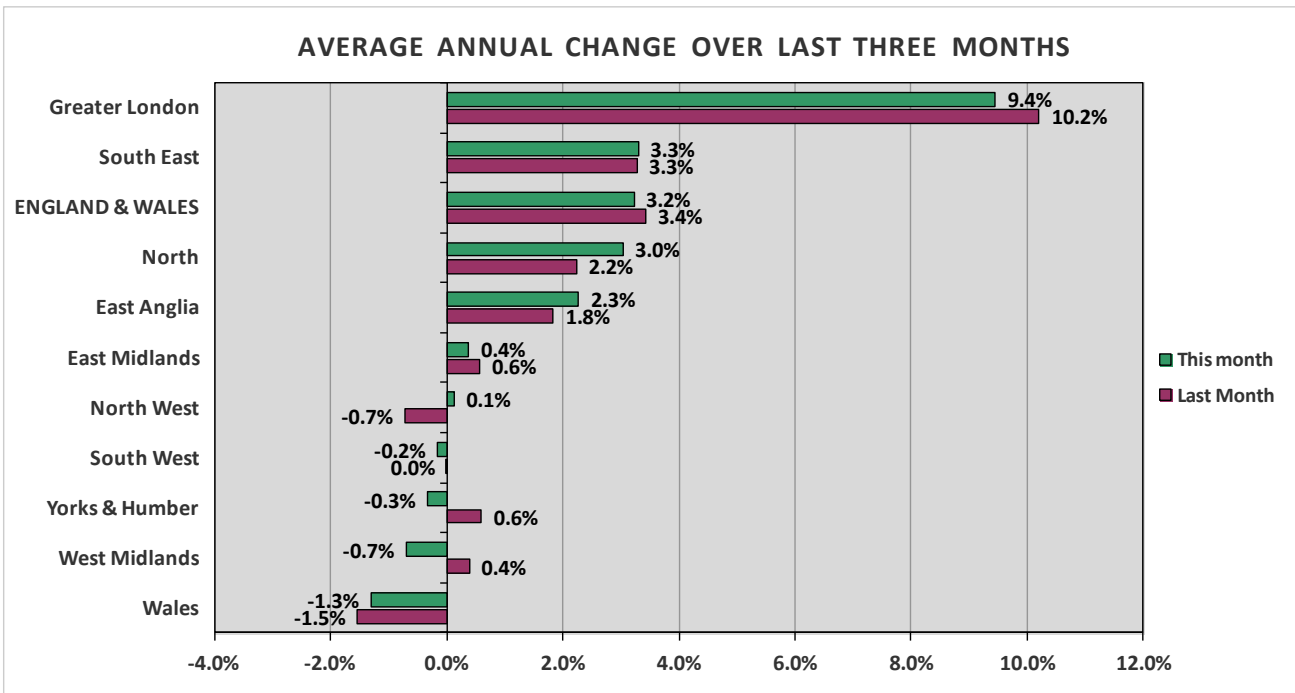


Figure 6. The annual change in the average house price, analysed by region

[link to source Excel](#)

ANNUAL CHANGE IN PRICE BY REGION

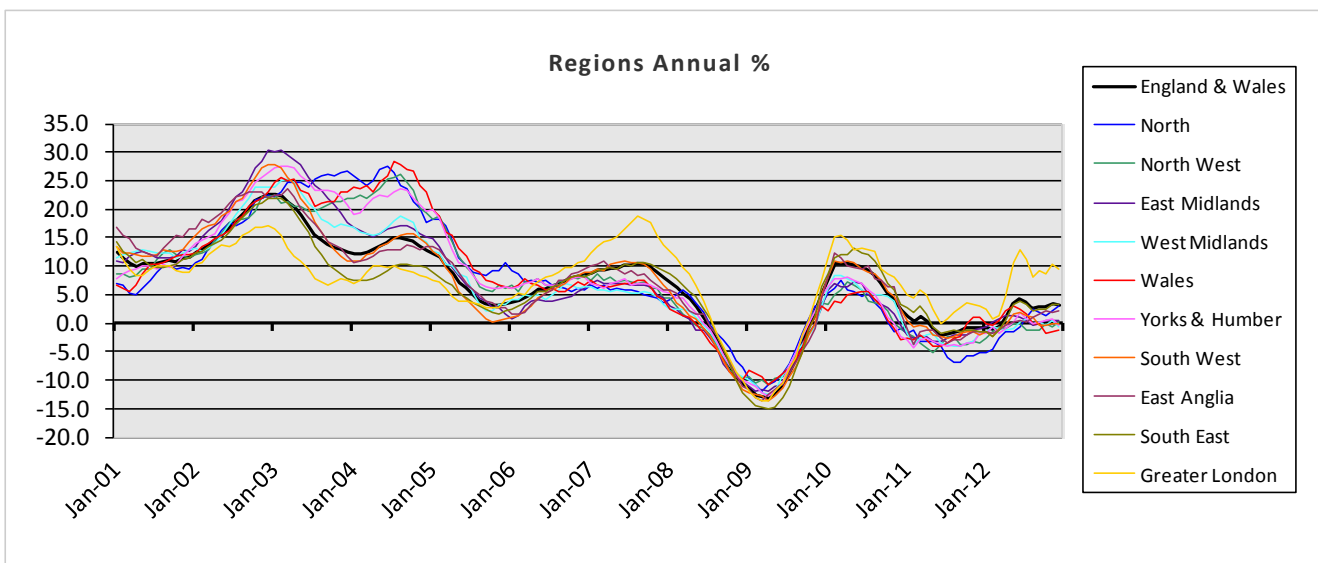


Figure 7. A comparison of the annual change in house prices, by region for the period January 2001 - December 2012

[link to source Excel](#)

Note that individual regions can be compared using our "National and Regional series from 1995 with Interactive Charts", linked from page 6 NOTE 5 above 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.



Table 2. The change in mix adjusted house prices, for the 33 London boroughs, comparing December 2011 with December 2012. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Dec-11	Dec-12	% Change
1	1	KENSINGTON AND CHELSEA	1,342,000	1,423,629	6.1%
2	2	CITY OF WESTMINSTER	870,432	1,211,370	39.2%
3	3	CAMDEN	655,699	765,934	16.8%
4	4	HAMMERSMITH AND FULHAM	592,918	682,623	15.1%
5	5	RICHMOND UPON THAMES	568,360	626,251	10.2%
6	6	CITY OF LONDON	506,322	543,554	7.4%
8	7	WANDSWORTH	494,754	538,075	8.8%
7	8	ISLINGTON	495,280	534,952	8.0%
9	9	BARNET	453,685	442,601	-2.4%
12	10	EALING	389,273	437,110	12.3%
14	11	HARINGEY	376,281	430,871	14.5%
13	12	HACKNEY	376,459	428,988	14.0%
11	13	MERTON	393,243	416,534	5.9%
10	14	SOUTHWARK	395,377	410,815	3.9%
15	15	BRENT	375,332	400,665	6.7%
16	16	LAMBETH	370,110	399,535	8.0%
17	17	KINGSTON UPON THAMES	357,460	382,456	7.0%
18	18	TOWER HAMLETS	348,665	375,304	7.6%
19	19	HOUNSLOW	339,361	360,397	6.2%
20	20	HARROW	322,258	352,598	9.4%
21	21	BROMLEY	318,361	325,963	2.4%
25	22	ENFIELD	281,302	300,161	6.7%
23	23	GREENWICH	285,154	296,334	3.9%
27	24	LEWISHAM	255,411	294,903	15.5%
24	25	REDBRIDGE	283,491	288,727	1.8%
22	26	HILLINGDON	287,129	287,647	0.2%
26	27	SUTTON	261,339	261,352	0.0%
29	28	CROYDON	238,396	247,282	3.7%
28	29	HAVERING	240,260	244,527	1.8%
30	30	WALTHAM FOREST	236,722	242,535	2.5%
32	31	BEXLEY	212,344	223,564	5.3%
31	32	NEWHAM	221,749	215,644	-2.8%
33	33	BARKING AND DAGENHAM	177,766	185,570	4.4%
		ALL LONDON	393,844	431,042	9.4%

The table above shows the average house price by London borough for December 2012 and December 2011, along with the percentage change over the year. As can be seen, there is house price inflation in 31 of the 33 London Boroughs, with only Barnet and Newham having negative movements in their average prices. This month 7 London Boroughs are experiencing peak prices, highlighted in grey above, compared to 10 last month. This position contrasts with the remainder of England & Wales, where none of the 108 unitary authorities are currently seeing peak house prices.

As previously highlighted on several occasions, it is the higher priced boroughs that are experiencing the largest growth in house prices. This month 8 boroughs have annual price increases greater than 10%, of which seven are ranked in the top 12 boroughs in terms of price. Similarly, of the seven boroughs with peak prices six are in the top twelve ranked by price. Clearly the most expensive areas in London continue to be in high demand, despite the price escalation in these areas.

Over the three month period October 2012 to December 2012, there has been a 1.4% increase in housing transactions in Greater London, compared to the same 3 months in 2011. Over the equivalent three month period compared to 2011 there has been a decline of 4.7% in the number of semi-detached properties sold, but a 4.3% increase in the sale of flats. The area with the highest increase in sales in the three months, compared to the previous year, was Hackney, where an additional 130 flats were sold. This was followed by Ealing where sales of flats increased by 100 units. The area where sales fell the most was Enfield, down 140 properties on the comparable three months of the previous year.

Counties and unitary authorities



Table 3. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing December 2011 with December 2012 [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Dec-11	Dec-12	Change
21	19	CAMBRIDGESHIRE	229,023	236,454	3.2%
81	80	CITY OF PETERBOROUGH	144,375	145,765	1.0%
48	47	NORFOLK	180,966	183,976	1.7%
43	38	SUFFOLK	198,112	202,560	2.2%
		EAST ANGLIA	195,454	199,899	2.3%
89	86	CITY OF DERBY	133,945	138,305	3.3%
100	98	CITY OF NOTTINGHAM	112,706	115,216	2.2%
65	65	DERBYSHIRE	158,209	161,742	2.2%
84	82	LEICESTER	138,201	140,726	1.8%
47	45	LEICESTERSHIRE	181,268	185,996	2.6%
71	72	LINCOLNSHIRE	152,930	149,937	-2.0%
52	51	NORTHAMPTONSHIRE	177,650	175,431	-1.2%
68	68	NOTTINGHAMSHIRE	155,699	154,617	-0.7%
9	9	RUTLAND	283,870	284,408	0.2%
		EAST MIDLANDS	159,938	160,552	0.4%
		GREATER LONDON	393,844	431,042	9.4%
61	53	CUMBRIA	161,103	169,876	5.4%
90	91	DARLINGTON	132,354	124,193	-6.2%
97	93	DURHAM	119,638	121,763	1.8%
101	97	HARTLEPOOL	109,452	118,666	8.4%
96	100	MIDDLESBROUGH	119,910	112,300	-6.3%
66	57	NORTHUMBERLAND	157,806	168,203	6.6%
93	95	REDCAR AND CLEVELAND	128,772	121,416	-5.7%
80	78	STOCKTON-ON-TEES	144,592	145,960	0.9%
88	83	TYNE AND WEAR	134,132	139,649	4.1%
		NORTH	137,921	142,105	3.0%
98	99	BLACKBURN WITH DARWEN	118,697	112,662	-5.1%
103	104	BLACKPOOL	105,960	101,282	-4.4%
38	41	CHESHIRE	203,387	201,036	-1.2%
77	76	GREATER MANCHESTER	145,755	148,346	1.8%
91	90	HALTON	129,772	126,431	-2.6%
79	81	LANCASHIRE	144,836	145,530	0.5%
83	87	MERSEYSIDE	139,388	137,091	-1.6%
50	49	WARRINGTON	179,170	181,506	1.3%
		NORTH WEST	150,061	150,255	0.1%
31	28	BEDFORDSHIRE	210,033	215,522	2.6%
13	12	BRACKNELL FOREST	259,563	272,049	4.8%
11	10	BRIGHTON AND HOVE	271,279	280,823	3.5%
3	3	BUCKINGHAMSHIRE	332,228	350,485	5.5%
20	20	EAST SUSSEX	230,036	236,066	2.6%
17	16	ESSEX	239,605	244,994	2.2%
14	14	HAMPSHIRE	259,099	262,982	1.5%
5	6	HERTFORDSHIRE	307,211	315,193	2.6%
42	44	ISLE OF WIGHT	198,267	189,304	-4.5%
22	18	KENT	226,851	237,373	4.6%
69	67	LUTON	155,431	156,878	0.9%
62	59	MEDWAY	161,070	166,418	3.3%
39	32	MILTON KEYNES	203,322	211,906	4.2%

Counties and unitary authorities



6	5	OXFORDSHIRE	303,070	323,432	6.7%
60	61	PORTSMOUTH	163,669	163,678	0.0%
24	22	READING	224,742	226,472	0.8%
40	37	SLOUGH	200,858	202,830	1.0%
55	55	SOUTHAMPTON	170,144	169,618	-0.3%
36	42	SOUTHEND-ON-SEA	205,204	200,248	-2.4%
2	2	SURREY	378,977	399,971	5.5%
54	50	THURROCK	171,950	176,233	2.5%
7	7	WEST BERKSHIRE	292,026	314,941	7.8%
12	13	WEST SUSSEX	260,340	264,524	1.6%
1	1	WINDSOR AND MAIDENHEAD	407,032	428,636	5.3%
4	4	WOKINGHAM	317,476	327,468	3.1%
		SOUTH EAST	260,522	269,113	3.3%
8	8	BATH AND NORTH EAST SOMERSET	286,914	292,939	2.1%
27	29	BOURNEMOUTH	217,470	212,713	-2.2%
35	26	CITY OF BRISTOL	207,773	217,322	4.6%
70	71	CITY OF PLYMOUTH	154,430	151,386	-2.0%
29	25	CORNWALL	216,934	220,832	1.8%
18	21	DEVON	232,144	231,900	-0.1%
15	15	DORSET	255,975	258,271	0.9%
19	24	GLOUCESTERSHIRE	231,265	221,407	-4.3%
30	27	NORTH SOMERSET	214,069	216,069	0.9%
10	11	POOLE	282,867	274,523	-2.9%
34	34	SOMERSET	207,891	208,914	0.5%
33	35	SOUTH GLOUCESTERSHIRE	208,635	206,414	-1.1%
58	60	SWINDON	167,273	163,992	-2.0%
49	48	TORBAY	179,700	181,990	1.3%
16	17	WILTSHIRE	240,022	239,099	-0.4%
		SOUTH WEST	221,671	221,329	-0.2%
108	108	BLAENAU GWENT	85,755	84,030	-2.0%
86	89	BRIDGEND	136,165	131,066	-3.7%
95	96	CAERPHILLY	120,698	121,322	0.5%
45	46	CARDIFF	188,977	185,857	-1.7%
85	88	CARMARTHENSHIRE	137,261	136,726	-0.4%
46	54	CEREDIGION	184,555	169,639	-8.1%
63	63	CONWY	160,016	162,372	1.5%
82	84	DENBIGHSHIRE	141,502	138,994	-1.8%
72	64	FLINTSHIRE	151,848	161,844	6.6%
64	79	GWYNEDD	158,662	145,842	-8.1%
56	66	ISLE OF ANGLESEY	169,328	158,245	-6.5%
107	106	MERTHYR TYDFIL	96,424	97,117	0.7%
23	23	MONMOUTHSHIRE	226,126	223,035	-1.4%
102	103	NEATH PORT TALBOT	108,602	105,165	-3.2%
74	69	NEWPORT	149,585	153,394	2.5%
53	56	PEMBROKESHIRE	172,909	169,283	-2.1%
51	52	POWYS	178,661	173,197	-3.1%
104	102	RHONDDA CYNON TAFF	105,673	106,243	0.5%
76	74	SWANSEA	146,273	149,520	2.2%
32	36	THE VALE OF GLAMORGAN	208,801	203,749	-2.4%
92	94	TORFAEN	129,104	121,606	-5.8%
67	75	WREXHAM	155,934	149,248	-4.3%
		WALES	153,574	151,573	-1.3%
28	31	HEREFORDSHIRE	217,236	212,181	-2.3%



41	43	SHROPSHIRE	198,918	197,173	-0.9%
57	58	STAFFORDSHIRE	167,997	167,697	-0.2%
105	107	STOKE-ON-TRENT	99,694	94,595	-5.1%
26	30	WARWICKSHIRE	220,784	212,337	-3.8%
73	70	WEST MIDLANDS	150,925	151,959	0.7%
37	39	WORCESTERSHIRE	203,654	202,420	-0.6%
78	77	WREKIN	145,232	147,248	1.4%
		WEST MIDLANDS	170,448	169,264	-0.7%
106	105	CITY OF KINGSTON UPON HULL	96,526	99,236	2.8%
59	62	EAST RIDING OF YORKSHIRE	165,807	162,965	-1.7%
99	101	NORTH EAST LINCOLNSHIRE	115,082	111,109	-3.5%
94	92	NORTH LINCOLNSHIRE	126,918	124,074	-2.2%
25	33	NORTH YORKSHIRE	221,355	211,765	-4.3%
87	85	SOUTH YORKSHIRE	135,874	138,845	2.2%
75	73	WEST YORKSHIRE	149,473	149,729	0.2%
44	40	YORK	195,815	201,065	2.7%
		YORKS & HUMBER	153,837	153,329	-0.3%
		ALL ENGLAND & WALES	219,911	226,998	3.2%

The Table above shows the average house prices for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for December 2011 and December 2012, and records the annual change in these prices over the year. None of the areas are at their peak price, although West Berkshire and Brighton & Hove are within £800 of their respective peaks. Blackpool is the district furthest off its peak price by some £35,000.

The unitary authority with the highest rise in prices over the year is Hartlepool, up some 8.4%, followed by West Berkshire up 7.8%. The county with the largest fall in prices over the year is Ceredigion, incorporating Aberystwyth, down some 8.1%, followed by neighbouring Gwynedd which is down by a similar percentage.

Over the year, from December 2011 to December 2012, 61 unitary authorities have seen prices rise while 47 have seen prices fall. As with the London boroughs it is the higher priced areas in England & Wales that have witnessed price rises, whilst the lowest priced areas have seen the largest price falls. Ranking by quartile based on average prices, the top quartile saw increases of +3.6%, the next two quartiles saw price rises of +1.7% and +0.5% respectively, whilst the bottom quartile of authorities saw their property values fall by -1.1% by average house price.

Regional data table



Table 4. Average house prices by region, January 2012 – January 2013, 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-12	£138,874	0.7	-5.2	£150,429	0.2	-2.7	£160,595	0.4	-0.6	£170,811	0.2	-1.5
Feb-12	£141,567	1.9	-4.5	£152,105	1.1	-1.7	£161,602	0.6	0.0	£171,188	0.2	-0.6
Mar-12	£143,874	1.6	-2.5	£152,250	0.1	-0.7	£161,726	0.1	0.6	£170,294	-0.5	-0.9
Apr-12	£143,190	-0.5	-1.6	£150,922	-0.9	-0.9	£161,579	-0.1	1.2	£168,980	-0.8	-1.2
May-12	£141,962	-0.9	-1.6	£150,223	-0.5	-0.2	£160,893	-0.4	1.4	£169,559	0.3	-0.8
Jun-12	£141,167	-0.6	-0.7	£151,070	0.6	-0.1	£161,242	0.2	1.1	£169,923	0.2	0.3
Jul-12	£140,700	-0.3	1.1	£150,630	-0.3	-1.3	£160,431	-0.5	0.4	£169,951	0.0	0.8
Aug-12	£140,577	-0.1	2.3	£151,550	0.6	-1.2	£159,642	-0.5	-0.4	£169,588	-0.2	0.0
Sep-12	£140,313	-0.2	1.7	£150,803	-0.5	-1.2	£160,118	0.3	-0.1	£169,585	0.0	0.1
Oct-12	£141,504	0.8	1.4	£151,579	0.5	-0.2	£160,741	0.4	0.4	£169,868	0.2	-0.5
Nov-12	£141,798	0.2	2.2	£150,067	-1.0	-0.7	£161,277	0.3	0.6	£169,770	-0.1	0.4
Dec-12	£142,105	0.2	3.0	£150,255	0.1	0.1	£160,552	-0.4	0.4	£169,264	-0.3	-0.7

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jan-12	£152,005	-1.0	-0.1	£154,036	0.1	-1.9	£221,696	0.0	-1.5	£195,575	0.1	-1.5
Feb-12	£152,241	0.2	-0.4	£154,699	0.4	-0.7	£221,464	-0.1	-2.3	£195,236	-0.2	-1.8
Mar-12	£153,476	0.8	0.5	£153,507	-0.8	-1.9	£221,917	0.2	-1.1	£197,605	1.2	-1.3
Apr-12	£153,863	0.3	2.1	£154,554	0.7	-0.9	£222,875	0.4	-0.5	£198,716	0.6	-0.5
May-12	£153,439	-0.3	3.1	£154,638	0.1	0.2	£225,539	1.2	1.5	£200,205	0.7	0.1
Jun-12	£152,795	-0.4	2.5	£155,567	0.6	1.8	£224,706	-0.4	1.9	£198,991	-0.6	0.4
Jul-12	£152,115	-0.4	1.5	£154,033	-1.0	0.8	£223,690	-0.5	1.4	£198,117	-0.4	0.0
Aug-12	£151,392	-0.5	-0.2	£153,992	0.0	-0.1	£223,242	-0.2	1.1	£200,062	1.0	0.9
Sep-12	£151,826	0.3	-0.1	£154,103	0.1	0.1	£221,409	-0.8	-0.4	£201,098	0.5	1.5
Oct-12	£152,070	0.2	-1.9	£153,983	-0.1	0.5	£221,780	0.2	-0.3	£201,915	0.4	2.0
Nov-12	£152,170	0.1	-1.5	£153,652	-0.2	0.6	£220,886	-0.4	0.0	£200,256	-0.8	1.8
Dec-12	£151,573	-0.4	-1.3	£153,329	-0.2	-0.3	£221,329	0.2	-0.2	£199,899	-0.2	2.3

	South East			Greater London			ENGLAND & WALES			
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	
Jan-12	£262,386	0.7	-1.4	£394,292	0.1	2.4		£220,535	0.3	-0.7
Feb-12	£263,772	0.5	-2.3	£394,619	0.1	0.8		£221,391	0.4	-1.2
Mar-12	£268,498	1.8	-1.1	£400,005	1.4	1.2		£223,378	0.9	-0.5
Apr-12	£269,108	0.2	0.6	£407,312	1.8	4.6		£224,425	0.5	1.0
May-12	£272,269	1.2	3.2	£419,083	2.9	10.5		£226,887	1.1	3.5
Jun-12	£271,492	-0.3	3.7	£421,409	0.6	12.8		£227,038	0.1	4.4
Jul-12	£272,495	0.4	3.4	£422,807	0.3	11.1		£226,990	0.0	3.7
Aug-12	£271,073	-0.5	2.2	£419,299	-0.8	8.1		£226,200	-0.3	2.6
Sep-12	£270,634	-0.2	2.5	£424,735	1.3	9.1		£226,634	0.2	2.8
Oct-12	£269,827	-0.3	2.4	£426,269	0.4	8.6		£226,955	0.1	2.7
Nov-12	£269,660	-0.1	3.3	£431,245	1.2	10.2		£227,250	0.1	3.4
Dec-12	£269,113	-0.2	3.3	£431,042	0.0	9.4		£226,998	-0.1	3.2
Jan-13								£227,478	0.2	3.1



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, CLG/ONS and LR) can be prepared only when the prices at which properties have been transacted have been recorded at LR (LSL Acad E&W HPI and LR) or when firm prices at mortgage completion (CLG/ONS) 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. LR overcomes the delay in availability of full LR transaction data by using only the prices of properties for which two prices are recorded at LR and the published American Case Shiller methodology, developed to prepare indices for metropolitan districts, since the USA lacks a central Land Registry. LSL Acad E&W HPI overcomes the above 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; of the price series, LSL Acad E&W HPI, LR and CLG/ONS are published in that order.
3. LSL Acad E&W HPI provides prices at national and regional level to 1995 and, at county/London borough level, to 2000; back-cast national prices for graphing are available to 1987.
4. at **national** level, only some 60,000 monthly transactions now occur compared with at least 100,000 in past markets. For any given month, c.33% (20,000) of these will be reported to LR by month end. When monthly sales were c.100,000, we found that using the initial 15,000 transactions then reported to LR, introduced volatility into our first LSL Acad E&W HPI result. Rather than rely upon a small sample, likely to be unrepresentative, LSL Acad E&W HPI therefore employs the above “index of indices”, and a series of auto regression and averaging models. After the elapse of one month, LR provides c.85% 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 “update” result. A further month later, LR provides c.90% of transactions, used to replace the first, with a second, LSL Acad E&W HPI “update” result. Three months after any given month, LR provides c.95 % 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 first LSL Acad E&W HPI “update” now uses c.37,000 real transactions for the month (as well as, by smoothing, c.40,000 transactions for the prior month); only CLG/ONS with, this year, 28,000 mortgage completions (and the Rightmove asking price index) have specified comparable data volumes; lender index data volumes are not quantified; the Halifax HPI employs three month smoothing for annual change results but not for other results; Hometrack provides survey data and specifies that theirs is a survey, not an index; current results are showing a divide between indices with more, and indices with less, data volumes.
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.85% 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 “update” 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 95% 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 index are unable to distinguish between 3, 4 or 5 bedroom houses or between those with 2, 1 or even no bathroom; the lender hedonic indices and the CLG/ONS mix adjusted index 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 price of a recent new build flat in Manchester is not (at least not yet) reflected in the price of a flat in an upmarket area.
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”; Acadametrics does not guarantee the accuracy of the LSL Acad E&W HPI results and Acadametrics 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 Acadametrics. 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 Acadametrics as in page 5 NOTE 7 above.
10. LSL Acad E&W HPI was published under the name FTHPI from September 2003 until December 2009.

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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 e.surv Chartered Surveyors, Chancellors Associates and Barnwoods brands. 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