

**STRICTLY UNDER EMBARGO UNTIL 00.01 FRIDAY 8TH OCTOBER 2010**

## MARKET ACTIVITY SEES SEPTEMBER PICK-UP

- **The number of transactions in September increased by 3.4%** in the month, up 11.5% compared to last September ([Page 3](#)).
- **Average house prices registered a 0.2% increase in September.** Over the last six months, house prices have registered a modest 1.0% growth ([Page 4](#)).
- **Year on year house price growth slowed to 7.0%**, and is expected to slow further as increases in 2010 fail to match those of a year ago ([Page 4](#) and table below).

### David Brown, commercial director of LSL Property Services comments:

*“Historically, transactions slow in September but there has been a welcomed increase in activity this year compared to last. The London market has been particularly active, with sustained investment from foreign investors and cash-rich buyers fuelling an increase in transactions.*

*“Despite the sluggish growth in house prices, there have been some small rises over the last five months but the next few months could see changes. People know that imminent public spending cuts will hit their household finances. Added to that is the problem of mortgage finance, which remains the main hurdle for first-time buyers. And as lenders turn their attention to repaying the £300bn they owe the government in the Special Liquidity Scheme, the market won’t loosen up any time soon. On top of this, the FSA’s proposals in the Mortgage Market Review may well add further constraints to the FTB market. While we won’t see a ‘double-dip’ in the housing market, we don’t expect market activity or house prices to continue their upwards march in the short-term.”*

For more analysis by Dr Peter Williams, housing market specialist and Acadametrics Chairman, see page 2.

|                     | House Price | Index | Monthly Change % | Annual Change % |
|---------------------|-------------|-------|------------------|-----------------|
| <b>October 2009</b> | £211,727    | 215.6 | 1.2              | -0.9            |
| <b>November</b>     | £212,347    | 216.2 | 0.3              | 1.6             |
| <b>December</b>     | £216,505    | 220.4 | 2.0              | 5.3             |
| <b>January 2010</b> | £219,857    | 223.8 | 1.5              | 7.8             |
| <b>February</b>     | £223,425    | 227.5 | 1.6              | 10.3            |
| <b>March</b>        | £222,067    | 226.1 | -0.6             | 10.5            |
| <b>April</b>        | £221,554    | 225.6 | -0.2             | 10.6            |
| <b>May</b>          | £221,706    | 225.7 | 0.1              | 10.3            |
| <b>June</b>         | £222,523    | 226.6 | 0.4              | 9.8             |
| <b>July</b>         | £222,964    | 227.0 | 0.2              | 9.2             |
| <b>August</b>       | £223,536    | 227.6 | 0.3              | 8.3             |
| <b>September</b>    | £223,965    | 228.0 | 0.2              | 7.0             |

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## FURTHER COMMENTARY BY DR PETER WILLIAMS

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

“The average price of a home in England & Wales is now £223,965. At this level, it is down £7,863, or 3.5%, from its peak in February 2008 of £231,828. Over the last six months, we have witnessed relatively small changes in house prices, such that the average price has changed by a modest 1.0%, although as we show below this single average figure masks some dramatic movements in prices at a more local level.

“Our annual rate of growth at 7.0% reflects past price changes rather than activity in more recent months and, as earlier months drop out from the annual calculations, we will see the annual rate of growth continue to fall over the remainder of the year. We anticipate that some, but not all, of the regions in England and Wales will be showing falling prices on an annual basis by December 2010.

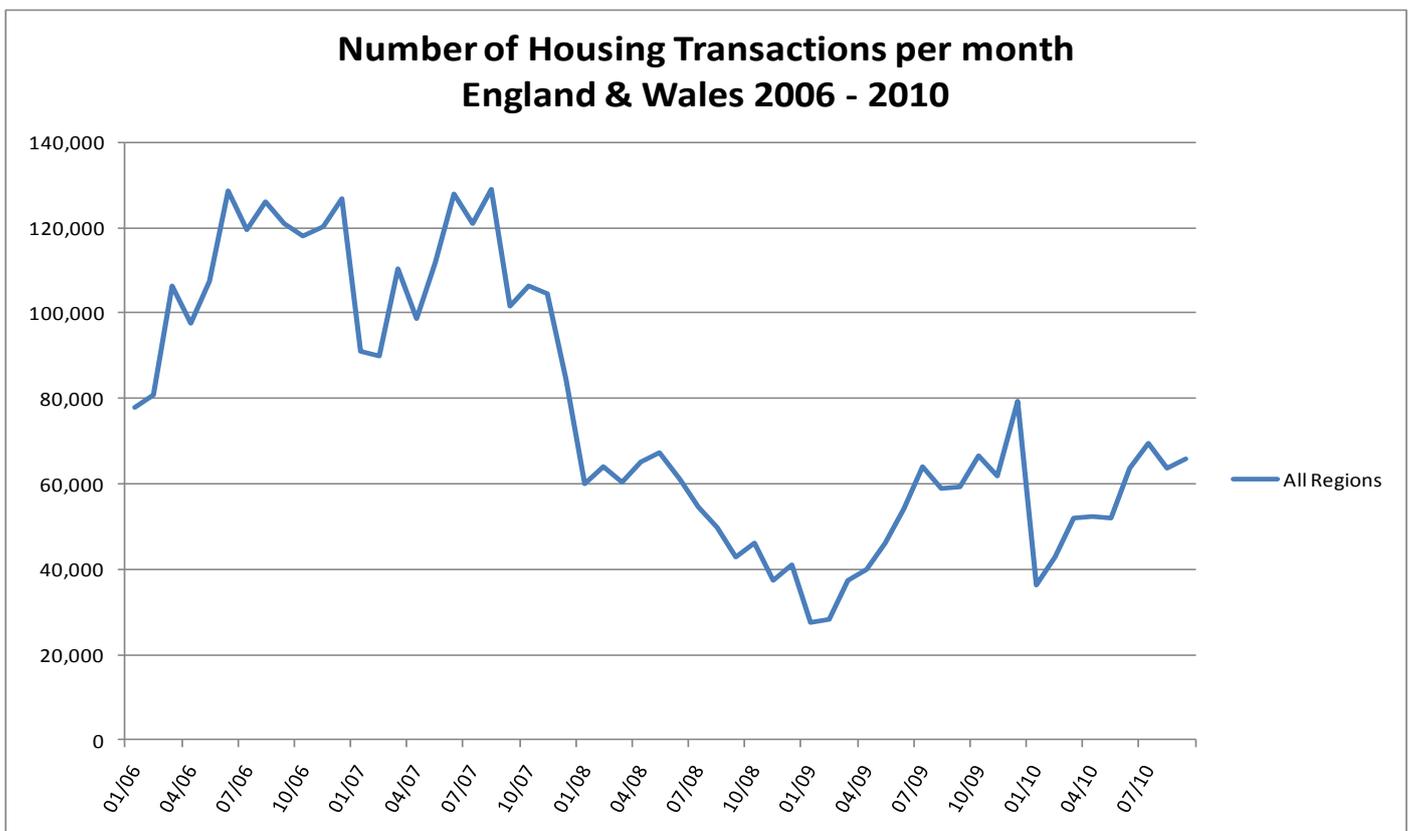
“Thus yet again, we are reporting on a national housing market which in terms of average prices is flat with little evidence of the normal autumnal bounce with buyers and sellers moving in numbers to transact well before the Christmas season. This is a reflection of a range of factors including lack of confidence, such as concerns re Budget cuts, tax rises and job losses, a reluctance by sellers to accept lower prices, the shortage of mortgages and continued affordability pressures for those trying to enter the market. It is little surprise that there is limited life in the market and that where there is, it is the better off areas that are showing more movement in both prices and transactions.

“Looking ahead to the end of the year and into 2011, there is little to suggest that this picture will change very much in the short to medium term. Loans to first time buyers (FTBs) remain low by historic standards, the Homebuy Direct scheme with housebuilders has just ended, the Support for Mortgage Interest rate has been almost halved and we know that the FSA’s proposals in the Mortgage Market Review will, if implemented, impact heavily upon the FTB sector. Taken together with the other pressures listed earlier, there is little to suggest an upturn in activity or prices while all of this works through.”

## HOUSING TRANSACTIONS

“We estimate that the number of homes sold in September was a non-seasonally adjusted 66,000. This figure represents an increase of 3.4% over the number of homes sold in August 2010 and an increase of 11.4% over September of last year. Traditionally, the number of homes sold in September falls from August levels and has done so in thirteen of the last fifteen years. It is therefore somewhat surprising to see this increase in transactions taking place in the current housing climate, although we would caution that activity in August this year was particularly low.”

“Over the period January to September 2010, we estimate that just short of half a million (498,700) homes have been sold in England and Wales. This represents 62% of the long term average number of housing transactions for the same period over the last fifteen years. September 2010 transactions are 71% of the long term average for the month, but this figure may have been boosted by slippage from the normally buoyant month of August.”

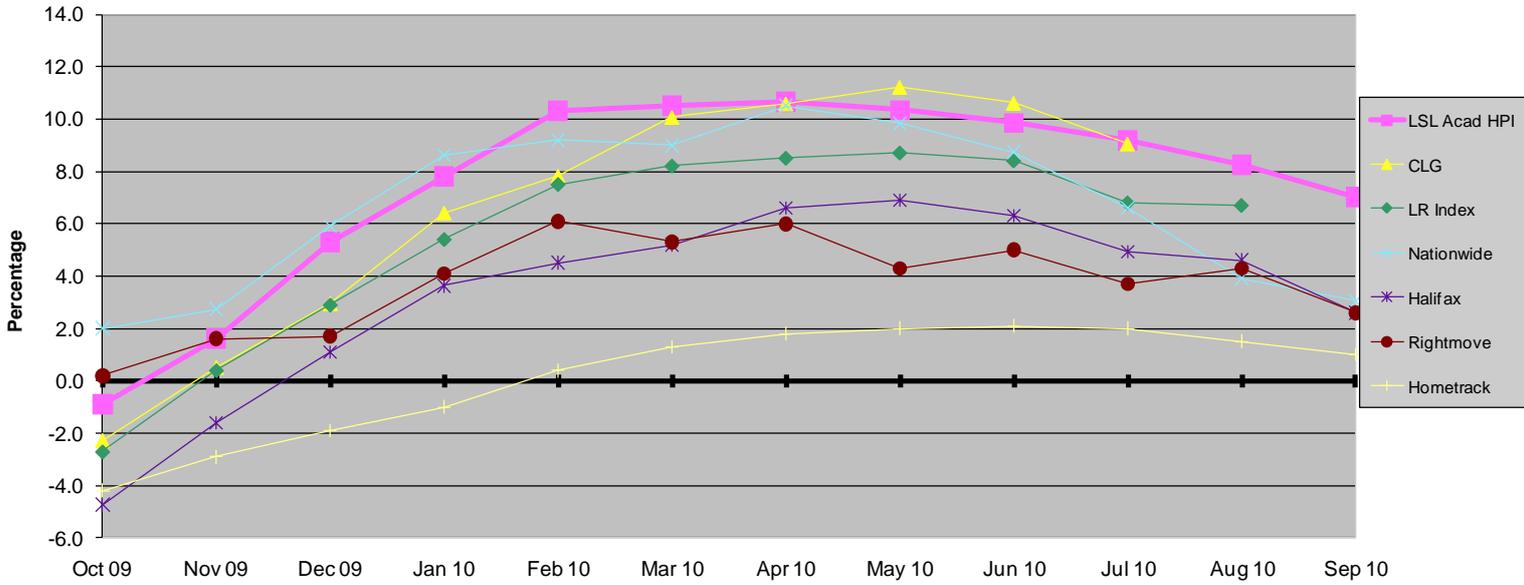


### .NOTES

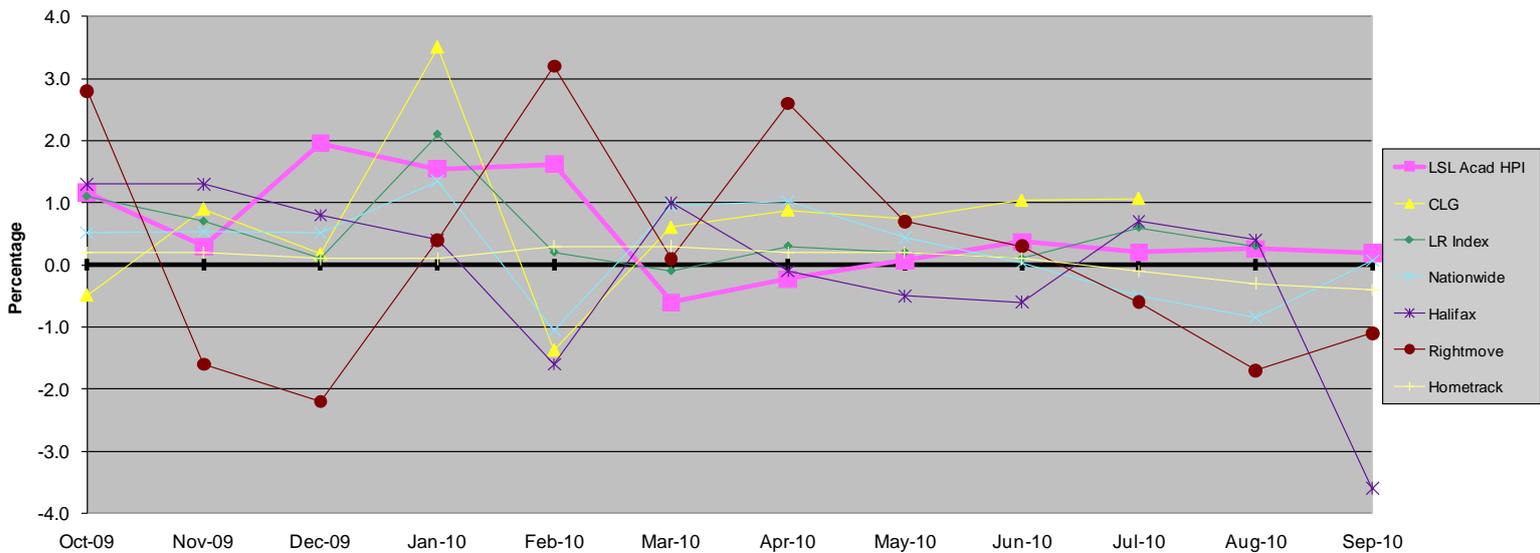
- LSL Acad HPI is the only house price index to use:
  - the **actual** prices at which every property in England and Wales was transacted, including prices for properties bought with cash, using the factual Land Registry data as opposed to valuation estimates or asking prices
  - the price of **every** single relevant transaction, as opposed to prices based upon samples
 LSL Acad HPI is a price series as opposed to a value series.
- the current month LSL Acad 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.
- LSL Acad 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 HPI “ultimate” data. All LSL Acad 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.
- the accuracy of our forecasts is shown monthly on the Acadametrics website [www.acadametrics.co.uk](http://www.acadametrics.co.uk) in our “[Development of Forecasts](#)” and in our “[Index Monitor](#)”, which shows how each index, including the LSL Acad HPI “forecast”, compares with the LSL Acad HPI, once sufficient factual Land Registry data have replaced forecast data, to enable LSL Acad HPI to approach the “ultimate” results.
- the Acadametrics website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information
- 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.
- Acadametrics Prices and Transactions ([sample here](#)), which exclude any forecast element, underlie the LSL Acad 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

### ANNUAL CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

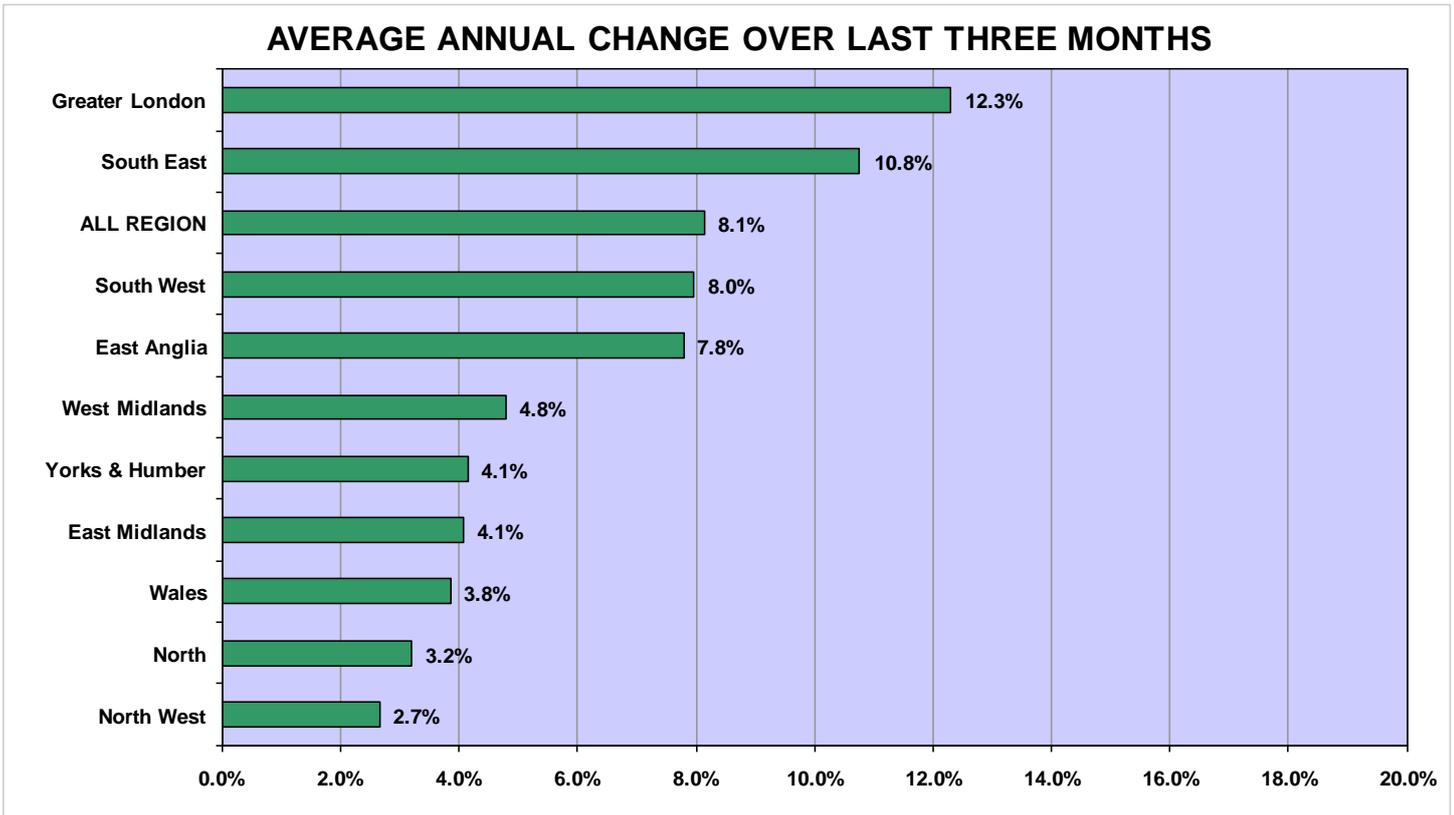


### MONTHLY CHANGE IN HOUSE PRICES - COMPARISON OF INDICES CHART

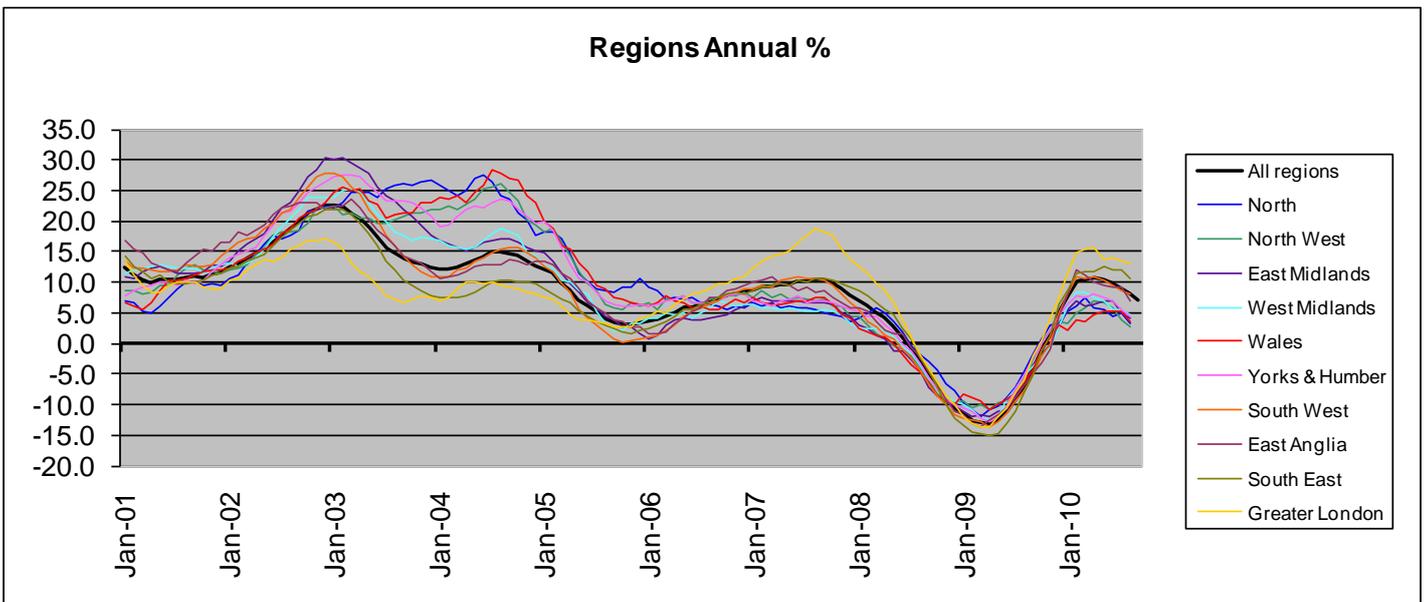


## REGIONAL ANALYSIS OF HOUSE PRICES AND TRANSACTIONS

Based on the last three months, all regions in England & Wales are currently experiencing annual house price growth. However, the pattern remains one in which price growth in London and the South East contrasts strongly with other English regions and Wales.



## ANNUAL CHANGE IN PRICE BY REGION



Note that individual regions can be compared using our “National and Regional series from 1995 with Interactive Charts”, linked from page 3 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.

Looking at the Regional Data Table on page 9 of this News Release, we note that only three of the ten regions in England and Wales have seen increases in house prices over the last three months. We can therefore anticipate that we will be recording house price falls on an annual basis in the next few months in a number of regions, as strong growth in house prices in the second half of 2009 drops out from the statistics.

## REGIONAL HOUSING TRANSACTIONS

| Number of Housing Transactions  |          |      |          |       |     |
|---|----------|------|----------|-------|-----|
| Annual % change in number of Properties sold, by Property type, by Region |          |      |          |       |     |
| Jun - Aug 2009 to Jun - Aug 2010  |          |      |          |       |     |
| REGION  | Detached | Semi | Terraced | Flats | All |
| EAST ANGLIA   | 0%       | -7%  | -5%      | -22%  | -6% |
| SOUTH WEST  | 1%       | -3%  | 2%       | -8%   | -1% |
| YORKS & HUMBERSIDE  | 3%       | -1%  | 4%       | -21%  | -1% |
| WALES   | 0%       | 7%   | 5%       | -34%  | 0%  |
| EAST MIDLANDS   | 4%       | 2%   | 0%       | -15%  | 1%  |
| SOUTH EAST  | 6%       | 1%   | -1%      | -2%   | 1%  |
| WEST MIDLANDS   | 4%       | 4%   | 2%       | -3%   | 3%  |
| NORTH WEST  | 8%       | 2%   | 6%       | -14%  | 3%  |
| NORTH   | 5%       | 5%   | 6%       | -8%   | 4%  |
| GREATER LONDON  | 21%      | 15%  | 14%      | 16%   | 16% |
| ENGLAND & WALES   | 4%       | 2%   | 3%       | 0%    | 3%  |
| ENGLAND & WALES, excl LONDON  | 4%       | 1%   | 2%       | -9%   | 1%  |

Source: Land Registry data

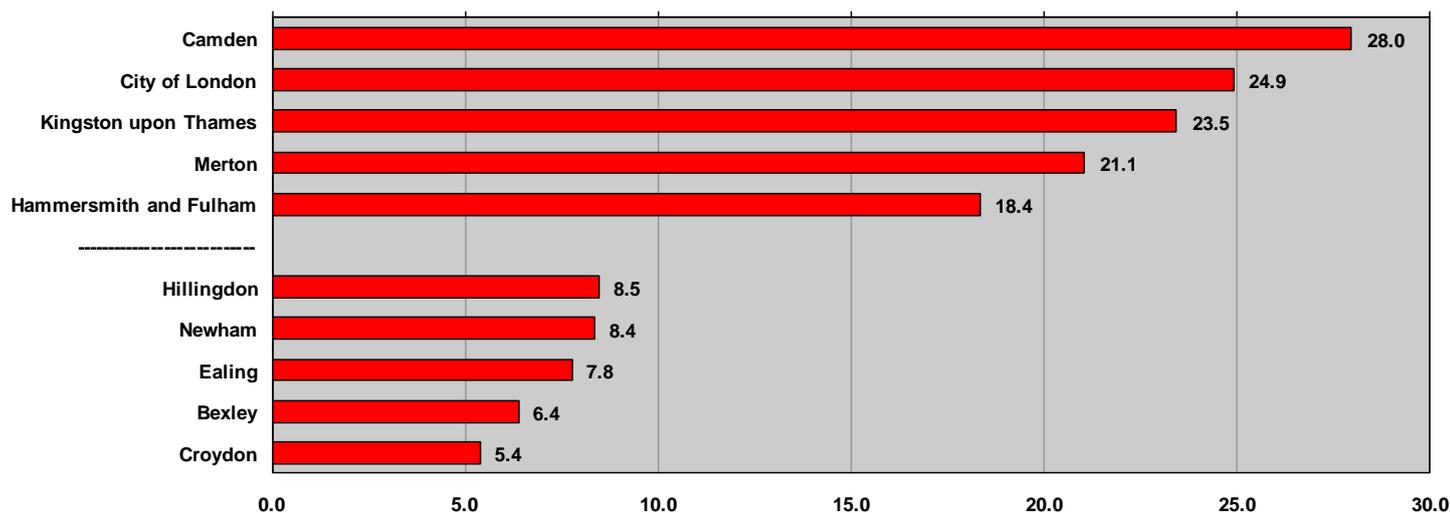
The table above shows the two tier nature of the housing market over the last year. There have been wide variations in the number of properties sold during the period June to August 2010, compared with the same three month period in 2009. This variation ranged from -6% to +4%, except for Greater London, where the number of properties sold increased by 16%.

With one or two notable exceptions, the numbers of detached, semi-detached and terraced properties sold have increased in all regions, albeit with London showing a far greater increase than other parts of the country. However, it is the numbers of flats sold in each region which displays the greatest difference between London and the rest of the market. All regions, except for London, have seen a decline in the number of flats sold over the last twelve months whereas in London sales increased by 16%.

Flats are typically the preferred purchase for first time buyers and buy-to-let landlords. It would appear that the current difficulties for both of these classes of purchaser in obtaining mortgage finance are taking their toll on this sector of the housing market. Overall flats sales represent 17% of the total housing market in England and Wales.

## LONDON BOROUGH ANALYSIS

### AVERAGE ANNUAL CHANGE OVER LAST THREE MONTHS - LONDON BOROUGHS



The chart shows the % **annual** price change in ten London boroughs, averaged over three months, for those with the highest and lowest growth. All thirty-three London boroughs are recording annual price increases. The significant increases in the average prices in Camden and the City of London reflect higher activity in the sale of flats at prices up over £100K on last year's levels.

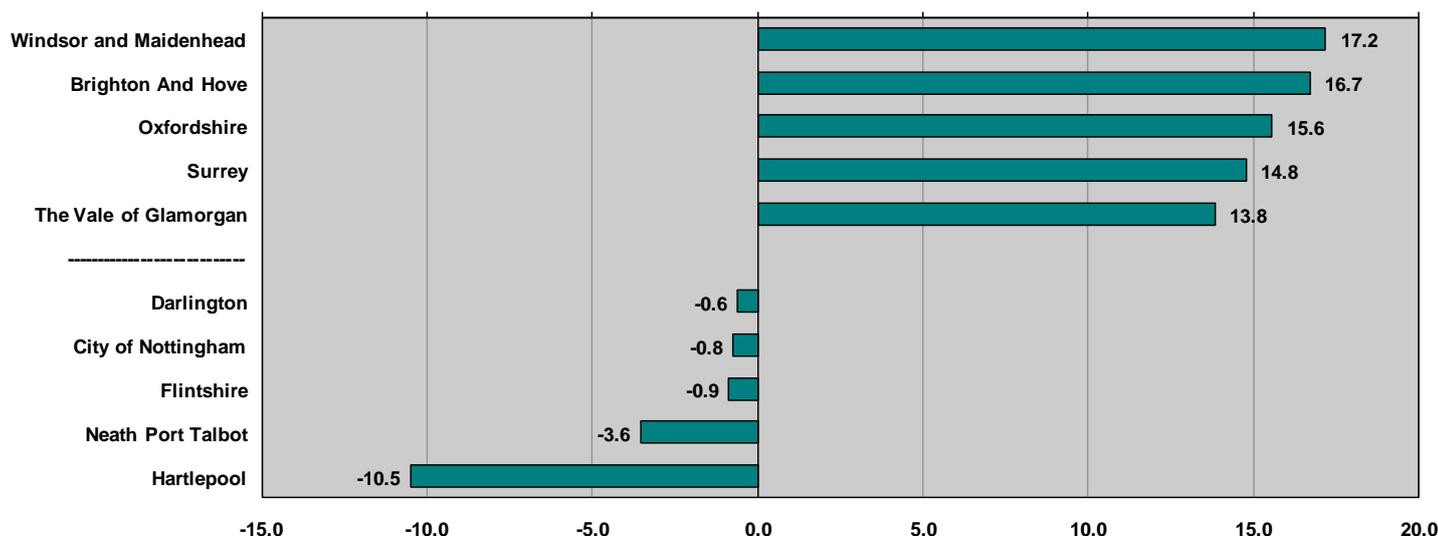
Looking at the ranking of the London boroughs by average house price over the three month period June to August 2010, the four boroughs of Kensington and Chelsea, City of Westminster, Camden, and Hammersmith and Fulham retain their top four respective positions. The average price of a house in Kensington and Chelsea is now £1,192,500, up 6.1% on a year ago. However, Wandsworth has now overtaken Richmond upon Thames to become the fifth most expensive borough in the Greater London area. The borough rising fastest through the rankings is that of Kingston upon Thames, which has moved up 4 positions to 14th place, whilst Ealing has fallen the most places down number 7, to rank in 19th position. However, we would point out that there are only four county districts outside London where the average price of a home exceeds that of Ealing.

Comparing the three months March to May 2010 with the three months June to August 2010, house prices in London have increased by an average 6.3%. Unlike the market at the beginning of 2010, these price increases are not limited to the most expensive areas in London, but are being experienced in most, although not in all, boroughs.

Looking at transaction numbers in London, as discussed above, there has been a 16% increase in the number of properties sold over the past year. The increase in transactions is not uniform across London and ranges from a +62% increase in Brent to a decline of -5% in Hackney. The most popular properties have been detached houses +22%, followed by flats +16%, semi-detached houses +15% and terraces +14%. The resurgence in the sale of flats in London contrasts with the rest of England and Wales where, outside London, the number of flats sales has declined by -9%.

## UNITARY DISTRICT AND COUNTIES ANALYSIS

### AVERAGE ANNUAL CHANGE OVER LAST THREE MONTHS - COUNTIES



The chart above shows the % **annual** price change for unitary districts and counties, ranked by the highest and lowest 5 districts. Last month, we reported that two of the one hundred and eight counties and unitary districts in England & Wales were recording price falls on an annual basis; this month that number has risen to six. With the exception of the Vale of Glamorgan, all four districts with the highest price increases are based in the South East of England.

To the residents of Hartlepool who may be dismayed to see in the above graph that their house prices have tumbled by 10.5% in the year, we would note that this is something of a statistical anomaly. The July 2009 figures for Hartlepool included the sale of seven high value detached houses, which raised the average price for the area in that month. Similar sales were not repeated in 2010; hence the apparent decline in average prices over the last year.

There is evidence to show that it is the higher priced regions in England and Wales that have been experiencing the largest price increases over the last year. The top quartile of districts by price experienced annual house price increases of 11.9%, whilst the districts in the lowest quartile by price saw annual price increases of 4.2%. This trend is repeated when comparing the latest three months, June to August 2010, with the previous three months, March to May 2010; over this period the top quartile of districts by price experienced a 7.0% increase in prices, whilst the lowest quartile of districts by price experienced an increase of 3.7%.

Last month we reported that the City of Bristol had experienced a new high in terms of its average house price on a mix-adjusted basis. This month it is the turn of the university cities of Oxford and Cambridge to set new record average house prices, along with the county of Surrey.

In terms of housing transactions, comparing the three month period March to May 2010 with the three months June to August 2010, there has been a 16% increase in the number of properties sold across England & Wales. This figure matches the long term average increase of 16% for the same three month periods, over the last fifteen years. The largest increase in property sales between the three months has been in detached and semi-detached properties, which are up 24% and 19% respectively, and in terraced properties, up 15%. Flats have seen a below average increase of 4%. This relative lack of sales of flats contrasts strongly with that being experienced in London, where flats sales over the three months have increased by 16%.

## REGIONAL DATA TABLE

|        | North    |          |         | North West |          |         | East Midlands |          |         | West Midlands |          |         |
|--------|----------|----------|---------|------------|----------|---------|---------------|----------|---------|---------------|----------|---------|
|        | Av HP    | %monthly | %annual | Av HP      | %monthly | %annual | Av HP         | %monthly | %annual | Av HP         | %monthly | %annual |
| Sep-09 | £144,925 | 1.8      | -1.9    | £153,677   | 1.2      | -2.8    | £158,639      | 1.0      | -3.5    | £168,479      | -0.1     | -3.7    |
| Oct-09 | £147,892 | 2.0      | 0.7     | £154,977   | 0.8      | 0.2     | £159,447      | 0.5      | -1.7    | £168,890      | 0.2      | -2.1    |
| Nov-09 | £149,147 | 0.8      | 3.0     | £156,375   | 0.9      | 2.1     | £160,237      | 0.5      | -0.1    | £168,290      | -0.4     | -0.7    |
| Dec-09 | £147,233 | -1.3     | 3.1     | £157,066   | 0.4      | 3.6     | £161,970      | 1.1      | 2.6     | £172,142      | 2.3      | 2.8     |
| Jan-10 | £149,311 | 1.4      | 5.1     | £157,494   | 0.3      | 3.3     | £164,862      | 1.8      | 5.6     | £176,304      | 2.4      | 6.0     |
| Feb-10 | £150,362 | 0.7      | 6.0     | £158,259   | 0.5      | 5.1     | £165,893      | 0.6      | 6.8     | £178,902      | 1.5      | 8.2     |
| Mar-10 | £152,466 | 1.4      | 7.6     | £158,686   | 0.3      | 5.7     | £164,345      | -0.9     | 6.2     | £176,387      | -1.4     | 8.2     |
| Apr-10 | £150,246 | -1.5     | 5.8     | £159,124   | 0.3      | 7.0     | £163,400      | -0.6     | 6.4     | £174,297      | -1.2     | 7.4     |
| May-10 | £149,042 | -0.8     | 5.4     | £158,572   | -0.3     | 6.6     | £163,948      | 0.3      | 7.0     | £173,460      | -0.5     | 6.9     |
| Jun-10 | £148,047 | -0.7     | 4.4     | £157,128   | -0.9     | 5.7     | £164,789      | 0.5      | 7.0     | £174,914      | 0.8      | 5.6     |
| Jul-10 | £147,933 | -0.1     | 4.9     | £155,996   | -0.7     | 3.7     | £163,944      | -0.5     | 5.1     | £175,426      | 0.3      | 5.5     |
| Aug-10 | £147,170 | -0.5     | 3.4     | £155,815   | -0.1     | 2.6     | £163,649      | -0.2     | 4.1     | £176,384      | 0.5      | 4.6     |

|        | Wales    |          |         | Yorks & Humber |          |         | South West |          |         | East Anglia |          |         |
|--------|----------|----------|---------|----------------|----------|---------|------------|----------|---------|-------------|----------|---------|
|        | Av HP    | %monthly | %annual | Av HP          | %monthly | %annual | Av HP      | %monthly | %annual | Av HP       | %monthly | %annual |
| Sep-09 | £151,094 | 1.0      | -4.3    | £155,046       | 1.6      | -2.4    | £210,547   | 1.0      | -5.1    | £190,372    | 0.4      | -4.9    |
| Oct-09 | £154,255 | 2.1      | -1.0    | £157,135       | 1.3      | -0.1    | £213,766   | 1.5      | -2.1    | £190,098    | -0.1     | -3.3    |
| Nov-09 | £154,724 | 0.3      | 0.9     | £158,297       | 0.7      | 2.2     | £214,088   | 0.2      | -0.1    | £187,688    | -1.3     | -1.0    |
| Dec-09 | £156,468 | 1.1      | 3.0     | £160,763       | 1.6      | 4.8     | £220,991   | 3.2      | 4.9     | £194,633    | 3.7      | 4.5     |
| Jan-10 | £156,181 | -0.2     | 2.2     | £161,758       | 0.6      | 6.3     | £223,998   | 1.4      | 8.1     | £200,572    | 3.1      | 8.1     |
| Feb-10 | £157,363 | 0.8      | 3.7     | £162,627       | 0.5      | 7.8     | £227,899   | 1.7      | 11.0    | £206,689    | 3.0      | 12.1    |
| Mar-10 | £156,115 | -0.8     | 3.6     | £160,740       | -1.2     | 7.6     | £225,276   | -1.2     | 10.6    | £203,397    | -1.6     | 11.3    |
| Apr-10 | £155,273 | -0.5     | 4.8     | £159,934       | -0.5     | 8.0     | £225,612   | 0.1      | 11.0    | £201,959    | -0.7     | 9.9     |
| May-10 | £155,044 | -0.1     | 5.3     | £159,253       | -0.4     | 7.6     | £226,694   | 0.5      | 10.4    | £202,585    | 0.3      | 9.6     |
| Jun-10 | £155,136 | 0.1      | 5.3     | £158,908       | -0.2     | 7.0     | £226,028   | -0.3     | 9.4     | £203,251    | 0.3      | 9.2     |
| Jul-10 | £155,289 | 0.1      | 5.4     | £158,604       | -0.2     | 5.5     | £225,594   | -0.2     | 8.5     | £203,734    | 0.2      | 9.2     |
| Aug-10 | £154,919 | -0.2     | 3.5     | £159,071       | 0.3      | 4.3     | £225,059   | -0.2     | 8.0     | £202,795    | -0.5     | 6.9     |

|        | South East |          |         | Greater London |          |         | ALL REGION |          |         |      |
|--------|------------|----------|---------|----------------|----------|---------|------------|----------|---------|------|
|        | Av HP      | %monthly | %annual | Av HP          | %monthly | %annual | Av HP      | %monthly | %annual |      |
| Sep-09 | £245,690   | 1.3      | -5.3    | £346,137       | 2.3      | -2.2    |            | £209,294 | 1.4     | -3.8 |
| Oct-09 | £249,886   | 1.7      | -1.3    | £348,902       | 0.8      | 0.5     |            | £211,727 | 1.2     | -0.9 |
| Nov-09 | £249,949   | 0.0      | 1.4     | £351,249       | 0.7      | 4.1     |            | £212,347 | 0.3     | 1.6  |
| Dec-09 | £256,156   | 2.5      | 6.4     | £358,001       | 1.9      | 7.5     |            | £216,505 | 2.0     | 5.3  |
| Jan-10 | £259,463   | 1.3      | 8.6     | £366,705       | 2.4      | 11.5    |            | £219,857 | 1.5     | 7.8  |
| Feb-10 | £264,535   | 2.0      | 11.3    | £375,052       | 2.3      | 15.0    |            | £223,425 | 1.6     | 10.3 |
| Mar-10 | £263,216   | -0.5     | 11.8    | £373,568       | -0.4     | 15.5    |            | £222,067 | -0.6    | 10.5 |
| Apr-10 | £262,880   | -0.1     | 11.9    | £373,908       | 0.1      | 15.6    |            | £221,554 | -0.2    | 10.6 |
| May-10 | £264,566   | 0.6      | 12.7    | £372,727       | -0.3     | 13.7    |            | £221,706 | 0.1     | 10.3 |
| Jun-10 | £265,819   | 0.5      | 12.0    | £377,405       | 1.3      | 14.0    |            | £222,523 | 0.4     | 9.8  |
| Jul-10 | £267,405   | 0.6      | 11.9    | £379,537       | 0.6      | 13.3    |            | £222,964 | 0.2     | 9.2  |
| Aug-10 | £268,398   | 0.4      | 10.7    | £382,712       | 0.8      | 13.1    |            | £223,536 | 0.3     | 8.3  |
| Sep-10 |            |          |         |                |          |         |            | £223,965 | 0.2     | 7.0  |

## FOOTNOTES ON DATA AND METHODOLOGY

1. LSL Acad HPI is derived from Land Registry (LR) house price data, seasonally and mix adjusted by property type. The prices are smoothed to show underlying trends. LSL Acad HPI includes cash purchase prices and is the only index based upon the **complete, factual**, house price data for England and 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 HPI, CLG and LR) can be prepared only when the prices at which properties have been transacted have been recorded at LR (LSL Acad 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 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 HPI, LR and CLG are published in that order.
3. LSL Acad 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 HPI result. Rather than rely upon a small sample, likely to be unrepresentative, LSL Acad 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 HPI “forecast” with a first LSL Acad HPI “update” result. A further month later, LR provides c.90% of transactions, used to replace the first, with a second, LSL Acad 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 HPI “final” index, closely approximating the LSL Acad HPI “ultimate” results; LSL Acad HPI “ultimate” includes the price of virtually every single LR transaction for the month, smoothed, seasonally and mix adjusted; the first LSL Acad 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 HPI “forecast” results, **blue** data represent LSL Acad HPI “update” results and **black** data represent the LSL Acad 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 HPI is indicative until we are able to publish the LSL Acad HPI “final” index using the LR 95% sample. LSL Acad 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 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 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 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 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 HPI, together with historic data are available from Acadametrics as in page 3 NOTE 7 above.
10. LSL Acad HPI was published under the name FTHPI from September 2003 until December 2009.