

House Price Index

England and Wales

Under embargo until 00:01

Monday 12th March 2018

FEB
2018

Average House Price
in England and Wales

£299,556

AVERAGE MONTHLY CHANGE:

0.5%

AVERAGE ANNUAL CHANGE:

0.6%

The Rise of the North West

- North West now tops regional price growth league as prices rise at fastest rate in five months
- New peaks also achieved in the South West, East Midlands and Wales
- Blackburn records year-on-year growth of 16.4%
- Ninth month recorded of slowing annual house price growth

Headline News

Average house prices rose again in February, up 0.5% over the month – making it the biggest rise in five months. The North West, East Midlands, South West and Wales all recorded new peak average prices in the month.

Annually, however, price growth continued to slow, slipping to 0.6% from 0.7% in January 2018. The South East and London, however, weigh on the market, with annual prices up 2.5% excluding those regions.

It leaves the average value of a home in England & Wales at £299,556, up £1,512 compared to one month earlier, and £1,700 compared to a year ago.

Key Insights

Whilst there have been monthly increases in house prices for the last two months, the annual rate of growth has slowed in England and Wales. Although its beginnings were in London, this has now spread to the South East and North East too. All three have seen prices fall on an annual basis. Even excluding London and the South East, the annual growth rate of 2.5% today is far below the peak recorded two years ago in February 2016 - which was then at 6.7% [or 9% including the capital and South East, which were then powering growth in the market].

There's reason for optimism, though. First, other regions remain robust, including the South West, and the North West which now leads the growth table for the first time, with prices here up 4.6% annually. Second, the rate of decline in annual prices seems to be flattening out.

Quick Quotes

Oliver Blake, Managing Director of Your Move and Reeds Rains estate agents, said:

“When examining the bigger picture, house prices are steadily balancing to meet the needs of house buyers which is welcome news for those looking to take their first steps onto the property ladder.

However, housing supply in the UK isn't meeting demand and there is still a bottleneck of available properties. The industry needs to work together to provide a long-term solution to increase movement within the market. By building more homes and introducing more initiatives for each stage of the property lifecycle we should start to see more choice for first time buyers, second steppers and last-time buyers.”

Regional update

Price growth continues across England and Wales, with exactly three quarters of the 108 unitary authorities and counties outside London recording increases in the 12 months to January. Seven out of ten regions (where this includes London) are also recording growth.

That's now led by 4.6% annual growth in the North West, one of four regions to see new peak prices in January (along with the East Midlands, the South West and Wales).

Just eight months ago, the region was trailing every other region bar one. Now, it's seeing strong growth in every part of the market: at the bottom, Blackburn with Darwen has seen the biggest increase in prices in the country, up 16.4% annually. At

the top, Warrington is also seeing double digit growth, with prices up 10.3%. Its major conurbations are also performing strongly: Greater Manchester prices are up 4.3%; in Merseyside prices have increased 8%.

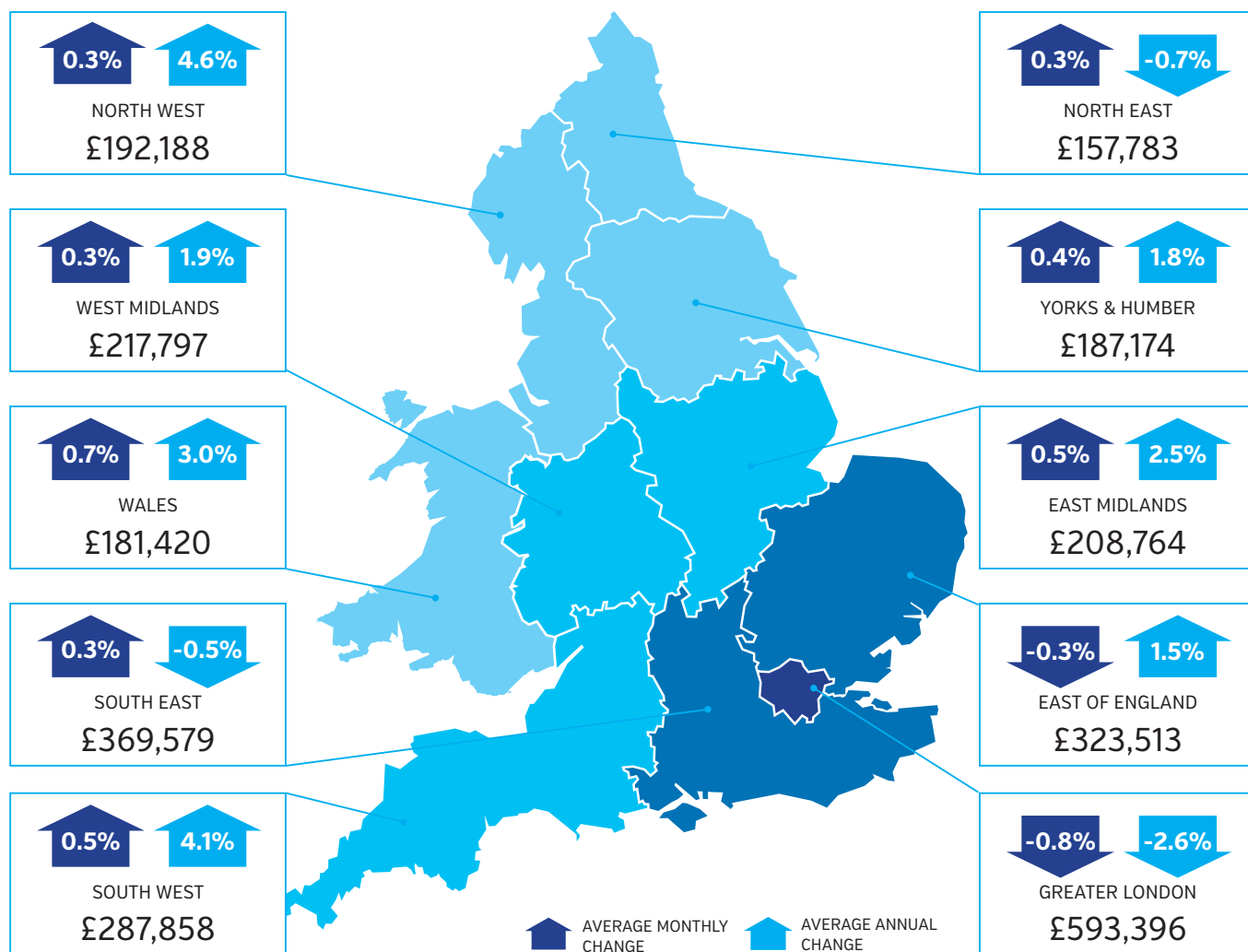
The region plays an increasingly important part in the housing market of England and Wales as a whole, too. In our annual mix adjustment used to calculate the average house price for this report, the North West's market share, based on transactions in the last year, sees the biggest increase of all regions, up 0.5%. It now makes a greater contribution to the average house price than any region other than the South East.

In terms of price growth, the only region that now comes close to the North West is

the South West, where prices are up 4.1% annually, driven by strong performance in North Somerset (up 12.1%) and Bristol (up 9.2%), one of six local authority areas in the region to set a new peak price.

While growth in Bristol was particularly strong, it was not unusual set against the other cities of the UK regions. As well as Merseyside and Greater Manchester in the North West, Cardiff in Wales (up 2.8%), the West Midlands conurbation, which includes Birmingham (up 2.4%), and Leicester and Nottingham in the East Midlands (up 4.7% and 4.5%, respectively) all saw prices increase in the last year. It's clear that London remains the exception, rather than the rule.

Average house prices by region January 2018 with monthly and annual % growth.



Average House Prices in England and Wales, February 2017 - February 2018

MONTH	YEAR	HOUSE PRICE	INDEX	MONTHLY CHANGE %	ANNUAL CHANGE %
February	2017	£297,856	295.5	0.6	4.7
March	2017	£299,477	297.1	0.5	5.1
April	2017	£299,305	296.9	-0.1	5.0
May	2017	£299,016	296.6	-0.1	5.7
June	2017	£297,709	295.1	-0.4	4.9
July	2017	£297,436	294.7	-0.1	4.7
August	2017	£297,783	294.7	0.1	4.5
September	2017	£299,684	295.3	0.6	4.5
October	2017	£300,232	294.3	0.2	3.6
November	2017	£299,274	293.2	-0.3	2.7
December	2017	£297,960	292.1	-0.4	1.5
January	2018	£298,044	292.2	0.0	0.7
February	2018	£299,556	293.6	0.5	0.6

London

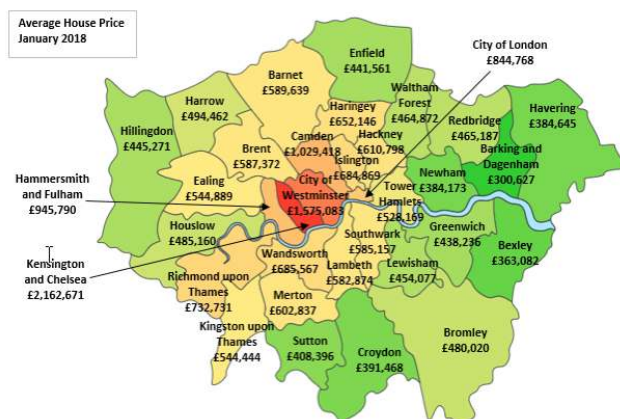
Prices in London fell again in January, down £4,662 or 0.8%, leaving average prices in the capital at £593,396. That's down 2.6% annually, the biggest decline since August 2009.

Average prices in the top 11 priced boroughs have fallen most, by 3.8%, while mid-priced boroughs are down an average 2.7%. At the top, Wandsworth has seen the biggest fall in the capital, with the average price declining 14.9% to £685,567 from £805,460 a year ago, followed by the City, where prices are now £844,768, down 10.8% from last January.

The cheaper boroughs have fared better. More than half have seen price rises over the year, led by 4.5% growth in Bexley, which, with an average price of £363,082, still has the cheapest property in the capital outside Barking and Dagenham (£300,627). Waltham Forest, meanwhile, which is just in the bottom 11, has seen prices increase 3.1%. It was the only borough in January to set a new peak average price, of £464,872. Overall, however, the cheapest third of London's borough still saw a modest fall in prices over the period, down 0.5% on a year ago.

There are signs of momentum returning to the top of the market, however. Prices in Kensington and Chelsea are still 4.6% up on an

annual basis, at £2,162,671, the biggest increase in the capital other than Brent, where prices increased 8.5%. More significantly, looking at transactions, while sales in London for the three months from November 2017 to January 2018 are down overall by 5% compared to the same period last year, Hammersmith and Fulham and Camden bucked the trend. Transactions saw the largest increases in London, up 17% and 13% respectively. The boroughs are also ranked fourth and third, respectively, by price.



For more information please contact:

Sophie Placido, Rostrum Agency **020 7440 8678**
 Melanie Cowell, LSL Property Services **01904 698860**
 Richard Sumner, Acadata **020 8392 9082**

s.placido@rostrum.agency
melanie.cowell@lslps.co.uk
richard.sumner@acadata.co.uk

For the full report, please see: <http://www.acadata.co.uk/acadataHousePrices.php>