

LSL Property Services/Acadata England & Wales House Price Index

JULY 2014

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 8TH AUGUST 2014



House sales recover to the highest level for 7 years - 4.6% annual price growth outside London and SE

- 90,000 sales in July, increasing 10% in a month as the market climbs back from April's regulatory changes
- Average house price rises to £270,636 – but driven by the capital and the South East
- Annual growth in London climbs - taking average prices to £560,386
- Prices stabilise across 7 regions in June as the market steadies

House Price	Index	Monthly Change %	Annual Change %	Annual Change % (excluding London & SE)
£270,636	259.4	0.6	9.9	4.6%

David Newnes, director of Reeds Rains and Your Move estate agents, owned by LSL Property Services plc, comments: “First-time buyers and buy-to-let landlords are helping the flow of activity in the UK housing market. Overall 90,000 properties were sold across England and Wales in July, up 21% on a year previously and representing the highest monthly total since November 2007. As the common property choice of a new buyer or investor, flats have seen the largest increase in sales during the second quarter of this year, rising a third (36%) compared to Q2 2013. As the market emerges from the chrysalis of regulatory change, sales have climbed 10% in the past month. But chequered supply across the country has created considerable regional variation in sales. London and the South East have seen the slowest growth in house sales between Q2 2013 and Q2 2014. In these areas, limited availability of property is impacting sales. Elsewhere, lower prices and the stimulus of Help to Buy are aiding activity. The biggest boost in sales during April-June 2014 was found in the North West and East Midlands, increasing by a third (32%) on the same period last year.

“The average price paid for a home in the capital reached £560,386 in June, following a £10,850 (2.0%) monthly rise. After a temporary waning of growth in the London market, 24 boroughs have set new peak prices, and in Kensington and Chelsea average house prices are on track to surpass the £2million mark. However, a dampening of sales activity and more supply starting to come to the market will help control house price inflation in London.

“Housing policy should not be led astray by what is happening in prime central London. If London and the South East are removed from the equation, the annual change in average houses prices drops by 5.3% to 4.6%. Average prices in Northamptonshire, Bournemouth, and Wiltshire rose in June as the housing recovery starts to spread. The tendrils of recovery may be branching out from the centre, but they haven't yet unfurled to all corners of the country. Outside of London, the South East and East Midlands, prices dropped and stabilised across all other seven regions in June.

“A more thoughtful and prudent housing market is emerging. Lending is stabilising to sustainable levels, and supply and demand is more balanced. Further interventions or tighter rules could fracture the health of the recovery, particularly further afield where schemes like Help to Buy are a necessary tonic spurring new buyers onto the housing ladder.”

NB: The LSL/Acadata house price index incorporates all transactions, including cash.

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

House price index: historical data



Table 1. Average House Prices in England & Wales for the period July 2013 – July 2014

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
July	2013	£246,196	237.9	0.4	3.0
August	2013	£247,936	239.5	0.7	4.1
September	2013	£249,413	240.8	0.6	4.5
October	2013	£250,925	242.1	0.6	5.0
November	2013	£252,112	242.9	0.5	5.3
December	2013	£254,670	244.1	1.0	6.1
January	2014	£258,571	247.8	1.5	7.1
February	2014	£261,048	250.2	1.0	7.2
March	2014	£263,442	252.5	0.9	7.6
April	2014	£264,790	253.8	0.5	8.0
May	2014	£267,475	256.3	1.0	9.2
June	2014	£269,012	257.8	0.6	9.7
July	2014	£270,636	259.4	0.6	9.9

Press Contacts:

Melanie Cowell, LSL Property Services
Richard Sumner, Acadata
Ludo Baynham-Herd, Wriglesworth PR

01904 698860
020 8392 9082
020 7427 1409

melanie.cowell@lsips.co.uk
richard.sumner@acadata.co.uk
L.Baynham-Herd@wriglesworth.com



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

House prices

In this month's analysis of the housing market we begin by looking at transaction numbers, key to an understanding of the price movements that are taking place throughout the England & Wales markets. We estimate that in July 2014 a total of 90,000 properties were sold in England & Wales. This is the highest monthly total since November 2007, and represents an increase of 10% over sales in June 2014 as well as a 21% increase over the same month a year earlier (see Figure 1 on page 4).

Demand for properties therefore continues to increase, fuelled by a strengthening first time buyer market and buy-to-let landlords. However, the supply of realistically affordable properties available for sale is not uniform across the country. As we show in Table 3 (page 5), which analyses regional sales between Q2 2013 and Q2 2014, there are significant differences in the percentage increases in the number of properties that have been sold. These range from +32% in the North West to +20% in Greater London. Crucially, we find that in those areas where supply is available to meet the increased demand, the change in house prices has remained modest. However, in locations where the supply of housing is more limited, there has been increased competition for the properties on the market, leading to stronger house price inflation.

Turning now to the July statistics, the average price paid for a house in England & Wales increased during the month by £1,624, or 0.6%, to £270,636. This sets another new record price for the thirteenth month in succession. Excluding Greater London and the South East, where the supply of affordable housing is currently limited, the change in house prices over the month was a more modest £122, or 0.1%, and the average price paid for a home was £86,000 lower at £184,706.

On an annual basis, the average house price has risen by a nominal £24,440, or 9.9%. This percentage increase is the highest annual rise in prices since June 2010, when the market was recovering from the 2007/2009 housing crisis. We anticipate that this rate of growth will begin to slow during the third quarter (Q3 2014), and not least as we then start to compare current prices with Q3 2013, which was a generally buoyant period in the recent housing market. Again, if we look at the figures excluding Greater London and the South East, the annual rate of house price inflation in July was 4.6%, which is down from the 5.5% recorded in May 2014 (see Figure 5, page 8).

Looking at our regional figures, we can see that prices fell during the month of June in all regions, except for Greater London, the South East and the East Midlands (see Table 6, page 13). On an annual basis, the rate of growth in house prices has reduced in all regions, except for Greater London, the South East and Wales (see Figure 4, page 7).

The market is quite difficult to read at the moment, as various indicators give different views. On a forward looking indicator, mortgage approvals measured by number and value and for house purchase and remortgaging rose in June after several months of falls. Gross mortgage lending (loans made in the month ignoring repayments) rose to £17,895 million in June, up from £16,894 million in May. At the same time, buyer confidence as measured by the Halifax Housing Market confidence tracker showed that while 57% of respondents thought it was a good time to sell in the next 12 months - the highest score since the index was set up in 2011 - those who thought it was a good time to buy fell to a net balance of +5, a fall of 29 points in the last quarter. This does suggest some uncertainty regarding prices and the way households might sense a slowing market: selling now to capture buoyant prices, but delay buying to see how they settle in the next few months. The June RICS Residential Market Survey showed that price momentum remained strong, though it was suggested 'a more balanced demand-supply environment appears to be emerging with new buyer enquiries growing at a more moderate rate in recent months'.

Much has been made of the impact of the Mortgage Market Review and the new rules now in place, and the interventions by the Bank of England's Financial Policy Committee. Clearly, both have had an effect, but it is difficult to say by how much. Without seasonal adjustment, gross mortgage lending actually rose over the period February to June, although mortgage approvals faltered then recovered. There were also seasonal factors such as holidays, and without doubt some transactions were pulled through ahead of the new rules. These will have had an impact on the flows, as did the relatively minor operational problems a few lenders experienced during the transition.

The clear messages from the Bank of England regarding pending rate rises, and the need for caution by both borrowers and lenders have also obviously had some effect, and have dampened the slightly frenetic behaviour that was emerging in some markets. A more reflective and considered market, supported by a steady funding flow from lenders makes considerable sense. The Council of Mortgage Lenders recently updated its market forecasts in line with other commentary. It is suggesting that in 2014 total gross mortgage lending will be £208 billion (up from



£195 billion) and net lending £20 billion, with 1,230,000 transactions. In 2015 it expects these figures to rise to £220 billion and £25 billion, but for transactions to slip back to 1,150,000

Housing Transactions

As noted earlier, we estimate that the number of housing transactions in England & Wales in July 2014 totalled some 90,000, up 21% on July 2013, and 10% on the previous month. This level represents the highest number of transactions in a single month since November 2007. Our transaction figures are not seasonally adjusted, i.e. we do not take out the peaks and troughs through the year to give a 'smoothed' figure. July is the month in which, on average, transactions reach their highest point in the year; it would not therefore be surprising to see such a pattern emerging this year. The introduction of the MMR rules possibly reduced the number of mortgage approvals in May and June. However the statistics show that this slow down no longer applies and that sales in July have returned to previous levels.

Figure 1 below shows the number of housing transactions in England & Wales for the period January 2010 – July 2014. We can see that the monthly level of transactions in 2014 has been consistently higher than the previous four years, with the number of property sales some 16,000 higher on average during the period April – July 2014 compared to the same four months in 2013.

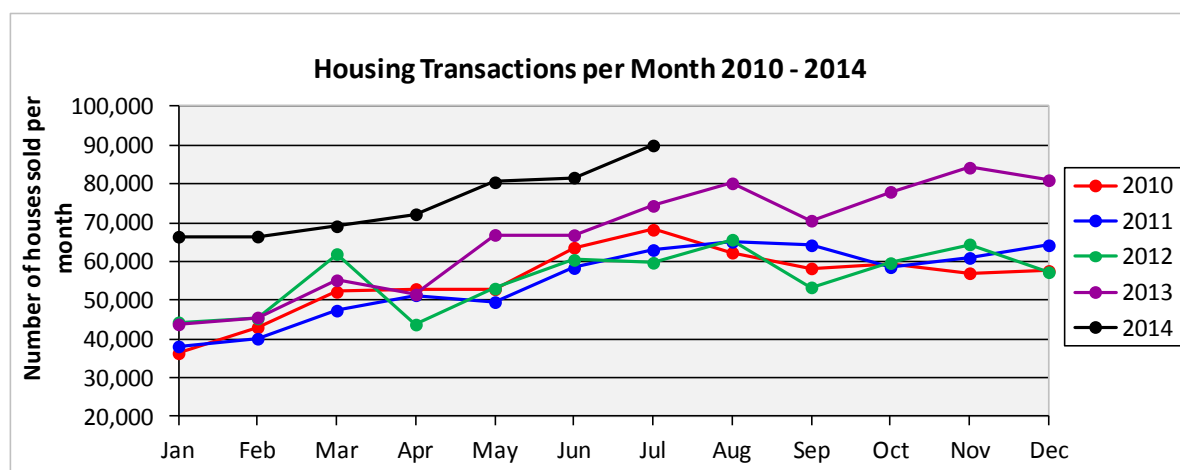


Figure 1. Number of properties sold per month in England & Wales, January 2010 – July 2014. Source Land Registry [link to source Excel](#)

Looking at the April and May 2014 figures in more detail, the CML compared the number of loans taken out in April and May 2014 with those in April and May 2013, and noted that first time buyers' loans in May 2014 had increased by 19% (equivalent April figure +37%), loans relating to home movers had increased in May 2014 by 9% (equivalent April figure +30%), and that loans to buy-to-let landlords for house purchase had increased in May 2014 by 21% (equivalent April figure + 49%). One can therefore conclude from these figures that the sales momentum in May, when compared to the previous year, had slowed from that seen in April, but that the upward trend continues in the number of properties being sold.

Table 2. Acad estimates of the number of housing transactions in England & Wales in Q2 2014, compared to Q2 2013, by property type [link to source Excel](#)

Transactions	Detached	Semi	Terraced	Flats	All Types
Q2 2013	41,091	47,108	51,019	31,323	170,541
Q2 2014	52,576	57,981	65,106	42,708	218,371
% change	28.0%	23.1%	27.6%	36.3%	28.0%

In Table 2 above we provide estimates of the number of sales by type of property that have taken place in England and Wales during Q2 2014 compared to Q2 2013. The table shows that flats have seen the largest increase in numbers sold, up 36%, followed by detached and terraced properties up 28%, with semi-detached properties recording the lowest increase in sales at 23%. These figures are consistent with the view that first time buyers and buy-to-let landlords are currently the most active purchasers in the market, mainly of flats and terraces, whilst home movers are perhaps less active in the purchase of semi-detached properties. Interestingly, in Greater London over this period, the number of semi-detached properties sold only increased by 5% during the year, with a number of boroughs recording a fall in the number of semis changing hands.



Finally, in our analysis of housing transactions we look at the regional distribution of the growth in sales during Q2 2014 compared to Q2 2013. Setting aside the important but self-evident fact that there has been growth across all English regions and Wales, Table 3 shows that the highest regional growth in sales during Q2 2014 compared to Q2 2013 took place in the North West, up 32.3%, followed by the East Midlands, up 32.0%. The lowest growth in sales was in Greater London at 20.2% with the next lowest increase in sales being in the South East at 26.9%.

Table 3. Acad estimates of the number of housing transactions in England & Wales in Q2 2014, compared to Q2 2013, by region [link to source Excel](#)

REGION	NORTH WEST	EAST MIDLANDS	YORKS & HUMBERSIDE	WEST MIDLANDS	EAST ANGLIA	SOUTH WEST	WALES	NORTH	SOUTH EAST	GREATER LONDON	ENGLAND & WALES
Q2 2013	16,973	14,510	14,548	14,603	8,443	19,144	7,724	8,372	42,742	23,482	170,541
Q2 2014	22,458	19,160	18,992	19,034	10,942	24,696	9,903	10,711	54,254	28,221	218,371
% change	32.3%	32.0%	30.5%	30.3%	29.6%	29.0%	28.2%	27.9%	26.9%	20.2%	28.0%

It is interesting to observe that the two regions with the highest increase in house prices, namely Greater London and the South East, (see page 7), have the lowest increase in property sales. As suggested at the outset, the issues of affordability and property availability are both having a considerable negative impact in these two regions while elsewhere lower prices have supported a stronger market.

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 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.

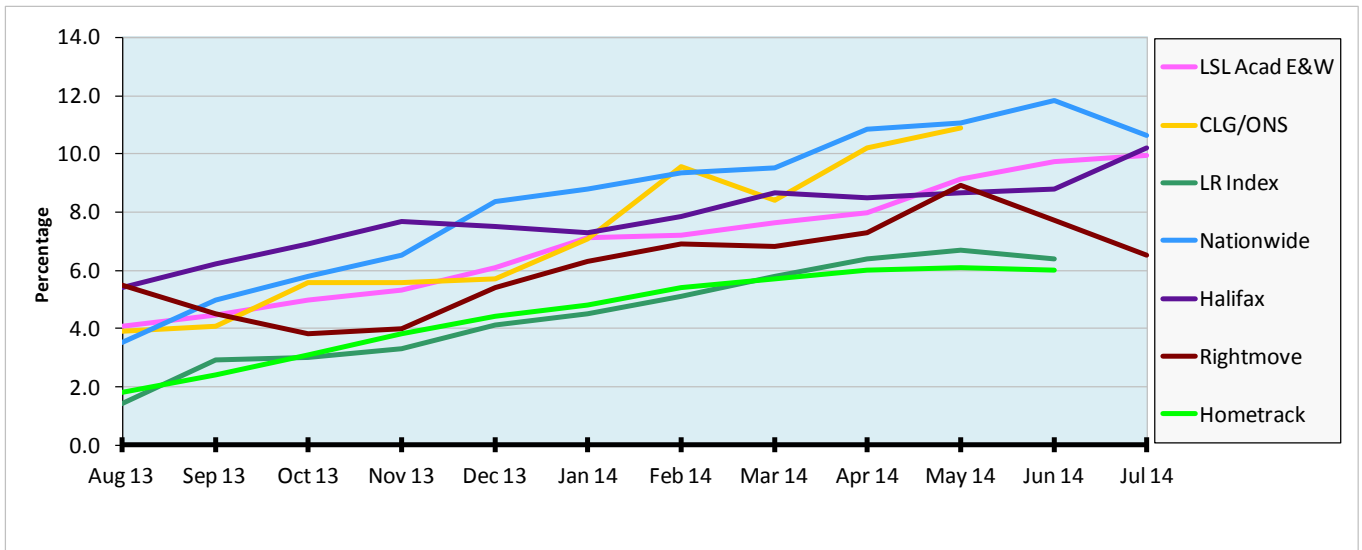


Figure 2. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

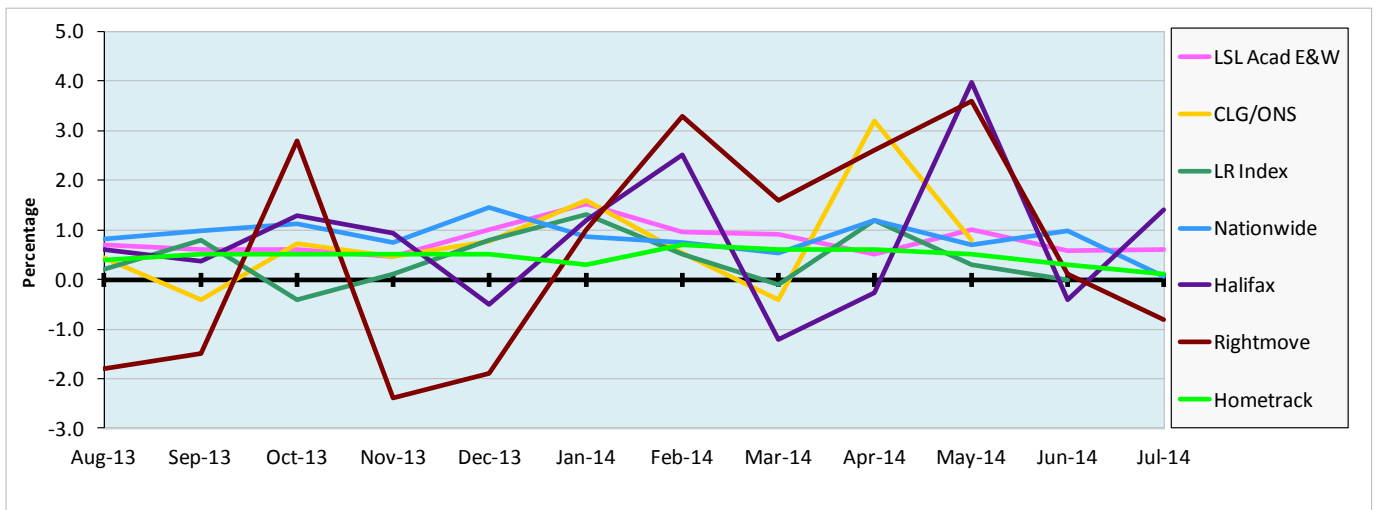


Figure 3. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

The comparison of indices chart, Figure 2, shows that across the different indices, which between them cover asking prices, mortgage approval prices and completion prices, the pattern has been the same - universally rising on an annual basis, albeit at differing rates. Over the last two months we can also observe that two of the indices, Rightmove and Nationwide, are beginning to show a decline in the rate of change in house prices, with Halifax, LSL Acad and ONS continuing to show increases in the annual rate. Nationwide uses its mortgage valuations as the source data for its index calculations, which in terms of timing are likely to be one or two months ahead of the LSL Acad and ONS Indices, which are based on contract completion and mortgage approval dates. This needs to be taken into account.

On a monthly basis, as shown in Figure 3, there is considerable divergence between the indices. However, in June, and to a slightly lesser extent July, the indices appear to have momentarily converged with price changes in July ranging from +1.4% (Halifax) to -0.8% (Rightmove). The Rightmove figures are based on sellers' asking prices, so largely reflect current expectations of how prices are likely to move in the future. The Halifax monthly figures continue to be volatile, suggesting they are based on small sample numbers. Excluding Rightmove and Halifax, which are at the two extremes, the three indices which have published figures for the month of July are in the range +0.1% to +0.6%.

Acadata has published a [briefing note](#) on the different house price indices and their performance over time. Readers are invited to download this document from the Acadata website.



REGIONAL ANALYSIS

Figure 4 below shows the annual rate of change, averaged over three months, for each of the ten regions in England & Wales. All ten regions are showing a positive quarterly movement in house prices, but this month seven regions are showing a decrease in the averaged annual rate of change compared to the previous month. Last month, all ten regions showed an increase in the averaged annual rate of change in house prices. The slowdown in the processing of mortgage applications which probably took place in May was rectified in June, which allowed the market share of first time buyers to return to previous levels. The significance of the market share of first time buyers is that average house prices tend to fall when demand from first time buyers is strong, as they purchase homes at the lower end of the property price spectrum.

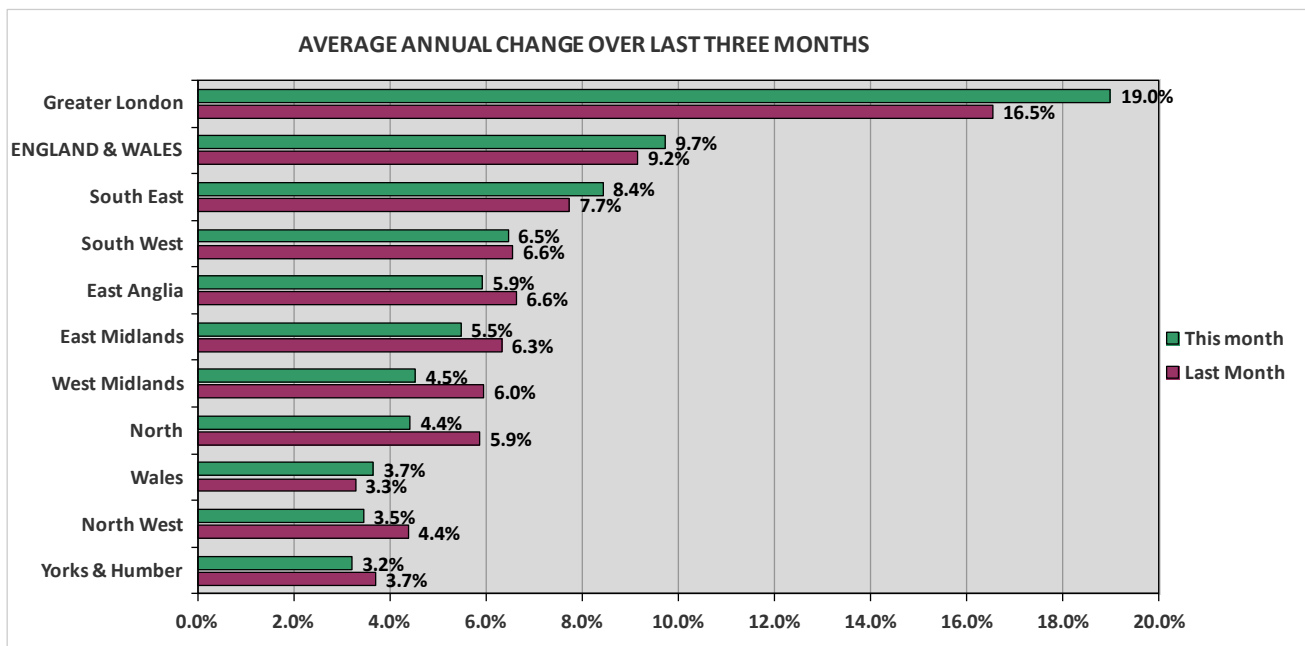


Figure 4. The annual change in the average house price, analysed by region

[link to source Excel](#)

The three regions which have seen an increase in the rate of growth in house prices in June are Greater London, the South East and Wales. Greater London continues to dominate the regional league table in terms of house price growth, with house price inflation double that of any other region in England & Wales. Record average house prices have again been set in two regions, being Greater London and the South East, where we suggest demand for properties is outstripping supply. As we showed in Table 3 above, (page 5), Greater London and the South East have seen the smallest percentage increases in transaction numbers of any of the regions in England & Wales between Q2 2013 and Q2 2014.

This month we analyse the extent to which house price inflation in England & Wales would differ if we were to exclude Greater London and the South East from the HPI calculations. The results of this analysis are shown in Figure 5 below. The inclusion of Greater London and the South East causes the annual percentage increases in average house prices in England & Wales, at 9.9%, to be 5.3% higher than they otherwise would have been. Without Greater London and the South East the rate of house price inflation is 4.6%. Significantly, this is the largest disparity between the two figures that we have seen since we started recording these figures some fourteen years ago, highlighting the real impact that London and the South East have on overall price statistics. The question is whether the scale of this disparity will decline over time or become further entrenched.

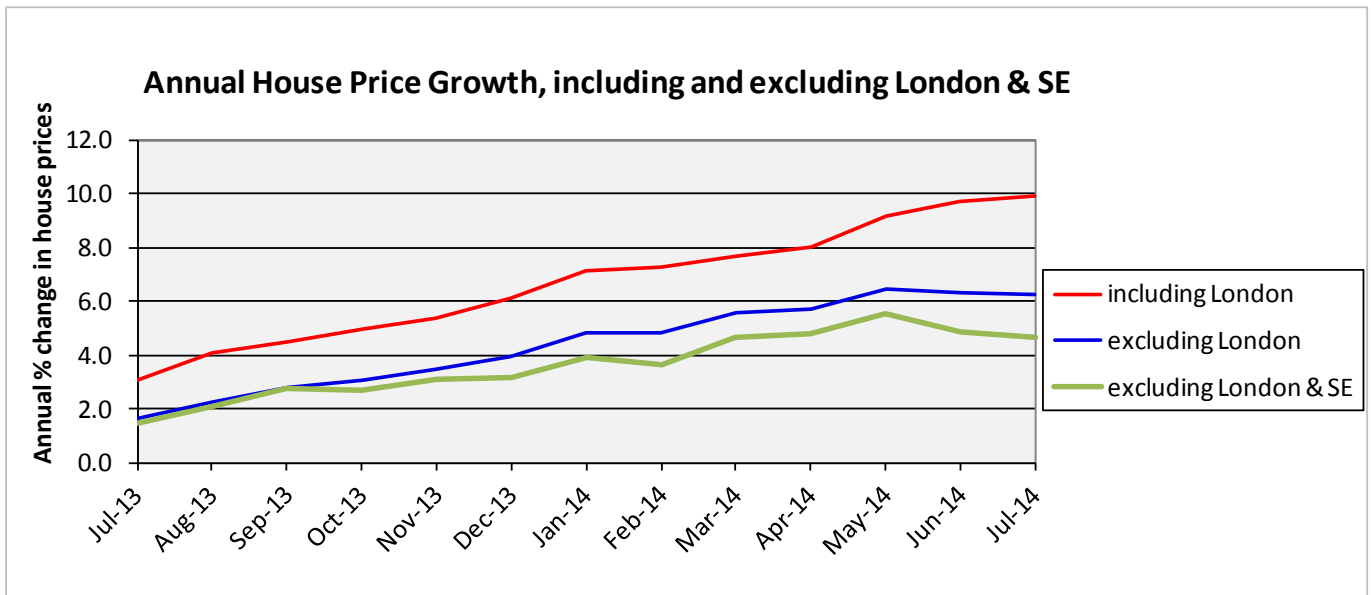


Figure 5. The Annual Rate of House Price Growth by month July 2013 – July 2014, including and excluding London & SE

[link to source Excel](#)

ANNUAL CHANGE IN PRICE BY REGION

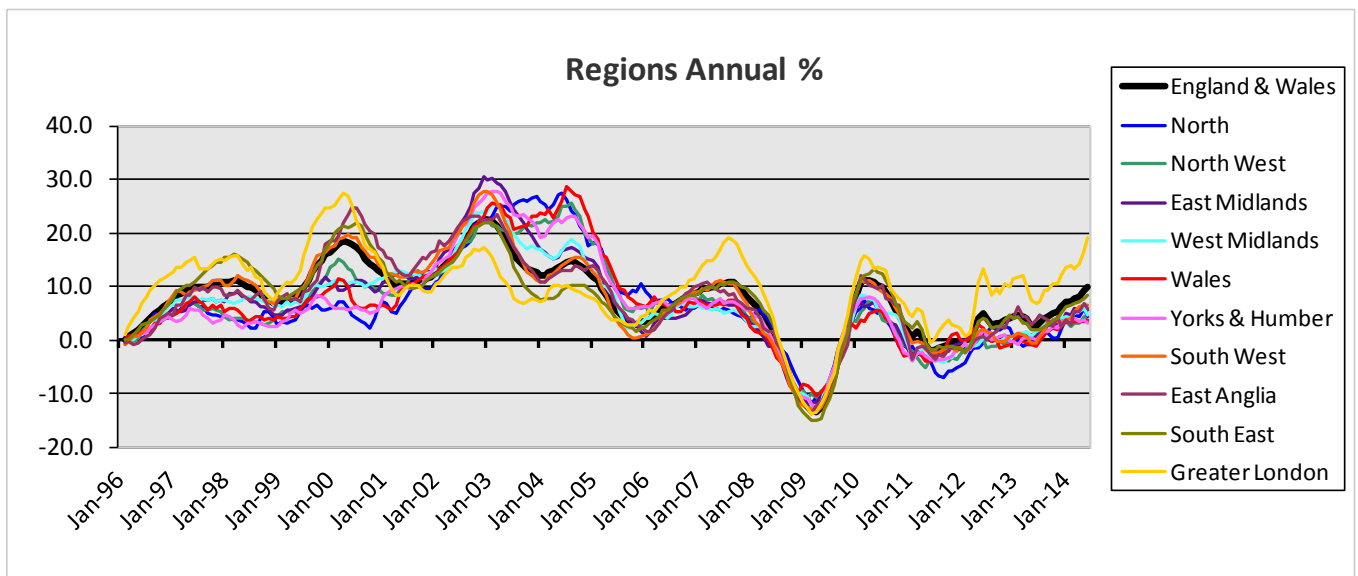


Figure 6. A comparison of the annual change in house prices, by region for the period January 2001 – June 2014

[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 5 NOTE 4 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.

London boroughs, Counties and unitary authorities



Table 4. The change in house prices, for the 33 London boroughs, comparing June 2013 and May 2014 with June 2014. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Jun-13	May-14	Jun-14	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,510,073	1,936,660	1,993,068	2.9%	32.0%
2	2	CITY OF WESTMINSTER	1,262,216	1,367,607	1,452,993	6.2%	15.1%
3	3	CAMDEN	795,524	949,196	944,930	-0.4%	18.8%
5	4	HAMMERSMITH AND	749,836	843,338	871,763	3.4%	16.3%
4	5	CITY OF LONDON	756,675	818,507	859,103	5.0%	13.5%
6	6	RICHMOND UPON THAMES	640,935	751,340	761,197	1.3%	18.8%
7	7	WANDSWORTH	576,660	709,619	721,746	1.7%	25.2%
8	8	ISLINGTON	561,898	664,547	681,980	2.6%	21.4%
16	9	LAMBETH	422,092	599,330	584,703	-2.4%	38.5%
10	10	MERTON	483,113	556,649	573,824	3.1%	18.8%
9	11	BARNET	504,650	541,761	545,252	0.6%	8.0%
11	12	SOUTHWARK	438,396	512,196	522,628	2.0%	19.2%
15	13	HACKNEY	424,327	498,276	506,156	1.6%	19.3%
12	14	HARINGEY	436,043	499,744	504,669	1.0%	15.7%
13	15	EALING	434,596	491,329	504,394	2.7%	16.1%
14	16	BRENT	425,566	465,689	465,024	-0.1%	9.3%
17	17	KINGSTON UPON THAMES	416,976	455,942	459,513	0.8%	10.2%
19	18	TOWER HAMLETS	381,830	443,443	449,701	1.4%	17.8%
18	19	HOUNSLOW	382,753	429,321	443,222	3.2%	15.8%
20	20	HARROW	361,322	416,968	418,212	0.3%	15.7%
21	21	BROMLEY	349,619	402,594	415,470	3.2%	18.8%
22	22	GREENWICH	323,038	381,376	384,900	0.9%	19.2%
25	23	LEWISHAM	298,716	365,911	371,396	1.5%	24.3%
26	24	HILLINGDON	297,675	334,243	343,142	2.7%	15.3%
28	25	WALTHAM FOREST	272,472	334,949	342,678	2.3%	25.8%
24	26	ENFIELD	303,398	344,106	342,211	-0.6%	12.8%
23	27	REDBRIDGE	309,147	332,896	339,319	1.9%	9.8%
27	28	SUTTON	286,441	323,505	329,531	1.9%	15.0%
29	29	CROYDON	271,642	319,832	322,581	0.9%	18.8%
30	30	HAVERING	258,863	281,233	287,766	2.3%	11.2%
31	31	BEXLEY	238,931	266,672	269,538	1.1%	12.8%
32	32	NEWHAM	228,601	263,541	265,551	0.8%	16.2%
33	33	BARKING AND DAGENHAM	186,084	206,731	207,368	0.3%	11.4%
		ALL LONDON	470,988	549,539	560,386	2.0%	19.0%

Table 4 above shows the average house price and percentage change (over the last month and year) by London borough for June 2013, May 2014 and June 2014. The annual rate of house price inflation in London has now reached 19.0%, a figure that has only been surpassed once since January 2000. That was in August 2007 at the height of the last housing boom, when the rate touched 19.1%. Although we have been suggesting that the London housing market is beginning to cool, the statistics this month are not particularly supportive of this view. Both Kensington & Chelsea and the City of Westminster have reached new peak prices, and Kensington & Chelsea looks poised to set an average property price of £2 million within the next few weeks. However, housing policy should not be dictated by the activities taking place in prime central London, which for most is an unaffordable distraction.

All the London boroughs have seen average house price increases over the year, ranging from +38.5% in Lambeth (due to the sale of up-market flats on a new waterfront development) to +8.0% in Barnet, where flats and semi-detached homes are the most frequently purchased property types. As we mentioned above, semi-detached sales are proving to be a sticking point in the London market, with price increases for such dwellings being lower than other property types.

The average price paid for a house in Greater London in June was £560,386. This was £10,850 higher than the average for May, an increase of 2.0%. Across the boroughs, the highest percentage increase in average prices seen during June was in the City of Westminster, where 332 flats changed hands at an average cost of £1,362,000 per flat.

London boroughs, Counties and unitary authorities



This month there are 24 London boroughs (last month 20) currently experiencing peak prices (highlighted in grey above), as is Greater London itself. Eleven of these 24 boroughs are in the top half and 13 in the lower half of boroughs ranked by price, suggesting peak prices are now widespread across London and are no longer dependant on a central London location.

Counties and Unitary Authorities

Table 5. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing June 2013 and May 2014 with June 2014. 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	Jun-13	May-14	Jun-14	Monthly change	Annual Change
17	16	CAMBRIDGESHIRE	249,661	265,707	265,740	0.0%	6.4%
70	66	CITY OF PETERBOROUGH	155,894	169,446	168,825	-0.4%	8.3%
45	45	NORFOLK	190,581	202,883	201,628	-0.6%	5.8%
41	41	SUFFOLK	205,502	216,877	216,138	-0.3%	5.2%
		EAST ANGLIA	208,561	221,650	220,933	-0.3%	5.9%
77	83	CITY OF DERBY	148,798	149,518	148,519	-0.7%	-0.2%
98	98	CITY OF NOTTINGHAM	117,650	124,883	123,991	-0.7%	5.4%
63	67	DERBYSHIRE	162,512	167,740	168,497	0.5%	3.7%
86	86	LEICESTER	140,090	143,056	142,718	-0.2%	1.9%
48	47	LEICESTERSHIRE	186,658	197,218	197,153	0.0%	5.6%
73	71	LINCOLNSHIRE	153,600	161,841	161,443	-0.2%	5.1%
50	46	NORTHAMPTONSHIRE	180,782	199,396	200,345	0.5%	10.8%
66	68	NOTTINGHAMSHIRE	158,902	164,363	164,382	0.0%	3.4%
15	14	RUTLAND	257,148	287,228	292,946	2.0%	13.9%
		EAST MIDLANDS	164,007	172,851	172,997	0.1%	5.5%
		GREATER LONDON	470,988	549,539	560,386	2.0%	19.0%
61	62	CUMBRIA	164,943	172,688	173,429	0.4%	5.1%
91	85	DARLINGTON	132,251	146,434	143,462	-2.0%	8.5%
97	99	DURHAM	120,057	123,355	123,276	-0.1%	2.7%
96	97	HARTLEPOOL	120,925	122,890	124,833	1.6%	3.2%
100	100	MIDDLESBROUGH	114,931	123,330	121,033	-1.9%	5.3%
59	58	NORTHUMBERLAND	168,881	184,087	178,859	-2.8%	5.9%
94	95	REDCAR AND CLEVELAND	125,659	133,109	130,031	-2.3%	3.5%
84	82	STOCKTON-ON-TEES	142,359	150,449	148,610	-1.2%	4.4%
83	81	TYNE AND WEAR	143,703	148,188	149,177	0.7%	3.8%
		NORTH	143,664	150,529	150,028	-0.3%	4.4%
101	101	BLACKBURN WITH DARWEN	112,708	111,950	112,384	0.4%	-0.3%
105	104	BLACKPOOL	102,814	107,807	106,434	-1.3%	3.5%
37	38	CHESHIRE	212,278	222,104	220,222	-0.8%	3.7%
76	75	GREATER MANCHESTER	150,507	156,431	156,655	0.1%	4.1%
80	88	HALTON	145,994	144,210	141,517	-1.9%	-3.1%
78	79	LANCASHIRE	148,725	151,150	151,830	0.4%	2.1%
85	84	MERSEYSIDE	141,466	147,336	148,014	0.5%	4.6%
52	54	WARRINGTON	180,607	185,691	183,163	-1.4%	1.4%
		NORTH WEST	155,594	161,007	160,967	0.0%	3.5%
27	26	BEDFORDSHIRE	221,748	242,225	242,844	0.3%	9.5%
9	11	BRACKNELL FOREST	290,397	306,932	308,678	0.6%	6.3%
10	7	BRIGHTON AND HOVE	287,889	339,805	342,037	0.7%	18.8%
3	3	BUCKINGHAMSHIRE	368,033	393,493	393,905	0.1%	7.0%
18	18	EAST SUSSEX	247,282	265,109	263,314	-0.7%	6.5%
16	17	ESSEX	251,261	262,324	264,436	0.8%	5.2%
12	13	HAMPSHIRE	275,756	294,194	294,961	0.3%	7.0%
4	5	HERTFORDSHIRE	337,028	368,580	370,655	0.6%	10.0%
44	43	ISLE OF WIGHT	195,706	216,766	211,317	-2.5%	8.0%
19	20	KENT	246,771	259,296	259,890	0.2%	5.3%

London boroughs, Counties and unitary authorities



65	59	LUTON	161,245	179,532	177,947	-0.9%	10.4%
53	49	MEDWAY	178,039	190,750	191,705	0.5%	7.7%
33	31	MILTON KEYNES	214,447	226,515	228,895	1.1%	6.7%
6	8	OXFORDSHIRE	320,754	342,775	340,662	-0.6%	6.2%
54	50	PORTSMOUTH	174,907	187,017	190,818	2.0%	9.1%
21	19	READING	237,797	260,043	261,858	0.7%	10.1%
24	23	SLOUGH	224,824	249,094	249,955	0.3%	11.2%
58	57	SOUTHAMPTON	169,057	180,108	179,017	-0.6%	5.9%
32	29	SOUTHEND-ON-SEA	214,750	230,416	233,432	1.3%	8.7%
2	2	SURREY	419,594	464,101	463,511	-0.1%	10.5%
47	48	THURROCK	188,886	195,911	196,399	0.2%	4.0%
8	6	WEST BERKSHIRE	299,503	336,964	342,358	1.6%	14.3%
11	12	WEST SUSSEX	279,872	302,684	306,517	1.3%	9.5%
1	1	WINDSOR AND MAIDENHEAD	442,798	489,947	496,422	1.3%	12.1%
5	4	WOKINGHAM	324,697	380,929	380,999	0.0%	17.3%
		SOUTH EAST	285,753	308,866	309,831	0.3%	8.4%
7	9	BATH AND NORTH EAST SOMERSET	299,504	315,643	319,398	1.2%	6.6%
26	22	BOURNEMOUTH	222,234	246,617	251,103	1.8%	13.0%
34	27	CITY OF BRISTOL	214,385	239,214	239,206	0.0%	11.6%
67	65	CITY OF PLYMOUTH	158,474	169,038	169,185	0.1%	6.8%
25	39	CORNWALL	224,135	223,195	220,157	-1.4%	-1.8%
22	24	DEVON	233,895	246,172	245,251	-0.4%	4.9%
13	15	DORSET	263,214	278,005	276,135	-0.7%	4.9%
23	25	GLOUCESTERSHIRE	228,220	245,932	245,135	-0.3%	7.4%
29	33	NORTH SOMERSET	218,011	227,134	226,723	-0.2%	4.0%
14	10	POOLE	261,283	323,099	313,557	-3.0%	20.0%
40	34	SOMERSET	207,233	226,125	224,746	-0.6%	8.5%
35	32	SOUTH GLOUCESTERSHIRE	212,872	228,031	227,717	-0.1%	7.0%
57	55	SWINDON	171,305	181,832	182,422	0.3%	6.5%
46	52	TORBAY	189,571	188,219	189,822	0.9%	0.1%
20	21	WILTSHIRE	240,581	256,116	257,739	0.6%	7.1%
		SOUTH WEST	225,453	240,660	240,014	-0.3%	6.5%
108	108	BLAENAU GWENT	80,193	90,412	91,952	1.7%	14.7%
87	90	BRIDGEND	139,739	141,077	138,972	-1.5%	-0.5%
95	93	CAERPHILLY	124,085	128,609	131,309	2.1%	5.8%
49	51	CARDIFF	184,569	193,802	190,549	-1.7%	3.2%
93	96	CARMARTHENSHIRE	128,332	131,939	128,190	-2.8%	-0.1%
51	56	CEREDIGION	180,767	177,250	181,612	2.5%	0.5%
64	69	CONWY	161,956	163,341	162,492	-0.5%	0.3%
88	87	DENBIGHSHIRE	135,931	141,856	142,038	0.1%	4.5%
71	77	FLINTSHIRE	155,829	157,464	154,700	-1.8%	-0.7%
72	73	GWYNEDD	155,272	162,518	158,135	-2.7%	1.8%
75	63	ISLE OF ANGLESEY	152,735	162,704	170,457	4.8%	11.6%
104	107	MERTHYR TYDFIL	103,574	97,591	96,054	-1.6%	-7.3%
30	28	MONMOUTHSHIRE	217,835	230,595	237,114	2.8%	8.9%
102	102	NEATH PORT TALBOT	107,882	112,934	111,358	-1.4%	3.2%
81	72	NEWPORT	145,559	156,255	158,646	1.5%	9.0%
60	60	PEMBROKESHIRE	168,356	173,967	176,019	1.2%	4.6%
55	53	POWYS	173,484	189,714	186,716	-1.6%	7.6%
103	103	RHONDDA CYNON TAFF	107,864	109,610	108,722	-0.8%	0.8%
79	78	SWANSEA	147,923	152,162	154,360	1.4%	4.4%
39	37	THE VALE OF GLAMORGAN	209,786	218,277	220,951	1.2%	5.3%
90	92	TORFAEN	135,169	135,665	136,149	0.4%	0.7%
82	80	WREXHAM	143,776	150,029	150,953	0.6%	5.0%
		WALES	151,821	157,539	157,383	-0.1%	3.7%
38	40	HEREFORDSHIRE	211,983	216,697	218,914	1.0%	3.3%



43	44	SHROPSHIRE	200,505	211,058	207,820	-1.5%	3.6%
56	61	STAFFORDSHIRE	173,128	174,861	174,420	-0.3%	0.7%
106	105	STOKE-ON-TRENT	100,629	102,542	102,537	0.0%	1.9%
28	30	WARWICKSHIRE	220,550	235,817	233,157	-1.1%	5.7%
69	70	WEST MIDLANDS	156,145	162,297	162,100	-0.1%	3.8%
42	35	WORCESTERSHIRE	200,828	224,451	224,096	-0.2%	11.6%
68	74	WREKIN	156,899	157,803	156,852	-0.6%	0.0%
		WEST MIDLANDS	174,779	183,379	182,713	-0.4%	4.5%
107	106	CITY OF KINGSTON UPON HULL	97,576	103,098	102,334	-0.7%	4.9%
62	64	EAST RIDING OF YORKSHIRE	163,873	170,861	170,097	-0.4%	3.8%
99	94	NORTH EAST LINCOLNSHIRE	115,197	129,807	130,240	0.3%	13.1%
92	91	NORTH LINCOLNSHIRE	129,233	135,397	137,401	1.5%	6.3%
31	36	NORTH YORKSHIRE	214,772	219,604	221,383	0.8%	3.1%
89	89	SOUTH YORKSHIRE	135,365	142,176	140,960	-0.9%	4.1%
74	76	WEST YORKSHIRE	153,222	157,197	156,537	-0.4%	2.2%
36	42	YORK	212,284	217,765	214,827	-1.3%	1.2%
		YORKS & HUMBER	157,366	162,893	162,431	-0.3%	3.2%
		ALL ENGLAND & WALES	245,172	267,475	269,012	0.6%	9.7%

Table 5 shows the average house price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for June 2013, May 2014 and June 2014. It also records the percentage change in these prices over the last month and year.

Although we are showing a headline annual increase in prices for England & Wales of 9.7%, the average annual rate in June reduces to 4.9% if we exclude Greater London and the South East from the statistics, as discussed earlier. The regions with an annual rate in excess of this revised figure are the South West, East Anglia and the East Midlands, all of which are seeing the ripple effect in price rises emanating from the Greater London area.

In June, there are only two regions recording peak average prices, being Greater London and the South East. East Anglia, which had seen a record price level set in May, dropped out of this category, having experienced a decline in prices during the month. In the South East, 16 of the 25 unitary authorities/counties now have peak prices (highlighted in turquoise in the above table), which is one less than last month. Outside of the South East region, peak prices are also being recorded in Northamptonshire (East Midlands), Bournemouth and Wiltshire (South West).

On an annual basis, prices have increased in 99 of the 108 unitary authorities (the same number as last month). Thus prices have risen over the year in 92% of the unitary authorities across England & Wales. Looking at the individual regions, we can see that prices have risen over the year in all the constituent parts of East Anglia, the North, the South East, and Yorkshire and Humberside. Price falls over the year have only been seen in the City of Derby (East Midlands), Wrekin (West Midlands), Blackburn with Darwen, and Halton (North West), Cornwall (South West), as well as in 4 local authority areas in Wales.

On a monthly basis, the headline rate for price increases in England & Wales in June 2014 was 0.6%. This price increase changes to a fall of -0.2% if Greater London and the South East are excluded from the figures. In June in the 108 unitary authorities, there were price rises in 53 of them, and falls in 55. The similar figures for May were 67 authorities with price rises and 41 authorities with price falls. Hence prices in June have started to fall from previously set levels, although some of these price falls can be attributed to an increase in the market share of first time buyers, thus lowering the average price of properties purchased in the area.

Looking at the Unitary Authority areas on an individual basis it is Poole, followed by Brighton & Hove that top the league table this month in terms of the highest price changes on an annual basis. Here, annual increases of 20.0% and 18.8% respectively have been recorded. This is the fourth month in succession in which Poole has seen the highest rise in property prices over the year, with the average value of detached properties rising by £60k over the year. In contrast, the area with the largest reduction in annual prices continues to be Merthyr Tydfil, down 7.3%. Here the average prices of all property types have fallen since June 2013.

In terms of transactions, looking at the three months April 2014 to June 2014 and comparing with the same three months in 2013, all of the 108 unitary authorities/counties in England & Wales saw an increase over this period. Newport, in Wales, recorded the highest increase in sales of any English or Welsh Unitary Authority, up by 55%, with the sale of detached properties doubling in number over the year. Newport was followed by Slough, where sales increased by 54% over the same period, with the sale of flats also doubling in number. The area with the lowest increase in sales was Blackburn with Darwen at 5%.

Regional data table



Table 6. Average house prices by region, July 2013 – July 2014, 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
Jul-13	£144,165	0.3	1.3	£156,222	0.4	2.0	£164,139	0.1	1.3	£175,484	0.4	1.9
Aug-13	£144,848	0.5	1.7	£156,968	0.5	1.7	£164,408	0.2	2.1	£176,843	0.8	2.9
Sep-13	£144,070	-0.5	1.3	£157,855	0.6	2.8	£166,206	1.1	2.9	£177,427	0.3	3.3
Oct-13	£144,199	0.1	0.4	£158,207	0.2	2.4	£166,514	0.2	2.6	£178,373	0.5	3.5
Nov-13	£143,837	-0.3	0.2	£157,812	-0.2	3.5	£167,579	0.6	3.0	£178,991	0.3	3.9
Dec-13	£144,810	0.7	1.7	£157,847	0.0	3.3	£167,207	-0.2	3.1	£180,177	0.7	4.1
Jan-14	£147,182	1.6	4.0	£158,903	0.7	3.5	£170,623	2.0	5.0	£181,430	0.7	4.2
Feb-14	£148,800	1.1	4.1	£159,466	0.4	2.4	£171,844	0.7	4.5	£182,979	0.9	4.1
Mar-14	£150,464	1.1	4.6	£160,288	0.5	3.2	£173,199	0.8	5.8	£183,373	0.2	4.8
Apr-14	£149,986	-0.3	4.3	£159,970	-0.2	3.1	£172,581	-0.4	5.5	£183,388	0.0	5.2
May-14	£150,529	0.4	5.9	£161,007	0.6	4.4	£172,851	0.2	6.3	£183,379	0.0	6.0
Jun-14	£150,028	-0.3	4.4	£160,967	0.0	3.5	£172,997	0.1	5.5	£182,713	-0.4	4.5

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jul-13	£152,415	0.4	-0.3	£156,868	-0.3	0.5	£226,815	0.6	0.6	£209,470	0.4	4.8
Aug-13	£153,405	0.6	0.8	£158,414	1.0	1.5	£229,330	1.1	1.9	£210,058	0.3	4.0
Sep-13	£155,441	1.3	1.6	£158,708	0.2	1.6	£230,634	0.6	3.4	£210,392	0.2	3.6
Oct-13	£156,820	0.9	2.1	£160,168	0.9	2.6	£230,854	0.1	3.3	£209,971	-0.2	2.6
Nov-13	£156,610	-0.1	1.9	£159,578	-0.4	2.2	£230,042	-0.4	3.5	£211,300	0.6	4.3
Dec-13	£157,346	0.5	2.6	£160,508	0.6	3.3	£231,940	0.8	3.2	£210,697	-0.3	2.5
Jan-14	£158,065	0.5	3.5	£161,330	0.5	3.6	£233,041	0.5	3.6	£212,780	1.0	3.8
Feb-14	£159,471	0.9	3.2	£161,393	0.0	3.7	£235,399	1.0	4.0	£214,771	0.9	2.8
Mar-14	£159,286	-0.1	3.5	£162,273	0.5	3.9	£237,781	1.0	5.3	£219,314	2.1	5.3
Apr-14	£158,663	-0.4	3.3	£162,259	0.0	3.4	£239,968	0.9	6.1	£220,775	0.7	5.3
May-14	£157,539	-0.7	3.3	£162,893	0.4	3.7	£240,660	0.3	6.6	£221,650	0.4	6.6
Jun-14	£157,383	-0.1	3.7	£162,431	-0.3	3.2	£240,014	-0.3	6.5	£220,933	-0.3	5.9

	South East			Greater London			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jul-13	£286,797	0.4	1.8	£473,958	0.6	7.1	£246,196	0.4	3.0
Aug-13	£287,040	0.1	2.5	£480,699	1.4	9.3	£247,936	0.7	4.1
Sep-13	£287,397	0.1	2.8	£486,816	1.3	9.2	£249,413	0.6	4.5
Oct-13	£289,053	0.6	3.7	£492,223	1.1	10.4	£250,925	0.6	5.0
Nov-13	£290,327	0.4	4.1	£498,386	1.3	10.5	£252,112	0.5	5.3
Dec-13	£294,849	1.6	5.0	£505,480	1.4	12.1	£254,670	1.0	6.1
Jan-14	£298,340	1.2	6.2	£520,317	2.9	13.6	£258,571	1.5	7.1
Feb-14	£302,262	1.3	6.6	£525,169	0.9	13.9	£261,048	1.0	7.2
Mar-14	£304,649	0.8	6.8	£531,708	1.2	13.4	£263,442	0.9	7.6
Apr-14	£306,609	0.6	7.1	£536,419	0.9	14.1	£264,790	0.5	8.0
May-14	£308,866	0.7	7.7	£549,539	2.4	16.5	£267,475	1.0	9.2
Jun-14	£309,831	0.3	8.4	£560,386	2.0	19.0	£269,012	0.6	9.7
Jul-14							£270,636	0.6	9.9



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 page 5 NOTE 7 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.



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