

LSL Property Services/Acadametrics England & Wales House Price Index

JANUARY 2012

STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 10TH FEBRUARY



Prices dip in January as annual falls accelerate

- Property prices fell by 0.2% in January as annual rate of decline accelerates to 1.4%
- Transactions up 5.1% year on year – fastest rises in the north at 5.9%

House Price	Index	Monthly Change %	Annual Change %
£218,992	223.0	-0.2	-1.4

David Brown, commercial director of LSL Property Services, comments: “Prices edged down in January, dropping further than the normal seasonal slowdown we expect to see in the first month of the year. This means prices are now falling at 1.4% on an annual basis – the fastest rate of decline since September. This has been driven by growing concerns among property buyers about the state of the global economy – especially the extent to which the eurozone crisis will slow the market.

“But despite this fear among some buyers, mortgage lenders have shown commendable confidence, injecting almost 20% more finance into the market in December 2011 than they did at the same time last year. This has prevented prices falling further in the last few months. The market is being buoyed by cash buyers – especially for high-value properties in the South-East – who see British real estate as a safe haven from global financial woes. As a result, prices in London have bucked the national trend, not falling in any of the last six months, and growing annually by 3%.

“Despite the relatively slow movement of prices, transaction numbers rose sharply in the final months of last year. This was driven by the increasing availability of mortgage finance. The largest increase in transactions was in the North, while the smallest rises were in Wales and London – the only two regions to have seen price increases over the last year. This shows transactions are being held back in areas where prices are rising by the limited number of properties up for sale, but that an excess of for sale property in other regions has had the opposite effect. Sellers in areas where prices are growing are therefore charging a premium due to the scarcity of properties on the local market and buyers elsewhere have an excellent opportunity to secure affordable properties.”

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 February 2011 – January 2012

		House Price	Index	Monthly Change %	Annual Change %
February	2011	£223,968	228.0	0.8	0.2
March	2011	£224,405	228.5	0.2	1.0
April	2011	£222,123	226.1	-1.0	0.3
May	2011	£219,125	223.1	-1.3	-1.1
June	2011	£217,477	221.4	-0.8	-2.2
July	2011	£218,772	222.7	0.6	-2.0
August	2011	£220,386	224.4	0.7	-1.6
September	2011	£220,266	224.3	-0.1	-1.6
October	2011	£220,484	224.5	0.1	-1.1
November	2011	£219,636	223.6	-0.4	-0.9
December	2011	£219,495	223.5	-0.1	-0.9
January	2012	£218,992	223.0	-0.2	-1.4

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

House prices

January is traditionally the quietest month of the year for residential property sales, so perhaps one should not place too much emphasis on this month's average house price fall of -0.2%. The quantum of the fall is small and this, coupled with low transaction numbers, suggests that, when all the month's transactions are reported, there will have been relatively little change in the average price at the national level over the last month.

On an annual basis, average property prices have fallen by -1.4%. This is the ninth month in which prices have fallen in nominal terms. The decline has grown from the -0.9% fall recorded last month; the apparent sizeable fall this month being a consequence of price changes a year ago. We anticipate that, for the same reason, we may see a fall of -2.5% in the annual rate, to be recorded next month.

On a regional basis, Figure 5 shows that both Greater London and Wales have experienced an increase in prices over the year. The number of detached properties sold in Wales climbed by some 5%, suggesting that a number of purchasers in the Principality are taking advantage of the low mortgage rates to upsize their homes. That said, aside from Greater London and Wales, six of the other regions in England continue to show price falls, although the rate of price decline has slowed for all but two regions; these being the South East and the South West.

As we show later in this news release, the pattern of movements in prices and transactions across England & Wales over the last few years has been complicated with different areas and property types recording different trends. There is simply no universal pattern. This highlights the importance of differences in regional and local economies and how these find expression in housing market trends, via the sources of friction or opportunity for household moves, in which they result. With government seeking to improve the transport infrastructure and to encourage growth in city regions outside of London, we may see these disparate patterns continue to change over the long term.

Developing this theme, we have gone beyond our normal analysis of regional and local authority price trends to compare average prices in December 2010 and 2011 across all local authorities in England & Wales. This shows striking differences, thus underpinning the comments made above and cautioning against too many generalisations in comparing the apparent performance of areas.

Trends since 2006

Given the relative lack of activity in the housing market in January, we have taken the opportunity to review the movement in house prices over the last, somewhat turbulent, six years. There are probably five identifiable phases through that period. They are:

Phase 1: January 2006 - February 2008; an almost continuous period of rising prices with a peak in February 2008 at £231,828. Lenders and borrowers were possibly less concerned about LTVs and remortgaging was strong.

Phase 2: March 2008 - April 2009; a steep decline in prices with the trough in April 2009 at £200,234. Lenders became tougher on LTV ratios and housing transactions fell sharply.

Phase 3: May 2009 - February 2010; a recovery in prices, even though transactions remained low. There was a lack of First Time Buyers and Buy-to-let landlord purchases, as credit remained tight.

Phase 4: March 2010 - March 2011; relative stability in prices, with minor peaks and troughs. March 2011 was highest of the peaks and was the last month before the increase in SDLT on £1m houses.

Phase 5: April 2011 - Present; as the chart below shows, a brief decline in prices has been followed by minor recovery and relative stability, with prices hovering around the £220,000 mark.

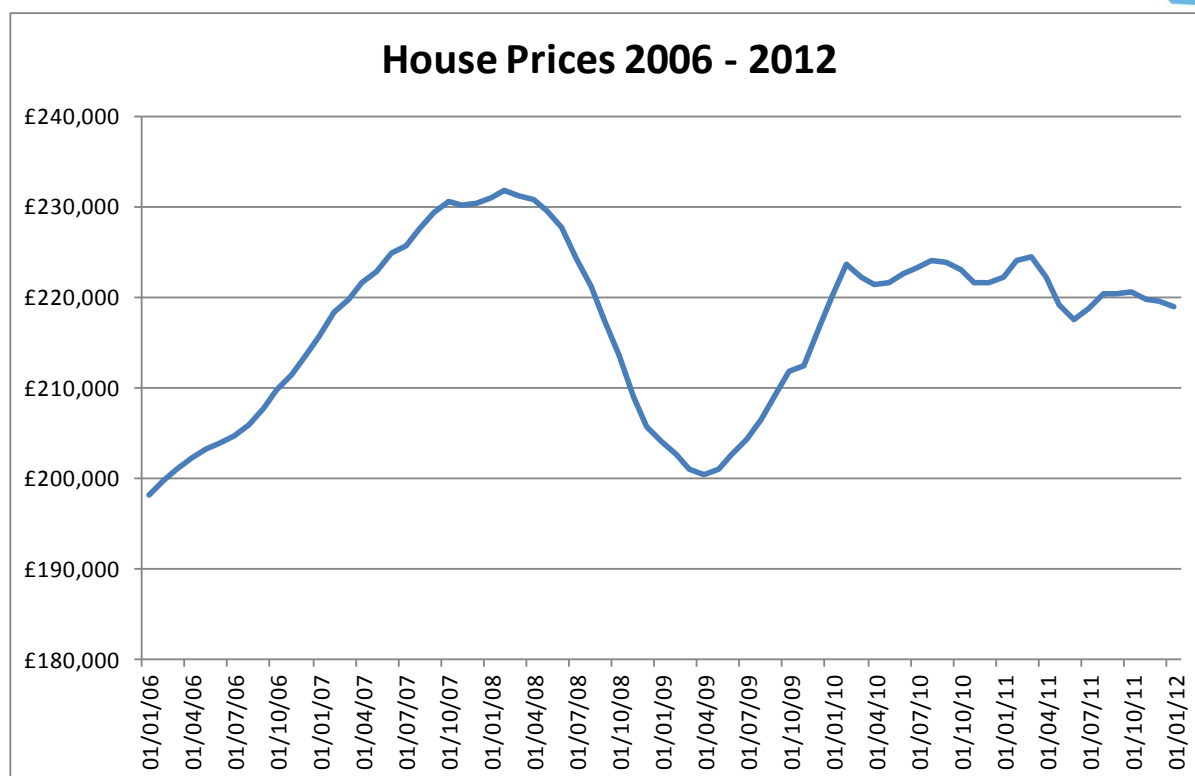


Figure 1. House prices in England & Wales, 2006 - 2012

The question is what next? Our expectation is of more of the same, in which policy induced changes around stamp duty and then first time buyers balanced out during the year. Much now turns on efforts to re-stimulate the economy, whether through more quantitative easing by the Bank of England or by the government in the March Budget. Without doubt, both would like to see a more active housing market, not least because of how it might contribute to the economy as a whole.

How housing contributes to the economy has been highlighted in a number of recent reports by the CBI and others. In summary, these reports suggest that: housing accounts for 17% of construction activity and 3% of GDP; the multiplier effect of the construction industry, within which housing lies, is relatively high compared to other industries at 2.84; leakage in housing expenditure outside the UK is relatively low; housing investment raises tax returns and benefits savings. Finally, it was noted that the fall in the housing market between 2007 and 2009 contributed to around a third of the total fall in UK GDP during this period. All of this and more suggests why it is important that the housing market is revived.

Housing Transactions

Table 2 The number of housing transactions for Q4 2010 and Q4 2011, by Region

REGION	YORKS & HUMBERSIDE	SOUTH EAST	WEST MIDLANDS	EAST ANGLIA	NORTH	NORTH WEST	SOUTH WEST	EAST MIDLANDS	WALES	GREATER LONDON	ENGLAND & WALES
Q4 2010	13,423	41,296	14,228	8,484	7,954	16,237	19,247	13,768	7,961	22,344	164,942
Q4 2011	14,363	44,103	15,150	9,016	8,420	17,016	19,969	14,234	8,165	22,915	173,351
% change	7.0%	6.8%	6.5%	6.3%	5.9%	4.8%	3.8%	3.4%	2.6%	2.6%	5.1%



Table 2 above shows the number of transactions recorded at the Land Registry, for the three months Oct - Dec 2011 and for the equivalent period in 2010, analysed by region. As can be seen, transactions have increased in England & Wales by 5.1% over this period. Interestingly both Greater London and Wales have seen a below average increase in transactions, even though these regions are currently the only two in England and Wales that have increasing house prices over this period. This suggests there is a shortage in the availability of houses for sale in these areas, resulting in rising prices. Both the North and Yorkshire & Humberside - the two regions currently seeing the steepest decline in house prices - show an above average increase in the number of properties being sold. This indicates that properties are coming to the market in these areas, but that their prices have to be reduced in order for sales to be made. This pattern of higher transactions set against falling prices was repeated in other regions. The reality is that many households have to move and that, if they are able to buy homes at reduced prices, they are able to lower the prices at which they are prepared to sell their existing properties.

Table 3 The number of housing transactions for Q4 2010 and Q4 2011, by property type

Year	Detached	Semi	Terraced	Flats	All Types
Q4 2010	40,426	47,492	47,884	29,140	164,942
Q4 2011	42,152	50,293	50,563	30,343	173,351
% change	4.3%	5.9%	5.6%	4.1%	5.1%

Table 3 above shows the number of transactions recorded at the Land Registry for the three months Oct - Dec 2011 and for the equivalent period in 2010, analysed by property type. As can be seen, the semi-detached segment of the market has been the most buoyant, followed closely by terraced properties. Flats and detached house have shown the smallest increases in sales volumes, with detached properties marginally more active than flats.

We last carried out a similar analysis in our May 2011 News Release, comparing the three months Feb - May 2011 with the equivalent three month period in 2010. At that time, transaction numbers in 2011 were below those of 2010, and the report showed a -12% decline in the number of flats sold over the period, compared with a -6% decline in detached properties. Two points arise from this. First, transaction numbers have been increasing during the second half of 2011 compared with 2010. Second, we can see a substantial increase in the number of flats being purchased, linked to the strengthening of the buy to let market. Here, many investors are buying flats, believing that the expected return from the rental property sector will be higher than can be obtained elsewhere in the financial markets, given the current economic gloom.

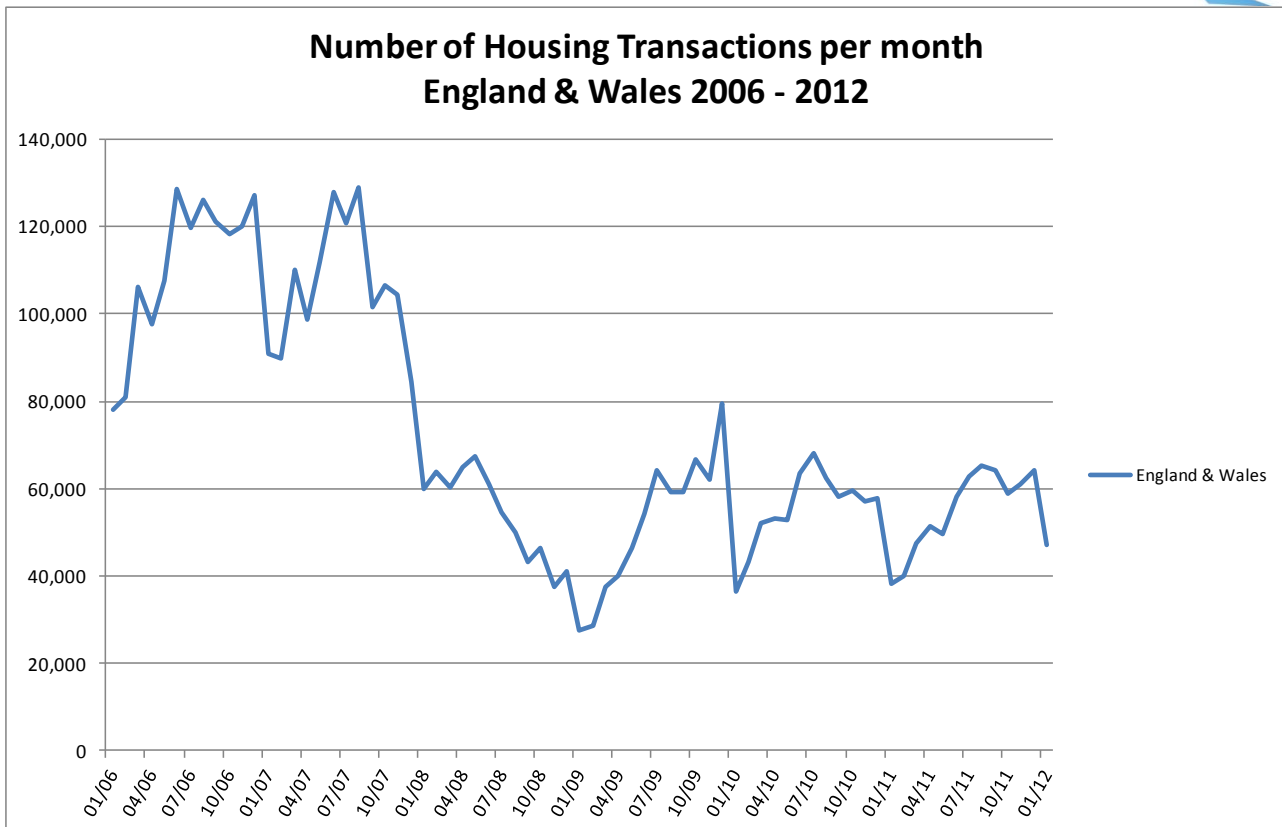


Figure 2. The number of housing transactions by month in England & Wales, 2006 - 2012 (not seasonally adjusted)

January sales dip in every year, as the above graph shows. This seasonal dip is because fewer potential buyers are tempted to look for new homes over the Christmas period. Typically, January sales volumes drop by 25% from the monthly average for the year. The graph also indicates that there has been a slow increase in sales in this month over the last four years, with each January since 2009 showing a slight rise in sales over the previous year. During 2011, we have seen an increase in activity in the buy-to-let sector of the market, which had been relatively dormant during the period 2008 - 2010; this is one of the reasons why transaction numbers are currently beginning to climb. However, the absence of first time buyers, who accounted for up to 50,000 sales per month prior to the credit crunch, is the major factor why transactions have not returned to 2006 - 2007 levels.

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

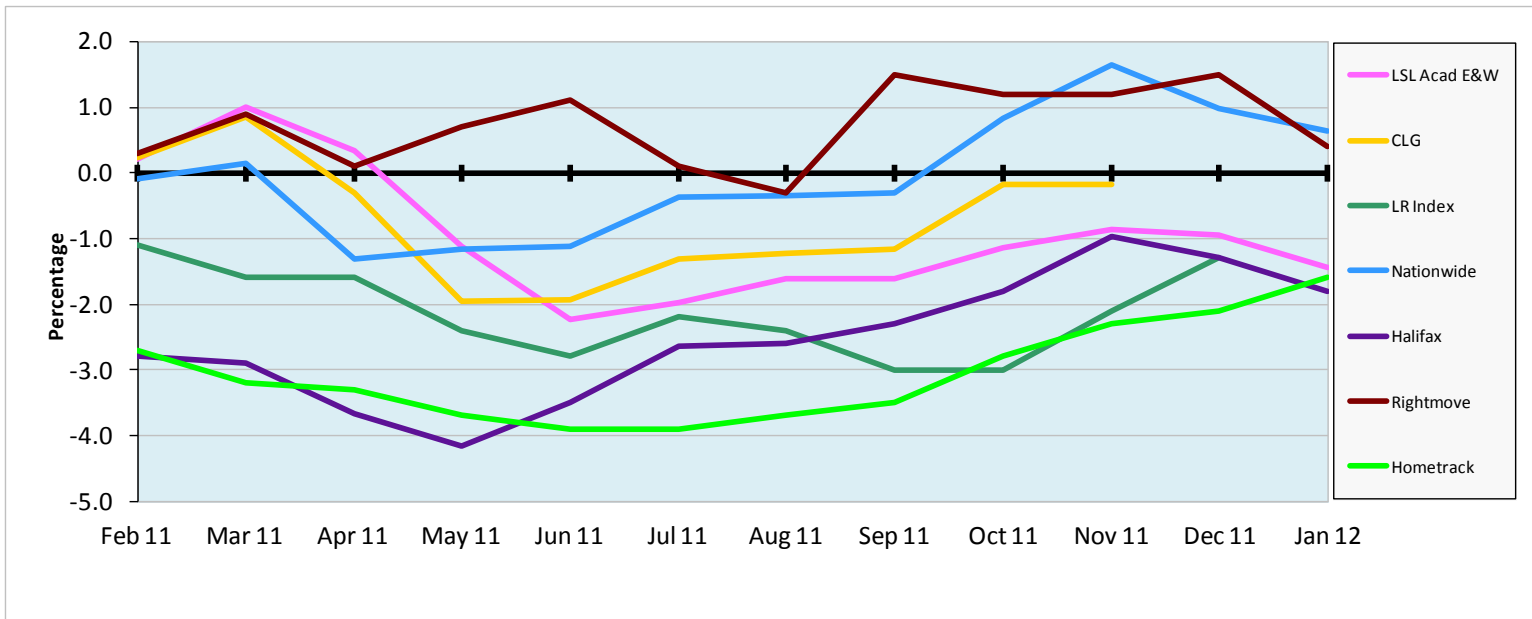


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

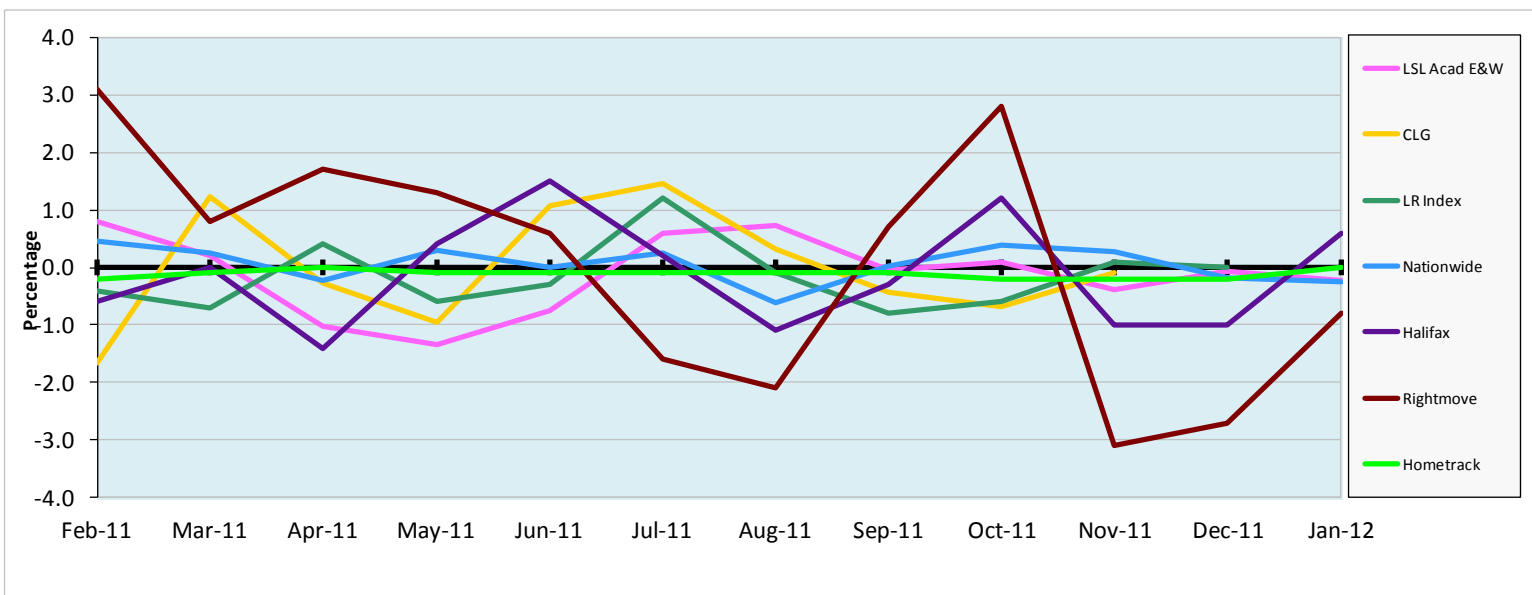


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART



We average our year on year house price change over each past three month period, in order to minimise the volatility which might, otherwise, mask trends at regional level. The results show that both Greater London and Wales are experiencing year on year price growth, whilst all other regions have seen a decline in prices. Interestingly, the three regions that have seen prices fall this month, compared to last, are the Greater London, the South East and the South West. For most of 2011, there has been a North/South divide, with the Northern regions seeing a faster decline in prices than those in the South. It would appear that this trend has abated this month, although we would caution that low transaction numbers may be influencing this result.

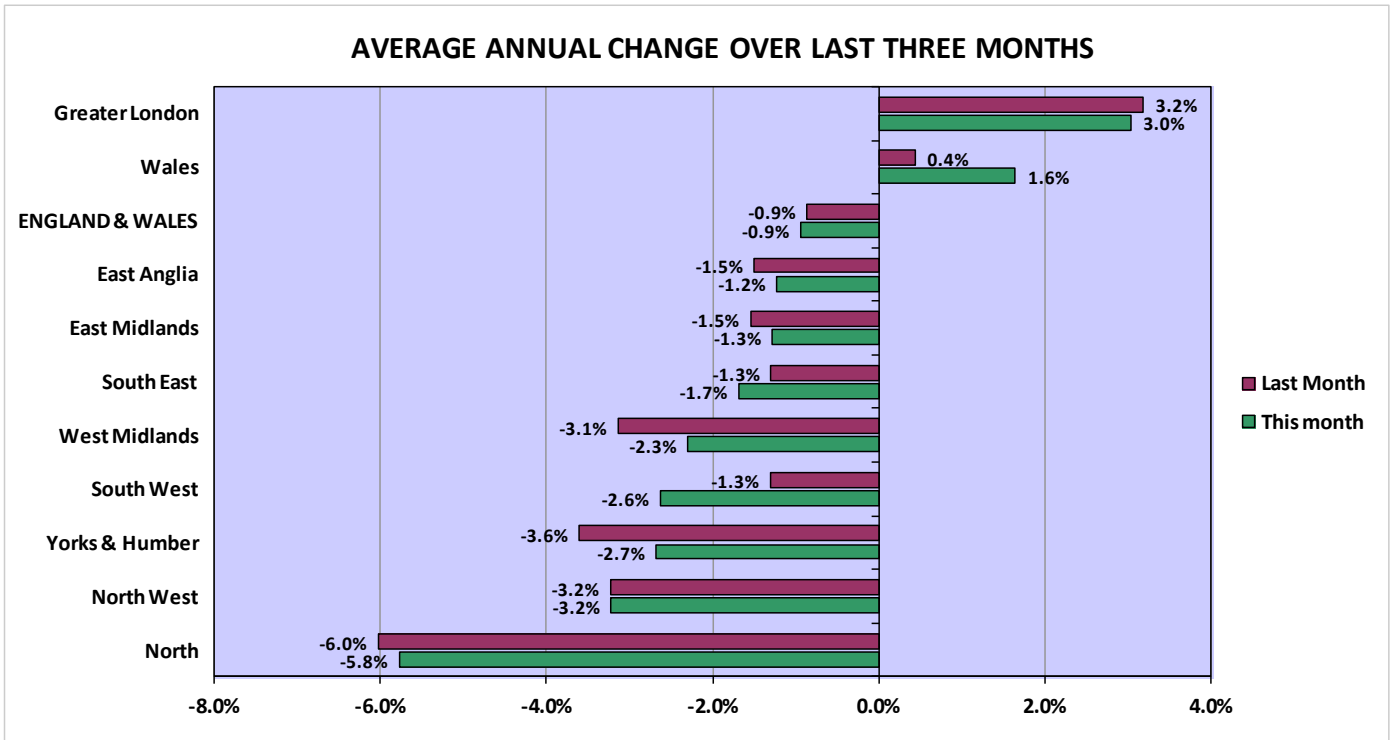


Figure 5. The annual change in the average house price, analysed by region

ANNUAL CHANGE IN PRICE BY REGION

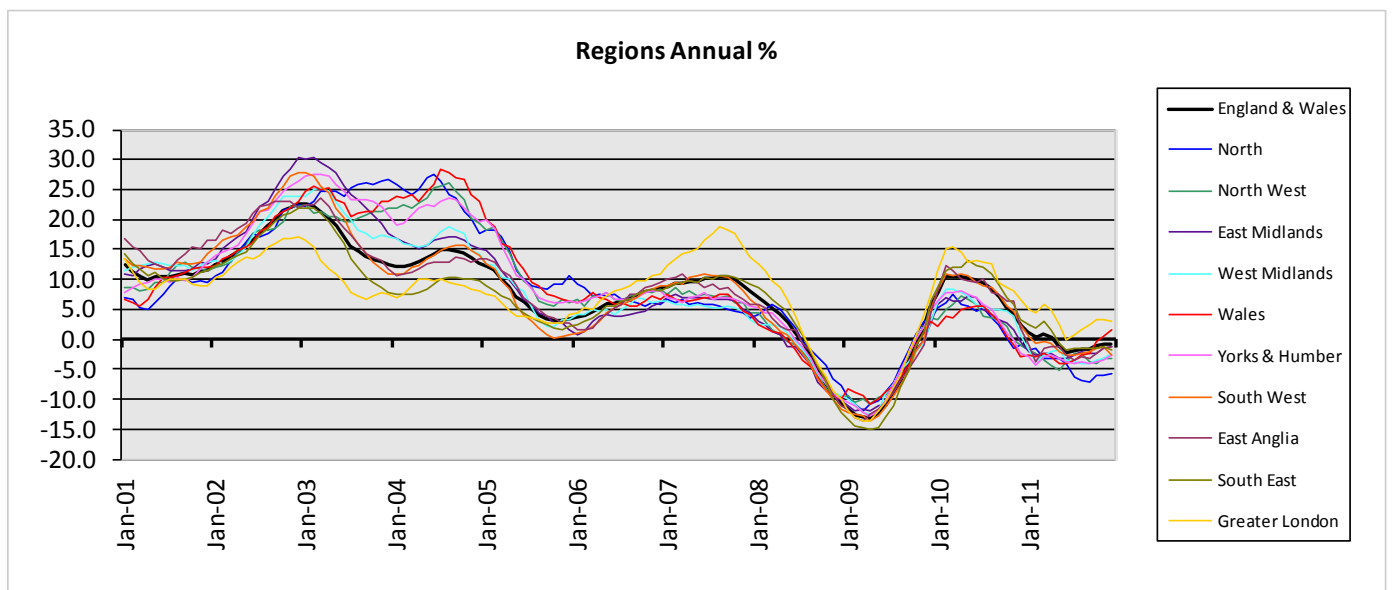


Figure 6. A comparison of the annual change in house prices, by region for the period Jan 2001 - Dec 2011

Note that individual regions can be compared using our "National and Regional series from 1995 with Interactive Charts", linked from page 6 NOTE 5 above and from our covering email; timescales can be varied for clarity. Numerous other comparisons are facilitated in this and other interactive charts available through the same links.



Table 4. The annual change in mix adjusted house prices, for the 33 London boroughs, over the period December 2010 - 2011.

AVERAGE HOUSE PRICES BY LONDON BOROUGH				
RANKED BY PRICE	LONDON BOROUGH	Dec-10	Dec-11	% Change
1	KENSINGTON AND CHELSEA	1,199,496	1,394,086	16.2%
2	CITY OF WESTMINSTER	827,751	880,056	6.3%
3	CAMDEN	672,233	626,676	-6.8%
4	HAMMERSMITH AND FULHAM	569,442	598,732	5.1%
5	RICHMOND UPON THAMES	555,866	576,887	3.8%
6	WANDSWORTH	460,203	485,052	5.4%
7	ISLINGTON	502,416	467,517	-6.9%
8	BARNET	417,299	460,080	10.3%
9	CITY OF LONDON	542,638	455,723	-16.0%
10	MERTON	399,517	414,064	3.6%
11	EALING	364,964	392,337	7.5%
12	SOUTHWARK	396,877	378,910	-4.5%
13	HARINGEY	373,611	377,398	1.0%
14	HACKNEY	348,726	373,917	7.2%
15	LAMBETH	348,956	369,992	6.0%
16	TOWER HAMLETS	345,407	362,145	4.8%
17	KINGSTON UPON THAMES	375,065	359,488	-4.2%
18	BRENT	356,236	354,277	-0.6%
19	HOUNSLOW	337,557	342,484	1.5%
20	HARROW	320,385	322,091	0.5%
21	BROMLEY	308,771	316,898	2.6%
22	REDBRIDGE	297,355	284,755	-4.2%
23	HILLINGDON	279,746	283,236	1.2%
24	ENFIELD	291,856	280,748	-3.8%
25	GREENWICH	283,099	276,547	-2.3%
26	SUTTON	249,396	259,957	4.2%
27	LEWISHAM	257,372	255,343	-0.8%
28	HAVERING	236,169	238,216	0.9%
29	CROYDON	239,885	237,679	-0.9%
30	WALTHAM FOREST	223,160	237,049	6.2%
31	NEWHAM	213,268	217,599	2.0%
32	BEXLEY	217,790	211,094	-3.1%
33	BARKING AND DAGENHAM	181,505	174,740	-3.7%
	ALL LONDON	382,124	393,714	3.0%

This month, we publish the average house price for each of the 33 London boroughs for both December 2010 and 2011 and show the percentage change over the year. Over this period, the average price for London as a whole has risen by 3.0%, but considerable variation, from +16.2% to -16.0%, occurs at the individual borough level. What is striking from these statistics is that the Royal Borough of Kensington and Chelsea is ranked first, both in terms of average price, and (by a considerable margin) in terms of the price change over the year. As has been much commented upon in the press over the year, Central London has witnessed considerable foreign investment in prime property, reflected in the upward movement of prices in central boroughs. Elsewhere, 13 of the 33 London boroughs have seen average prices fall, with 9 out of these 13 areas being ranked in the lower half of all London boroughs by price. This reflects another trend seen over the year which is that lower priced properties have experienced price falls, whilst higher priced homes have seen price rises. It is the dearth of first time buyers which is one of the main causes of price declines at the lower price levels. The fact that those FTBs, whose purchases at the first rung of the property ladder would normally have buoyed this market sector, are not obtaining mortgage finance will continue to present a problem.



Table 5. The annual change in mix adjusted house prices, for the 108 Counties and Unitary Authorities in England and Wales, over the period December 2010 - 2011

AVERAGE HOUSE PRICES BY COUNTY / UNITARY AUTHORITY SORTED BY REGION

RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Dec-10	Dec-11	% Change
18	CAMBRIDGESHIRE	232,998	233,888	0.4%
83	CITY OF PETERBOROUGH	146,437	140,201	-4.3%
50	NORFOLK	182,510	180,064	-1.3%
40	SUFFOLK	202,398	198,206	-2.1%
	EAST ANGLIA	198,495	196,061	-1.2%
88	CITY OF DERBY	136,718	134,005	-2.0%
98	CITY OF NOTTINGHAM	122,129	115,818	-5.2%
67	DERBYSHIRE	160,408	156,071	-2.7%
85	LEICESTER	139,290	138,004	-0.9%
48	LEICESTERSHIRE	183,743	181,988	-1.0%
72	LINCOLNSHIRE	153,917	150,399	-2.3%
51	NORTHAMPTONSHIRE	177,561	178,701	0.6%
68	NOTTINGHAMSHIRE	157,298	155,590	-1.1%
10	RUTLAND	263,663	279,734	6.1%
	EAST MIDLANDS	161,613	159,544	-1.3%
	GREATER LONDON	382,124	393,714	3.0%
63	CUMBRIA	172,439	161,247	-6.5%
90	DARLINGTON	144,355	133,189	-7.7%
96	DURHAM	128,012	120,319	-6.0%
100	HARTLEPOOL	122,686	108,845	-11.3%
102	MIDDLESBROUGH	107,070	105,700	-1.3%
62	NORTHUMBERLAND	176,390	162,079	-8.1%
94	REDCAR AND CLEVELAND	126,536	123,710	-2.2%
81	STOCKTON-ON-TEES	147,956	140,905	-4.8%
89	TYNE AND WEAR	139,862	133,432	-4.6%
	NORTH	145,640	137,227	-5.8%
97	BLACKBURN WITH DARWEN	118,335	116,357	-1.7%
104	BLACKPOOL	111,015	102,835	-7.4%
35	CHESHIRE	208,876	206,144	-1.3%
77	GREATER MANCHESTER	152,806	146,053	-4.4%
91	HALTON	132,837	130,274	-1.9%
78	LANCASHIRE	149,834	143,770	-4.0%
82	MERSEYSIDE	142,020	140,520	-1.1%
47	WARRINGTON	189,444	184,111	-2.8%
	NORTH WEST	155,495	150,491	-3.2%
32	BEDFORDSHIRE	216,285	212,348	-1.8%
12	BRACKNELL FOREST	273,486	258,162	-5.6%
11	BRIGHTON AND HOVE	267,308	267,769	0.2%
3	BUCKINGHAMSHIRE	335,472	342,301	2.0%
21	EAST SUSSEX	231,780	227,294	-1.9%
17	ESSEX	244,616	240,145	-1.8%
13	HAMPSHIRE	264,016	256,551	-2.8%
6	HERTFORDSHIRE	307,654	303,325	-1.4%
43	ISLE OF WIGHT	195,024	193,986	-0.5%
19	KENT	238,557	229,992	-3.6%
71	LUTON	154,070	152,869	-0.8%
64	MEDWAY	166,089	161,062	-3.0%

Counties and unitary authorities



RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Dec-10	Dec-11	% Change
38	MILTON KEYNES	207,472	204,297	-1.5%
5	OXFORDSHIRE	309,323	307,240	-0.7%
61	PORTSMOUTH	160,548	162,819	1.4%
24	READING	214,790	218,607	1.8%
44	SLOUGH	191,766	192,202	0.2%
55	SOUTHAMPTON	179,135	168,249	-6.1%
42	SOUTHEND-ON-SEA	197,901	194,720	-1.6%
2	SURREY	378,513	380,748	0.6%
56	THURROCK	176,599	168,231	-4.7%
7	WEST BERKSHIRE	309,905	293,859	-5.2%
15	WEST SUSSEX	269,106	256,210	-4.8%
1	WINDSOR AND MAIDENHEAD	406,071	392,929	-3.2%
4	WOKINGHAM	310,585	317,380	2.2%
	SOUTH EAST	264,428	259,959	-1.7%
9	BATH AND NORTH EAST SOMERSET	283,251	285,726	0.9%
26	BOURNEMOUTH	216,666	217,428	0.4%
33	CITY OF BRISTOL	207,961	207,331	-0.3%
69	CITY OF PLYMOUTH	155,665	153,650	-1.3%
29	CORNWALL	232,659	213,979	-8.0%
20	DEVON	245,633	229,266	-6.7%
14	DORSET	258,515	256,394	-0.8%
22	GLOUCESTERSHIRE	243,574	226,602	-7.0%
30	NORTH SOMERSET	218,903	212,809	-2.8%
8	POOLE	256,171	286,220	11.7%
36	SOMERSET	207,195	205,911	-0.6%
37	SOUTH GLOUCESTERSHIRE	208,998	205,895	-1.5%
60	SWINDON	165,998	163,633	-1.4%
49	TORBAY	180,884	180,195	-0.4%
16	WILTSHIRE	246,050	246,004	0.0%
	SOUTH WEST	226,438	220,484	-2.6%
108	BLAENAU GWENT	77,519	85,319	10.1%
87	BRIDGEND	131,960	136,373	3.3%
95	CAERPHILLY	122,127	121,895	-0.2%
45	CARDIFF	180,155	190,561	5.8%
80	CARMARTHENSHIRE	140,435	141,394	0.7%
52	CEREDIGION	192,684	176,302	-8.5%
58	CONWY	161,849	166,359	2.8%
86	DENBIGHSHIRE	146,542	136,514	-6.8%
70	FLINTSHIRE	152,470	153,493	0.7%
65	GWYNEDD	159,960	159,931	0.0%
57	ISLE OF ANGLESEY	155,937	167,351	7.3%
106	MERTHYR TYDFIL	94,667	95,801	1.2%
23	MONMOUTHSHIRE	215,447	222,795	3.4%
101	NEATH PORT TALBOT	117,969	108,815	-7.8%
74	NEWPORT	150,996	148,362	-1.7%
53	PEMBROKESHIRE	170,543	173,370	1.7%
46	POWYS	183,212	185,756	1.4%
103	RHONDDA CYNON TAFF	104,968	104,774	-0.2%
75	SWANSEA	149,384	147,082	-1.5%
31	THE VALE OF GLAMORGAN	190,049	212,568	11.8%
92	TORFAEN	124,320	128,057	3.0%



RANK BY PRICE	COUNTY / UNITARY AUTHORITY / REGION	Dec-10	Dec-11	% Change
66	WREXHAM	158,934	157,521	-0.9%
	WALES	151,906	154,409	1.6%
28	HEREFORDSHIRE	213,905	214,703	0.4%
41	SHROPSHIRE	209,460	197,822	-5.6%
54	STAFFORDSHIRE	174,727	169,966	-2.7%
105	STOKE-ON-TRENT	96,301	97,765	1.5%
27	WARWICKSHIRE	220,802	216,745	-1.8%
73	WEST MIDLANDS	153,046	149,447	-2.4%
34	WORCESTERSHIRE	209,184	206,327	-1.4%
79	WREKIN	152,589	143,669	-5.8%
	WEST MIDLANDS	173,634	169,645	-2.3%
107	CITY OF KINGSTON UPON HULL	100,472	93,287	-7.2%
59	EAST RIDING OF YORKSHIRE	168,503	166,183	-1.4%
99	NORTH EAST LINCOLNSHIRE	111,817	112,386	0.5%
93	NORTH LINCOLNSHIRE	130,197	123,935	-4.8%
25	NORTH YORKSHIRE	218,187	217,565	-0.3%
84	SOUTH YORKSHIRE	140,374	138,747	-1.2%
76	WEST YORKSHIRE	153,206	146,376	-4.5%
39	YORK	204,100	199,587	-2.2%
	YORKS & HUMBER	156,754	152,552	-2.7%
	ALL ENGLAND & WALES	221,584	219,495	-0.9%

This month we publish the average house price for each of the 108 Counties and Unitary Authorities in England & Wales for both December 2010 and 2011 and show the percentage change over the year. Over this period, the average house price in England & Wales as a whole has fallen by -0.9%, but considerable variation, from +11.8% (the Vale of Glamorgan) to -11.3% (Hartlepool) occurs at the individual Unitary Authority level. Over the year, 80 of the 108 Unitary Authority areas, some 75%, have witnessed a decline in prices.

Regional data table



Table 6. Average house prices by region, January 2011 - December 2011, with monthly and annual % growth

	North			North West			East Midlands			West Midlands		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jan-11	£146,435	0.5	-1.9	£154,651	-0.5	-1.8	£161,586	0.0	-2.0	£173,385	-0.1	-1.7
Feb-11	£148,185	1.2	-1.4	£154,689	0.0	-2.2	£161,529	0.0	-2.7	£172,267	-0.6	-3.7
Mar-11	£147,623	-0.4	-3.1	£153,237	-0.9	-3.5	£160,690	-0.5	-2.2	£171,840	-0.2	-2.6
Apr-11	£145,477	-1.5	-3.1	£152,228	-0.7	-4.5	£159,626	-0.7	-2.3	£171,079	-0.4	-2.1
May-11	£144,294	-0.8	-3.3	£150,567	-1.1	-5.1	£158,615	-0.6	-3.3	£170,978	-0.1	-1.7
Jun-11	£142,188	-1.5	-4.1	£151,063	0.3	-3.9	£159,391	0.5	-3.3	£169,424	-0.9	-3.5
Jul-11	£139,098	-2.2	-6.2	£152,530	1.0	-2.4	£159,776	0.2	-2.6	£168,602	-0.5	-3.7
Aug-11	£137,281	-1.3	-6.8	£153,206	0.4	-2.5	£160,209	0.3	-2.2	£169,625	0.6	-4.1
Sep-11	£137,741	0.3	-7.1	£152,567	-0.4	-3.9	£160,060	-0.1	-2.3	£169,364	-0.2	-4.2
Oct-11	£139,175	1.0	-6.1	£151,584	-0.6	-4.1	£159,773	-0.2	-2.3	£170,313	0.6	-3.6
Nov-11	£138,194	-0.7	-6.0	£151,298	-0.2	-3.2	£160,053	0.2	-1.5	£169,272	-0.6	-3.1
Dec-11	£137,227	-0.7	-5.8	£150,491	-0.5	-3.2	£159,544	-0.3	-1.3	£169,645	0.2	-2.3

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jan-11	£152,094	0.1	-2.6	£156,973	0.1	-3.0	£224,991	-0.6	0.4	£198,541	0.0	-1.0
Feb-11	£152,800	0.5	-2.9	£155,829	-0.7	-4.3	£226,498	0.7	-0.6	£198,766	0.1	-3.9
Mar-11	£152,575	-0.1	-2.2	£156,486	0.4	-2.8	£224,277	-1.0	-0.4	£200,227	0.7	-1.6
Apr-11	£150,611	-1.3	-3.0	£155,905	-0.4	-2.6	£224,027	-0.1	-0.7	£199,737	-0.2	-1.2
May-11	£148,842	-1.2	-4.0	£154,221	-1.1	-3.2	£222,104	-0.9	-2.1	£200,021	0.1	-1.3
Jun-11	£149,028	0.1	-4.2	£152,785	-0.9	-3.8	£220,458	-0.7	-2.5	£198,126	-0.9	-2.8
Jul-11	£149,877	0.6	-3.5	£152,616	-0.1	-4.0	£220,435	0.0	-2.7	£198,051	0.0	-3.6
Aug-11	£151,791	1.3	-2.5	£154,050	0.9	-3.8	£220,681	0.1	-2.4	£197,980	0.0	-3.1
Sep-11	£151,876	0.1	-2.5	£153,713	-0.2	-4.0	£222,123	0.7	-2.0	£197,562	-0.2	-3.3
Oct-11	£154,297	1.6	-0.4	£152,980	-0.5	-3.7	£222,088	0.0	-1.7	£197,206	-0.2	-2.4
Nov-11	£153,873	-0.3	0.4	£152,361	-0.4	-3.6	£221,427	-0.3	-1.3	£196,578	-0.3	-1.5
Dec-11	£154,409	0.3	1.6	£152,552	0.1	-2.7	£220,484	-0.4	-2.6	£196,061	-0.3	-1.2

	South East			Greater London			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Jan-11	£266,200	0.7	2.6	£385,075	0.8	5.0	£222,183	0.3	1.0
Feb-11	£269,911	1.4	2.0	£391,379	1.6	4.3	£223,968	0.8	0.2
Mar-11	£271,462	0.6	3.0	£395,205	1.0	5.8	£224,405	0.2	1.0
Apr-11	£267,487	-1.5	1.5	£389,358	-1.5	5.0	£222,123	-1.0	0.3
May-11	£263,717	-1.4	-0.6	£379,169	-2.6	2.5	£219,125	-1.3	-1.1
Jun-11	£261,777	-0.7	-1.8	£373,943	-1.4	-0.2	£217,477	-0.8	-2.2
Jul-11	£263,570	0.7	-1.6	£380,765	1.8	0.6	£218,772	0.6	-2.0
Aug-11	£265,161	0.6	-1.4	£387,515	1.8	1.7	£220,386	0.7	-1.6
Sep-11	£263,861	-0.5	-1.6	£388,753	0.3	2.5	£220,266	-0.1	-1.6
Oct-11	£263,063	-0.3	-1.5	£391,423	0.7	3.4	£220,484	0.1	-1.1
Nov-11	£260,848	-0.8	-1.3	£391,420	0.0	3.2	£219,636	-0.4	-0.9
Dec-11	£259,959	-0.3	-1.7	£393,714	0.6	3.0	£219,495	-0.1	-0.9
Jan-12							£218,992	-0.2	-1.4



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.