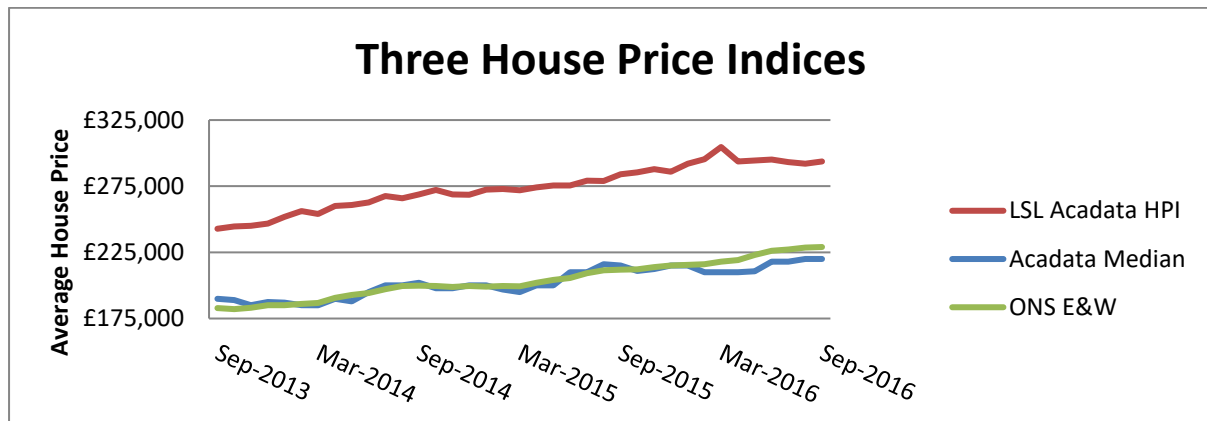


## MEDIANS – SEPTEMBER 2016

We publish below 3 indices for the September 2016 England & Wales housing market:-



The LSL Acadata HPI is calculated using an arithmetic mean, the new ONS Index uses a geometric mean, while the Acadata Median is calculated from the Land Registry Price Paid Dataset. The median, for those unfamiliar with the term, is the middle value of a set of numbers; half the numbers will fall below the median and half above.

An interesting feature of the LSL Acadata HPI is the blip in prices observed in March 2016, when the average house price rose by 3.0% in the month. It will be recalled that a new 3% surcharge on stamp duty would apply to second homes and buy-to-let properties from April 2016 onwards, which resulted in a surge of sales taking place immediately prior to this tax coming into force. Transactions in the month of March 2016 were double those of February, when in a more normal year one might expect to see a seasonal increase closer to 20% than the observed 100%.

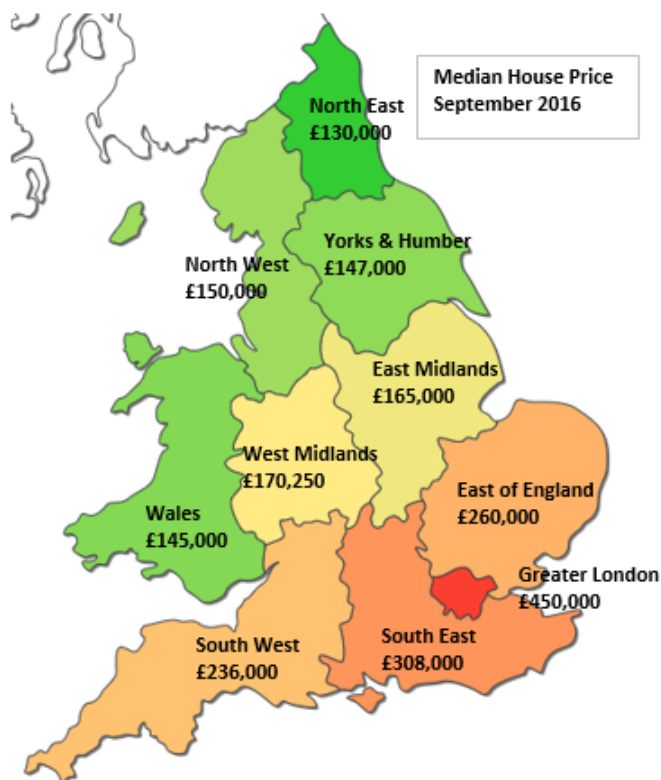
The median value in April 2016 dipped by £5,000 from March's £207,000, as the number of high value properties being sold fell away, with April seeing the lowest number of transactions in the month since April 2013.

### Change over 1 year, 3 years and latest month, Sep 2013 – Sep 2016

	Percentage change in House Prices				Monthly change Aug/Sep 2016
	1 Year & 3 Year Change				
	2013/2014	2014/2015	2015/2016	2013/2016	
LSL Acadata HPI	10.6%	5.7%	3.3%	20.9%	0.6%
Acadata Median	6.3%	6.4%	2.3%	15.8%	0.0%
ONS E&W	9.3%	6.0%	8.1%	25.2%	0.2%

Looking at the above table, one can see that the highest increase in house prices over the three year period Sep 2013 – Sep 2016 was recorded by the ONS at 25.2% compared to the LSL Acadata HPI of 20.9%. The ONS geometric average is less responsive to the change in high value properties than the arithmetic average used by the LSL Acadata HPI, consequently the ONS Index gives less prominence to the fall in high value properties which has been seen in Prime Central London over the last two years. The Acadata Median price shows the least growth over the last three years – this has largely occurred because sales volumes have been increasing over the period, particularly at the lower end of the housing market.

## Regional Medians



The heat map shows the Regional Median values for the ten GOR regions in England & Wales for Sep 2016. London has the highest median value at £450,000, followed by the South East at £308,000, the East of England at £260,000 and the South West at £236,000. The two Midlands regions then follow with the West Midlands, including Birmingham, at £170,250 and the East Midlands at £165,000. There are then the three regions of the North West, including Manchester, Yorks and Humber, and Wales, all with median prices in the range £145,000 – £150,000, and finally we have the North East at £130,000.

### Percentage change in Median House Prices

	1 Year & 3 Year Change				Monthly change
	2013/2014	2014/2015	2015/2016	2013/2016	Sep/Aug 2016
London	14.1%	7.9%	9.8%	35.1%	1.5%
South East	4.2%	12.0%	10.0%	28.3%	0.5%
East of England	8.8%	9.9%	6.1%	26.8%	0.0%
South West	7.7%	6.7%	5.4%	21.0%	0.4%
West Midlands	5.3%	6.0%	1.6%	13.5%	-2.7%
East Midlands	4.9%	4.2%	4.1%	13.8%	-2.9%
North West	3.7%	3.6%	3.4%	11.1%	0.0%
Yorkshire and The Humber	1.8%	3.6%	1.4%	6.9%	-2.0%
Wales	3.5%	0.1%	0.7%	4.3%	-2.0%
North East	0.0%	4.0%	0.0%	4.0%	0.0%

Over the last three years London has seen the highest growth in median house prices at 35.1%, followed by the South East at 28.3% and the East of England at 26.8%. This contrasts with the North East where the growth in median prices over the last three years has been 4.0%. Over the last month Greater London has also regained its first place position with median price growth of 1.5%, having been in second place to the South East just two months ago. The increase in prices in Greater London reflects an increase in prices in the more affordable areas of the capital, such as Barking & Dagenham, where the average prices have increased by more than 17% over the last twelve months.