



ACADATA PRICES AND TRANSACTIONS (APAT LGA) SYNOPSIS

PROPERTY TYPE HOUSE PRICE DATA FOR LOCAL GOVERNMENT AREAS IN ENGLAND & WALES AND SCOTLAND ARE ESSENTIAL FOR AN UNDERSTANDING OF LOCAL HOUSING MARKETS

Changes in popular house price indices at national level are widely reported and can affect stock market values and even the exchange rate. But indices rarely agree on what change has occurred and a change in one month may well be reversed in the month that follows. Furthermore, a price change at national level is unlikely to be reflected at every regional and lower geographic level of interest to those working in the housing market.

Whilst housing commentators regularly note that the housing market is fracturing along regional lines, a full understanding of how the market is changing requires transacted house price and sales volume data, not only for regions, but also for counties, London boroughs etc.

Neither asking prices, nor mortgage offer valuations which exclude cash purchases, comprise the factual information required. Our Acadata Prices and Transactions (APAT LGA) data do so, providing property type price and transaction data at Local Government Area levels i.e. regions, counties, unitary authorities and London boroughs in England & Wales and local authorities in Scotland. APAT LGA comprises essential data for any housing database.

For analysts and decision makers, APAT LGA provides smoothed time series data to show trends in prices and transaction numbers, updated monthly. Interactive charts enable these to be compared and displayed across property types and geographies as may be required.

Additionally, our APAT POSTCODE data provide average prices with sales volumes within postcode districts and/or postcode sectors and, optionally, for streets or defined localities.

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1. PREAMBLE

It is well known that the housing market is fracturing. Greater London prices, especially central London prices, have accelerated away from those in the regions. For example, the LSL Acadata England & Wales House Price Index recorded September 2012 Greater London prices up 8.2% on a year on year basis whilst those in the North, West, East Midlands, West Midlands, Yorks & Humberside and Wales were all in negative territory. The fact that prices in England & Wales as a whole rose, from September 2011 to September 2012, by 2.3% tells housing market professionals only that the all-property average price in London has soared enough to more than cover falls elsewhere. Furthermore, a house price index does not provide an indexed average price for individual property types. Acadata Prices and Transactions (APAT LGA) does so. APAT LGA showed a fall in the average price of a property in Greater Manchester from £147,806 in September 2011 to £147,417 in September 2012. This small fall might be expected to mask a severe fall in the average price of a flat in the city. But APAT LGA shows that, whilst the average price of a Greater Manchester flat fell from £124,320 in September 2011 to £116,309 in December 2011, by September 2012, the average price had risen to £124,889. True – we must be careful to note that APAT LGA averages are not seasonally adjusted (to facilitate their use in collateral valuation) and thus reflect what might be merely a typical summer boost. Also true – the average price of flats in Greater Manchester is unlikely to reflect those of what were new builds in the centre (available as an option within our APAT POSTCODE) but these prices show that a granular data series is a pre-requisite for an understanding of local markets.

2. METHODOLOGY

We outline below the methodology employed in preparing the monthly Acadata Prices and Transactions (APAT LGA) data. However, please refer to our [Acadata Prices and Transaction \(APAT LGA\) Methodology](#) for full details. Note that we describe regions, counties, unitary districts and London boroughs in England & Wales and local authorities in Scotland as comprising Local Government Areas (LGAs). Please also note that, whilst local authorities in Scotland are unitary in nature, the term “unitary authority” is not used in Scottish legislation.

2.1 ENGLAND & WALES The Land Registry (LR) is the sole source of the registered prices at which residential properties are sold in England & Wales. Acadata Prices and Transactions (APAT LGA) provides these true prices as averages, with transaction numbers, as time series from 1995, updated monthly, at LGA and property type level.

2.2 SCOTLAND The Registers of Scotland (RoS) is the sole source of the registered prices at which residential properties are sold in Scotland. Acadata Prices and Transactions (APAT LGA) provides these true prices as averages, with transaction numbers, as time series from 2003, updated monthly, at LGA level.

2.3 APAT LGA DATA:

2.3.1 provide the average price for each property type in every LGA. LR itself calculates an average only if three properties of the same type have been sold in the month being reported. APAT LGA data necessarily reflect the above such that some cells will contain no data. The MIAC Acadametrics Collateral Valuation Calculator (MACVC) in-fills missing cells with derived data for clients wishing to use an indexation procedure for property portfolio collateral valuation or to have a complete data series for analytic s purposes.

2.3.2 are generated as distinct series and are provided for each combination of region (10), county and unitary district (108) and London borough (33) and Scottish local authority (32), together with 5 property types, being detached, semi-detached and terraced houses, flats and all properties. This is a total of 915 data series.

ABOUT ACADATA

Acadata is the new name for Acadametrics, an analytics and research consultancy focusing on house prices and property portfolio risk, and with a 23 year co-operation with Dr Stephen Satchell, Economics Fellow at Trinity College, University of Cambridge. We are expert in the measurement and analysis of house prices. Our FTHPI, launched in 2003 by the Financial Times, pioneered the use of Land Registry data in a mainstream house price index. Following a 2010 sponsorship agreement with LSL Property Services PLC, FTHPI was published as LSL Acad E&W HPI, retaining full independence and with a monthly commentary by Dr Peter Williams. Our LSL Acad Scotland HPI was launched in 2011. As FTHPI, the index was chosen by the Chicago Mercantile Exchange for a possible future residential house price derivative, put on hold as a result of the financial crisis.

In addition to our valued work for LSL, we provide data to other significant parties in the housing sector. For example, Hearthstone PLC uses the LSL Acad E&W HPI and LSL Acad Scotland HPI as a benchmark against which to monitor the price performance of their residential property investments.

In 2009, Acadametrics and New York based MIAC Analytics joined forces to work on risk solutions, forming the top-flight consultancy MIAC Acadametrics Ltd (M|A). In October 2013, Acadametrics accepted an offer by MIAC Analytics to acquire the whole of M|A for which Dr Satchell will continue as consultant. Acadata will focus on house price indices and data, with Dr Satchell advising as necessary. For all risk-related work, including stress and scenario testing, collateral valuation and forecasting, please see [MIAC | Acadametrics](#) (M|A).

In addition to house price indices, Acadata provides the Acadata Prices and Transactions (APAT LGA) data showing property type prices for Local Government Areas from 1995, using Land Registry data* for England & Wales counties, unitary authorities and London boroughs, as well as data from 2003 for local authorities in Scotland*. APAT LGA includes an interactive chart facility.

Acadata also provides APAT POSTCODE data. These comprise average prices plus transactions for postcode districts and optional data for postcode sectors, towns, streets or defined areas of interest to a client. These are used for example by:

- developers considering a residential investment in a particular post code sector
- house builders needing to understand the price and transaction trends in a postcode district or sector
- estate agents considering opening a further branch and wanting to know how much residential property business has been done in the district over a long term period
- branch comparisons against local trends

We prepare indices for third parties. We also forecast house prices, in conjunction with M|A.

Our work has a strong academic foundation and our solutions are developed using our own resources under our “research first” policy. Further detail is provided on our website www.acadata.co.uk.

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