

LSL Property Services/Acadametrics England & Wales House Price Index

MARCH 2012

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 13TH APRIL



First-time buyers swoop to beat stamp duty

- Transactions rise by 32% in March following a 10% rise in February
- First-time buyers rush to complete purchases before return of stamp duty on properties worth under £250,000

House Price	Index	Monthly Change %	Annual Change %
£221,543	225.6	0.2	-1.3

David Newnes, director of LSL Property Services, owners of Your Move and Reeds Rains comments: “After the 10% rise in transactions in February, the rush to beat stamp duty injected even more vigour into the market in March. The bulk of the boost in activity came from first time buyers rushing to complete their purchases before the end of the stamp duty holiday. But the chancellor’s surprise announcement of the 7% super-rate of stamp duty for properties worth more than £2 million meant many high-value transactions were also rushed through on budget day. It’s understandable given the average first-time buyer purchasing a property for £250,000 now has to find an additional £2,500 to add to their deposit, from an average income of £33,800 p.a. It would take five weeks after tax for a buyer to earn, and far longer for them to save, this much.

“March’s modest price increase indicates that, although transaction numbers rose rapidly last month, the bulk of the activity was for properties below the £250,000 threshold. With the average house price sitting at £221,543, high levels of activity below £250,000 did not significantly swing the overall average price.

“On an annual basis, the relatively large decrease in prices is likely to be reversed in the coming months as the artificial price spike seen in the early part of last year – which was driven by the rush to avoid the 5% band for properties over £1 million – drops out of the figures.

“It’s also important to remember that the relatively stable national picture of house prices masks a far more volatile picture at a regional level. Although price growth has slowed in London over the last few months, the capital is currently the only region in which prices are rising. The price rises enjoyed by London homeowners mean the national figures do not reflect what have, in some areas, been relatively steep price falls, with the north of England a notable example, showing annual price falls of 6.1%.”

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

House price index: historical data



Table 1. Average House Prices in England & Wales for the period April 2011 - March 2012

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
April	2011	£222,135	226.2	-1.0	0.3
May	2011	£219,134	223.1	-1.4	-1.1
June	2011	£217,478	221.4	-0.8	-2.2
July	2011	£218,785	222.7	0.6	-2.0
August	2011	£220,445	224.4	0.8	-1.6
September	2011	£220,409	224.4	0.0	-1.6
October	2011	£220,877	224.9	0.2	-1.0
November	2011	£219,653	223.6	-0.6	-0.9
December	2011	£219,774	223.8	0.1	-0.8
January	2012	£219,926	223.9	0.1	-1.0
February	2012	£221,051	225.1	0.5	-1.3
March	2012	£221,543	225.6	0.2	-1.3

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

One of the notable features of the housing market in March 2012 has been the increase in transactions over February 2012 and indeed over March 2009, 2010 and 2011. We estimate that transactions in March 2012 exceeded 60,000 (not seasonally adjusted); a level not seen in the month of March since 2008. Monthly transactions during 2011, as a whole, equated to 64% of the long term average. March transactions equated to 75% of the long term average for the month. However, one of the main reasons for this increase was the rush to buy before the Stamp Duty Land Tax (SDLT) holiday for first time buyers on properties valued between £125,000-£250,000 ceased on 24th March. Given that this holiday was saving first time buyers between £1,000-£2,500 in Stamp Duty, it is no wonder that transactions were higher, especially in the three months prior to the cut-off date.

House prices

Although a relatively busy month, average house prices rose in nominal terms only by £492 (0.2%) in March compared with February. In part this is because the average March price of £221,543 lies within the £125,000-£250,000 tax holiday SDLT banding. Hence, an increase in activity within this band is unlikely to have significantly altered the average price paid overall. Furthermore, the fact that house prices have been falling on an annual basis for ten of the last twelve months is likely to have dampened any expectation, whether on the part of buyers or of sellers, that price rises are likely, except where local markets dictate otherwise.

On an annual basis, the average house price in March 2012 was -1.3% lower than the average in March 2011 - the same annual change as in February. This is the tenth month in succession in which year on year prices have fallen. This is partially because prices were artificially boosted in February and March and, in part, April 2011, when sales of £1 million houses rose prior to the 6 April 2011 rise in SDLT for such properties. Over the next two months, as these 2011 figures disappear from the annual statistics, we can expect to see year on year price changes move into more positive territory.

What can be made of the different market views being generated by the various house price indices, as shown in Figures 2 and 3 below, such as the March price increase reported by Halifax and the fall reported by Nationwide? Small data samples induce volatility but most of the substantial differences between the indices reflect exactly when, in the house purchase "timeline", the HPI price is recorded and whether the index measures "asking" (Rightmove), "estimated" (Hometrack), "mortgage offer" (Halifax and Nationwide), "mortgage completion" (CLG), "repeat sales" (Land Registry) or "all transacted" prices (LSL Acadametrics).

These differences apart, all indices reflect a market that is still fluctuating monthly, pushed up and down by government interventions such as SDLT changes and other factors. The LSL Acadametrics E&W HPI, finally based upon the price of every transaction recorded on the Land Register, reflects these too. Subject to further government action and accepting that its NewBuy scheme has only just started (it is focussed on new homes - only a small market sector) we can perhaps hope to see a clearer market driven price response over coming months. Moreover with inflation edging down we are beginning to see house price falls, in real terms, beginning to moderate - a topic to which we will return next month.

As always, we caution that a single headline rate of price change for England & Wales as a whole masks considerable variation at regional and more local levels. Our figure 4 on page 7 shows that the annual change in regional prices ranges between +1.7% for Greater London and -6.1% for the North. At the more local level, our tables 2 and 3, pages 8 - 11, show even larger movements at unitary authority and London borough levels. All the evidence suggests that, whilst national prices are steady, regional and local differentials are increasing. This highlights the importance of the search process by buyers. Similar properties can be bought at very different prices in markets often quite close to one another. The savings achieved prior to SDLT changes could be matched and exceeded, simply by undertaking a wider search.

Although some commentators had hoped that the Chancellor would extend the SDLT tax holiday for first time buyers in the March Budget, this was not to be. Nevertheless, there were a number of housing announcements such as increased Right to Buy discounts for council tenants, a consultation on Real Estate Investment Trust legislation to help support affordable housing, the funding of a Get Britain Building Fund and, of course, the new planning framework. Taken together with the NewBuy scheme, aimed at helping first time buyers and others to get higher LTV loans on new homes, we can see a government focussed on housing supply as part of the economic growth agenda.



Expanding housing supply is crucial if we are to avoid a house price boom when the economy recovers. Although a parallel rise in interest rates might help dampen such a boom, it was interesting to see that the advice to the government given by the Bank of England's Financial Policy Committee (FPC) was that the committee should not be given power to cap loan to value ratios in the event of a house price boom. Instead the committee would rely on requiring banks to hold more capital, thus pushing up the cost of lending and, in turn, discouraging borrowing. Whether control over LTV ratios should be exercised is, the FPC has said, an issue for government.

Our commentary has shown very clearly that governments do help shape prices and transactions and not least through taxation changes such as SDLT. Governments are always wary of property tax related issues because they regard them as politically sensitive. Scotland has just announced that it will scrap SDLT and move to a new property tax system. The 2011 Mirrlees Review in England recommended the same but has been quietly parked. It is a contentious issue but, with a low housing supply and built-in tendencies to market booms and busts, there are real issues to be confronted here. If the Bank won't deal with it, will the government?

Housing Transactions

Traditionally the property market in March picks up from the low transaction levels experienced in January and February. In a typical year, property sales in March increase by around a quarter from February but, this year, our estimates show that transactions are likely to have increased by a third. The SDLT holiday was important and we estimate that an additional 4,500 properties were sold to first time buyers in March, over and above what would otherwise have been expected. We have also witnessed an increase in activity in the buy-to-let sector which has helped to increase the number of transactions for the month.

Comparing the three month period Dec 2011 - Feb 2012 with the same period one year earlier, transactions have increased by some +14.0% across England & Wales. The region seeing the largest increase in sales over the year is the South West, up +18.4%, whilst the region with the smallest increase is Wales at +8.4%.

Over the last quarter, for the three months Dec 2011 - Feb 2012 compared to Sep 2011 -Nov 2011, transaction numbers across England & Wales are down -13% against an expected seasonal fall of -19%. Using seasonally adjusted figures over this period, we find that the sale of flats has increased by +11%, terraces by +7%, semi-detached properties by +4% and detached properties by +1%. The increase in the sale of flats and terraces over this period is another indicator of the recent strength of the first time buyer sector of the market. It will be interesting to observe how these statistics change in April and subsequently, as this market adjusts to the SDLT change.

The Figure 1 graph below shows the number of monthly housing transactions in England & Wales for the period January 2006 - March 2012. As can be seen, the current housing market remains subdued in comparison to the transaction levels experienced in 2006 and 2007, although 2006 and 2007 were not that exceptional viewed over the eleven year period 1997 - 2007. The graph shows that transactions in the first three months of 2012 are higher than they were in the previous three years, with sales slowly moving back up the chart following the seasonal January trough. The outcome of the withdrawal of a previous SDLT holiday is visible on the chart. This occurred when an SDLT holiday that had been in place from September 2008 on all properties costing less than £175,000 was withdrawn on 31 December 2009; a significant peak in sales at the end of 2009 is observable on the graph. Thereafter, the market returned to its more subdued state. Will transaction levels in March 2012 similarly prove to be a blip, with the market reverting to somnolence again?

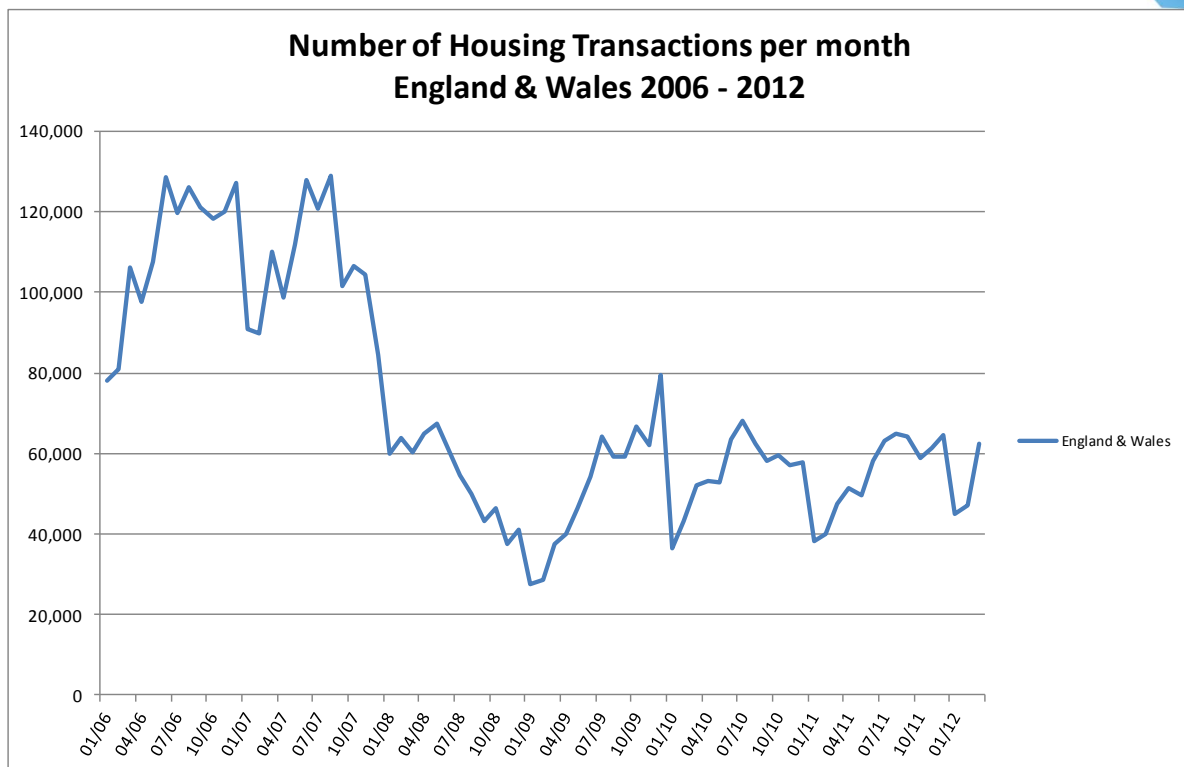


Figure 1. The number of housing transactions by month in England & Wales, 2006 - 2012 (not seasonally adjusted)

[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

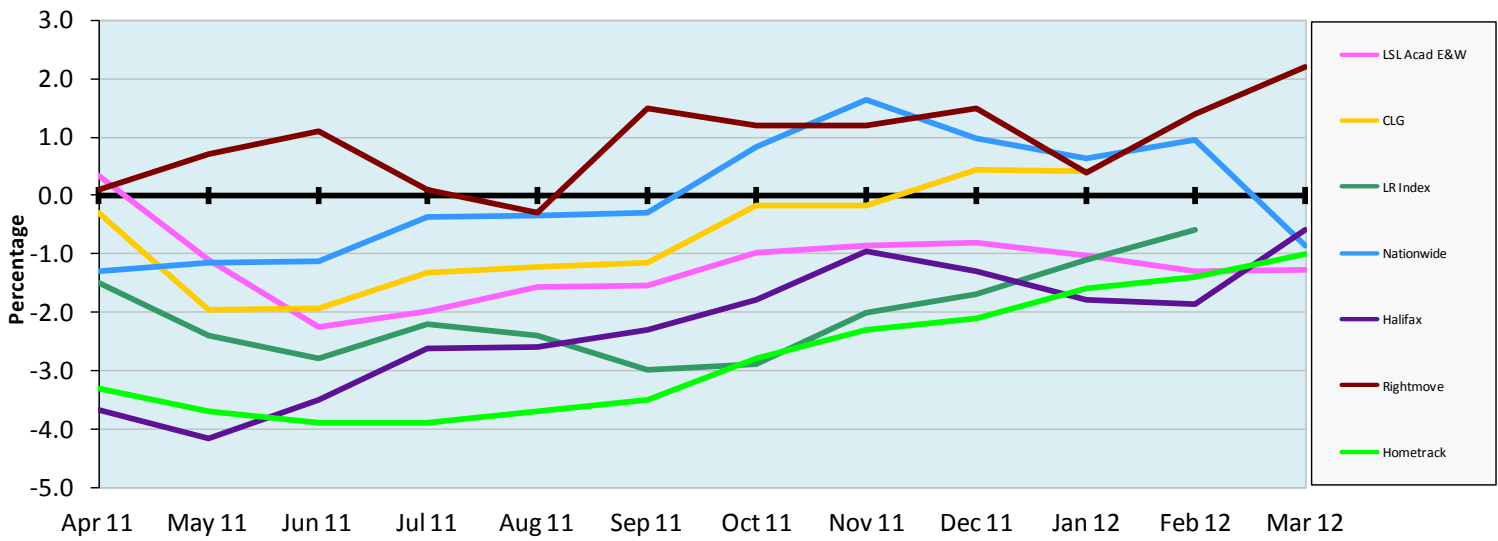


Figure 2. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

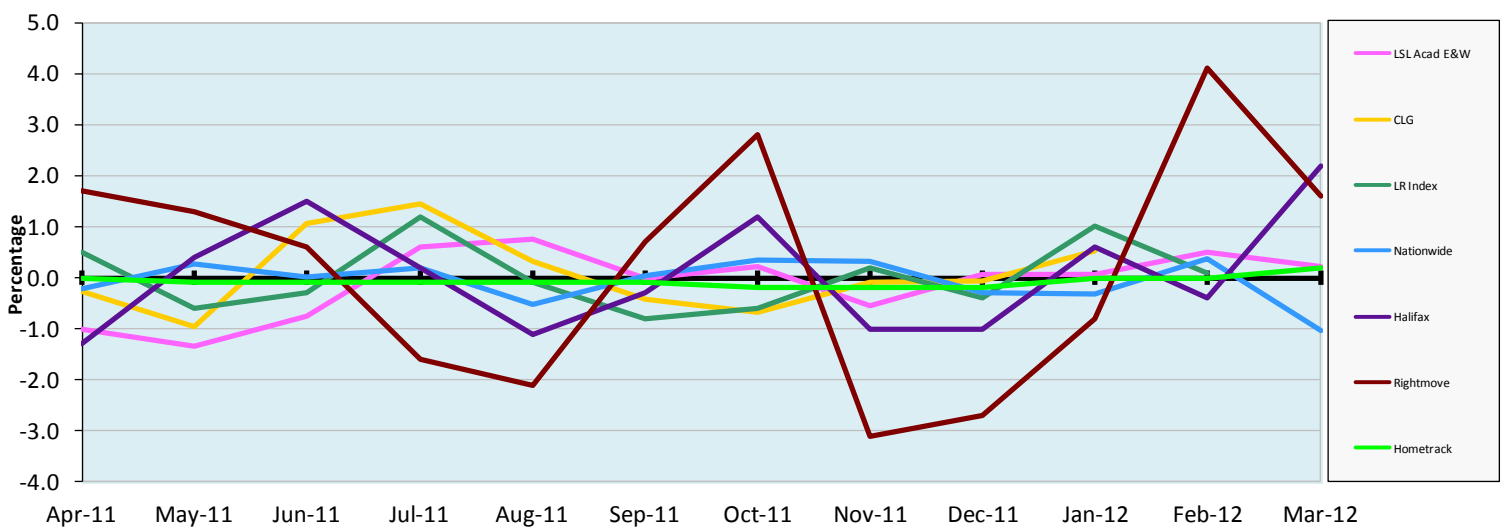


Figure 3. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)



This month London is the only region to show an increase in prices over the year, averaged on a three month basis. All the other nine regions have experienced annual house price falls, although the rate at which prices are falling has reduced in five of the regions, with only Wales, the South East and the North seeing prices falling faster than they did last month. We suspect that the price fall in the South East is partly due to an increase in the sale of properties in the SDLT band £125,000 - £250,000, which has had the effect of reducing the average price paid in the region. This factor has not had such an influence in the other regions, since the South East and Greater London are the only two regions in England and Wales where the average price of a home is higher than this SDLT banding.

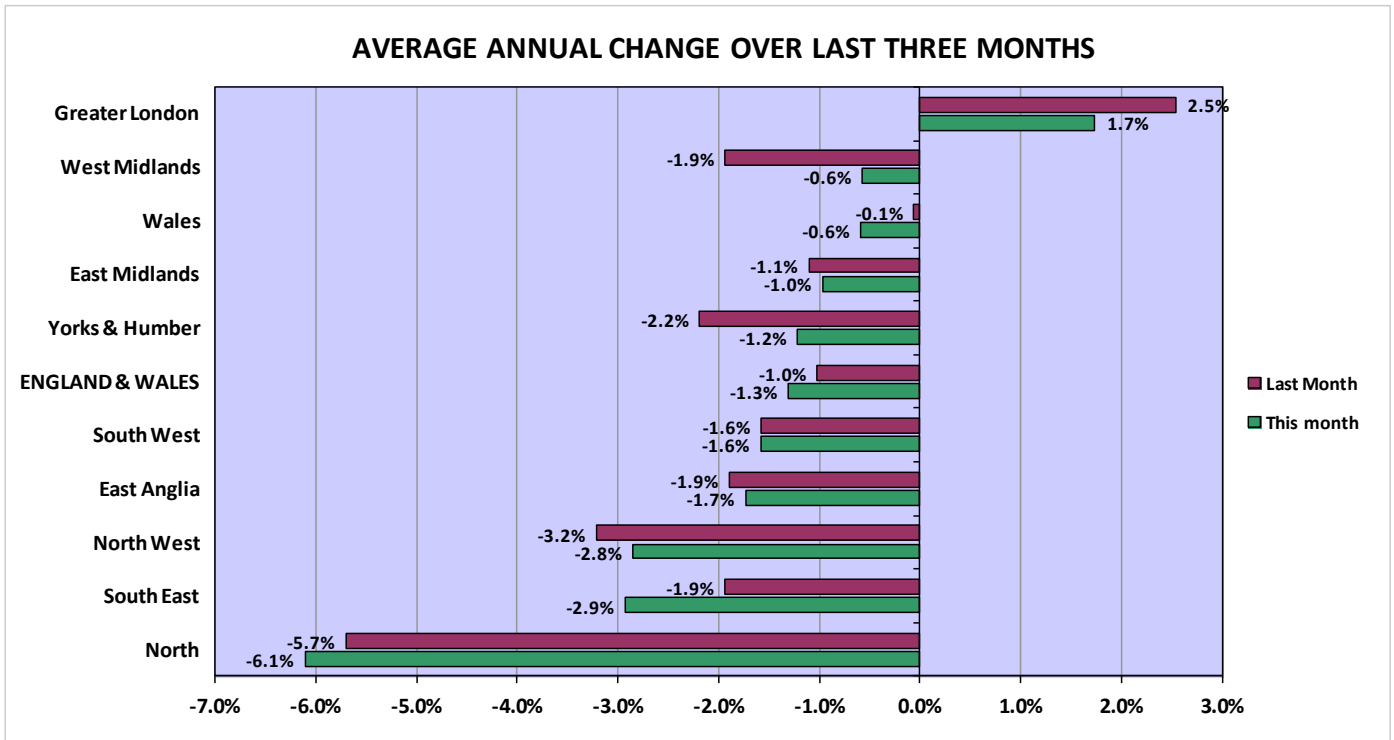


Figure 4. The annual change in the average house price, analysed by region

[link to source Excel](#)

ANNUAL CHANGE IN PRICE BY REGION

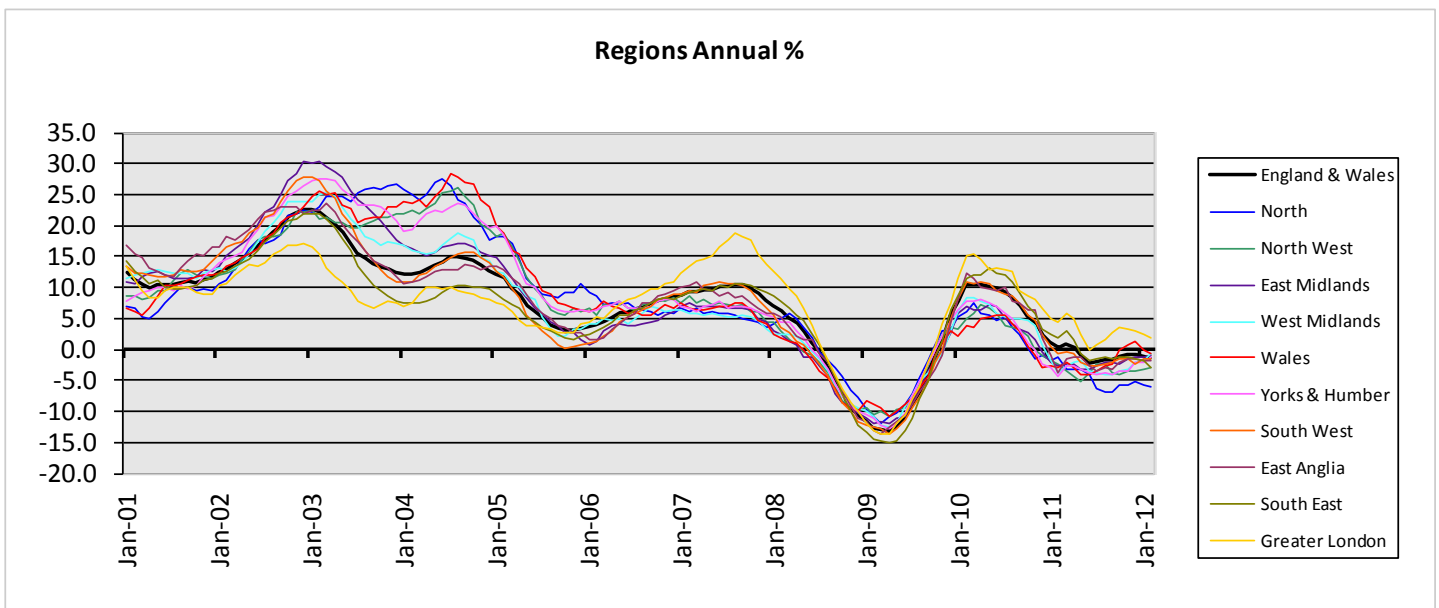


Figure 5. A comparison of the annual change in house prices, by region for the period Jan 2001 - Feb 2012

[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 5 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 annual change in mix adjusted house prices, for the 33 London boroughs, over the period February 2011 - 2012. [link to source Excel](#)

RANK FEB 2011	RANK FEB 2012	LONDON BOROUGH	Feb-11	Feb-12	% Change
1	1	KENSINGTON AND CHELSEA	1,214,758	1,378,048	13.4%
2	2	CITY OF WESTMINSTER	899,803	890,129	-1.1%
3	3	CAMDEN	750,621	695,105	-7.4%
5	4	HAMMERSMITH AND FULHAM	594,521	619,151	4.1%
4	5	CITY OF LONDON	650,170	567,634	-12.7%
6	6	RICHMOND UPON THAMES	544,186	562,474	3.4%
7	7	ISLINGTON	499,079	508,855	2.0%
8	8	WANDSWORTH	469,738	500,617	6.6%
9	9	BARNET	449,207	448,784	-0.1%
11	10	SOUTHWARK	403,053	405,286	0.6%
10	11	HARINGEY	418,989	387,953	-7.4%
14	12	LAMBETH	370,604	382,540	3.2%
18	13	HACKNEY	351,618	382,507	8.8%
15	14	EALING	370,556	380,527	2.7%
16	15	BRENT	362,194	379,369	4.7%
12	16	MERTON	387,903	369,309	-4.8%
17	17	TOWER HAMLETS	353,542	361,572	2.3%
19	18	KINGSTON UPON THAMES	346,688	354,172	2.2%
13	19	HOUNSLOW	383,669	340,739	-11.2%
20	20	HARROW	323,675	329,444	1.8%
21	21	BROMLEY	311,818	318,166	2.0%
23	22	GREENWICH	283,209	289,085	2.1%
22	23	REDBRIDGE	284,557	284,431	0.0%
25	24	HILLINGDON	275,368	281,535	2.2%
24	25	ENFIELD	281,261	274,138	-2.5%
28	26	SUTTON	245,112	263,004	7.3%
26	27	LEWISHAM	251,777	258,261	2.6%
29	28	HAVERING	239,730	239,862	0.1%
27	29	CROYDON	246,429	238,818	-3.1%
30	30	WALTHAM FOREST	223,538	235,631	5.4%
32	31	NEWHAM	210,740	228,077	8.2%
31	32	BEXLEY	214,857	214,318	-0.3%
33	33	BARKING AND DAGENHAM	181,788	175,760	-3.3%
		ALL LONDON	391,392	398,183	1.7%

This month, we publish the average house price for each of the 33 London boroughs for both February 2011 and February 2012, and show the percentage change over the year. Over this period, the average price for London as a whole has risen by +1.7%, but there is considerable variation at borough level, from +13.4% in Kensington and Chelsea to -12.7% in the City of London.

Some of the boroughs which are popular with first time buyers, such as Merton, have seen prices fall. This is, perhaps, against expectations, but has been driven by the increased volume of properties sold with a value less than £250,000, which has lowered the average price of properties purchased in the area. During the three months, December 2011 - February 2012, Merton has seen an increase in the sales of flats of +44% on a seasonal basis, compared to the previous three months, September 2011 - November 2011. This compares with the equivalent increase for Greater London of +12%.

This month, 12 of the 33 London boroughs have seen average price falls, which is one less than last month. This relatively simple statistic accords with the monthly change in prices for Greater London, as a whole, of 0.8%. A similar increase next month, if it occurs, will see the average price of a home in London exceed £400,000 for the first time.

Counties and unitary authorities



Table 3. The annual change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England and Wales, over the period February 2011 – 2012

[link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Feb-11	Feb-12	% Change
19	21	CAMBRIDGESHIRE	240,736	228,077	-5.3%
86	78	CITY OF PETERBOROUGH	141,111	146,556	3.9%
50	50	NORFOLK	180,212	177,135	-1.7%
39	38	SUFFOLK	200,982	202,455	0.7%
		EAST ANGLIA	198,785	195,337	-1.7%
90	89	CITY OF DERBY	132,991	133,299	0.2%
98	101	CITY OF NOTTINGHAM	118,661	112,155	-5.5%
68	60	DERBYSHIRE	158,294	161,643	2.1%
87	84	LEICESTER	140,388	139,239	-0.8%
47	48	LEICESTERSHIRE	184,936	178,812	-3.3%
77	72	LINCOLNSHIRE	151,612	152,324	0.5%
51	49	NORTHAMPTONSHIRE	179,959	177,555	-1.3%
69	68	NOTTINGHAMSHIRE	158,281	154,812	-2.2%
9	8	RUTLAND	289,627	297,499	2.7%
		EAST MIDLANDS	161,533	159,969	-1.0%
		GREATER LONDON	391,392	398,183	1.7%
57	59	CUMBRIA	173,367	162,142	-6.5%
67	87	DARLINGTON	158,295	135,600	-14.3%
96	98	DURHAM	125,345	119,824	-4.4%
93	100	HARTLEPOOL	127,774	112,746	-11.8%
102	97	MIDDLESBROUGH	105,659	119,886	13.5%
46	70	NORTHUMBERLAND	188,150	154,448	-17.9%
92	92	REDCAR AND CLEVELAND	130,378	129,799	-0.4%
81	81	STOCKTON-ON-TEES	144,327	144,616	0.2%
84	85	TYNE AND WEAR	142,911	137,544	-3.8%
		NORTH	148,256	139,205	-6.1%
99	95	BLACKBURN WITH DARWEN	117,592	123,527	5.0%
103	104	BLACKPOOL	104,343	103,896	-0.4%
31	40	CHESHIRE	210,558	202,035	-4.0%
75	79	GREATER MANCHESTER	152,389	146,494	-3.9%
91	94	HALTON	130,738	126,851	-3.0%
80	82	LANCASHIRE	147,177	144,131	-2.1%
83	83	MERSEYSIDE	143,626	140,380	-2.3%
53	47	WARRINGTON	178,637	181,073	1.4%
		NORTH WEST	154,685	150,280	-2.8%
26	32	BEDFORDSHIRE	220,049	210,835	-4.2%
13	15	BRACKNELL FOREST	268,983	253,266	-5.8%
12	10	BRIGHTON AND HOVE	271,565	271,452	0.0%
3	3	BUCKINGHAMSHIRE	349,723	345,489	-1.2%
22	20	EAST SUSSEX	233,882	232,803	-0.5%
17	16	ESSEX	246,786	240,437	-2.6%
11	12	HAMPSHIRE	274,288	261,107	-4.8%
7	5	HERTFORDSHIRE	314,502	310,134	-1.4%
33	44	ISLE OF WIGHT	205,975	190,982	-7.3%
21	23	KENT	238,214	224,370	-5.8%
76	66	LUTON	151,739	156,393	3.1%
65	65	MEDWAY	160,322	158,353	-1.2%
40	37	MILTON KEYNES	200,230	204,504	2.1%
5	6	OXFORDSHIRE	319,631	308,305	-3.5%

Counties and unitary authorities



62	61	PORTSMOUTH	161,823	160,445	-0.9%
24	26	READING	227,002	220,552	-2.8%
45	41	SLOUGH	197,009	201,836	2.5%
54	54	SOUTHAMPTON	176,185	173,771	-1.4%
41	33	SOUTHEND-ON-SEA	199,145	208,591	4.7%
2	2	SURREY	401,776	383,720	-4.5%
55	51	THURROCK	174,839	176,648	1.0%
8	9	WEST BERKSHIRE	308,259	291,055	-5.6%
14	13	WEST SUSSEX	266,824	260,195	-2.5%
1	1	WINDSOR AND MAIDENHEAD	423,554	405,884	-4.2%
6	4	WOKINGHAM	319,365	313,968	-1.7%
		SOUTH EAST	269,925	262,017	-2.9%
4	7	BATH AND NORTH EAST SOMERSET	320,472	302,691	-5.5%
44	36	BOURNEMOUTH	197,364	205,561	4.2%
36	29	CITY OF BRISTOL	203,910	215,602	5.7%
72	67	CITY OF PLYMOUTH	153,452	155,547	1.4%
23	24	CORNWALL	230,818	222,623	-3.6%
18	19	DEVON	246,000	233,193	-5.2%
15	14	DORSET	260,593	258,140	-0.9%
20	18	GLOUCESTERSHIRE	240,526	235,054	-2.3%
28	27	NORTH SOMERSET	215,495	217,281	0.8%
10	11	POOLE	276,186	268,617	-2.7%
32	35	SOMERSET	208,051	205,649	-1.2%
37	31	SOUTH GLOUCESTERSHIRE	202,987	211,093	4.0%
61	56	SWINDON	164,478	170,099	3.4%
49	53	TORBAY	181,931	173,992	-4.4%
16	17	WILTSHIRE	249,827	239,404	-4.2%
		SOUTH WEST	226,487	222,901	-1.6%
108	108	BLAENAU GWENT	72,036	80,109	11.2%
88	88	BRIDGEND	136,773	135,114	-1.2%
95	96	CAERPHILLY	125,469	121,585	-3.1%
48	46	CARDIFF	184,017	185,307	0.7%
82	90	CARMARTHENSHIRE	143,933	133,090	-7.5%
42	45	CEREDIGION	198,810	186,948	-6.0%
64	63	CONWY	160,462	159,410	-0.7%
78	75	DENBIGHSHIRE	151,148	148,425	-1.8%
70	69	FLINTSHIRE	154,528	154,530	0.0%
66	64	GWYNEDD	160,041	158,871	-0.7%
60	62	ISLE OF ANGLESEY	168,512	159,811	-5.2%
104	107	MERTHYR TYDFIL	102,227	91,785	-10.2%
38	30	MONMOUTHSHIRE	202,315	215,582	6.6%
101	102	NEATH PORT TALBOT	112,339	106,645	-5.1%
85	77	NEWPORT	141,402	146,871	3.9%
58	55	PEMBROKESHIRE	170,726	173,393	1.6%
52	52	POWYS	179,281	175,748	-2.0%
105	103	RHONDDA CYNON TAFF	102,210	104,487	2.2%
79	80	SWANSEA	148,127	145,095	-2.0%
35	34	THE VALE OF GLAMORGAN	204,381	207,288	1.4%
97	91	TORFAEN	124,058	130,673	5.3%
63	71	WREXHAM	160,532	153,539	-4.4%
		WALES	152,885	151,986	-0.6%
27	28	HEREFORDSHIRE	216,607	216,215	-0.2%
29	42	SHROPSHIRE	214,895	201,766	-6.1%



56	57	STAFFORDSHIRE	174,101	169,168	-2.8%
107	105	STOKE-ON-TRENT	95,278	99,178	4.1%
30	22	WARWICKSHIRE	211,135	225,323	6.7%
74	73	WEST MIDLANDS	152,669	151,055	-1.1%
34	39	WORCESTERSHIRE	205,750	202,440	-1.6%
71	76	WREKIN	154,385	147,923	-4.2%
		WEST MIDLANDS	172,262	171,272	-0.6%
106	106	CITY OF KINGSTON UPON HULL	100,120	95,336	-4.8%
59	58	EAST RIDING OF YORKSHIRE	168,728	164,879	-2.3%
100	99	NORTH EAST LINCOLNSHIRE	115,514	113,458	-1.8%
94	93	NORTH LINCOLNSHIRE	127,244	127,396	0.1%
25	25	NORTH YORKSHIRE	220,060	222,333	1.0%
89	86	SOUTH YORKSHIRE	136,108	136,025	-0.1%
73	74	WEST YORKSHIRE	153,176	149,215	-2.6%
43	43	YORK	198,124	200,700	1.3%
		YORKS & HUMBER	155,801	153,909	-1.2%
		ALL ENGLAND & WALES	223,977	221,051	-1.3%

This month we publish the average house price for each of the 108 Counties and Unitary Authorities in England & Wales, for both February 2011 and 2012, and show the percentage change over the year. Over this period, the average house price in England & Wales, as a whole, has fallen by -1.3%, but considerable variation, from +13.5% (Middlesbrough) to -17.9% (Northumberland), occurs at the individual Unitary Authority level. Over the year, 73 of the 108 Unitary Authority areas, some 68%, have witnessed a decline in prices. Last month the equivalent figure was 81.

Regional data table



Table 4. Average house prices by region, March 2011 - February 2012, 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
Mar-11	£147,672	-0.4	-3.1	£153,260	-0.9	-3.5	£160,701	-0.5	-2.2	£171,835	-0.2	-2.6
Apr-11	£145,539	-1.4	-3.1	£152,285	-0.6	-4.4	£159,642	-0.7	-2.3	£171,096	-0.4	-2.1
May-11	£144,277	-0.9	-3.3	£150,595	-1.1	-5.1	£158,612	-0.6	-3.3	£170,992	-0.1	-1.7
Jun-11	£142,172	-1.5	-4.2	£151,132	0.4	-3.9	£159,402	0.5	-3.3	£169,442	-0.9	-3.5
Jul-11	£139,111	-2.2	-6.2	£152,585	1.0	-2.4	£159,812	0.3	-2.6	£168,583	-0.5	-3.7
Aug-11	£137,393	-1.2	-6.7	£153,327	0.5	-2.4	£160,262	0.3	-2.2	£169,695	0.7	-4.1
Sep-11	£137,923	0.4	-7.0	£152,648	-0.4	-3.8	£160,191	0.0	-2.2	£169,523	-0.1	-4.1
Oct-11	£139,611	1.2	-5.8	£151,805	-0.6	-4.0	£159,912	-0.2	-2.3	£170,695	0.7	-3.4
Nov-11	£138,705	-0.6	-5.7	£151,057	-0.5	-3.4	£160,249	0.2	-1.4	£169,069	-1.0	-3.3
Dec-11	£137,906	-0.6	-5.3	£150,026	-0.7	-3.5	£159,614	-0.4	-1.2	£170,126	0.6	-2.0
Jan-12	£138,118	0.2	-5.7	£149,667	-0.2	-3.2	£159,795	0.1	-1.1	£170,041	-0.1	-1.9
Feb-12	£139,205	0.8	-6.1	£150,280	0.4	-2.8	£159,969	0.1	-1.0	£171,272	0.7	-0.6

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Mar-11	£152,661	-0.1	-2.2	£156,498	0.4	-2.8	£224,242	-1.0	-0.4	£200,252	0.7	-1.6
Apr-11	£150,681	-1.3	-3.0	£155,918	-0.4	-2.6	£224,000	-0.1	-0.7	£199,777	-0.2	-1.2
May-11	£148,833	-1.2	-4.0	£154,239	-1.1	-3.2	£222,082	-0.9	-2.1	£200,048	0.1	-1.3
Jun-11	£149,014	0.1	-4.2	£152,782	-0.9	-3.8	£220,421	-0.7	-2.6	£198,175	-0.9	-2.7
Jul-11	£149,865	0.6	-3.6	£152,667	-0.1	-4.0	£220,377	0.0	-2.7	£198,045	-0.1	-3.6
Aug-11	£151,752	1.3	-2.6	£154,097	0.9	-3.8	£220,644	0.1	-2.4	£197,976	0.0	-3.1
Sep-11	£152,018	0.2	-2.4	£153,752	-0.2	-4.0	£222,188	0.7	-2.0	£197,838	-0.1	-3.2
Oct-11	£154,954	1.9	0.0	£153,182	-0.4	-3.6	£222,285	0.0	-1.6	£197,637	-0.1	-2.1
Nov-11	£154,391	-0.4	0.8	£152,662	-0.3	-3.4	£220,922	-0.6	-1.5	£196,607	-0.5	-1.5
Dec-11	£153,696	-0.5	1.2	£153,633	0.6	-2.0	£221,073	0.1	-2.4	£195,494	-0.6	-1.5
Jan-12	£152,020	-1.1	-0.1	£153,532	-0.1	-2.2	£221,448	0.2	-1.6	£194,783	-0.4	-1.9
Feb-12	£151,986	0.0	-0.6	£153,909	0.2	-1.2	£222,901	0.7	-1.6	£195,337	0.3	-1.7

	South East			Greater London			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Mar-11	£271,487	0.6	3.0	£395,183	1.0	5.8	£224,417	0.2	1.0
Apr-11	£267,499	-1.5	1.5	£389,309	-1.5	5.0	£222,135	-1.0	0.3
May-11	£263,740	-1.4	-0.6	£379,167	-2.6	2.5	£219,134	-1.4	-1.1
Jun-11	£261,806	-0.7	-1.8	£373,848	-1.4	-0.2	£217,478	-0.8	-2.2
Jul-11	£263,582	0.7	-1.6	£380,789	1.9	0.6	£218,785	0.6	-2.0
Aug-11	£265,245	0.6	-1.4	£387,597	1.8	1.7	£220,445	0.8	-1.6
Sep-11	£263,983	-0.5	-1.6	£389,060	0.4	2.6	£220,409	0.0	-1.6
Oct-11	£263,387	-0.2	-1.3	£392,418	0.9	3.6	£220,877	0.2	-1.0
Nov-11	£260,956	-0.9	-1.3	£391,355	-0.3	3.2	£219,653	-0.6	-0.9
Dec-11	£260,463	-0.2	-1.5	£393,939	0.7	3.1	£219,774	0.1	-0.8
Jan-12	£261,056	0.2	-1.9	£394,856	0.2	2.5	£219,926	0.1	-1.0
Feb-12	£262,017	0.4	-2.9	£398,183	0.8	1.7	£221,051	0.5	-1.3
Mar-12							£221,543	0.2	-1.3



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 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) 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 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 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 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.



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