

August 2008

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|----------------|----------|
| Index | 212.1 |
| Average price | £174,493 |
| Monthly change | -1.9% |
| Annual change | -4.6% |

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House Price Index

Headline statistics

The August data shows a continued decline in annual house price change, with a movement of -4.6 per cent. This is a reduction from last month's figure and, based on the continually revised time-series, marks twelve months of consecutive decreases in annual house price change.

The monthly change for August stands at -1.9 per cent, while the average house price in England and Wales is now £174,493. These are both decreases from last month's figures.

Both monthly and annual changes are the lowest recorded since the start of the time series.

| | |
|----------------------------|----------|
| Index ¹ | 212.1 |
| Average price ² | £174,493 |
| Monthly change | -1.9% |
| Annual change | -4.6% |

Negative annual house price change in August 2008 with a movement of -4.6 per cent.

1 Seasonally adjusted House Price Index (HPI) with base period of April 2000=100

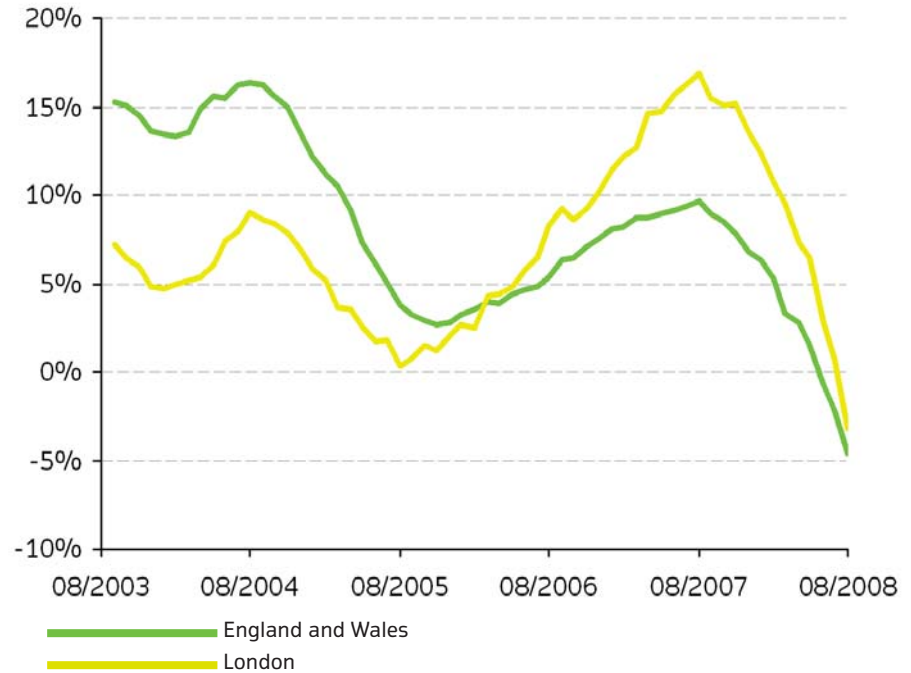
2 All average prices quoted in this report represent standardised seasonally adjusted prices

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Average annual price change

Average annual change in residential property prices



London continues to experience a downward trend in annual house price change, with a movement of -3.2 per cent in August. This marks London's first negative annual change in the time series.

The monthly change in London is -2.4 per cent. London's average house price for August 2008 stands at £336,620, in comparison to the average for England and Wales as a whole, which is £174,493.

| Average prices by property type (England and Wales) | August 2008 | August 2007 | Difference (%) |
|---|-------------|-------------|----------------|
| Detached | £264,707 | £277,348 | -4.6 |
| Semi-detached | £163,973 | £172,126 | -4.7 |
| Terraced | £136,706 | £142,919 | -4.3 |
| Flat/maisonette | £162,616 | £172,036 | -5.5 |
| All | £174,493 | £182,813 | -4.6 |

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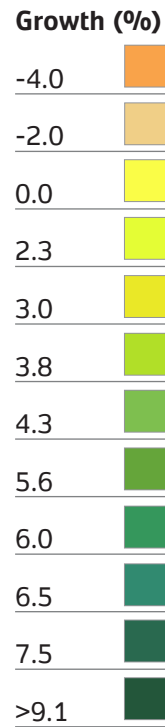
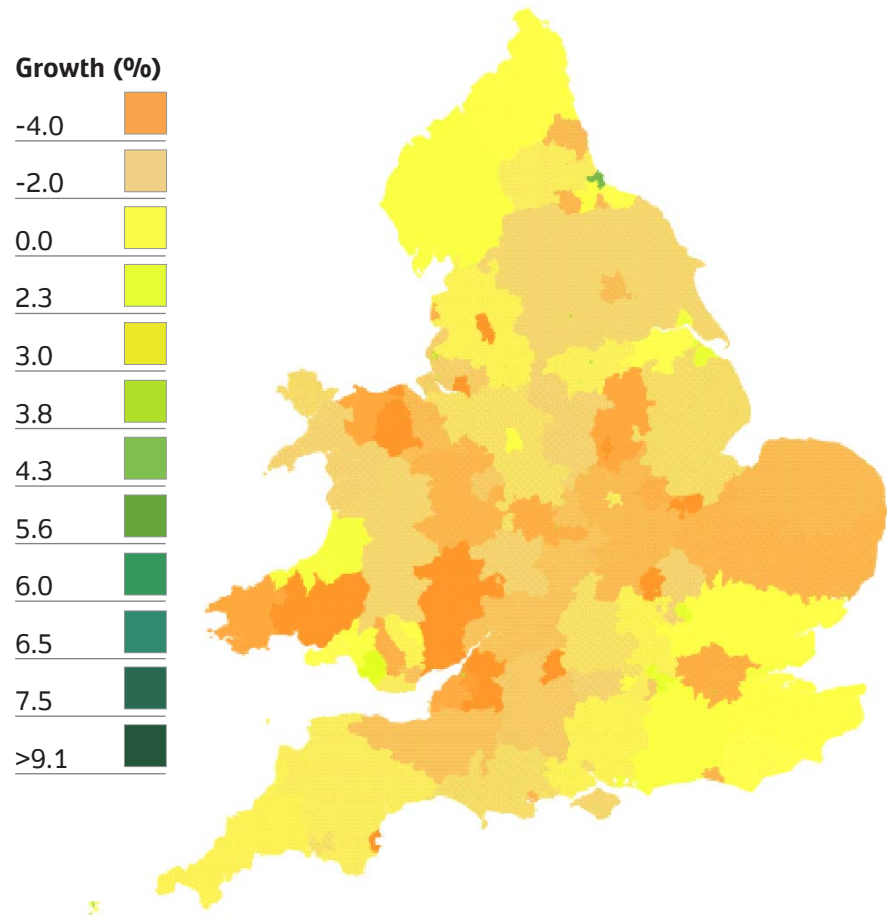
House Price Index

Price change by region

| | Region | Monthly change (%) | Annual change (%) | Average price (£) |
|---|------------------------|--------------------|-------------------|--------------------------|
| Key regional observations | North West | 1.2 | -2.5 | £133,343 |
| <ul style="list-style-type: none"> — Every region in England and Wales experienced a decrease in their average property values over the last 12 months. — The region with the most significant annual price fall is the East with a movement of -6.7 per cent. — The North West experienced the highest monthly rise with an increase of 1.2 per cent. — The East was the region with the most significant monthly price fall with a movement of -3.9 per cent. | Wales | 0.8 | -2.6 | £135,616 |
| | West Midlands | -0.1 | -4.3 | £146,551 |
| | North East | -1.3 | -3.5 | £125,259 |
| | East Midlands | -1.6 | -5.9 | £136,729 |
| | Yorkshire & The Humber | -1.9 | -4.3 | £138,220 |
| | London | -2.4 | -3.2 | £336,620 |
| | South East | -2.5 | -4.8 | £216,701 |
| | South West | -2.7 | -6.5 | £182,522 |
| | East | -3.9 | -6.7 | £179,677 |

Land Registry House Price Index Price change by county

Annual price change by county



Key county and unitary authority observations

- Hartlepool experienced the highest annual price change in August, with an increase of 4.8 per cent.
- Denbighshire experienced the greatest annual price fall with a movement of -6.7 per cent.

| County/unitary authority | Monthly change (%) | Annual change (%) | Average price (£) |
|--------------------------|--------------------|-------------------|-------------------------|
| Bath and NE Somerset | -1.8 | -6.0 | 225,279 |
| Bedfordshire | -0.8 | -2.0 | 179,993 |
| Blackburn with Darwen | -1.3 | -6.2 | 86,901 |
| Blackpool | -0.4 | -3.1 | 108,494 |
| Blaenau Gwent | -2.4 | -0.2 | 87,920 |
| Bournemouth | 0.1 | -1.4 | 189,324 |
| Bracknell Forest | -1.5 | -2.3 | 219,050 |
| Bridgend | 0.2 | 2.6 | 140,322 |
| Brighton and Hove | -1.8 | -2.9 | 225,697 |
| Buckinghamshire | -1.5 | -0.8 | 268,402 |
| Caerphilly | -1.7 | -0.7 | 119,427 |
| Cambridgeshire | -0.7 | -2.9 | 189,431 |
| Cardiff | -0.1 | -2.6 | 152,376 |
| Carmarthenshire | -1.1 | -5.5 | 130,565 |
| Ceredigion | 4.5 | 1.1 | 189,799 |
| Cheshire | -1.0 | -1.4 | 170,963 |

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House Price Index

Price change by county

| | County/unitary authority | Monthly change (%) | Annual change (%) | Average price (£) |
|---|----------------------------|--------------------|-------------------|-------------------|
| <p>Key county and unitary authority observations</p> <ul style="list-style-type: none"> — Ceredigion experienced the strongest monthly growth in August with an increase of 4.5 per cent. — The Isle Of Anglesey had the most significant monthly price fall during August with a movement of -3.9 per cent. — One county and unitary authority, The City Of Nottingham, exhibited no monthly price movement. | City of Bristol | -0.9 | -3.6 | 178,898 |
| | City of Derby | 0.2 | -2.0 | 120,931 |
| | City of Kingston upon Hull | -1.8 | 1.4 | 89,325 |
| | City of Nottingham | 0.0 | -4.0 | 97,998 |
| | City of Peterborough | -1.1 | -4.9 | 127,882 |
| | City of Plymouth | -0.9 | -1.5 | 143,463 |
| | Conwy | -2.9 | -3.4 | 152,851 |
| | Cornwall | -1.4 | -0.7 | 205,901 |
| | Cumbria | -0.3 | 0.7 | 142,322 |
| | Darlington | -2.4 | -2.9 | 123,309 |
| | Denbighshire | -2.1 | -6.7 | 135,974 |
| | Derbyshire | -0.3 | -2.0 | 138,153 |
| | Devon | -1.3 | -1.0 | 204,665 |
| | Dorset | -1.2 | -1.6 | 232,967 |
| | Durham | -1.8 | -1.0 | 114,297 |
| | East Riding of Yorkshire | -1.3 | -1.8 | 153,206 |
| | East Sussex | -1.0 | -0.3 | 200,640 |
| | Essex | -1.1 | 0.2 | 203,673 |
| | Flintshire | -1.6 | -2.8 | 142,490 |
| | Gloucestershire | -0.3 | -2.5 | 190,583 |
| | Greater London | -2.4 | -3.2 | 336,620 |
| | Greater Manchester | -1.5 | -0.8 | 126,857 |
| | Gwynedd | -2.7 | -2.0 | 149,201 |
| | Halton | -0.6 | -4.7 | 116,426 |
| | Hampshire | -1.0 | -0.8 | 221,326 |
| | Hartlepool | 4.1 | 4.8 | 117,350 |
| | Herefordshire | -1.1 | -3.9 | 190,440 |
| | Hertfordshire | -0.9 | 0.1 | 249,675 |
| | Isle of Anglesey | -3.9 | -1.7 | 152,466 |
| | Isle of Wight | -1.6 | -1.9 | 174,925 |
| | Kent | -0.7 | 0.3 | 201,195 |
| | Lancashire | -0.6 | -0.7 | 132,426 |
| | Leicester | 0.3 | -1.1 | 125,331 |
| Leicestershire | -1.2 | -2.8 | 164,483 | |
| Lincolnshire | -0.7 | -1.6 | 144,786 | |
| Luton | -0.1 | 2.4 | 150,557 | |
| Medway | -1.0 | -0.1 | 160,076 | |

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Price change by county

| County/unitary authority | Monthly change (%) | Annual change (%) | Average price (£) |
|--------------------------|--------------------|-------------------|-------------------|
| Merseyside | -0.6 | -2.2 | 133,661 |
| Merthyr Tydfil | -2.3 | -0.8 | 80,526 |
| Middlesbrough | -2.5 | -2.8 | 105,250 |
| Milton Keynes | -2.2 | -4.0 | 166,540 |
| Monmouthshire | -1.7 | -4.7 | 187,493 |
| Neath Port Talbot | 0.1 | 0.8 | 107,319 |
| Newport | 0.9 | -4.4 | 137,730 |
| Norfolk | -0.8 | -2.8 | 162,865 |
| North East Lincolnshire | -0.9 | 2.3 | 106,760 |
| North Lincolnshire | 1.3 | -0.3 | 120,882 |
| North Somerset | -0.6 | -3.3 | 188,654 |
| North Yorkshire | 0.3 | -1.9 | 193,336 |
| Northamptonshire | -0.8 | -2.8 | 154,831 |
| Northumberland | -1.2 | 0.1 | 151,380 |
| Nottinghamshire | -1.2 | -3.4 | 133,504 |
| Oxfordshire | -0.3 | -1.5 | 244,090 |
| Pembrokeshire | -0.8 | -3.4 | 171,434 |
| Poole | -1.9 | -2.9 | 219,902 |
| Portsmouth | -0.1 | 1.5 | 161,345 |
| Powys | -0.3 | -1.8 | 171,250 |
| Reading | -0.2 | 0.2 | 216,554 |
| Redcar and Cleveland | 0.3 | -0.3 | 135,455 |
| Rhondda Cynon Taff | 0.6 | -3.1 | 88,543 |
| Rutland | -3.7 | -3.1 | 230,382 |
| Shropshire | -0.9 | -3.0 | 176,934 |
| Slough | -1.4 | -1.0 | 184,180 |
| Somerset | -1.2 | -2.6 | 185,151 |
| South Gloucestershire | -1.3 | -5.3 | 194,538 |
| South Yorkshire | -0.5 | -0.9 | 124,213 |
| Southampton | -0.1 | -1.6 | 154,954 |
| Southend-on-Sea | -0.5 | 1.0 | 169,737 |
| Staffordshire | -0.3 | -1.4 | 151,834 |
| Stockton-on-Tees | -0.3 | 0.9 | 135,952 |
| Stoke-on-Trent | -1.2 | 0.5 | 91,262 |
| Suffolk | -1.4 | -3.0 | 167,463 |
| Surrey | -0.5 | 0.7 | 309,886 |
| Swansea | 1.5 | -0.4 | 131,621 |

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House Price Index

Price change by county

| County/unitary authority | Monthly change (%) | Annual change (%) | Average price (£) |
|--------------------------|--------------------|-------------------|-------------------|
| Swindon | -1.1 | -4.7 | 143,437 |
| The Vale of Glamorgan | 0.2 | -1.2 | 171,363 |
| Thurrock | -0.4 | 1.0 | 158,767 |
| Torbay | -1.3 | -5.7 | 168,172 |
| Torfaen | -1.2 | -5.7 | 122,484 |
| Tyne and Wear | -0.2 | -2.8 | 129,720 |
| Warrington | -1.4 | -2.3 | 158,316 |
| Warwickshire | -1.1 | -2.5 | 178,397 |
| West Berkshire | -1.0 | -2.1 | 233,232 |
| West Midlands | -0.8 | -3.2 | 133,017 |
| West Sussex | -0.4 | 0.5 | 228,998 |
| West Yorkshire | -1.2 | -1.9 | 134,667 |
| Wiltshire | -0.9 | -2.3 | 197,985 |
| Windsor and Maidenhead | -0.3 | 2.4 | 341,191 |
| Wokingham | -0.3 | -1.0 | 286,311 |
| Worcestershire | -0.4 | -2.1 | 185,797 |
| Wrekin | -1.1 | -2.3 | 146,051 |
| Wrexham | -1.0 | -2.7 | 146,933 |
| York | -0.4 | -2.7 | 189,868 |

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Price change by metropolitan district

| | Metropolitan district | Monthly change (%) | Annual change (%) | Average price (£) |
|---|-----------------------|--------------------|-------------------|-------------------|
| Key metropolitan district observations | Barnsley | -1.5 | -1.0 | 110,347 |
| | Birmingham | -0.1 | -2.9 | 130,518 |
| | Bolton | -0.9 | -2.2 | 116,227 |
| | Bradford | -1.0 | 0.9 | 125,456 |
| | Bury | 0.0 | -0.7 | 130,579 |
| | Calderdale | -2.2 | -0.9 | 116,965 |
| | Coventry | 0.3 | -0.8 | 126,913 |
| | Doncaster | 0.3 | 0.1 | 118,097 |
| | Dudley | -0.6 | -2.2 | 139,146 |
| | Gateshead | -0.1 | -4.2 | 118,584 |
| | Kirklees | -2.0 | -4.9 | 131,224 |
| | Knowsley | -0.6 | -6.0 | 124,780 |
| | Leeds | -0.8 | -2.7 | 148,353 |
| | Liverpool | -1.3 | -3.5 | 120,657 |
| | Manchester | -2.6 | 0.9 | 110,093 |
| | Newcastle upon Tyne | 1.8 | -2.3 | 141,377 |
| | North Tyneside | -1.6 | -4.0 | 139,634 |
| | Oldham | -1.1 | 2.9 | 107,300 |
| | Rochdale | -0.4 | -0.4 | 121,645 |
| | Rotherham | -0.8 | -0.8 | 117,067 |
| Salford | -0.4 | 1.1 | 113,633 | |
| Sandwell | -2.0 | -4.0 | 111,648 | |
| Sefton | 0.7 | 1.0 | 154,137 | |
| Sheffield | -0.1 | -1.1 | 137,154 | |
| Solihull | -2.6 | -3.4 | 206,976 | |
| South Tyneside | -0.8 | 1.5 | 124,384 | |
| St Helens | 0.4 | -0.4 | 120,656 | |
| Stockport | -0.5 | -1.9 | 167,341 | |
| Sunderland | -0.4 | -2.6 | 117,222 | |
| Tameside | -2.5 | -1.7 | 116,124 | |
| Trafford | -2.6 | -3.6 | 196,364 | |
| Wakefield | 0.4 | 0.0 | 131,487 | |
| Walsall | -1.6 | -6.1 | 128,621 | |
| Wigan | -1.4 | -2.9 | 112,874 | |
| Wirral | -0.6 | -2.0 | 140,842 | |
| Wolverhampton | -2.3 | -4.4 | 118,554 | |

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House Price Index

Price change by London borough

| | London borough | Monthly change (%) | Annual change (%) | Average price (£) |
|--|------------------------|--------------------|-------------------|-------------------|
| Key London borough observations | Barking and Dagenham | -0.5 | 1.3 | 240,980 |
| | Barnet | 0.1 | 1.8 | 349,903 |
| | Bexley | -0.6 | 0.7 | 249,458 |
| | Brent | -1.2 | 5.5 | 322,464 |
| | Bromley | 0.1 | 1.3 | 306,013 |
| | Camden | -2.0 | 2.3 | 531,492 |
| | City of London | n/a | n/a | n/a |
| | City of Westminster | -0.2 | 8.4 | 623,221 |
| | Croydon | -0.6 | 0.9 | 273,732 |
| | Ealing | -1.8 | 1.3 | 326,714 |
| | Enfield | 0.0 | 2.1 | 266,991 |
| | Greenwich | -0.4 | 2.2 | 275,976 |
| | Hackney | -2.0 | 4.9 | 359,375 |
| | Hammersmith and Fulham | 0.0 | 0.8 | 490,277 |
| | Haringey | -0.8 | -0.2 | 337,258 |
| | Harrow | -0.2 | 3.7 | 302,343 |
| | Havering | -0.9 | 1.5 | 278,314 |
| | Hillingdon | -0.1 | 3.9 | 280,395 |
| | Hounslow | -0.8 | 2.1 | 293,584 |
| | Islington | -1.5 | 0.1 | 422,769 |
| Kensington and Chelsea | -1.1 | 9.3 | 876,180 | |
| Kingston upon Thames | -0.9 | 1.6 | 323,631 | |
| Lambeth | -0.9 | -1.5 | 337,646 | |
| Lewisham | -1.2 | 4.1 | 276,935 | |
| Merton | -0.2 | 2.5 | 349,219 | |
| Newham | 0.3 | 1.6 | 243,859 | |
| Redbridge | -0.8 | 1.9 | 306,444 | |
| Richmond upon Thames | -1.2 | 1.6 | 441,116 | |
| Southwark | -0.8 | 3.1 | 376,709 | |
| Sutton | -1.0 | 1.8 | 263,017 | |
| Tower Hamlets | -0.7 | 4.7 | 371,152 | |
| Waltham Forest | -0.1 | -1.4 | 262,559 | |
| Wandsworth | -0.4 | 0.3 | 390,363 | |

Key London borough observations

- The borough with the highest annual price increase is Kensington and Chelsea, rising by 9.3 per cent.
- The borough with the highest monthly price increase is Newham with a rise of 0.3 per cent.
- Lambeth experienced the lowest annual change, with a movement of -1.5 per cent.
- Camden and Hackney both experienced movements of -2 per cent, making them the boroughs with the greatest monthly price falls.

Land Registry House Price Index Sales volumes

Sales volumes

- In the months March 2008 to June 2008, transaction volumes averaged 58,763 transactions per month. This is a decrease from the same period last year, when sales volumes averaged 108,163.
- The pattern of reduced transaction volumes in London continues to mirror the rest of the country.

Price index volatility is greater in areas where recorded sales volumes are low. Index volatility leads to erratic and high changes in reported price.

Some of the areas that typically have very low transaction volumes include, but are not limited to, the following:

- City of London
- Rutland
- Isle of Anglesey
- Merthyr Tydfil
- Blaenau Gwent
- Ceredigion
- Torfaen.

Because sales volume figures for the two most recent months are not yet complete, they are not included in the report.

Recorded monthly sales – England and Wales



Recorded monthly sales – London



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House Price Index

Sales volumes

Sales volumes by price range (England and Wales)

— The number of properties sold in England and Wales for over £1 million decreased by 48 per cent between June 2007 and June 2008, from 738 to 386.

| Price range (£) | June 2008 | June 2007 | Difference |
|-----------------------|---------------|----------------|-------------|
| Under 50,000 | 547 | 998 | -45% |
| 50,001 – 100,000 | 7,056 | 14,322 | -51% |
| 100,001 – 150,000 | 13,771 | 30,987 | -56% |
| 150,001 – 200,000 | 11,575 | 28,849 | -60% |
| 200,001 – 250,000 | 9,031 | 20,748 | -56% |
| 250,001 – 300,000 | 3,551 | 8,523 | -58% |
| 300,001 – 400,000 | 4,340 | 10,032 | -57% |
| 400,001 – 500,000 | 1,931 | 4,266 | -55% |
| 500,001 – 600,000 | 753 | 1,512 | -50% |
| 600,001 – 800,000 | 810 | 1,668 | -51% |
| 800,001 – 1,000,000 | 321 | 650 | -51% |
| 1,000,001 – 1,500,000 | 225 | 434 | -48% |
| 1,500,001 – 2,000,000 | 81 | 162 | -50% |
| Over 2,000,000 | 80 | 142 | -44% |
| Total | 54,072 | 123,293 | -56% |

Sales volumes by price range (London)

— The number of properties sold in London for over £1 million decreased by 54 per cent between June 2007 and June 2008, from 440 to 202.

| Price range (£) | June 2008 | June 2007 | Difference |
|-----------------------|--------------|---------------|-------------|
| Under 50,000 | - | - | n/a |
| 50,001 – 100,000 | 43 | 73 | -41% |
| 100,001 – 150,000 | 378 | 881 | -57% |
| 150,001 – 200,000 | 1,013 | 2,677 | -62% |
| 200,001 – 250,000 | 1,763 | 3,883 | -55% |
| 250,001 – 300,000 | 803 | 1,910 | -58% |
| 300,001 – 400,000 | 1,175 | 2,614 | -55% |
| 400,001 – 500,000 | 567 | 1,203 | -53% |
| 500,001 – 600,000 | 253 | 526 | -52% |
| 600,001 – 800,000 | 270 | 598 | -55% |
| 800,001 – 1,000,000 | 139 | 304 | -54% |
| 1,000,001 – 1,500,000 | 103 | 233 | -56% |
| 1,500,001 – 2,000,000 | 48 | 102 | -53% |
| Over 2,000,000 | 51 | 105 | -51% |
| Total | 6,606 | 15,109 | -56% |

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House Price Index

Notes

The September House Price Index (HPI) will be published at www.landregistry.gov.uk at 11:00 hours on 28th October 2008.

The HPI is produced using the Repeat Sales Regression (RSR) method. Under the RSR method, house price growth is measured by observing houses which have been sold more than once. By using repeat transactions, differences in the quality of homes comprised in any monthly sample are greatly reduced – thereby ensuring an ‘apples to apples’ comparison. The HPI uses Land Registry’s own price paid dataset. This is a record of all residential property transactions made in England and Wales since April 2000. At present it contains details on nine million sales. Of these, approximately two million are identifiable matched pairs, providing the basis for the repeat-sales regression analysis used to compile the index.

The standardised average house prices presented by Land Registry are calculated by taking the geometric mean price in April 2000 and moving this in accordance with index changes. Classical seasonal decomposition (Census Method 1) is used to isolate the effects of seasonal trends in volume and index analysis.

Monthly and annual percentage changes displayed for counties, unitary authorities, metropolitan district councils and London boroughs represent rolling four-monthly averages of the price changes over one month and 12 months respectively. All price changes represent seasonally adjusted movements. Historical data published as part of the HPI is revised each month as missing and new data becomes available.

The statistical computation of the HPI is performed for Land Registry by Calnea Analytics. Related academic documentation can be found at www.calnea.com

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