



Under embargo until 00:01 Friday 17th April 2015

March 2015

House price growth slowest since 2013

- **March sees smallest annual change in house prices for sixteen months, at 5.6% (£14,620)**
- **Despite slower rises, average property prices across England and Wales set new record at £275,123**
- **Slowdown more prevalent in the south as London hit by higher stamp duty and threat of Mansion Tax**
- **Sales up 11.6% in March – but only half the typical monthly upswing expected at this time of year**
- **In the run-up to the General Election, sales are down 5% year-on-year in Q1**

House Price	Index	Monthly Change %	Annual Change %	Annual Change % (excluding London & SE)
£275,123	267.7	0.2	5.6	3.5

Adrian Gill, director of Reeds Rains and Your Move estate agents, comments: “Property prices in England and Wales continue to hit new heights, yet the cogs of the machinery are flagging to the most laboured pace we’ve witnessed for sixteen months. Slowing to 5.6% in March 2015, annual house price growth has now been waning for half a year, and hasn’t been this sluggish since November 2013. But with homes on average worth £14,620 more than a year ago, it’s a far cry from anything worth lamenting from a bird’s eye view – even if people on the ground might feel somewhat differently. While price inflation simply isn’t as rapid as it was, the stamina is still strong, and prices edged forward another 0.2% in March.

“While house prices might still be on the up, sales appear to be treading water. Completed home sales in March 2015 totalled 72,200 – on the surface, this marks a strong 11.6% increase on February, but delving a little deeper reveals this is only half the uplift we would usually expect for the market at this typically animated time of year. Taking Q1 2015 as a whole, we’ve seen 5% fewer completed home sales than in the first quarter of last year.

“But this is far from a typical year. With the General Election tightening its tempo every week up until May 7th, cautious buyers are holding back to wait and see which way the chips fall. Property regulation is a hot topic in one of the most uncertain UK elections in a generation: no one wants to have the rug pulled from under their feet before they’ve made it through the front door.

“Examining the regional pattern of movement, it becomes apparent that we’re seeing less of a downturn than a convergence. The radical stamp duty overhaul has greatly boosted the prospects of buyers across the country, and injected new life into areas where prices have been stalled and the recovery is yet to show its face. But the small minority of those negatively affected by the restructuring of the old slab system are disproportionately concentrated in the more expensive, southern regions of England. Naturally, London has been the hardest hit at the sharp end of this reform, and also most directly threatened by future mansion tax, possessing the lion’s share of high-end property, and the clustering of properties in the million pound price bracket mirrors the locations where price rises have cooled most quickly. Between January and February, the South West has seen annual house price rises fall back by 1.1 percentage points from 5.5% to 4.4% – the most marked slowdown across England and Wales, and closely followed by London and the South East, which both experienced downtrends to the tune of 0.9 percentage points. While values in London and the South West are no longer at their peak, the East and West Midlands and East of England are instead among those setting new price records in February.

“For so long, London has been the workhorse dragging up overall measures of UK house price growth, but we’ve reached a new equilibrium. While house price growth is more measured than it was a year ago, it’s also far more evenly distributed across the country, with London having the most negligible impact on barometers of house price growth for three years. The difference between annual growth including and excluding the capital is now only 0.7%, the smallest gap since March 2012. Striking this fairer balance between London and the rest of the country is only good news for the long-term sustainability of the housing market recovery.”

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 March 2014 – March 2015

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
March	2014	£260,503	252.8	1.1	8.0
April	2014	£262,073	254.3	0.6	8.4
May	2014	£265,138	257.2	1.2	9.8
June	2014	£267,874	260.1	1.0	10.8
July	2014	£269,569	261.5	0.6	11.1
August	2014	£271,586	263.5	0.7	11.2
September	2014	£273,167	264.9	0.6	11.1
October	2014	£274,180	266.1	0.4	10.9
November	2014	£273,809	266.3	-0.1	10.2
December	2014	£273,025	265.7	-0.3	8.7
January	2015	£273,477	266.1	0.2	7.2
February	2015	£274,604	267.2	0.4	6.5
March	2015	£275,123	267.7	0.2	5.6

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

House prices

House prices in England and Wales continue to rise, albeit at a slowing rate. In March 2015, the average price paid for a home was £275,123. This was an increase of £519, or 0.2% over February and approximately 15% or £35,287 higher than the £239,836 seen at the peak of the previous boom in February 2008.

On an annual basis, house price growth in March was 5.6%, with the average price of a home being £14,620 higher than a year earlier. However, as is evident in Figure 1 below, the annual rate of house price growth has been slowing over the last six months. On page 8, we show that the decline in the annual rate of house price growth is being experienced across nine of the ten regions in England & Wales; this suggests that the slowdown in London prices is rippling out across the remainder of the country, but is more pronounced in the southernmost regions of the country.

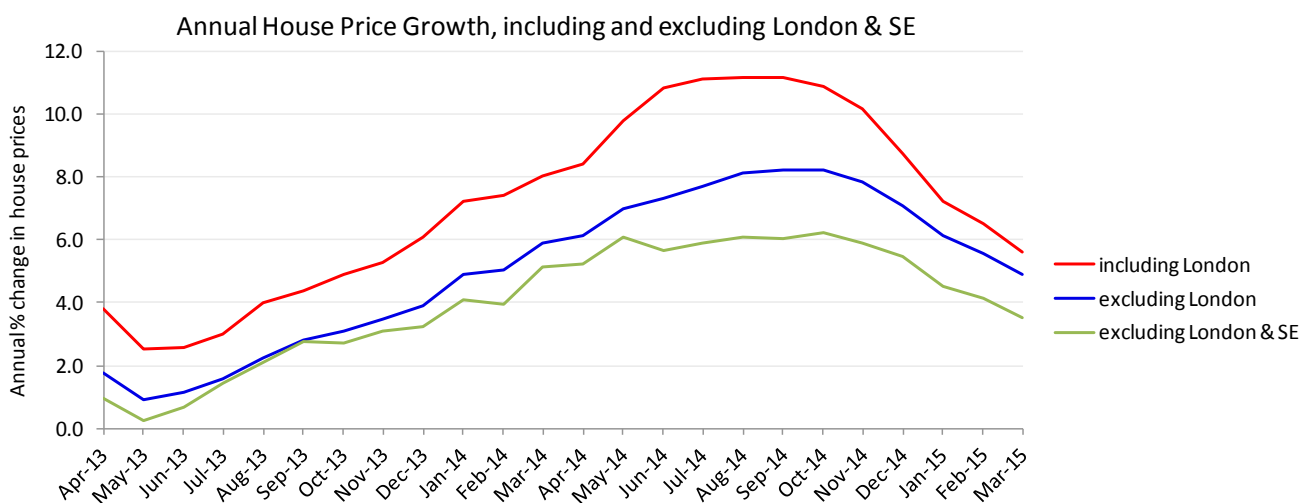


Figure 1. The Annual Rate of House Price Growth in England & Wales by month April 2013 – March 2015, including and excluding London & SE [link to source Excel](#)

Figure 1 illustrates one of the major features of the housing market over the last two years – that London, and to a lesser extent the South East, have been dominating the rate of house price inflation across England & Wales, causing the observable gap in the rates of house price growth when comparing the market with and without these two areas. However, the dominance of Greater London and the South East is waning, with the rates of house price inflation across all regions converging over the last six months.

As we discuss on page 5, one of the major changes that has taken place in the housing market over the last two years is the radical restructuring of the stamp duty. The changes in stamp duty took place on 4th December 2014 and apply to all property purchases from that date onwards. In general, the amount of tax payable on the purchase of a property fell in the price brackets £125,000 - £937,500 and in a ‘sweet’ spot from £1,000,000 - £1,125,000, but became higher on properties priced in excess of £1,125,000. At the time of the introduction of the new rates we calculated that for the period October 2013 – September 2014, there were 11,218 property sales in England & Wales at a price of £1,125,000 and above. Of this total, 69% were in the Greater London area, 19% were in the South East, 6% were in the East of England, 3% were in the South West and 3% in the remaining five regions of England & Wales – clear evidence of the likely concentrated impact of this tax change. The property buyers who have been, and will continue to be, hardest hit by the new rates of SDLT are nearly all based in the south of England. The closing gap in the rate of house price growth between London and the remainder of the country, observable in the above graph from December onwards, is in part likely to be a result of these stamp duty changes – slowing the market in the high tax areas while the rest of the market has been tax advantaged.

It will be interesting to see how the different party manifestos deal with housing-related issues. We have already had the commitment to boosting housing supply well trailed, along with some taxation measures. The manifestos will be issued after this commentary has gone to press, but it is evident that housing has moved up the political agenda from 11th in late 2014 to 7th in February, and is still rising. Little wonder then that there have been announcements about boosting home ownership and help in the payment of rental deposits. What impact any of these measures might have should they become policy is hard to determine. Increased supply is aimed at easing affordability constraints, but it is evident that there would have to be a sharp and sustained increase in supply to have real impact on price trends.



Housing has a strong economic multiplier effect, as is evident from the recent Home Builders Federation report *The economic footprint of UK house building* prepared by Nathaniel Lichfield and Partners in March 2015. As modelling elsewhere has shown, the general economic boost from new construction can fuel a rise in wages, which if backed by increased mortgage supply can then result in rising house prices, hence offsetting the gains from the additional supply. This in turn can depress transactions. What this highlights are the complex interactions around the market, and the need to recognise that increasing housing supply is a necessary but not sufficient solution to current housing market problems. In that regard, short term interventions in the market of the type that sometimes emerge in manifestos can be part of the problem. With important structural change working through the housing market, it is little wonder there have been calls for a thorough and all-encompassing review as a basis for informed policy interventions in this market.

Housing Transactions

We estimate that the number of housing transactions in England & Wales in March 2015, as recorded by the Land Registry, will total some 72,200. This is 11.6% higher than the level seen in February 2015, compared to a typical seasonal increase of 23% for the time of year, so the rebound in March sales has only been half that which might have been anticipated for the month. However, if the March transactions (which are still being processed by the Land Registry) do reach 72,200 this will be 6% higher than the number of sales recorded in March 2014. Over Q1 2015 we estimate that transactions in England & Wales will total 189,950; this figure is 9,100, or 5%, lower than that seen in Q1 2014.

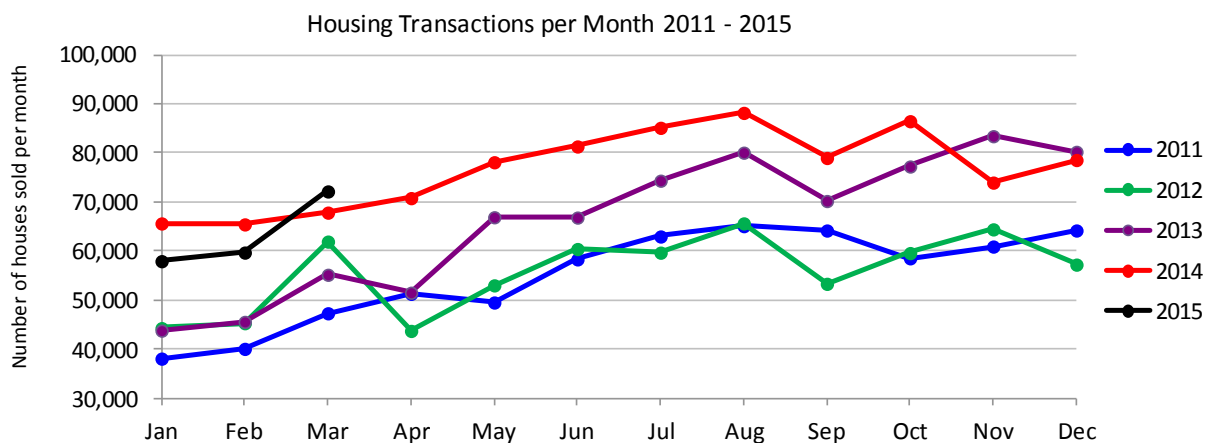


Figure 2. Number of properties sold per month in England & Wales, January 2011 – March 2015. Source Land Registry [link to source Excel](#)

As can be observed in Figure 2 above, for each of the four months, Nov 2014 – Feb 2015, the number of transactions this year has been lower than the same month twelve months earlier. Market observers suggest that the subdued sales in the current year, when compared to the previous year, is a by-product of both the hopefully shorter term uncertainties surrounding the forthcoming General Election (which should disappear once the result has been determined), and what could be a longer term secular change in the annual number of transactions.

In its recently published report, *The new 'normal' – one year on*, the IMLA (Intermediary Mortgage Lenders Association) suggests that there has been a structural decline in the rate of house sales. "In the 1980s, annual turnover averaged over 12% of the private housing stock, so houses changed hands once every 8 years on average. This has fallen to 4.5% so far in the 2010s, meaning that the average home now only changes hands every 23 years. Low housing turnover is driven by people buying their first home later; by a larger private rented sector, where turnover is lower; and by the baby boomer 'hoarding effect' where middle-aged homeowners are staying put, tying up a large part of the housing stock."

The IMLA report also notes that transaction costs, particularly relating to stamp duty, have substantially increased over the last 17 years. "Until 1997, Stamp Duty had never exceeded 1% regardless of the value of the sale. Rates on higher value properties were subsequently moved up. Now the top marginal rate is 12%." The IMLA concludes that "All these factors are likely to keep turnover down for years to come."

The average turnover, as measured by the Land Registry, for the 10 years 1998 – 2007, was 1.22 million per annum. In 2014 we estimate the total number of transactions at 920,000. Bearing in mind the discussion above, the likelihood that turnover in 2015 will return to the levels reached prior to the credit crunch of 2008 is looking remote.



Analysing sale price bands

This month we include an analysis of the frequency distribution by price of the sale of properties in England & Wales for the Year 2014. The data source for this frequency distribution analysis is the Land Registry price paid dataset, which lists every arms-length transaction in the domestic property markets of England & Wales, but excludes reposessions, properties sold to commercial organisations, eg, private landlords trading as companies and properties sold by auction.

Frequency Distribution of Housing Transactions January to December 2014

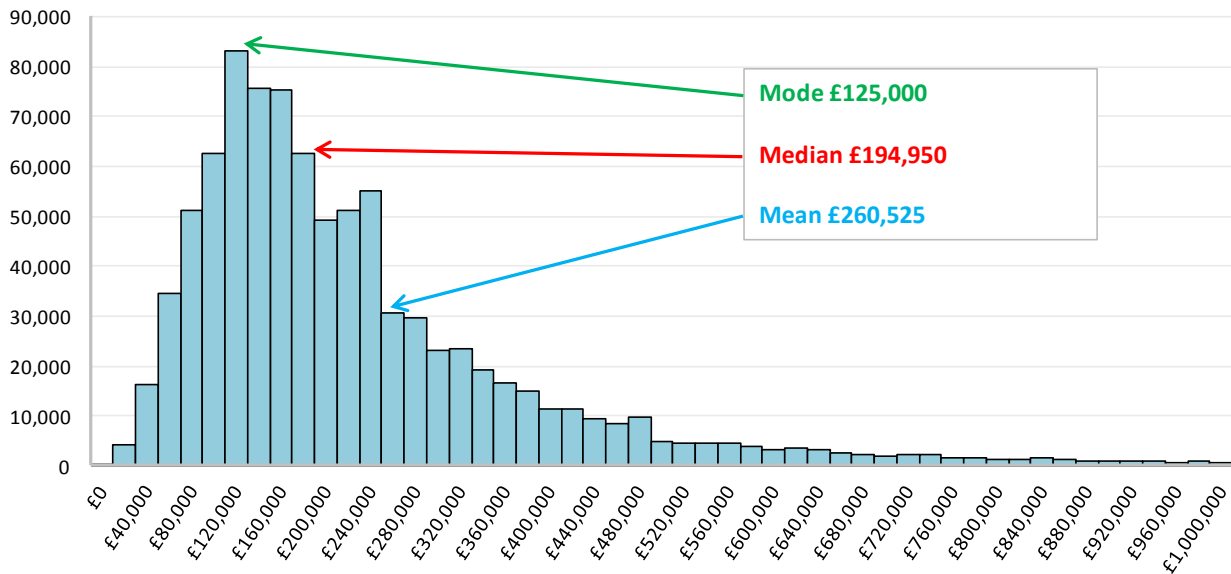


Figure 3. The frequency distribution of housing transactions from Jan - Dec 2014, analysed by purchase price

[link to source Excel](#)

Unsurprisingly, the distribution as shown in Figure 3 is left skewed, with a long tail of the most expensive properties to the right. The total number of properties currently recorded in the Land Registry price paid dataset for 2014 is 901,620, although this number is likely to increase marginally as further property sales are declared. In the interests of space, we have truncated the scale along the bottom (x) axis to £1 million (the highest valued property sold during 2014 was for £50 million).

The main measures used by statisticians to describe such a distribution are the mode (the most frequent price), the median (the half-way price) and the mean (the arithmetic average price). In the above distribution the mode is £125,000, (no change from 2013), the median is £194,950 (a £9,950 increase over 2013) and the arithmetic mean is £260,525 (a £13,700 increase from the average for 2013).

The mode price at £125,000 corresponds to the level at which stamp duty becomes payable on the sale of a property. It would thus appear that the most frequent price at which a property is sold matches the highest price at which stamp duty remains at a zero rate. It is quite clear that the then-existing stamp duty thresholds have had an influence on the distribution of property prices right up the price scale. There is an observable cliff edge in the distribution at £250,000, where the old slab SDLT rates changed from 1% to 3% and a similar, if smaller, cliff edge at £500,000 when the old slab SDLT rates changed from 3% to 4%. These cliff edges were inevitable given the previous slab system for stamp duty, which meant buyers had to negotiate hard to stay under those price points and thus pay less duty.

However, from 4th December 2014 onwards the previous slab system of stamp duty has been changed to a more progressive graduated tax. Although the first stamp duty band remains at £125,000, one no longer has to pay tax on the first £125,000 of the purchase, so tax on a £126,000 home will be charged at 2% of the £1,000 above £125,000 = £20, instead of the old system where the tax would have been charged at 1% of £126,000 = £1,260. We therefore anticipate that under the new tax system, the threshold limits which are observable in the above graph will have less impact, as the significance of the additional tax that is payable at each threshold has been reduced. We may therefore see the 'mode' price (the most frequent price paid for a property) start to increase as the significance of the £125,000 tax threshold is now less marked.



We can also anticipate the disappearance of the cliff edge at £250,000, as the higher 5% tax rate above this level only applies to the value of the property in excess of £250,000. The next threshold under the new system is at £925,000, so the cliff edge at £500,000, observable in the above graph, is also likely to disappear. We will be publishing a frequency distribution for the first half of 2015 in September. We await its future shape with keen interest.

CHANGE IN MIX ADJUSTMENT

We should advise that due to errors made by the Land Registry in the analysis of its database, the weights which we calculated for our own house price index and published last month were also in error. We have made the necessary relatively minor corrections this month. It does however mean that our back data has had to be revised from that issued last month. We apologise to our readers for any inconvenience this may cause.

For those financial institutions that use the LSL Acad Index as a measure of house price change, we should advise that we have chain-linked¹ our Index (Jan 2000 = 100.0) to that recorded in December 2014 at 265.7, using the previously adopted weights. Thus the index from Jan 2000 – Dec 2014 is frozen at the levels recorded over the last fifteen years using the original weights, with changes in the Index post December 2014 reflecting the changes in price that take place using the new weights from January 2015 onwards.

¹ For a discussion on, and explanation of, chain-linking can we point the reader to the following article published by the ONS:
www.ons.gov.uk/ons/rel/elmr/economic-trends--discontinued-/no--630--may-2006/methodological-note--annual-chain-linking.pdf

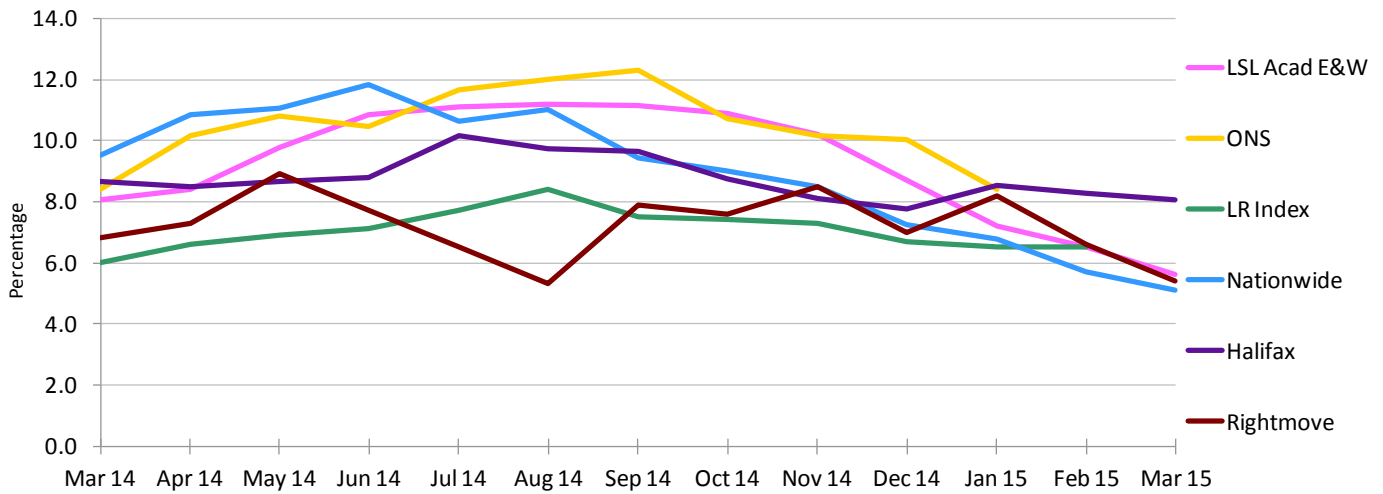


Figure 4. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

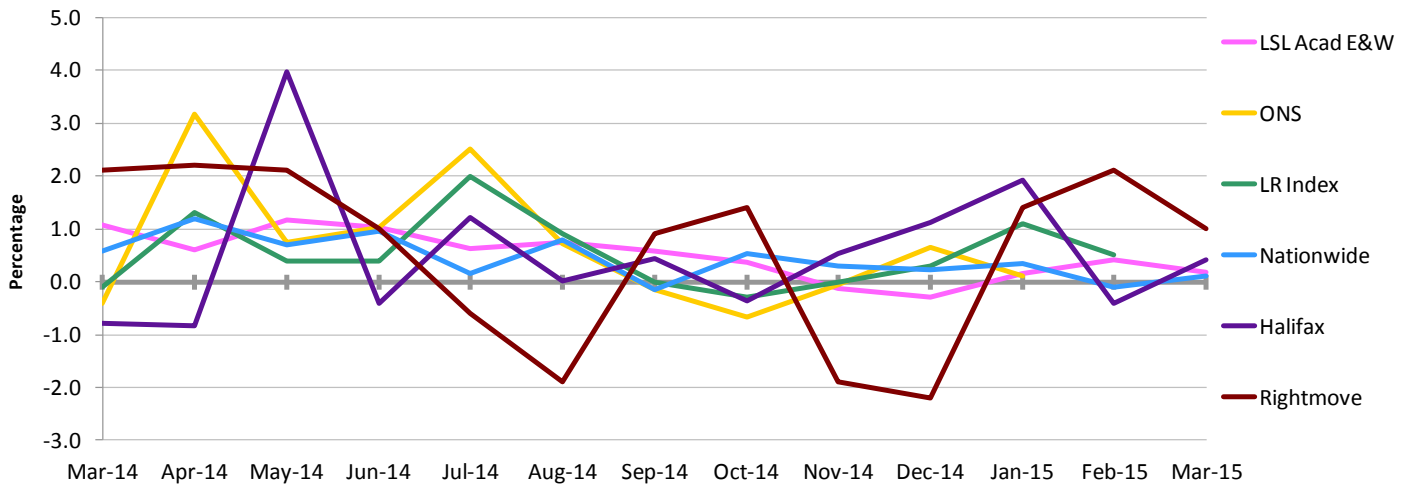


Figure 5. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

As Figure 4 shows, all indices are showing positive movements over the year in terms of the annual change in house prices, with the highest rate that recorded by the ONS in Sep 2014 at 12.3% and the lowest rate being recorded by Nationwide in March 2015, at 5.1%. In March 2015, three indices are in a tight grouping showing annual price rises in the range 5.1% (Nationwide) to 5.6% (LSL Acad), with Halifax being somewhat out on a limb at 8.1%. However, all four indices that have published their results to date for March 2015 are showing a lower figure in March than the previous month, indicating general agreement that the rate of **annual** house price change has fallen during the month. The Halifax has the smallest decline in the rate of annual change (-0.2%), when comparing March rates to February, while Rightmove shows the largest change (-1.2%): however, the Rightmove figures tend to be more volatile than the other indices, reflecting market expectations as opposed to achieved prices.

In Figure 5, which covers the **monthly** change in house prices, all four indices that have published their figures for March show a rise in prices, ranging from +1.0% (Rightmove) to +0.1% (Nationwide), with LSL Acad and Halifax between these two rates at +0.2% and +0.4% respectively. Again, the Rightmove figure has the highest change over the month, but this should be considered more as a sentiment measure (based on asking prices) rather than achieved prices. All the major index providers appear to agree that conditions are currently positive in the market, with higher employment levels and continuing low rates of interest creating favourable conditions for the purchase of properties. However, all are remaining relatively cautious in their predictions for the year, citing the upcoming election as having a negative impact on transaction levels in the short term.

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 our website given that these differences are now a key area for debate and intervention.

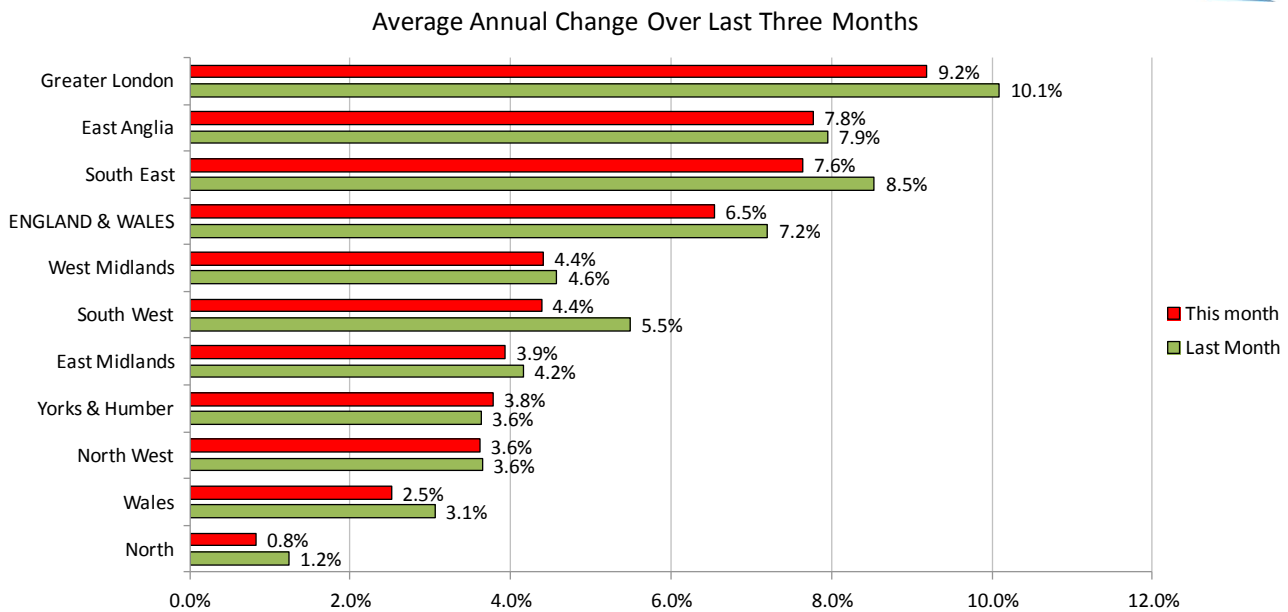


Figure 6. The annual change in the average house price, analysed by region [link to source Excel](#)

For the second month running, we can see from Figure 6 above that although all regions remain in positive territory in terms of house price rises on an annual basis, the averaged annual rate of change for each region has fallen in February compared to the previous month, except in Yorkshire and Humberside. The South West saw the largest drop in the annual rate of house price growth, down 1.1% compared to the previous month, closely followed by Greater London and the South East, both down by 0.9%. House prices are therefore falling at their fastest rate in the southernmost areas of England, but this pattern of change, of a slowing in the rate of house price growth, is now spreading out across the remainder of England and Wales.

London and the South East v the Rest

This month we also explore the extent to which the annual house price inflation in England & Wales would differ if we were to exclude both Greater London and the South East from the HPI calculations. The results of this analysis are shown in Table 2 below, and as expected, the annual rate is lower with London & the SE excluded. It is however noticeable that the gap between the rates including and excluding Greater London and the South East is beginning to diminish. This gap was at its maximum in July 2014 at 5.2%, but has subsequently reduced to 2.1% in March 2015. This accords with the view of the many analysts who have predicted that the price of properties in both Greater London and the South East will fall at a faster rate than the remainder of England & Wales.

Month	including London (A)	excluding London	excluding London & SE (B)	difference 'the gap' (A) – (B)
Mar-14	8.0	5.9	5.1	2.9
Apr-14	8.4	6.2	5.2	3.2
May-14	9.8	7.0	6.1	3.7
Jun-14	10.8	7.3	5.7	5.1
Jul-14	11.1	7.7	5.9	5.2
Aug-14	11.2	8.1	6.1	5.1
Sep-14	11.1	8.2	6.0	5.1
Oct-14	10.9	8.2	6.2	4.7
Nov-14	10.2	7.9	5.9	4.3
Dec-14	8.7	7.1	5.5	3.2
Jan-15	7.2	6.1	4.5	2.7
Feb-15	6.5	5.5	4.1	2.4
Mar-15	5.6	4.9	3.5	2.1

Table 2. The annual percentage change in house prices in England & Wales, from March 2014 – March 2015, including and excluding Greater London and the South East. [link to source Excel](#)



ANNUAL CHANGE IN PRICE BY REGION

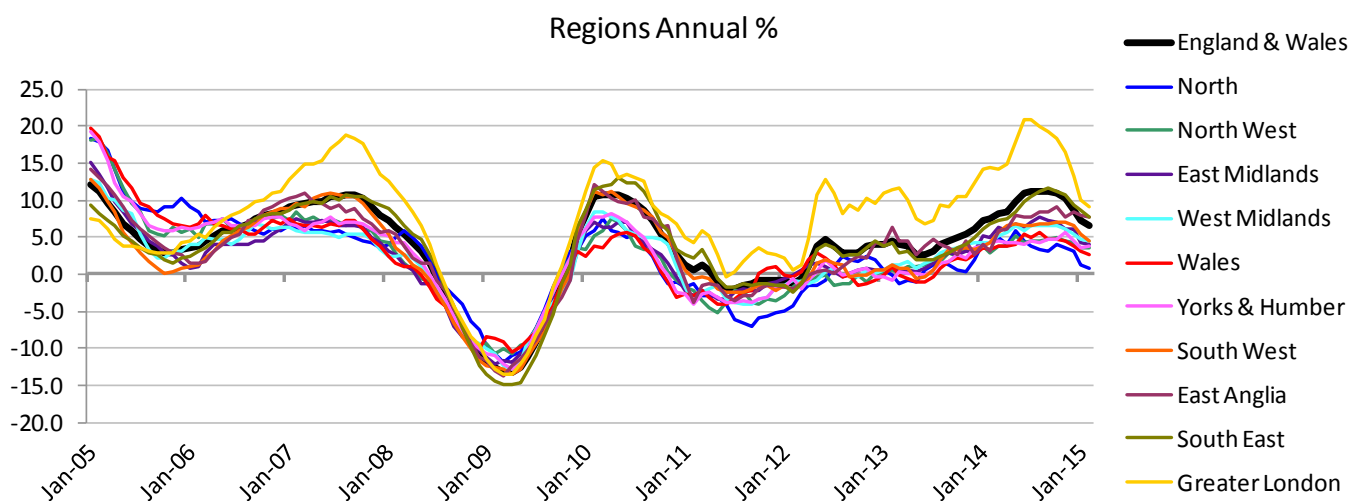


Figure 7. A comparison of the annual change in house prices, by region for the period January 2005 – February 2015

[link to source Excel](#)

Note that individual regions can be compared using our “National and Regional series from 2005 with Interactive Charts”, linked from page 9 NOTE 4 below 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.

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.

London boroughs, Counties and unitary authorities



Table 3. The change in house prices, for the 33 London boroughs, comparing February 2014 and January 2015 with February 2015. [link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Feb-14	Jan-15	Feb-15	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,852,157	1,805,160	1,851,226	2.6%	-0.1%
2	2	CITY OF WESTMINSTER	1,238,996	1,539,412	1,521,012	-1.2%	22.8%
4	3	CITY OF LONDON	861,806	960,262	1,039,286	8.2%	20.6%
5	4	HAMMERSMITH AND	816,348	1,008,977	971,553	-3.7%	19.0%
3	5	CAMDEN	886,467	941,510	930,607	-1.2%	5.0%
6	6	RICHMOND UPON THAMES	686,136	762,722	757,045	-0.7%	10.3%
8	7	ISLINGTON	639,791	698,214	722,827	3.5%	13.0%
7	8	WANDSWORTH	651,615	709,377	692,785	-2.3%	6.3%
10	9	BARNET	526,808	562,588	560,139	-0.4%	6.3%
11	10	MERTON	486,739	537,727	548,739	2.0%	12.7%
9	11	LAMBETH	563,711	526,474	546,051	3.7%	-3.1%
14	12	SOUTHWARK	483,041	536,971	533,243	-0.7%	10.4%
13	13	HACKNEY	484,384	511,832	517,136	1.0%	6.8%
12	14	EALING	484,403	505,325	512,198	1.4%	5.7%
15	15	HARINGEY	473,563	505,356	498,260	-1.4%	5.2%
18	16	KINGSTON UPON THAMES	449,382	496,601	494,004	-0.5%	9.9%
16	17	BRENT	473,215	505,217	493,238	-2.4%	4.2%
20	18	HARROW	414,606	452,298	451,963	-0.1%	9.0%
17	19	TOWER HAMLETS	450,955	455,299	447,131	-1.8%	-0.8%
19	20	HOUNSLOW	425,272	420,675	430,734	2.4%	1.3%
21	21	BROMLEY	369,658	415,878	415,802	0.0%	12.5%
22	22	GREENWICH	349,737	383,519	393,201	2.5%	12.4%
23	23	LEWISHAM	340,812	385,211	392,961	2.0%	15.3%
26	24	REDBRIDGE	329,707	375,808	378,318	0.7%	14.7%
24	25	ENFIELD	333,845	369,222	370,561	0.4%	11.0%
25	26	HILLINGDON	332,875	366,350	369,865	1.0%	11.1%
27	27	WALTHAM FOREST	311,319	357,008	355,376	-0.5%	14.2%
28	28	SUTTON	304,106	338,749	336,857	-0.6%	10.8%
29	29	CROYDON	294,258	327,533	330,637	0.9%	12.4%
30	30	HAVERING	279,633	306,981	309,769	0.9%	10.8%
31	31	BEXLEY	251,193	285,046	286,062	0.4%	13.9%
32	32	NEWHAM	248,010	277,248	283,169	2.1%	14.2%
33	33	BARKING AND DAGENHAM	199,827	231,038	232,073	0.4%	16.1%
		ALL LONDON	512,570	558,866	559,665	0.1%	9.2%

Table 3 above shows the average house price and percentage change (over the last month and year) by London borough for February 2014, January 2015 and February 2015. The rate of annual house price inflation in London in February 2015 was 9.2%, down from a restated 10.1% in January. Housing analysts are anticipating further reductions in the rate of annual house price inflation in the London market over the next few months, as the higher SDLT rates on properties over £1.1 million, concerns over a possible mansion tax and potential changes to the non-dom status of residents who live in Central London - consequent upon the outcome of the General Election - begin to have an effect.

In February 2015 there were three London boroughs experiencing declines in the annual rate of house price inflation – two of these also witnessed declines in January, being Kensington & Chelsea, down 0.1%, and Lambeth down 3.1%. These two boroughs were joined by Tower Hamlets, which is down 0.8% on the year. Aside from these three areas, all the boroughs in London have witnessed rising prices on an annual basis, ranging from 22.8% in the City of Westminster to 1.3% in Hounslow.

During the month of February, average house prices marginally increased in London by 0.1%, which contrasts with the 1.0% increase in the monthly rate observed 12 months earlier, which neatly demonstrates the slowing of house prices in the capital in 2015. It is interesting to observe from the above table that the fall in house prices in the month is predominantly occurring in the higher priced areas of London, while homes in the lower priced boroughs continue to rise in price. For example, if one takes the top 16 London boroughs ranked by price, nine of these boroughs had price falls in the month, while in the bottom 16 boroughs ranked by price only four saw prices fall.

A similar story is evident in those boroughs that have set a new maximum peak price in February, highlighted in grey in the above table. Of the nine boroughs with new peak prices, only 2 are in the top third of boroughs ranked by price, 1 is in the middle third of boroughs by price, while 6 are in the lower third of boroughs ranked by price. In London we are therefore continuing to see strong demand for lower priced properties, and not least in the East of the capital, with a decline in the 'attractiveness' of properties in the more expensive prime central areas. In terms of transactions over the last year, Barking & Dagenham has seen the largest increase in sales at +33%, while Hammersmith & Fulham had the largest fall, at -37%.

London boroughs, Counties and unitary authorities



Counties and Unitary Authorities

Table 4. The annual percentage change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England & Wales, comparing February 2014 and January 2015 with February 2015. 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	Feb-14	Jan-15	Feb-15	Monthly change	Annual Change
18	18	CAMBRIDGESHIRE	261,024	276,576	279,527	1.1%	7.1%
61	71	CITY OF PETERBOROUGH	171,926	165,259	168,286	1.8%	-2.1%
49	45	NORFOLK	195,186	208,518	210,376	0.9%	7.8%
43	38	SUFFOLK	208,120	227,782	229,428	0.7%	10.2%
		EAST ANGLIA	214,885	229,421	231,577	0.9%	7.8%
85	85	CITY OF DERBY	146,686	150,516	149,854	-0.4%	2.2%
96	96	CITY OF NOTTINGHAM	126,657	135,365	135,480	0.1%	7.0%
66	65	DERBYSHIRE	168,298	171,166	171,996	0.5%	2.2%
84	81	LEICESTER	147,726	151,747	155,738	2.6%	5.4%
45	48	LEICESTERSHIRE	198,126	203,001	202,686	-0.2%	2.3%
70	68	LINCOLNSHIRE	162,507	169,331	169,459	0.1%	4.3%
48	47	NORTHAMPTONSHIRE	195,765	202,187	203,880	0.8%	4.1%
69	64	NOTTINGHAMSHIRE	163,094	169,925	172,225	1.4%	5.6%
11	9	RUTLAND	297,061	311,359	329,548	5.8%	10.9%
		EAST MIDLANDS	172,929	178,610	179,730	0.6%	3.9%
		GREATER LONDON	512,570	558,866	559,665	0.1%	9.2%
60	70	CUMBRIA	172,422	169,738	168,960	-0.5%	-2.0%
87	93	DARLINGTON	144,976	137,441	138,224	0.6%	-4.7%
100	98	DURHAM	122,091	125,533	125,856	0.3%	3.1%
99	92	HARTLEPOOL	125,112	133,953	140,995	5.3%	12.7%
98	100	MIDDLESBROUGH	125,210	120,367	120,136	-0.2%	-4.1%
65	62	NORTHUMBERLAND	169,503	177,968	178,135	0.1%	5.1%
94	95	REDCAR AND CLEVELAND	135,336	133,403	135,755	1.8%	0.3%
83	88	STOCKTON-ON-TEES	148,732	147,095	146,169	-0.6%	-1.7%
81	82	TYNE AND WEAR	153,029	151,982	154,720	1.8%	1.1%
		NORTH	150,388	150,553	151,635	0.7%	0.8%
102	102	BLACKBURN WITH DARWEN	114,566	117,365	116,639	-0.6%	1.8%
106	107	BLACKPOOL	104,222	104,106	103,288	-0.8%	-0.9%
38	37	CHESHIRE	217,685	228,878	230,767	0.8%	6.0%
75	72	GREATER MANCHESTER	157,933	164,216	165,800	1.0%	5.0%
92	89	HALTON	139,563	143,762	145,848	1.5%	4.5%
80	79	LANCASHIRE	154,004	157,071	156,834	-0.2%	1.8%
86	87	MERSEYSIDE	144,985	145,722	146,326	0.4%	0.9%
50	56	WARRINGTON	185,418	186,746	187,598	0.5%	1.2%
		NORTH WEST	161,400	166,261	167,232	0.6%	3.6%
26	22	BEDFORDSHIRE	236,654	260,357	264,765	1.7%	11.9%
13	8	BRACKNELL FOREST	293,490	335,608	336,745	0.3%	14.7%
7	7	BRIGHTON AND HOVE	321,763	352,681	359,437	1.9%	11.7%
3	3	BUCKINGHAMSHIRE	389,415	404,745	404,419	-0.1%	3.9%
17	20	EAST SUSSEX	262,509	273,596	272,063	-0.6%	3.6%
16	16	ESSEX	264,314	281,226	284,114	1.0%	7.5%
14	13	HAMPSHIRE	285,872	304,918	306,908	0.7%	7.4%
5	4	HERTFORDSHIRE	348,427	377,892	382,811	1.3%	9.9%
42	51	ISLE OF WIGHT	210,785	202,874	198,034	-2.4%	-6.0%
21	19	KENT	251,187	274,480	275,335	0.3%	9.6%
63	55	LUTON	170,487	187,591	189,360	0.9%	11.1%
51	50	MEDWAY	185,253	202,414	201,226	-0.6%	8.6%
33	28	MILTON KEYNES	224,982	244,581	245,826	0.5%	9.3%
6	6	OXFORDSHIRE	334,885	360,081	366,993	1.9%	9.6%
52	53	PORTSMOUTH	182,565	190,914	193,702	1.5%	6.1%
19	17	READING	255,978	279,482	283,248	1.3%	10.7%
24	21	SLOUGH	238,688	261,701	265,155	1.3%	11.1%
53	49	SOUTHAMPTON	181,469	199,297	201,592	1.2%	11.1%
32	29	SOUTHEND-ON-SEA	225,036	245,867	245,504	-0.1%	9.1%
2	2	SURREY	445,787	468,476	470,187	0.4%	5.5%
46	41	THURROCK	197,550	221,854	224,949	1.4%	13.9%

London boroughs, Counties and unitary authorities



8	11	WEST BERKSHIRE	314,508	324,310	324,398	0.0%	3.1%
12	12	WEST SUSSEX	293,763	318,523	316,219	-0.7%	7.6%
1	1	WINDSOR AND MAIDENHEAD	470,671	497,118	489,788	-1.5%	4.1%
4	5	WOKINGHAM	351,326	368,216	371,508	0.9%	5.7%
		SOUTH EAST	298,839	319,879	321,674	0.6%	7.6%
9	10	BATH AND NORTH EAST SOMERSET	313,336	326,173	326,565	0.1%	4.2%
44	35	BOURNEMOUTH	206,134	236,813	232,989	-1.6%	13.0%
30	27	CITY OF BRISTOL	225,848	243,566	247,823	1.7%	9.7%
67	66	CITY OF PLYMOUTH	167,081	173,010	171,532	-0.9%	2.7%
31	34	CORNWALL	225,287	235,867	233,225	-1.1%	3.5%
23	26	DEVON	239,860	252,706	252,195	-0.2%	5.1%
15	15	DORSET	272,757	284,702	285,414	0.2%	4.6%
22	25	GLOUCESTERSHIRE	246,455	253,713	252,917	-0.3%	2.6%
27	32	NORTH SOMERSET	235,256	238,636	241,545	1.2%	2.7%
10	14	POOLE	310,045	310,019	305,242	-1.5%	-1.5%
39	43	SOMERSET	215,152	220,998	222,424	0.6%	3.4%
29	31	SOUTH GLOUCESTERSHIRE	226,790	239,146	241,703	1.1%	6.6%
55	57	SWINDON	180,282	185,228	187,090	1.0%	3.8%
54	54	TORBAY	180,666	192,510	191,197	-0.7%	5.8%
20	23	WILTSHIRE	253,377	258,562	258,923	0.1%	2.2%
		SOUTH WEST	235,053	245,278	245,355	0.0%	4.4%
108	108	BLAENAU GWENT	82,160	88,716	89,011	0.3%	8.3%
88	75	BRIDGEND	143,521	154,184	159,804	3.6%	11.3%
97	99	CAERPHILLY	126,540	126,709	124,908	-1.4%	-1.3%
47	46	CARDIFF	197,047	205,411	204,187	-0.6%	3.6%
89	86	CARMARTHENSHIRE	142,491	149,728	149,310	-0.3%	4.8%
58	61	CEREDIGION	177,933	179,523	178,862	-0.4%	0.5%
74	76	CONWY	158,936	163,616	159,789	-2.3%	0.5%
79	80	DENBIGHSHIRE	155,734	156,957	156,425	-0.3%	0.4%
72	67	FLINTSHIRE	162,049	169,358	169,710	0.2%	4.7%
82	83	GWYNEDD	153,003	153,448	154,361	0.6%	0.9%
56	60	ISLE OF ANGLESEY	178,513	176,849	180,669	2.2%	1.2%
107	104	MERTHYR TYDFIL	100,989	107,606	106,126	-1.4%	5.1%
37	40	MONMOUTHSHIRE	218,286	230,609	227,522	-1.3%	4.2%
101	101	NEATH PORT TALBOT	115,975	119,064	119,230	0.1%	2.8%
77	78	NEWPORT	156,404	156,627	157,034	0.3%	0.4%
62	59	PEMBROKESHIRE	170,779	180,462	181,687	0.7%	6.4%
57	52	POWYS	178,445	193,352	197,340	2.1%	10.6%
103	103	RHONDDA CYNON TAFF	110,831	112,540	111,301	-1.1%	0.4%
73	84	SWANSEA	160,601	151,126	152,821	1.1%	-4.8%
28	36	THE VALE OF GLAMORGAN	229,457	221,985	231,328	4.2%	0.8%
91	91	TORFAEN	140,824	140,029	142,437	1.7%	1.1%
71	74	WREXHAM	162,074	156,369	161,331	3.2%	-0.5%
		WALES	159,970	163,219	163,990	0.5%	2.5%
36	33	HEREFORDSHIRE	218,844	232,694	238,679	2.6%	9.1%
40	44	SHROPSHIRE	213,635	211,936	211,593	-0.2%	-1.0%
59	58	STAFFORDSHIRE	176,829	185,661	185,634	0.0%	5.0%
105	105	STOKE-ON-TRENT	105,008	105,268	105,601	0.3%	0.6%
25	24	WARWICKSHIRE	237,926	252,236	255,474	1.3%	7.4%
68	69	WEST MIDLANDS	163,476	168,175	169,385	0.7%	3.6%
41	42	WORCESTERSHIRE	213,031	221,541	223,683	1.0%	5.0%
76	77	WREKIN	157,116	159,298	158,668	-0.4%	1.0%
		WEST MIDLANDS	183,424	190,141	191,508	0.7%	4.4%
104	106	CITY OF KINGSTON UPON HULL	105,488	106,104	104,368	-1.6%	-1.1%
64	63	EAST RIDING OF YORKSHIRE	169,776	173,953	175,772	1.0%	3.5%
95	97	NORTH EAST LINCOLNSHIRE	126,749	128,370	126,576	-1.4%	-0.1%
93	94	NORTH LINCOLNSHIRE	137,933	136,063	136,136	0.1%	-1.3%
34	39	NORTH YORKSHIRE	220,186	227,084	229,425	1.0%	4.2%
90	90	SOUTH YORKSHIRE	141,695	145,281	145,709	0.3%	2.8%
78	73	WEST YORKSHIRE	156,129	161,287	161,801	0.3%	3.6%



35	30	YORK	219,329	245,669	245,031	-0.3%	11.7%
		YORKS & HUMBER	162,445	167,967	168,584	0.4%	3.8%
		ALL ENGLAND & WALES	257,756	273,477	274,604	0.4%	6.5%

Table 4 shows the average house price for each of the 108 unitary authorities and counties in England & Wales, together with a regional summary for February 2014, January 2015 and February 2015. It also records the percentage change in these prices over the last month and year, highlighting the great diversity that exists across the markets in England & Wales.

The headline annual increase in prices for England & Wales in February 2015 was 6.5%, which is down 0.7% from January. This is the sixth month in succession in which the rate of the annual change in house prices has fallen. In February 2015, there were four regions recording peak average prices, up from the two last months, being the South East, East Anglia and the East and West Midlands. This suggests that prices are still rising in the south and the midlands, although Greater London and the South West are no longer at their peak. In the case of individual counties/unitary authorities, 26 are recording peak prices this month (highlighted in turquoise in the above table), compared to 21 last month. In the South East, 14 of the 25 unitary authorities/counties now have peak prices, the same as last month. Outside of Greater London and the South East regions, peak prices are also being recorded in twelve (last month seven) unitary authority areas. The twelve areas with record peak prices are Cambridgeshire, Norfolk and Suffolk (East Anglia), Leicester, Northamptonshire, Nottinghamshire and Rutland (East Midlands), the City of Bristol (South West), Bridgend and the Vale of Glamorgan (Wales), Herefordshire and finally Warwickshire (West Midlands).

Annual Trends

On an annual basis, prices have increased in 93 of the 108 unitary authorities (four fewer than last month). Thus prices have risen over the year in 86% of the unitary authorities across England & Wales, with annual price rises of 10% or more now being seen in 15 authorities, compared with 20 last month. Of the fifteen unitary authorities having negative house price growth over the year, one is located in East Anglia (City of Peterborough), four are located in the North (Cumbria, Darlington, Middlesbrough and Stockton-on-Tees), one in the North West (Blackpool), one in the South East (Isle of Wight), one in the South West (Poole), three in Wales (Caerphilly, Swansea, and Wrexham), one in the West Midlands (Shropshire) and finally three in Yorkshire & Humber (City of Kingston upon Hull, North East Lincolnshire and North Lincolnshire).

Table 5 below shows the annual rate of house price growth, outside of Greater London, ordered by quartiles in terms of the average house price of each unitary authority. The table highlights the fact that the most expensive unitary authority areas in England & Wales are seeing the highest increase in house prices. However, comparing the figures this month with the equivalent for those produced last month, we can see that for the third month running all quartiles are showing a decline in their respective annual rates. The gap between the upper and lower quartile is also narrowing, from 7.3% last month to 5.5% this month.

Table 5. The change in house prices in the 108 unitary authority/counties, for the period Jan – Mar 2014 to Jan – Mar 2015, analysed by quartile, based on average house prices.

Quartile	Price range	Average price change over the year	Last month's equivalent price change over the year
1st Quartile	£0 - £155,483	1.5%	1.7%
2nd Quartile	£155,483 - £190,278	3.2%	4.0%
3rd Quartile	£190,278 - £246,325	6.1%	6.5%
4th Quartile	Above £246,325	7.0%	9.0%

Monthly Trends

Turning now to monthly as opposed to annual trends, the headline rate for prices in England & Wales in February 2015 shows a rise in average prices of 0.4%, which doubles that seen last month. The rise in the monthly rate of 0.4% increases to 0.5% if London is excluded from the figures, showing how London prices are currently increasing at a slower rate than the rest of the country.

In February, there were price rises over the month in 71 unitary authorities and falls in 37. The similar figures for January were 63 authorities with price rises and 45 with price falls, indicating that there has a more positive change in price sentiment during the month.



Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, for the second month running it is Bracknell Forest that tops the league at 14.7%, in terms of the highest price change on an annual basis. Thurrock takes second place, with prices rising by 13.9%. Terraces and detached houses are the most popular property types in Bracknell Forest, with the latter having risen in average value by £60k over the last year.

By way of contrast, the area with the largest reduction in annual prices is the Isle of Wight, down 6.0% over the year. In the Isle of Wight it is detached and semi-detached properties that are the most popular property types, with the latter having fallen in value by £10k over the last twelve months.

Transactions

Finally, In terms of transactions, looking at the three months December 2014 to February 2015 and comparing with the same three months one year earlier, 92 of the 108 unitary authorities in England & Wales have seen a decline in sales volumes over the period, compared to 51 last month. The area with the largest decline in transactions over the period was Blackpool, down 23.4%, with a 33% decline in the number of terraced properties being sold, although the average price of a terraced property in Blackpool at £85k has remained almost constant over the last year.

The area that recorded the highest increase in transactions over the year of any English or Welsh unitary authority was Portsmouth, up by 17%, with the sale of flats increasing by 50% over the period. Despite the increasing number of flat sales, terraced properties remain Portsmouth's most frequently purchased property type, and these increased by 10% in the numbers sold over the year. The average price of a terraced property in Portsmouth is currently £190k, up from £175k one year earlier. It is interesting to note that, as discussed above, the Isle of Wight, which is just a short ferry ride from Portsmouth, has fared less well, seeing the largest price falls of all the counties/unitary authorities in England and Wales.

Regional data table



Table 6. Average house prices by region, March 2014 – March 2015, 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-14	£152,147	1.2	4.9	£162,643	0.8	3.9	£174,342	0.8	6.2	£184,077	0.4	5.1
Apr-14	£150,819	-0.9	4.1	£162,214	-0.3	3.8	£173,762	-0.3	5.9	£184,319	0.1	5.6
May-14	£151,687	0.6	5.9	£163,592	0.8	5.3	£174,102	0.2	6.8	£184,566	0.1	6.5
Jun-14	£150,998	-0.5	4.4	£163,311	-0.2	4.2	£174,646	0.3	6.2	£185,216	0.4	5.8
Jul-14	£150,650	-0.2	3.8	£164,246	0.6	4.4	£176,227	0.9	7.1	£187,142	1.0	6.5
Aug-14	£150,815	0.1	3.4	£165,316	0.7	4.5	£177,334	0.6	7.6	£188,773	0.9	6.6
Sep-14	£149,744	-0.7	3.2	£166,760	0.9	4.8	£178,766	0.8	7.3	£189,069	0.2	6.4
Oct-14	£151,148	0.9	4.0	£167,270	0.3	4.9	£178,388	-0.2	6.9	£190,439	0.7	6.6
Nov-14	£150,057	-0.7	3.5	£166,103	-0.7	4.4	£178,410	0.0	6.2	£190,236	-0.1	6.1
Dec-14	£150,550	0.3	3.1	£165,819	-0.2	4.2	£177,877	-0.3	6.0	£190,318	0.0	5.4
Jan-15	£150,553	0.0	1.2	£166,261	0.3	3.6	£178,610	0.4	4.2	£190,141	-0.1	4.6
Feb-15	£151,635	0.7	0.8	£167,232	0.6	3.6	£179,730	0.6	3.9	£191,508	0.7	4.4

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Mar-14	£159,939	0.0	3.8	£163,568	0.7	4.6	£237,639	1.1	5.7	£220,102	2.4	5.9
Apr-14	£159,633	-0.2	3.8	£163,666	0.1	4.1	£239,868	0.9	6.5	£222,053	0.9	6.2
May-14	£158,626	-0.6	3.9	£164,132	0.3	4.3	£240,199	0.1	6.7	£223,760	0.8	7.9
Jun-14	£159,924	0.8	5.3	£163,971	-0.1	4.0	£239,575	-0.3	6.6	£224,056	0.1	7.7
Jul-14	£159,950	0.0	4.9	£164,324	0.2	4.5	£240,810	0.5	6.6	£224,979	0.4	7.7
Aug-14	£162,200	1.4	5.7	£165,330	0.6	4.1	£243,859	1.3	6.7	£227,258	1.0	8.5
Sep-14	£162,732	0.3	4.6	£166,514	0.7	4.7	£245,423	0.6	6.8	£227,121	-0.1	8.3
Oct-14	£164,313	1.0	4.7	£168,127	1.0	4.7	£246,313	0.4	7.1	£228,659	0.7	9.2
Nov-14	£163,572	-0.5	4.4	£168,736	0.4	5.5	£245,384	-0.4	7.0	£226,918	-0.8	7.6
Dec-14	£163,308	-0.2	3.7	£168,370	-0.2	4.5	£246,267	0.4	6.5	£228,161	0.5	8.4
Jan-15	£163,219	-0.1	3.1	£167,967	-0.2	3.6	£245,278	-0.4	5.5	£229,421	0.6	7.9
Feb-15	£163,990	0.5	2.5	£168,584	0.4	3.8	£245,355	0.0	4.4	£231,577	0.9	7.8

	South East			Greater London			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Mar-14	£301,730	1.0	7.1	£519,734	1.4	14.1	£260,503	1.1	8.0
Apr-14	£303,990	0.7	7.5	£525,457	1.1	14.9	£262,073	0.6	8.4
May-14	£306,777	0.9	8.3	£540,167	2.8	17.7	£265,138	1.2	9.8
Jun-14	£310,002	1.1	9.8	£553,959	2.6	20.9	£267,874	1.0	10.8
Jul-14	£312,882	0.9	10.4	£556,702	0.5	20.8	£269,569	0.6	11.1
Aug-14	£315,259	0.8	11.2	£559,765	0.6	19.8	£271,586	0.7	11.2
Sep-14	£316,709	0.5	11.5	£564,756	0.9	19.3	£273,167	0.6	11.1
Oct-14	£317,511	0.3	11.2	£566,347	0.3	18.3	£274,180	0.4	10.9
Nov-14	£317,847	0.1	10.8	£565,642	-0.1	16.6	£273,809	-0.1	10.2
Dec-14	£318,415	0.2	9.4	£558,290	-1.3	13.2	£273,025	-0.3	8.7
Jan-15	£319,879	0.5	8.5	£558,866	0.1	10.1	£273,477	0.2	7.2
Feb-15	£321,674	0.6	7.6	£559,665	0.1	9.2	£274,604	0.4	6.5
Mar-15							£275,123	0.2	5.6



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