



House prices see biggest monthly boost for a year

- Average house prices across England and Wales jumped £1,900 in August – fastest rise seen for past twelve months
- Takes property values to eighth peak this year, standing at £282,816 after 4.1% annual increase
- East Anglia sees the highest rise in prices of all regions, due to a scarcity of properties coming to the market
- Overall home sales fall behind 2013 levels for the first time this year in August, following 14% monthly drop
- The North records strongest activity, with only increase in property sales over the past three months, up 3% year-on-year

House Price	Index	Monthly Change %	Annual Change %	Annual Change % (excluding London & SE)
£282,816	274.1	0.7	4.1	3.6

Adrian Gill, Executive Director of Estate Agency for LSL, comments: “House price growth now firmly has the bit between its teeth, and August witnessed the strongest monthly boost for a year. Average property values across England and Wales have jumped 0.7% (equal to £1,876) since July, which is the biggest monthly increase seen since August 2014. So far in 2015, monthly price rises had struggled to break above the 0.5%, so this clearly marks a step up in pace, as a shortfall of summer sellers puts buyers in hot contention for properties.

“August’s monthly surge takes house prices to their eighth peak this year, with the typical home value in England and Wales now standing at £282,816. This means that compared to last year, average property prices have climbed £11,225. More importantly, all ten regions of England and Wales are showing annual increases in house prices – the last region to experience a year-on-year fall in property values was Wales in July 2013.

“Home sales across England and Wales reached 76,700 in August, down 14% on July levels. This should be taken with a pinch of salt – July was an exceptionally strong month for transactions, and activity in August can be seen as balancing this out. But August is also the first time in 2015 to date that property sales have fallen below their equivalent month in 2013. In the three months to July 2015, property sales have dropped 3% year-on-year. Across all of England and Wales, the North is the only region where activity has increased over the period, with home sales up 3% during May to July 2015 compared to the same three months in 2014.

“The largest fall in activity has been in East Anglia, with total property sales down 9%, and sales of flats 15% lower year-on-year from May to July. At the same time, this region has experienced the highest house price growth of any region, at 5.9% in July 2015. This dichotomy suggests it’s not demand that is the problem, but supply. The lack of properties coming onto the market here is intensifying competition and heating up price rises, above temperatures we’re seeing elsewhere.

“The nationwide mismatch between sellers putting homes up for sale and buyer demand should warm up measures of growth for the autumn. August represented the twelfth month in succession that the annual rate of growth declined – down steadily from 11.1% in August 2014, to 4.1% last month. But encouragingly, we’re seeing this downtrend start to level-off now, suggesting that the annual rate of price rises may start to pick-up again soon, driven by the strengthening monthly improvements that are emerging. Property price growth in London has been waning most notably recently, but this appears to be following a similar pattern to the nationwide trend, and after bottoming out, we are beginning to see signs that house prices in the capital are starting to gee up. Once again, London and the South East are boosting our overall measures of average annual change for England and Wales as a whole.”

House price index: historical data



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

Table 1. Average House Prices in England & Wales for the period August 2014 – August 2015

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
August	2014	£271,591	263.5	0.7	11.1
September	2014	£273,218	264.9	0.6	11.1
October	2014	£274,208	266.1	0.4	10.7
November	2014	£274,156	266.3	0.0	10.1
December	2014	£274,082	265.7	0.0	9.0
January	2015	£275,384	266.9	0.5	7.9
February	2015	£276,354	267.9	0.4	7.2
March	2015	£276,687	268.2	0.1	6.2
April	2015	£277,330	268.8	0.2	5.8
May	2015	£278,341	269.8	0.4	4.9
June	2015	£279,694	271.1	0.5	4.4
July	2015	£280,940	272.3	0.4	4.2
August	2015	£282,816	274.1	0.7	4.1

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Peter Williams, Chairman of Acadata and John Tindale, Acadata housing analyst comment:

House prices

House prices in England & Wales continue to rise. In August there was a 0.7% increase, taking the average price paid for a home to £282,816, up £1,876 on July and setting the eighth new peak for house prices this year. In 2015, the largest rise in prices in a month had been a relatively modest 0.5% in both January and June, with lower rates prevailing during the intervening months. However, August has seen this increase of 0.7%, which is the highest rise during the last twelve months. Is it the start of another strengthening in house prices? One possible cause of this house price inflation, as suggested by many commentators, is the lack of sellers coming to the market, causing strong competition among buyers, which in turn has raised average prices. We explore this view in more detail later in this report.

On an annual basis, house price growth at the end of August was 4.1%, with the average price paid for a home being £11,225 higher than a year earlier. Annual house price inflation has now been positive for the last 41 months, although August is the twelfth month in succession in which the annual rate has been falling. However, as is evident from the red line in Figure 1 below, the rate at which prices have been decreasing has slowed over the last three months, with a strong expectation that the annual rate will start to rise once more over the next few months, as the low monthly rates experienced during the last quarter of 2014 drop out of the annual house price calculations.

Figure 1 below also 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 driving the statistical average 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 regions. However, London's annual rate of house price inflation has been falling over the last year from 19.7% in August 2014 to an estimated 3.4% in August 2015, a startling decline and one which results in the capital now lowering the average rate of annual house price inflation for England & Wales. However, the decline in the rate of inflation in Greater London appears to have now reached the bottom, with early indications that prices in the capital are once again beginning to move in an upward direction.

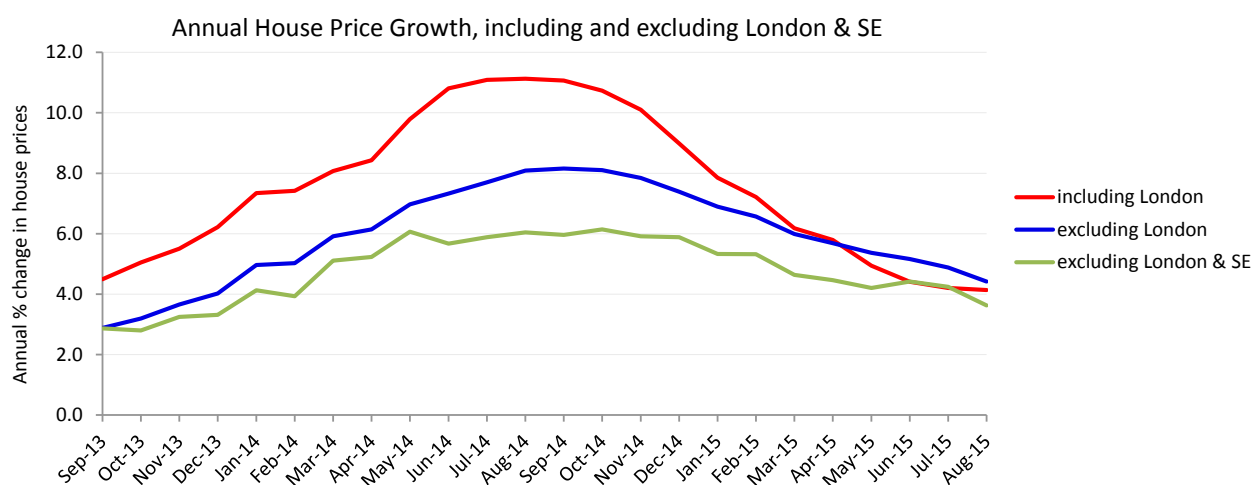


Figure 1. The Annual Rate of House Price Growth in England & Wales by month September 2013 – August 2015, including and excluding London & SE [link to source Excel](#)

The Housing Market

The latest Bank of England *Financial Stability Report* published on 1st July devotes a chapter to the UK housing market. It sets out what the Bank sees as the main risks focusing on continued high household indebtedness (compared to historical and international norms) which in 2014 led the Bank to put in place two market 'restrictions', a 3% stress test applied to all home owner loans, and a limit on the percentage of new home owner mortgage loans granted at loan-to-income ratios at or greater than 4.5. There was a marked slowing in the market in 2015, a product of a number of factors, including this intervention. With house prices picking up and mortgage costs falling in 2015, the Bank has again become concerned about a strengthening market, and has now turned its attention to the Buy-to-Let sector and whether the same controls should apply there. HM Treasury is about to undertake a consultation on this question.



As this suggests, the mortgage market - and through it the housing market - is now subject to active management. With the government's renewed commitment to home ownership and a degree of political push-back on the expanding Buy-to-Let sector and the private rented sector as a whole, we can expect to see further tinkering whether it be through new programmes or adjustments to existing regimes. The question of course is whether such measures can effectively control the market in ways which result in lower house prices. As the Bank has stressed, it cannot directly control prices, although it can influence them. However, the rise in the use of cash - which is outside Bank control compared to mortgages - does pose questions.

Many commentators have been highlighting the softening of the market, with house price growth slowing alongside a contraction in the number of homes on the market. To evidence this, in the first six months of 2015 total transactions in the UK stood at 695,000 compared to 725,000 a year earlier. In addition, the CML revised downwards its forecast for gross mortgage lending (ie, without netting off repaid loans) for the year from £222 billion to £209 billion, and edged down expectations for 2016 to £230 billion. Looking back to the turn of the year, several analysts were predicting either slowing or falling prices in 2015, though most would also agree that over the medium to long term prices will continue to rise. Nationwide has just reported both monthly and annual price rises down in August, though of course this is one of the 'low' seasons as people take holidays rather than move.

However, if prices settle at closer to wage inflation - say 4% per annum - we might see a new period of stability, and this would provide the government with an opportunity to think further ahead as to how it might aim to reduce market volatility and hence support a long-term, stable housing market. For most this would be a considerable prize.

Housing Transactions

We estimate that the number of housing transactions in England & Wales for the month of August 2015 as recorded by the Land Registry will total some 76,700. This is 14% lower than the level seen in July 2015, compared to a typical seasonal decrease of -0.5% for this time of year. As can be seen from Figure 2 below, the rise in transactions in July 2015, which put 2015 levels ahead of those recorded in 2013 and 2014, has been eradicated with the number of sales in August 2015 being lower than in August 2013. This is the first time in 2015 that monthly transactions have been lower than the equivalent month in 2013.

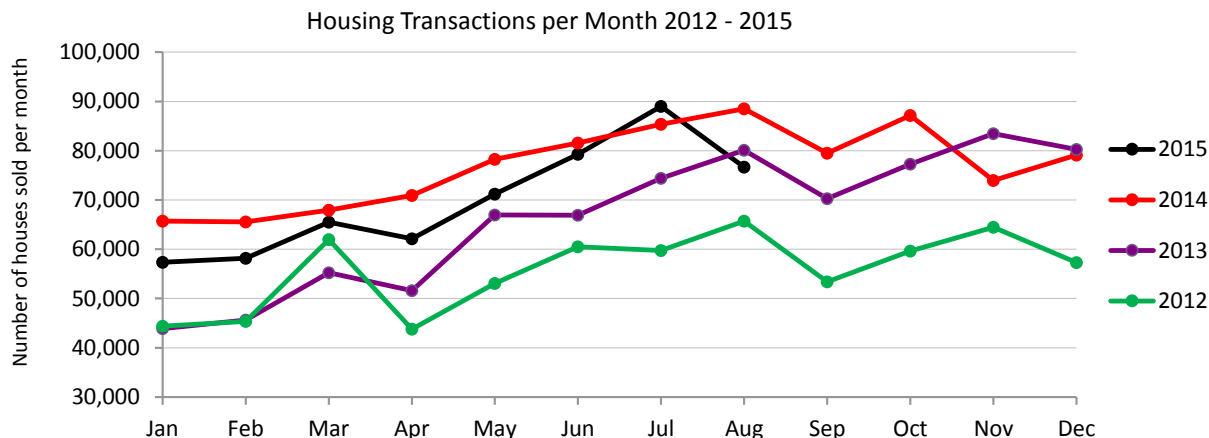


Figure 2. Number of properties sold per month in England & Wales, January 2012 – August 2015. Source Land Registry & Acadata estimates. The totals shown have not been seasonally adjusted. [link to source Excel](#)

Taking the three months May 2015 to July 2015 and comparing with the equivalent three months in 2014, we estimate that transactions in England & Wales have fallen by 3%. The largest shortfall by region has been in East Anglia, where overall sales have fallen by 9%, followed by Greater London where sales are 6% lower. The only region that has seen an increase in transactions over this time period is the North, where the number of sales has increased by 3%.

Looking at property types, and comparing May 2015 - July 2015 with the same three months in 2014, detached properties show no change in sales numbers, although in East Anglia detached sales have fallen by 9%. Sales of semi-detached properties in England & Wales have fallen by 2% over this period, terraced properties have fallen by 4% and flats by 6%. Again, East Anglia recorded the largest fall in flat sales at 15%, with London, which has the largest number of flat sales of any region in England, also seeing sales of flats fall by 9%.

We can note from Figure 5 on page 6 that East Anglia currently has the highest rate of house price inflation of any of the regions in England & Wales, but as discussed above, has also witnessed the largest reduction in property transactions. It is statistics such as these which suggest that it is property scarcity that is driving prices upward in the region, as opposed to an upsurge in demand, although that too may be adding to the pressure on prices.



The CML report on lending and house purchase in Q2 2015 notes that the number of loans taken out by first time buyers has decreased by 8% compared to Q2 2014, which is in line with the 6% fall in flat sales which we discussed above. The number of loans provided to home movers for house purchase also fell by 8% in Q2 2015 compared to Q2 2014, although the loan size increased by 6.6%, and finally the number of loans to the Buy-to-Let sector for house purchase increased by 16% over this same time period. The Buy-to-Let sector of the market is still clearly in the ascendancy, although the number of loans provided to this sector for house purchase during Q2 2015 at 28,020 was still substantially lower than the number of loans to first time buyers at 74,700, and to home movers at 85,500.

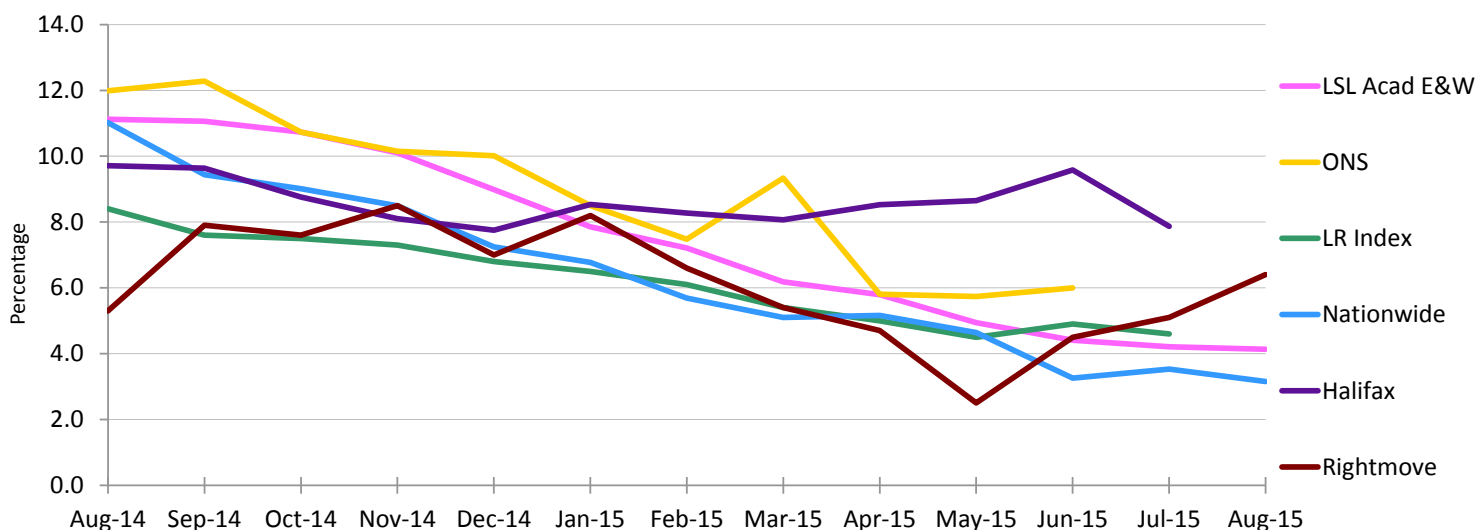


Figure 3. ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

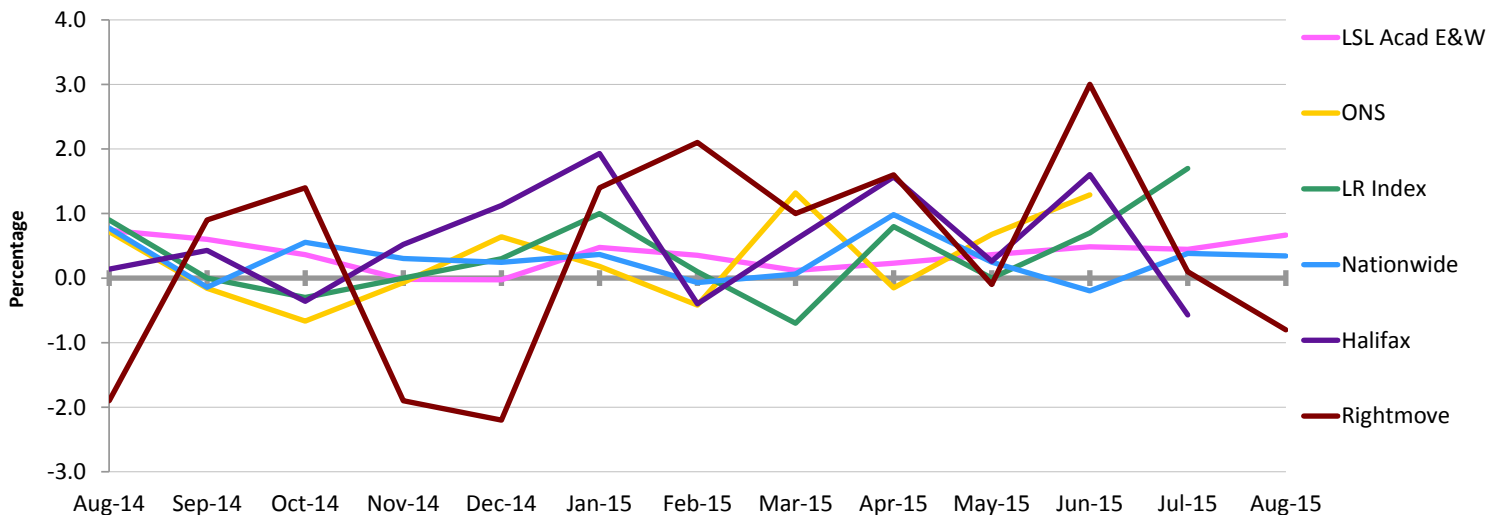


Figure 4. MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

[link to source Excel](#)

As Figure 3 shows, all indices are recording positive movements over the year in terms of the **annual** change in house prices, with the highest rate being recorded by the ONS in Sep 2014 at 12.3%, and the lowest rate being recorded by Rightmove in May 2015, at 2.5%. In August 2015, of the three indices that have reported to date, two are in a relatively tight band ranging from LSL Acad at 4.1% to Nationwide at 3.2%. Meanwhile, Rightmove is reporting a higher figure at 6.4%, although this reflects the expectations of sellers as opposed to the prices achieved on completion of their sales.

Figure 4 covers the **monthly** change in house prices, with the LSL Acad and Nationwide figures again being relatively similar at 0.7% and 0.3% respectively. Rightmove is showing a negative movement of -0.8% in the month, but argues in its accompanying text that this is a relatively small reduction for the month of August, where the average fall over the last seven years has been 1.5% in the month.

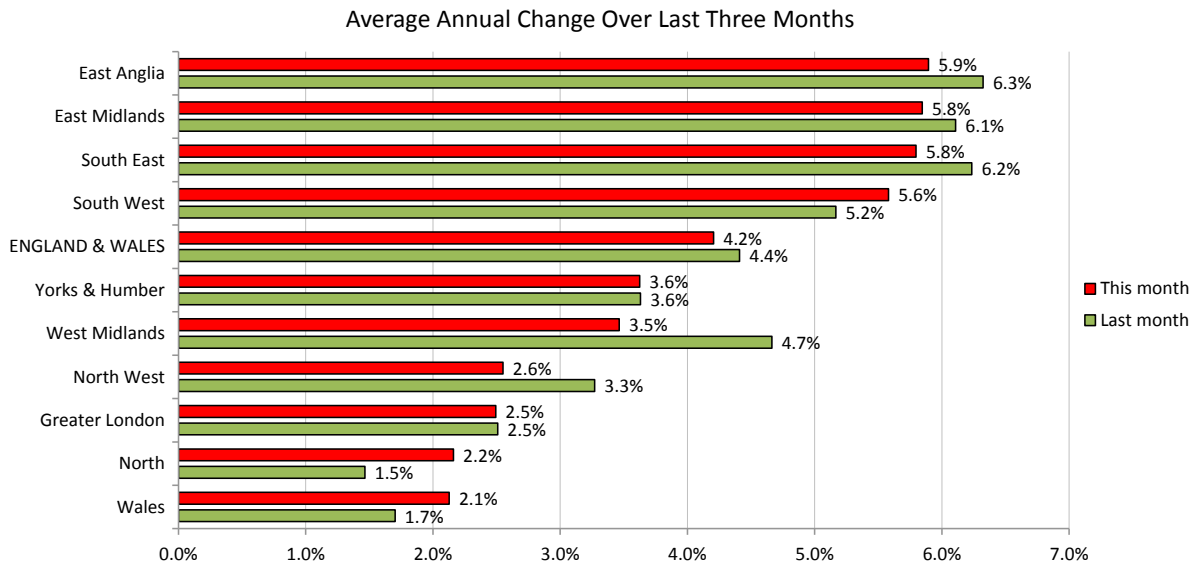


Figure 5. The annual change in the average house price, analysed by region

[link to source Excel](#)

For the second successive month, East Anglia is in the top spot in terms of the region with the highest rate of annual house price growth, at 5.9%, based on data for July 2015. But this month the East Midlands has taken second place, just ahead of the South East, with both regions recording house price inflation of 5.8%. Greater London remains in eighth position for the second month in succession, with a 2.5% increase in annual price growth, only marginally above the North and Wales, with 2.2% and 2.1% growth respectively.

Despite the variations, all ten regions are continuing to show a positive annual movement in house prices. In fact, one would need to go back to July 2013 to find the last time that any region/county recorded a negative movement in its rate of annual house price change, that being Wales. This month the rate of house price growth compared to the previous month has fallen in seven English regions, with only the North, Wales and the South West having seen increases in the annual rate.

London and the South East v the Rest

Over the last year we have been paying particular attention to the influence of Greater London and the South East on the average house price growth in England & Wales as a whole. As Table 2 below shows, this influence was at a maximum in August and September 2014 when the annual rate of growth was 11.1% including Greater London and the South East, but only 6.0% if one excluded these two regions. In June 2015 this gap disappeared, meaning that London and the South East had no influence over the average growth rate for England & Wales as a whole. This situation has changed in August 2015 to a position where London and the South East are once again pushing up the average rate of growth in prices for England and Wales as a whole.

Month	including London (A)	excluding London	excluding London & SE (B)	difference 'the gap' (A) – (B)
Aug-14	11.1	8.1	6.0	5.1
Sep-14	11.1	8.2	6.0	5.1
Oct-14	10.7	8.1	6.1	4.6
Nov-14	10.1	7.8	5.9	4.2
Dec-14	9.0	7.4	5.9	3.1
Jan-15	7.9	6.9	5.3	2.6
Feb-15	7.2	6.6	5.3	1.9
Mar-15	6.2	6.0	4.6	1.6
Apr-15	5.8	5.7	4.5	1.3
May-15	4.9	5.4	4.2	0.7
Jun-15	4.4	5.2	4.4	0.0
Jul-15	4.2	4.9	4.2	0.0
Aug-15	4.1	4.4	3.6	0.5

Table 2. The annual percentage change in house prices in England & Wales, from August 2014 – August 2015, including and excluding Greater London and the South East.

[link to source Excel](#)



ANNUAL CHANGE IN PRICE BY REGION

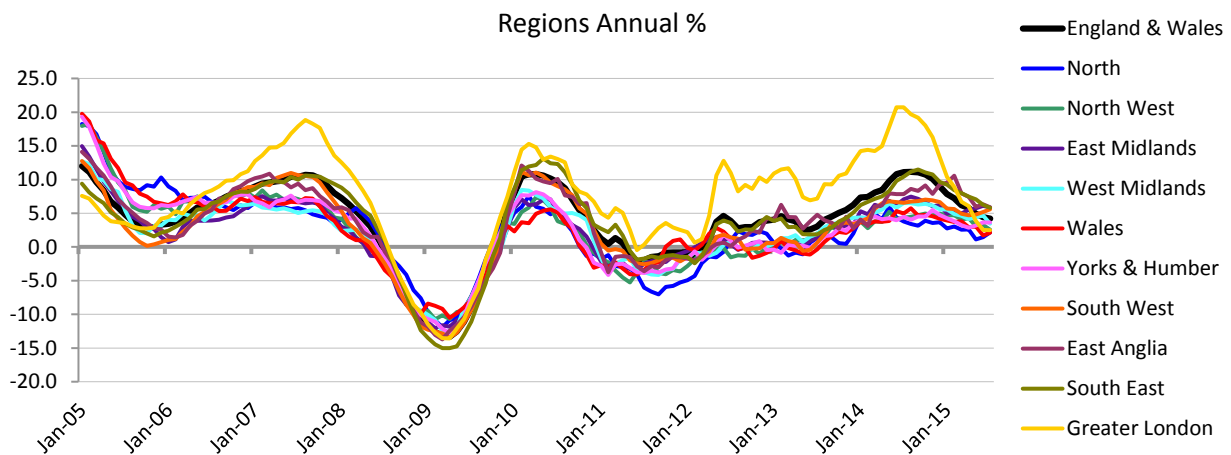


Figure 6. A comparison of the annual change in house prices, by region for the period January 2005 – July 2015

[link to source Excel](#)

Note that individual regions can be compared using our “National and Regional series from 2005 with Interactive Charts”, linked from 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 July 2014 and June 2015 with July 2015.

[link to source Excel](#)

PRIOR YR RANK	RANK BY PRICE	LONDON BOROUGH	Jul-14	Jun-15	Jul-15	Month % Change	Annual % Change
1	1	KENSINGTON AND CHELSEA	1,887,920	1,953,844	1,845,178	-5.6%	-2.3%
2	2	CITY OF WESTMINSTER	1,527,196	1,287,658	1,286,923	-0.1%	-15.7%
4	3	CAMDEN	982,731	980,519	1,034,604	5.5%	5.3%
3	4	CITY OF LONDON	1,006,770	996,455	939,649	-5.7%	-6.7%
5	5	HAMMERSMITH AND	904,659	902,208	899,405	-0.3%	-0.6%
6	6	RICHMOND UPON THAMES	748,401	750,453	751,664	0.2%	0.4%
8	7	ISLINGTON	667,302	724,634	721,194	-0.5%	8.1%
7	8	WANDSWORTH	728,257	705,387	717,587	1.7%	-1.5%
9	9	MERTON	598,274	593,275	602,265	1.5%	0.7%
14	10	HACKNEY	520,981	569,928	582,727	2.2%	11.9%
12	11	SOUTHWARK	531,079	574,148	574,042	0.0%	8.1%
10	12	BARNET	557,127	550,084	559,448	1.7%	0.4%
11	13	LAMBETH	532,817	559,194	555,408	-0.7%	4.2%
17	14	BRENT	470,853	528,155	538,114	1.9%	14.3%
13	15	EALING	528,814	525,017	535,538	2.0%	1.3%
15	16	HARINGEY	512,653	504,583	510,897	1.3%	-0.3%
16	17	KINGSTON UPON THAMES	499,044	491,171	496,329	1.1%	-0.5%
18	18	HOUNSLOW	445,699	459,023	477,165	4.0%	7.1%
19	19	TOWER HAMLETS	441,663	467,058	476,344	2.0%	7.9%
20	20	HARROW	425,962	474,704	471,624	-0.6%	10.7%
21	21	BROMLEY	416,655	442,057	440,451	-0.4%	5.7%
23	22	LEWISHAM	375,252	407,200	404,881	-0.6%	7.9%
24	23	REDBRIDGE	361,232	384,611	396,596	3.1%	9.8%
22	24	GREENWICH	385,743	389,653	392,241	0.7%	1.7%
27	25	WALTHAM FOREST	351,696	384,116	389,621	1.4%	10.8%
26	26	HILLINGDON	352,027	380,229	388,482	2.2%	10.4%
25	27	ENFIELD	358,230	381,419	383,309	0.5%	7.0%
28	28	SUTTON	330,551	360,803	362,669	0.5%	9.7%
29	29	CROYDON	312,725	342,781	341,751	-0.3%	9.3%
30	30	HAVERING	289,826	318,579	325,484	2.2%	12.3%
31	31	NEWHAM	276,920	309,963	315,762	1.9%	14.0%
32	32	BEXLEY	276,080	297,101	301,270	1.4%	9.1%
33	33	BARKING AND DAGENHAM	212,528	241,940	245,236	1.4%	15.4%
		ALL LONDON	556,503	567,605	570,378	0.5%	2.5%

The analysis of Greater London house prices in the above table relates to July 2015 and compares these prices to one month and one year earlier. On a monthly basis, house prices in London overall were 0.5% higher in July than in June. However, there were 11 boroughs in July that saw prices fall. Of these 11, six were ranked in the top 11 boroughs by price, 4 were ranked in the middle 11 boroughs by price, while only 1 borough (Croydon) was in the lowest 11 boroughs by price. Thus it is the higher priced areas of London that have seen the major fall in prices, whereas the more affordable areas at the lower end of the price scale in London are seeing prices rise.

The 14 boroughs highlighted in grey in the above table all set new peak average prices in July, as did Greater London as a whole. It is noticeable that the main cluster of such boroughs are among the lower priced areas of the capital, with 9 of the 14 highlighted being among the lowest 11 boroughs when ranked by average price.

A similar picture emerges when looking at transaction counts. Over the three months May 2015 - July 2015, compared to the same three months in 2014, the City of Westminster, Islington, and Kensington & Chelsea saw transactions fall by 33%, 30% and 27% respectively, while Sutton and Bexley saw transactions rise by 18% and 8% over this same time period. Thus currently there would appear to be two separate trends at work in the London housing market: the rise in Stamp Duty rates and associated non-dom measures that were introduced by the Chancellor in his Autumn Statement in December 2014, along with the strengthening of sterling over the last six months. These have taken their toll on the high-end London markets, while demand for the more affordable properties, particularly to the east of London, remains strong.

Finally, to cap the point, the borough with the highest annual increase in house prices in July at 15.4% was Barking and Dagenham, which has the lowest average house price of any borough in London, while the City of Westminster - ranked second by average price - saw the largest fall in values over the last year, down by 15.7%.

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 July 2014 and June 2015 with July 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	Jul-14	Jun-15	Jul-15	Monthly change	Annual Change
17	18	CAMBRIDGESHIRE	271,544	287,304	290,293	1.0%	6.9%
65	63	CITY OF PETERBOROUGH	169,711	173,736	177,944	2.4%	4.9%
46	48	NORFOLK	203,200	213,407	213,384	0.0%	5.0%
35	36	SUFFOLK	224,168	240,956	237,577	-1.4%	6.0%
		EAST ANGLIA	225,322	238,575	238,604	0.0%	5.9%
77	77	CITY OF DERBY	158,166	160,257	163,252	1.9%	3.2%
98	94	CITY OF NOTTINGHAM	126,688	135,751	136,327	0.4%	7.6%
63	59	DERBYSHIRE	170,544	178,216	179,912	1.0%	5.5%
86	88	LEICESTER	148,288	149,501	149,427	0.0%	0.8%
45	46	LEICESTERSHIRE	204,144	212,048	214,142	1.0%	4.9%
70	62	LINCOLNSHIRE	164,510	176,734	178,204	0.8%	8.3%
48	47	NORTHAMPTONSHIRE	200,208	213,395	213,728	0.2%	6.8%
69	69	NOTTINGHAMSHIRE	165,308	173,169	173,225	0.0%	4.8%
14	14	RUTLAND	284,380	297,551	313,891	5.5%	10.4%
		EAST MIDLANDS	176,245	185,288	186,547	0.7%	5.8%
		GREATER LONDON	556,503	567,605	570,378	0.5%	2.5%
62	67	CUMBRIA	170,947	170,672	174,115	2.0%	1.9%
88	89	DARLINGTON	146,294	146,288	146,511	0.2%	0.1%
97	99	DURHAM	126,864	129,649	128,470	-0.9%	1.3%
94	97	HARTLEPOOL	134,634	134,357	131,134	-2.4%	-2.6%
99	100	MIDDLESBROUGH	126,260	129,896	124,877	-3.9%	-1.1%
60	58	NORTHUMBERLAND	177,737	177,969	182,464	2.5%	2.7%
100	95	REDCAR AND CLEVELAND	125,706	133,522	133,784	0.2%	6.4%
83	85	STOCKTON-ON-TEES	150,374	151,405	153,895	1.6%	2.3%
84	83	TYNE AND WEAR	149,923	154,604	154,248	-0.2%	2.9%
		NORTH	150,732	153,259	153,989	0.5%	2.2%
102	101	BLACKBURN WITH DARWEN	115,722	123,617	120,396	-2.6%	4.0%
104	105	BLACKPOOL	107,546	108,198	108,968	0.7%	1.3%
40	43	CHESHIRE	221,162	222,361	222,323	0.0%	0.5%
73	75	GREATER MANCHESTER	160,452	166,251	164,759	-0.9%	2.7%
85	78	HALTON	149,808	156,568	161,107	2.9%	7.5%
78	82	LANCASHIRE	156,817	156,601	156,750	0.1%	0.0%
87	84	MERSEYSIDE	146,967	153,533	154,192	0.4%	4.9%
52	50	WARRINGTON	191,662	206,738	212,419	2.7%	10.8%
		NORTH WEST	164,247	168,651	168,437	-0.1%	2.6%
26	23	BEDFORDSHIRE	243,916	265,193	265,610	0.2%	8.9%
10	10	BRACKNELL FOREST	317,015	344,678	349,426	1.4%	10.2%
8	8	BRIGHTON AND HOVE	335,992	359,261	353,181	-1.7%	5.1%
3	3	BUCKINGHAMSHIRE	401,838	430,822	432,422	0.4%	7.6%
20	21	EAST SUSSEX	262,750	273,678	272,014	-0.6%	3.5%
16	17	ESSEX	273,495	290,707	292,602	0.7%	7.0%
13	13	HAMPSHIRE	298,510	315,161	318,249	1.0%	6.6%
5	5	HERTFORDSHIRE	366,967	394,830	394,223	-0.2%	7.4%
47	45	ISLE OF WIGHT	203,171	209,103	215,317	3.0%	6.0%
18	19	KENT	270,336	280,242	282,385	0.8%	4.5%
57	52	LUTON	181,108	198,856	202,456	1.8%	11.8%
49	49	MEDWAY	196,287	210,587	212,581	0.9%	8.3%
30	27	MILTON KEYNES	238,160	254,935	255,656	0.3%	7.3%
6	6	OXFORDSHIRE	352,092	372,894	376,086	0.9%	6.8%
53	54	PORTSMOUTH	188,802	200,556	200,360	-0.1%	6.1%
19	15	READING	264,315	296,059	303,998	2.7%	15.0%
22	22	SLOUGH	251,859	267,208	271,276	1.5%	7.7%
54	56	SOUTHAMPTON	185,763	194,628	195,201	0.3%	5.1%

London boroughs, counties and unitary authorities



32	25	SOUTHEND-ON-SEA	233,610	258,639	262,425	1.5%	12.3%
2	2	SURREY	461,805	467,901	471,411	0.8%	2.1%
43	37	THURROCK	208,450	227,749	232,396	2.0%	11.5%
7	7	WEST BERKSHIRE	338,361	364,266	366,231	0.5%	8.2%
11	12	WEST SUSSEX	310,358	325,250	326,799	0.5%	5.3%
1	1	WINDSOR AND MAIDENHEAD	537,081	529,808	526,835	-0.6%	-1.9%
4	4	WOKINGHAM	386,576	400,526	404,626	1.0%	4.7%
		SOUTH EAST	312,981	329,383	331,126	0.5%	5.8%
9	11	BATH AND NORTH EAST SOMERSET	318,472	323,397	334,360	3.4%	5.0%
24	24	BOURNEMOUTH	249,292	258,023	265,546	2.9%	6.5%
25	29	CITY OF BRISTOL	244,270	251,658	253,402	0.7%	3.7%
66	65	CITY OF PLYMOUTH	169,119	176,758	176,709	0.0%	4.5%
36	33	CORNWALL	222,574	237,715	242,153	1.9%	8.8%
23	26	DEVON	251,056	256,835	258,176	0.5%	2.8%
15	16	DORSET	275,713	292,609	294,034	0.5%	6.6%
27	28	GLOUCESTERSHIRE	243,332	253,718	253,500	-0.1%	4.2%
28	31	NORTH SOMERSET	241,396	244,206	244,240	0.0%	1.2%
12	9	POOLE	306,990	339,497	352,180	3.7%	14.7%
41	41	SOMERSET	218,620	223,496	223,662	0.1%	2.3%
33	30	SOUTH GLOUCESTERSHIRE	231,220	250,080	252,668	1.0%	9.3%
55	53	SWINDON	182,039	197,367	201,718	2.2%	10.8%
51	55	TORBAY	193,057	199,089	199,941	0.4%	3.6%
21	20	WILTSHIRE	253,581	273,616	274,380	0.3%	8.2%
		SOUTH WEST	240,825	251,996	254,264	0.9%	5.6%
108	108	BLAENAU GWENT	88,640	90,345	88,899	-1.6%	0.3%
91	90	BRIDGEND	143,072	147,704	146,059	-1.1%	2.1%
95	96	CAERPHILLY	130,565	132,010	131,402	-0.5%	0.6%
50	51	CARDIFF	194,053	204,763	204,088	-0.3%	5.2%
89	92	CARMARTHENSHIRE	146,132	133,875	144,313	7.8%	-1.2%
58	61	CEREDIGION	178,333	180,283	178,989	-0.7%	0.4%
68	73	CONWY	166,606	167,778	169,032	0.7%	1.5%
81	79	DENBIGHSHIRE	151,753	158,365	160,342	1.2%	5.7%
74	71	FLINTSHIRE	160,449	172,052	169,991	-1.2%	5.9%
80	72	GWYNEDD	152,106	167,980	169,277	0.8%	11.3%
72	70	ISLE OF ANGLESEY	163,601	168,331	171,163	1.7%	4.6%
105	107	MERTHYR TYDFIL	104,520	107,903	106,195	-1.6%	1.6%
31	34	MONMOUTHSHIRE	238,089	238,956	241,846	1.2%	1.6%
101	103	NEATH PORT TALBOT	118,400	114,225	112,525	-1.5%	-5.0%
71	80	NEWPORT	163,682	158,943	159,674	0.5%	-2.4%
61	66	PEMBROKESHIRE	176,870	168,665	176,066	4.4%	-0.5%
59	60	POWYS	178,039	180,356	179,702	-0.4%	0.9%
103	102	RHONDDA CYNON TAFF	112,139	113,697	114,239	0.5%	1.9%
79	86	SWANSEA	155,135	154,775	152,399	-1.5%	-1.8%
42	42	THE VALE OF GLAMORGAN	216,435	224,080	222,763	-0.6%	2.9%
92	93	TORFAEN	142,629	141,667	142,176	0.4%	-0.3%
82	81	WREXHAM	151,349	156,002	158,872	1.8%	5.0%
		WALES	159,985	162,679	163,389	0.4%	2.1%
38	38	HEREFORDSHIRE	221,582	229,927	228,661	-0.6%	3.2%
44	44	SHROPSHIRE	207,648	217,979	217,334	-0.3%	4.7%
56	57	STAFFORDSHIRE	181,859	191,815	191,840	0.0%	5.5%
107	104	STOKE-ON-TRENT	103,816	111,266	111,326	0.1%	7.2%
29	32	WARWICKSHIRE	240,849	244,471	244,137	-0.1%	1.4%
67	68	WEST MIDLANDS	167,624	173,179	173,242	0.0%	3.4%
37	39	WORCESTERSHIRE	221,736	228,369	227,590	-0.3%	2.6%
75	74	WREKIN	159,231	166,536	166,273	-0.2%	4.4%
		WEST MIDLANDS	187,191	193,875	193,676	-0.1%	3.5%
106	106	CITY OF KINGSTON UPON HULL	104,101	107,257	107,154	-0.1%	2.9%



64	64	EAST RIDING OF YORKSHIRE	169,789	176,776	176,902	0.1%	4.2%
96	98	NORTH EAST LINCOLNSHIRE	129,018	129,732	128,880	-0.7%	-0.1%
93	91	NORTH LINCOLNSHIRE	136,223	143,852	144,432	0.4%	6.0%
39	40	NORTH YORKSHIRE	221,168	224,273	226,668	1.1%	2.5%
90	87	SOUTH YORKSHIRE	143,934	149,348	149,743	0.3%	4.0%
76	76	WEST YORKSHIRE	158,521	164,578	164,355	-0.1%	3.7%
34	35	YORK	226,238	237,525	238,181	0.3%	5.3%
		YORKS & HUMBER	164,365	169,959	170,324	0.2%	3.6%
		ALL ENGLAND & WALES	269,601	279,694	280,940	0.4%	4.2%

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 July 2014, June 2015 and July 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. In July there was a surge in transactions, noticeable in Figure 2 above, which most commentators ascribed to certainty in the outcome of the General Election, which had previously been expected to result in a coalition or hung parliament. Against this backdrop, prices in England & Wales increased by an overall 0.4% in the month. The headline annual increase in prices for England & Wales in July 2015 is 4.2%, which is down 0.2% from June. This is the eleventh month in succession in which the rate of the annual change in house prices has fallen. Despite the falling growth rates, there were five regions recording peak average prices in July, with two changes in its constituent membership from the previous month, seeing the West Midlands drop out of this group, to be replaced by Greater London.

Annual Trends

On an annual basis, prices have increased in 97 of the 108 unitary authority areas, being three more than last month, which represents some 90% of the England & Wales unitary authority areas. Of the 11 areas where prices are falling, 6 are located in Wales, 2 are located in the North and 1 each in the North West, Yorkshire and Humberside and the South East. In the South East it is Windsor and Maidenhead that has seen prices fall over the year; Windsor and Maidenhead is ranked first in terms of average house price of all the unitary authority areas in England & Wales. It is therefore the most expensive area in England in which to purchase a property, outside of Greater London.

In the above table we have highlighted in turquoise the areas which have set a new peak price in the month; there are 32 such locations, up from the 23 recorded last month. Excluding Wales, we can conclude that 37% of the unitary authority areas in England are currently experiencing record prices.

Table 5 below shows the annual rate of house price growth outside Greater London, ordered by quartiles in terms of the average house price of each unitary authority area. The table highlights the fact that, despite the fall in prices in Windsor & Maidenhead, the most expensive unitary authority areas in England & Wales are seeing the highest increase in house prices. Comparing the figures this month with the equivalent for those produced last month, we can see that the rate of house price inflation has been rising in most segments of the housing market, with the exception of that of the first quartile, where the growth rate this month has fallen by 0.7% from the previous month.

Table 5. Trends in the distribution of house prices changes in the 108 unitary authority/counties, for the period July 2014 to July 2015, by quartile, based on average house prices.

Quartile	Price range	Average price change over the 12 months	Last month's equivalent price change over the 12 months
1st Quartile	£0 - £158,341	1.7%	2.4%
2nd Quartile	£158,341 - £200,151	4.0%	3.3%
3rd Quartile	£200,151 - £254,039	5.5%	5.3%
4th Quartile	Above £254,039	7.0%	6.9%

Monthly Trends

On a monthly basis, the headline rate for prices in England & Wales in July 2015 shows an increase of 0.4%, marginally down from the 0.5% seen in the previous month. In July, there were price rises over the month in 72 of the 108 unitary authority areas (ten more than the previous month).



Highest and lowest unitary authorities

Looking at the unitary authority areas on an individual basis, for the second month in succession it is Reading at 15.0% that tops the league with the highest annual rate of change in prices. Reading is one of the terminus stations for the new London Crossrail link, which is planned to be operational by 2019. Once up and running, it will be possible to travel from Reading to the City of London without having to change trains. Property prices in Reading are already beginning to reflect this improvement in transport infrastructure, with the average price of a flat in Reading having risen in price by 20% over this last year, from an average £180k in 2014 to £215k in 2015.

By way of contrast, the area with the largest reduction in annual prices, also for the second month in succession, is Neath Port Talbot, where prices have fallen by 5.0%. Neath Port Talbot is one of the six local authority areas in Wales where prices have fallen over the year, all six of which are based in the south of the Principality.

Transactions

In terms of transactions, looking at the three months May to July 2015 and comparing with the same three months one year earlier, 69 of the 108 unitary authorities in England & Wales have seen a decline in sales volumes over the period, compared to 88 last month. The area in England with the largest decline in transactions over those months was Herefordshire, down 15%, with a 29% decline in the number of terraced properties sold, although the average price of terraced properties in Herefordshire has risen by 5% over this period.

The area that recorded the highest increase in transactions over the year of any English unitary authority, for the second month in succession, was Darlington, where property sales increased by an overall 16%. Here the sale of semi-detached homes increased by 20% from 138 to 165 properties in the period. Darlington was followed by the Medway, where transactions increased by 14% over this same period, with the number of flat sales increasing by 70%, from 116 to 198 units, assisted by the launch of new apartment blocks at Victory Pier, Gillingham. Gillingham has also recently seen an improvement in its transport links to London, with the introduction of high speed trains to St Pancras.

Regional data table



Table 6. Average house prices by region, August 2014 – August 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
Aug-14	£150,865	0.1	3.4	£165,382	0.7	4.5	£177,325	0.6	7.5	£188,693	0.8	6.5
Sep-14	£149,799	-0.7	3.2	£166,775	0.8	4.7	£178,827	0.8	7.1	£188,965	0.1	6.3
Oct-14	£151,199	0.9	3.9	£167,284	0.3	4.9	£178,396	-0.2	6.6	£190,341	0.7	6.4
Nov-14	£150,445	-0.5	3.6	£166,397	-0.5	4.6	£178,583	0.1	6.0	£190,515	0.1	6.1
Dec-14	£151,682	0.8	3.7	£166,830	0.3	5.0	£178,521	0.0	6.2	£190,899	0.2	5.6
Jan-15	£152,861	0.8	2.7	£168,084	0.8	4.7	£180,049	0.9	4.9	£192,029	0.6	5.6
Feb-15	£154,911	1.3	3.0	£168,998	0.5	4.7	£182,090	1.1	5.3	£192,385	0.2	4.9
Mar-15	£156,011	0.7	2.5	£169,234	0.1	4.1	£183,057	0.5	5.0	£192,593	0.1	4.6
Apr-15	£154,764	-0.8	2.6	£169,103	-0.1	4.3	£183,365	0.2	5.5	£191,941	-0.3	4.1
May-15	£153,461	-0.8	1.1	£168,644	-0.3	3.1	£184,079	0.4	5.7	£192,737	0.4	4.4
Jun-15	£153,259	-0.1	1.5	£168,651	0.0	3.3	£185,288	0.7	6.1	£193,875	0.6	4.7
Jul-15	£153,989	0.5	2.2	£168,437	-0.1	2.6	£186,547	0.7	5.8	£193,676	-0.1	3.5

	Wales			Yorks & Humber			South West			East Anglia		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Aug-14	£162,239	1.4	5.7	£165,392	0.6	4.0	£243,869	1.3	6.7	£227,529	1.0	8.6
Sep-14	£162,809	0.4	4.7	£166,533	0.7	4.5	£245,469	0.7	6.8	£227,265	-0.1	8.3
Oct-14	£164,547	1.1	4.8	£168,085	0.9	4.5	£246,333	0.4	7.0	£228,834	0.7	9.1
Nov-14	£164,022	-0.3	4.6	£168,920	0.5	5.5	£245,484	-0.3	6.9	£227,801	-0.5	7.9
Dec-14	£164,252	0.1	4.2	£168,865	0.0	4.8	£247,019	0.6	6.7	£230,265	1.1	9.3
Jan-15	£164,706	0.3	3.9	£169,094	0.1	4.3	£245,930	-0.4	5.7	£232,949	1.2	9.5
Feb-15	£165,905	0.7	3.7	£168,669	-0.3	3.8	£248,298	1.0	5.6	£237,656	2.0	10.6
Mar-15	£166,041	0.1	3.8	£168,846	0.1	3.2	£249,330	0.4	4.9	£237,662	0.0	8.0
Apr-15	£164,318	-1.0	2.9	£168,329	-0.3	2.8	£251,149	0.7	4.7	£238,551	0.4	7.4
May-15	£163,404	-0.6	3.0	£169,375	0.6	3.2	£251,779	0.3	4.8	£237,209	-0.6	6.0
Jun-15	£162,679	-0.4	1.7	£169,959	0.3	3.6	£251,996	0.1	5.2	£238,575	0.6	6.3
Jul-15	£163,389	0.4	2.1	£170,324	0.2	3.6	£254,264	0.9	5.6	£238,604	0.0	5.9

	South East			Greater London			ENGLAND & WALES		
	Av HP	%monthly	%annual	Av HP	%monthly	%annual	Av HP	%monthly	%annual
Aug-14	£315,361	0.8	11.2	£559,445	0.5	19.7	£271,591	0.7	11.1
Sep-14	£316,863	0.5	11.5	£564,711	0.9	19.2	£273,218	0.6	11.1
Oct-14	£317,632	0.2	11.1	£566,227	0.3	18.0	£274,208	0.4	10.7
Nov-14	£318,293	0.2	10.8	£566,053	0.0	16.3	£274,156	0.0	10.1
Dec-14	£319,498	0.4	9.6	£560,103	-1.1	13.3	£274,082	0.0	9.0
Jan-15	£322,137	0.8	9.2	£561,407	0.2	10.4	£275,384	0.5	7.9
Feb-15	£324,022	0.6	8.4	£558,314	-0.6	8.9	£276,354	0.4	7.2
Mar-15	£325,896	0.6	8.0	£554,995	-0.6	6.7	£276,687	0.1	6.2
Apr-15	£326,778	0.3	7.5	£557,857	0.5	6.1	£277,330	0.2	5.8
May-15	£328,518	0.5	7.1	£561,508	0.7	3.9	£278,341	0.4	4.9
Jun-15	£329,383	0.3	6.2	£567,605	1.1	2.5	£279,694	0.5	4.4
Jul-15	£331,126	0.5	5.8	£570,378	0.5	2.5	£280,940	0.4	4.2
Aug-15							£282,816	0.7	4.1



1. LSL Acad E&W HPI is derived from Land Registry (LR) house price data, seasonally and mix adjusted by property type. © Crown copyright material reproduced with the permission of Land Registry. The prices are smoothed to show underlying trends. LSL Acad E&W HPI includes cash purchase prices and is the only index based upon the complete, factual house price data for England & Wales, as opposed to a sample.
2. Most indices employ data available to the provider as result of its business; index methodologies are designed to exploit the advantages and overcome the disadvantages of each particular dataset; a valuation series (whether the values are professionally estimated at e.g. time of mortgage offer or by an estate agent) is not the same as a price series; price series (LSL Acad E&W HPI, 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.

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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