

January 2007

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Index	212.6
Average price	£174,827
Monthly change	0.9%
Annual change	7.7%

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CUSTOMER SERVICE EXCELLENCE

Land Registry House Price Index Headline statistics

The January data shows that 2007 has begun with another rise in house prices for England and Wales. The first month of the year demonstrates an annual house price increase of 7.7 per cent and a monthly increase of 0.9 per cent. This increase has led to the average property now being worth £174,827.

This month is the first time since May 2005 that house prices have experienced annual price growth of greater than 7 per cent in two consecutive months. In January 2006 the rate of annual change in house prices was 3.6 per cent compared with 7.7 per cent for January 2007.

Index ¹	212.6
Average price ²	£174,827
Monthly change	0.9%
Annual change	7.7%

The year 2007 has begun with a rise in house prices (average price increases 0.9 per cent in January to £174,827).

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

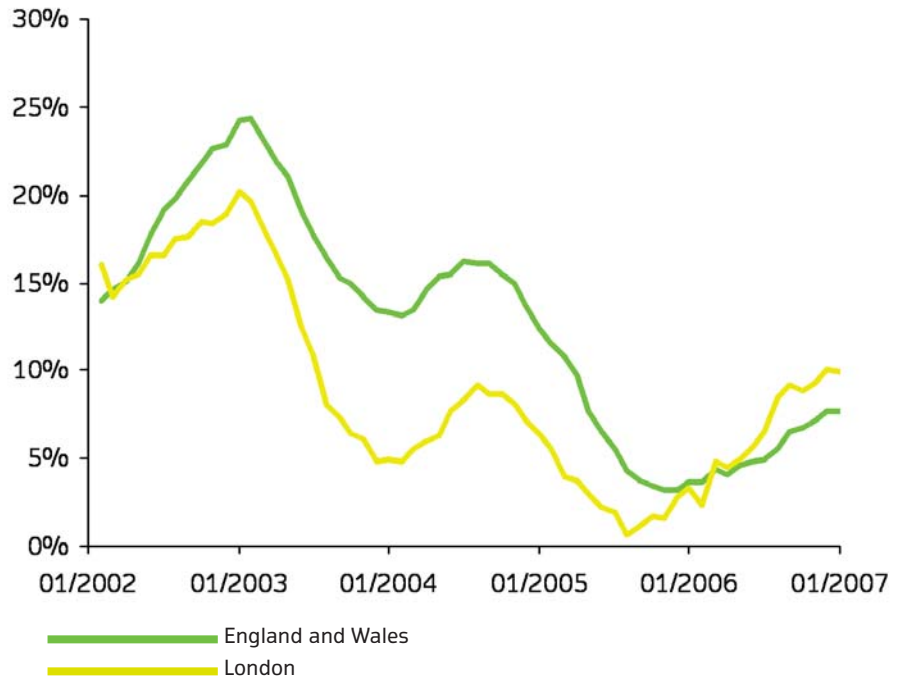
2 All average prices quoted in this report represent standardised seasonally adjusted prices

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House Price Index

Average annual price change

Average annual change in residential property prices



As with last month, the London property market continues to outperform the rest of the country. London can be seen along side Yorkshire & The Humber and the South East as the most consistent drivers behind recent national house price growth.

The rate of annual increase in London's house prices has been greater than that of England and Wales since March 2006. London's annual growth this month is 9.9 per cent compared with the 7.7 per cent increase of England and Wales as a whole.

Average prices by property type (England and Wales)	January 2007	January 2006	Difference (%)
Detached	£266,770	£246,041	8.4
Semi-detached	£165,969	£153,887	7.9
Terraced	£136,106	£126,193	7.9
Flat/maisonette	£162,665	£152,606	6.6
All	£174,827	£162,392	7.7

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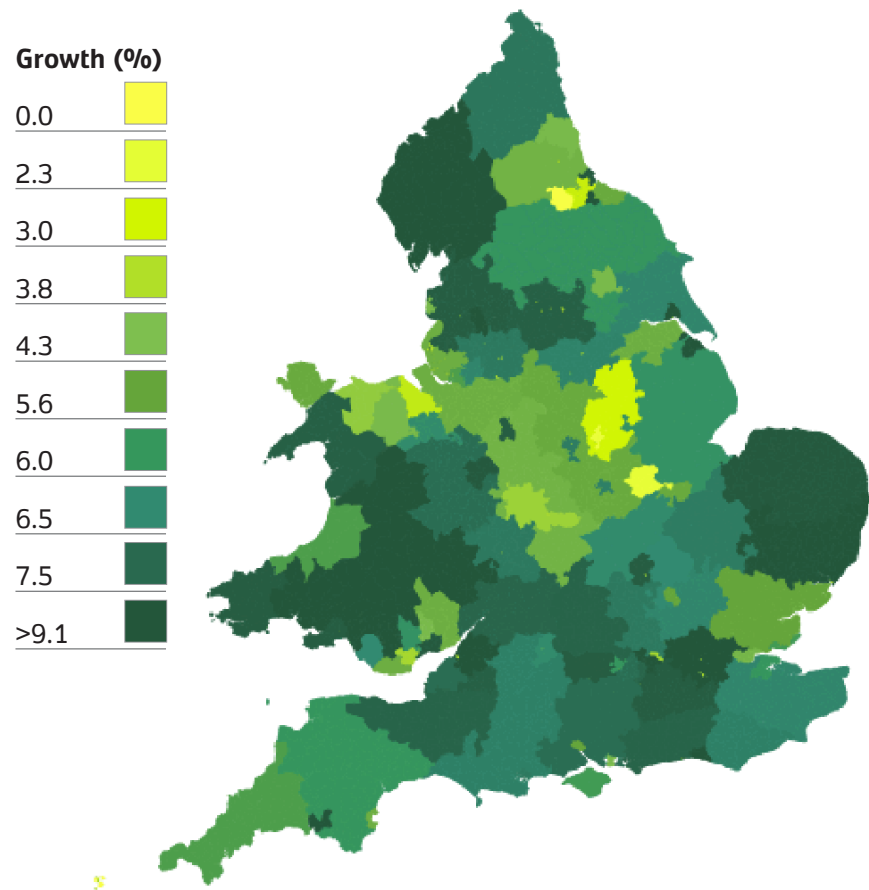
House Price Index

Price change by region

	Region	Monthly change (%)	Annual change (%)	Average price (£)
Key regional observations	Yorkshire & The Humber	2.2	9.4	£141,868
— All regions in England and Wales experienced average price increases over the last twelve months.	West Midlands	2.1	6.3	£150,710
— The region with the highest annual price change is London with an increase of 9.9 per cent.	Wales	2.0	7.5	£139,017
— The region with the lowest annual price rise is the North East, with an increase of 5.0 per cent.	East	2.0	8.7	£185,023
— Yorkshire and the Humber experienced the highest monthly change, with an increase of 2.2 per cent.	North East	1.6	5.0	£126,422
— The East Midlands experienced the lowest price change this month with a movement of 0.3 per cent.	South West	1.2	8.6	£187,318
	London	1.1	9.9	£316,296
	South East	1.1	8.5	£216,163
	North West	0.8	7.3	£131,294
	East Midlands	0.3	5.6	£142,397

Land Registry House Price Index Price change by county

Annual price change by county



Key county and unitary authority observations

- Blaenau Gwent is the county with the highest annual price change with an increase of 13.4 per cent. Brighton and Hove, City of Kingston Upon Hull, Carmarthenshire, City of Bristol, Neath Port Talbot, South Gloucestershire and Powys also exhibited annual price increases of over 10 per cent.
- No county or unitary authority experienced negative annual price change this month.

County/unitary authority	Monthly change (%)	Annual change (%)	Average price (£)
Bath and NE Somerset	0.3	8.2	223,925
Bedfordshire	0.8	6.5	175,087
Blackburn with Darwen	1.9	9.3	83,291
Blackpool	0.3	4.6	108,430
Blaenau Gwent	2.5	13.4	90,876
Bournemouth	0.8	6.8	183,138
Bracknell Forest	0.7	7.7	207,733
Bridgend	1.0	6.5	130,800
Brighton and Hove	0.4	12.5	210,752
Buckinghamshire	0.6	7.0	251,568
Caerphilly	1.4	6.2	115,429
Cambridgeshire	0.7	6.9	185,372
Cardiff	0.7	3.9	153,782
Carmarthenshire	0.2	11.9	133,233
Ceredigion	2.7	5.8	186,625
Cheshire	0.8	5.1	166,706

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House Price Index

Price change by county

	County/unitary authority	Monthly change (%)	Annual change (%)	Average price (£)
Key county and unitary authority observations	City of Bristol	1.1	11.9	172,924
	City of Derby	0.6	6.9	120,749
	City of Kingston upon Hull	1.3	12.4	85,445
	City of Nottingham	0.6	1.4	100,210
	City of Peterborough	0.4	5.3	127,135
	City of Plymouth	1.1	9.5	141,557
	Conwy	0.6	4.1	154,153
	Cornwall	0.5	5.8	200,838
	Cumbria	0.4	9.1	136,038
	Darlington	0.1	0.4	121,804
	Denbighshire	0.7	4.6	139,036
	Derbyshire	0.6	5.4	135,940
	Devon	0.3	6.0	198,367
	Dorset	0.6	6.8	223,735
	Durham	0.8	5.0	110,542
	East Riding of Yorkshire	-0.1	6.6	147,916
	East Sussex	0.5	6.8	190,267
	Essex	0.5	5.6	193,516
	Flintshire	0.2	3.4	145,759
	Gloucestershire	0.7	7.7	184,141
Greater London	1.1	9.9	316,296	
Greater Manchester	0.5	7.0	122,507	
Gwynedd	0.9	8.2	143,093	
Halton	1.3	5.8	118,478	
Hampshire	0.7	7.4	211,290	
Hartlepool	1.8	8.7	104,589	
Herefordshire	1.0	9.3	190,876	
Hertfordshire	0.6	6.6	233,296	
Isle of Anglesey	0.0	5.4	145,265	
Isle of Wight	0.6	5.9	171,731	
Kent	0.7	6.6	192,967	
Lancashire	0.1	8.3	125,866	
Leicester	0.0	6.8	123,919	
Leicestershire	0.5	5.3	163,707	
Lincolnshire	0.2	6.2	140,870	
Luton	0.1	5.5	142,102	
Medway	0.7	6.0	153,977	

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House Price Index

Price change by county

County/unitary authority	Monthly change (%)	Annual change (%)	Average price (£)
Merseyside	0.0	5.2	130,783
Merthyr Tydfil	1.2	9.4	78,668
Middlesbrough	1.3	9.7	105,611
Milton Keynes	0.7	8.5	164,892
Monmouthshire	0.1	5.1	189,888
Neath Port Talbot	-0.2	11.1	101,866
Newport	0.6	8.7	139,905
Norfolk	0.5	8.7	157,034
North East Lincolnshire	0.5	9.5	102,888
North Lincolnshire	1.3	5.1	118,590
North Somerset	0.5	7.4	184,224
North Yorkshire	0.1	6.1	186,613
Northamptonshire	0.5	6.4	153,067
Northumberland	1.2	7.1	149,973
Nottinghamshire	0.3	3.0	136,288
Oxfordshire	0.6	7.9	232,310
Pembrokeshire	0.9	8.5	173,158
Poole	0.9	7.0	213,920
Portsmouth	1.1	4.3	156,389
Powys	0.6	11.1	167,259
Reading	-0.2	6.0	197,905
Redcar and Cleveland	-0.5	5.4	131,992
Rhondda Cynon Taff	1.0	10.0	90,614
Rutland	-0.4	2.0	226,074
Shropshire	0.4	7.3	174,775
Slough	0.4	3.9	173,028
Somerset	0.8	7.9	182,225
South Gloucestershire	1.4	10.1	189,764
South Yorkshire	0.2	6.7	120,792
Southampton	0.2	5.6	153,385
Southend-on-Sea	0.4	5.9	161,017
Staffordshire	0.1	4.8	148,444
Stockton-on-Tees	-0.1	3.2	124,941
Stoke-on-Trent	0.7	8.6	87,896
Suffolk	1.1	9.0	165,190
Surrey	0.5	8.4	286,304
Swansea	1.3	8.4	125,293

Land Registry

House Price Index

Price change by county

County/unitary authority	Monthly change (%)	Annual change (%)	Average price (£)
Swindon	0.3	6.4	143,760
The Vale of Glamorgan	0.2	5.2	164,170
Thurrock	0.8	4.7	154,071
Torbay	0.1	5.1	172,973
Torfaen	-1.5	4.3	120,530
Tyne and Wear	0.8	4.6	129,239
Warrington	1.3	6.6	156,737
Warwickshire	0.3	4.9	176,243
West Berkshire	1.0	8.6	225,638
West Midlands	0.3	4.0	132,888
West Sussex	0.9	8.0	216,174
West Yorkshire	0.8	8.2	132,631
Wiltshire	0.5	6.8	194,510
Windsor and Maidenhead	0.4	9.0	314,787
Wokingham	1.4	7.3	270,976
Worcestershire	0.6	7.0	184,365
Wrekin	0.5	8.7	143,921
Wrexham	1.0	6.3	145,626
York	0.4	4.6	183,347

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House Price Index

Price change by London borough

Key London borough observations

- The borough with the highest annual price increase is Kensington and Chelsea, rising by 17.3 per cent.
- The highest monthly price increase was in Camden, with a rise of 1.6 per cent.
- Newham experienced an annual growth of 4.3 per cent, making it the lowest performing borough in terms of annual price change.
- Newham also experienced the greatest negative monthly price movement, with a fall of 0.5 per cent.
- The only boroughs that experienced no monthly movement in prices in January were Bromley and Greenwich.

London borough	Monthly change (%)	Annual change (%)	Average price (£)
Barking and Dagenham	0.7	4.8	228,247
Barnet	0.6	6.3	318,440
Bexley	0.3	4.7	233,883
Brent	0.9	7.2	280,115
Bromley	0.0	6.6	279,051
Camden	1.6	11.2	451,685
City of London	n/a	n/a	n/a
City of Westminster	0.5	16.0	496,183
Croydon	0.4	4.5	252,519
Ealing	0.4	8.1	292,591
Enfield	1.4	6.9	247,496
Greenwich	0.0	5.2	248,695
Hackney	0.8	13.8	302,294
Hammersmith and Fulham	0.6	14.1	411,272
Haringey	0.5	11.4	302,739
Harrow	1.2	7.0	280,896
Havering	0.1	5.7	261,167
Hillingdon	0.4	5.1	253,985
Hounslow	0.6	7.7	268,062
Islington	0.3	9.7	359,198
Kensington and Chelsea	0.9	17.3	685,814
Kingston upon Thames	0.2	7.9	287,336
Lambeth	1.4	14.4	306,675
Lewisham	0.7	8.5	247,735
Merton	0.7	11.4	307,231
Newham	-0.5	4.3	225,837
Redbridge	-0.1	6.3	287,063
Richmond upon Thames	0.8	12.2	390,344
Southwark	0.7	13.8	320,200
Sutton	1.0	6.0	239,147
Tower Hamlets	1.0	11.3	318,597
Waltham Forest	0.4	9.6	248,900
Wandsworth	1.2	14.5	339,792

Land Registry House Price Index Sales volumes

Sales volumes

- In the months August to November 2006, transaction volumes averaged 107,225 transactions per month. This is an increase from the same period last year when sales volumes averaged just above 95,342.
- The pattern of transaction volumes in London continues to mirror the rest of the country.

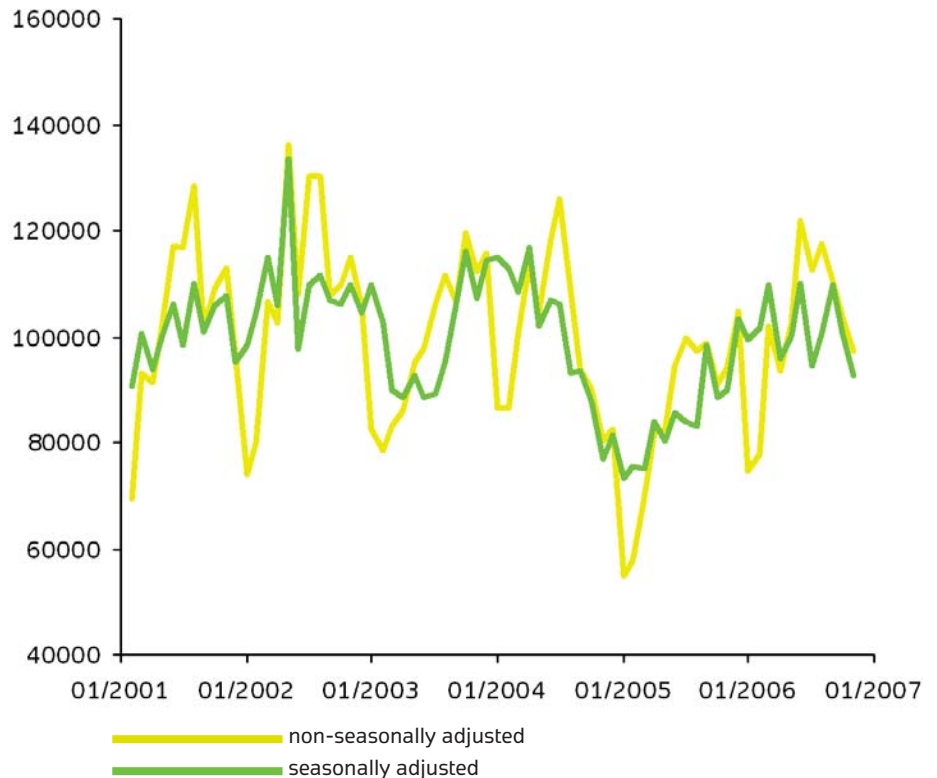
Price index volatility is greater in areas where recorded sales volumes are low. Index volatility leads to erratic and high changes in price.

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

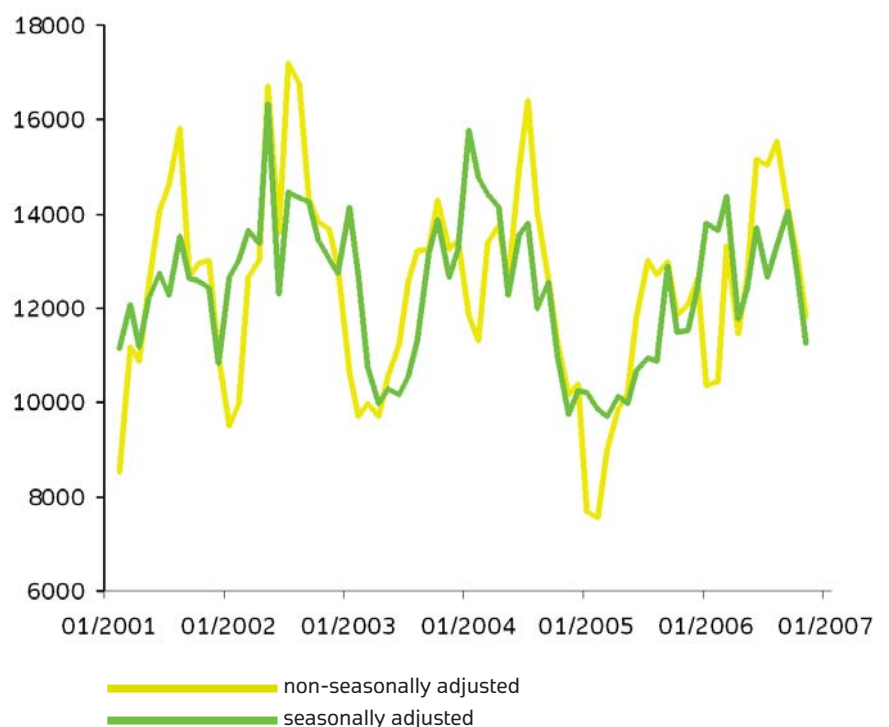
- City of London
- Rutland
- Isle of Anglesey
- Merthyr Tydfil
- Blaenau Gwent
- Ceredigion
- Torfaen

Data for the two most recent months are not used as comparisons due to the lag in the registration of sold properties.

Recorded monthly sales – England and Wales



Recorded monthly sales – London



Land Registry

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 increased 31 per cent between November 2005 and November 2006, from 349 to 457.

Price range (£)	November 2006	November 2005	Difference
Under 50,000	1,078	1,877	-43%
50,001 – 100,000	13,227	15,058	-12%
100,001 – 150,000	25,468	26,324	-3%
150,001 – 200,000	22,612	21,287	6%
200,001 – 250,000	15,493	13,847	12%
250,001 – 300,000	6,031	5,064	19%
300,001 – 400,000	7,045	5,738	23%
400,001 – 500,000	3,106	2,531	23%
500,001 – 600,000	1,109	852	30%
600,001 – 800,000	1,222	883	38%
800,001 – 1,000,000	418	287	46%
1,000,001 – 1,500,000	281	221	27%
1,500,001 – 2,000,000	99	74	34%
Over 2,000,000	77	54	43%
Total	97,266	94,097	3%

Sales volumes by price range (London)

— The number of properties sold in London for over £1 million increased 22 per cent between November 2005 and November 2006, from 194 to 236.

Price range (£)	November 2006	November 2005	Difference
Under 50,000	0	0	n/a
50,001 – 100,000	104	138	-25%
100,001 – 150,000	969	1,352	-28%
150,001 – 200,000	2,389	3,069	-22%
200,001 – 250,000	3,184	3,242	-2%
250,001 – 300,000	1,418	1,183	20%
300,001 – 400,000	1,729	1,477	17%
400,001 – 500,000	839	719	17%
500,001 – 600,000	362	275	32%
600,001 – 800,000	405	317	28%
800,001 – 1,000,000	168	119	41%
1,000,001 – 1,500,000	121	110	10%
1,500,001 – 2,000,000	60	43	40%
Over 2,000,000	55	41	34%
Total	11,803	12,085	-2%

Land Registry House Price Index Notes

The February House Price Index (HPI) will be published at www.landregistry.gov.uk/houseprices at 11:00 hours on 28 March 2007.

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 approximately eight million sales. Of these, over 1.6 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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House Price Index

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