

Statistical bulletin

House Price Index, UK: Mar 2017

Monthly house price inflation, calculated using data from Land Registry, Registers of Scotland and Land and Property Services Northern Ireland.

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1 . Introduction

This is a high-level summary of the UK House Price Index (HPI). For full details, including commentary, historical data tables and analytical tools please see the [main publication of the new House Price Index](#), published today (16 May 2017) on the GOV.UK website.

The UK HPI is a joint production by HM Land Registry, Land and Property Services Northern Ireland, Office for National Statistics and Registers of Scotland.

The UK House Price Index, introduced in June 2016, includes all residential properties purchased for market value in the UK. However, as sales only appear in the UK HPI once the purchases have been registered, there can be a delay before transactions feed into the index. As such, caution is advised when interpreting price changes in the most recent periods as they are liable to be revised.

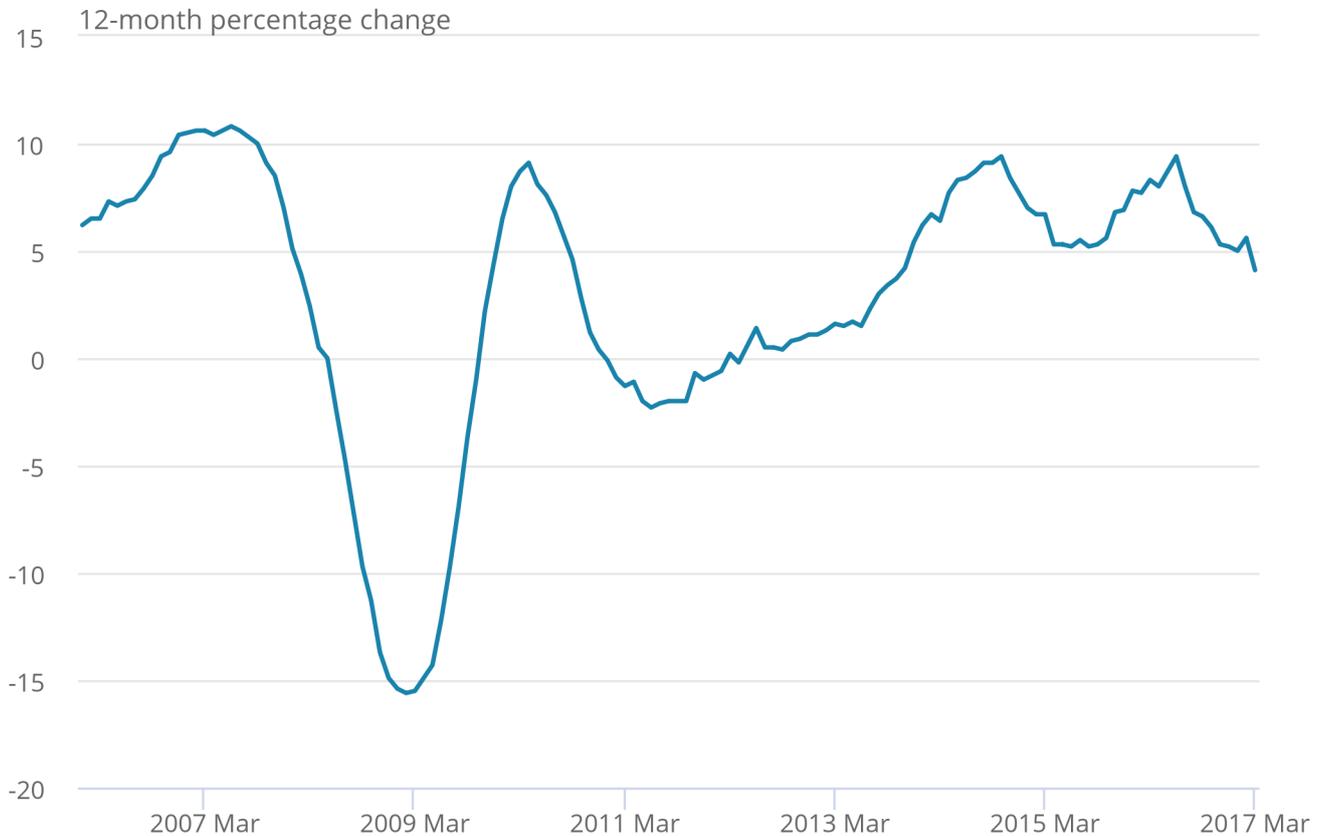
From 13 June 2017 we'll be extending our revision period to 12 months. Further information is provided in our [revision policy](#).

2 . UK all dwellings

Average house prices in the UK have increased by 4.1% in the year to March 2017 (down from 5.6% in the year to February 2017). This continues the general slowdown in the annual growth rate seen since mid-2016.

Figure 1: Annual house price rates of change, UK all dwellings from January 2006 to March 2017

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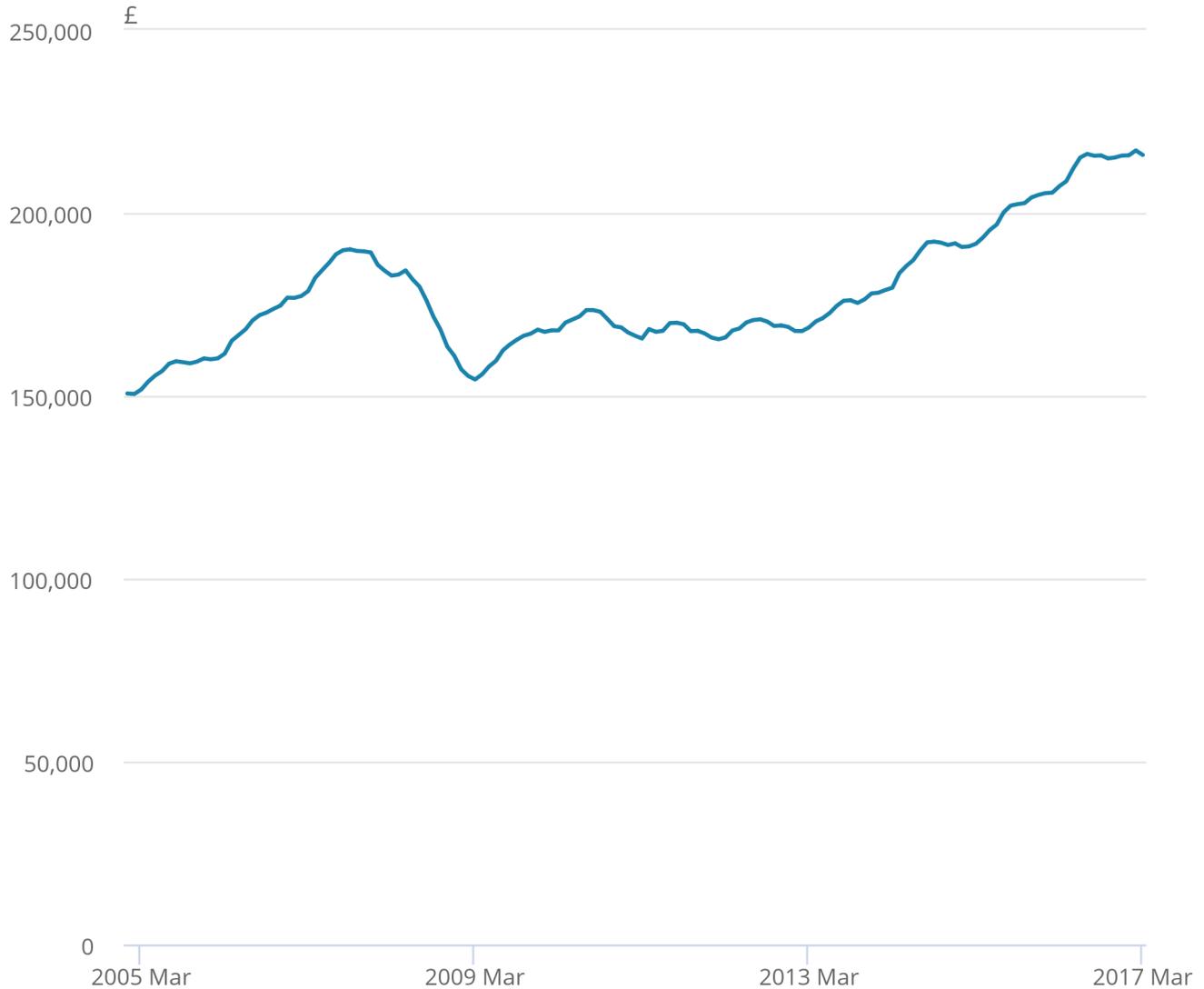
Notes:

1. Not seasonally adjusted.
2. The [full HPI release](#) is available to download from HM Land Registry at GOV.UK.

The average UK house price was £216,000 in March 2017. This is £9,000 higher than in March 2016 and £1,000 lower than last month.

Figure 2: Average UK house price, January 2005 to March 2017

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3 . House price index, by UK country

The main contribution to the increase in UK house prices came from England, where house prices increased by 4.4% over the year to March 2017, with the average price in England now £233,000. Wales saw house prices increase by 4.3% over the last 12 months to stand at £148,000. In Scotland, the average price increased by 0.7% over the year to stand at £137,000. The average price in Northern Ireland currently stands at £124,000, an increase of 4.3% over the year to Quarter 1 (Jan to Mar) 2017.

Figure 3: Average house price, by UK country, January 2005 to March 2017

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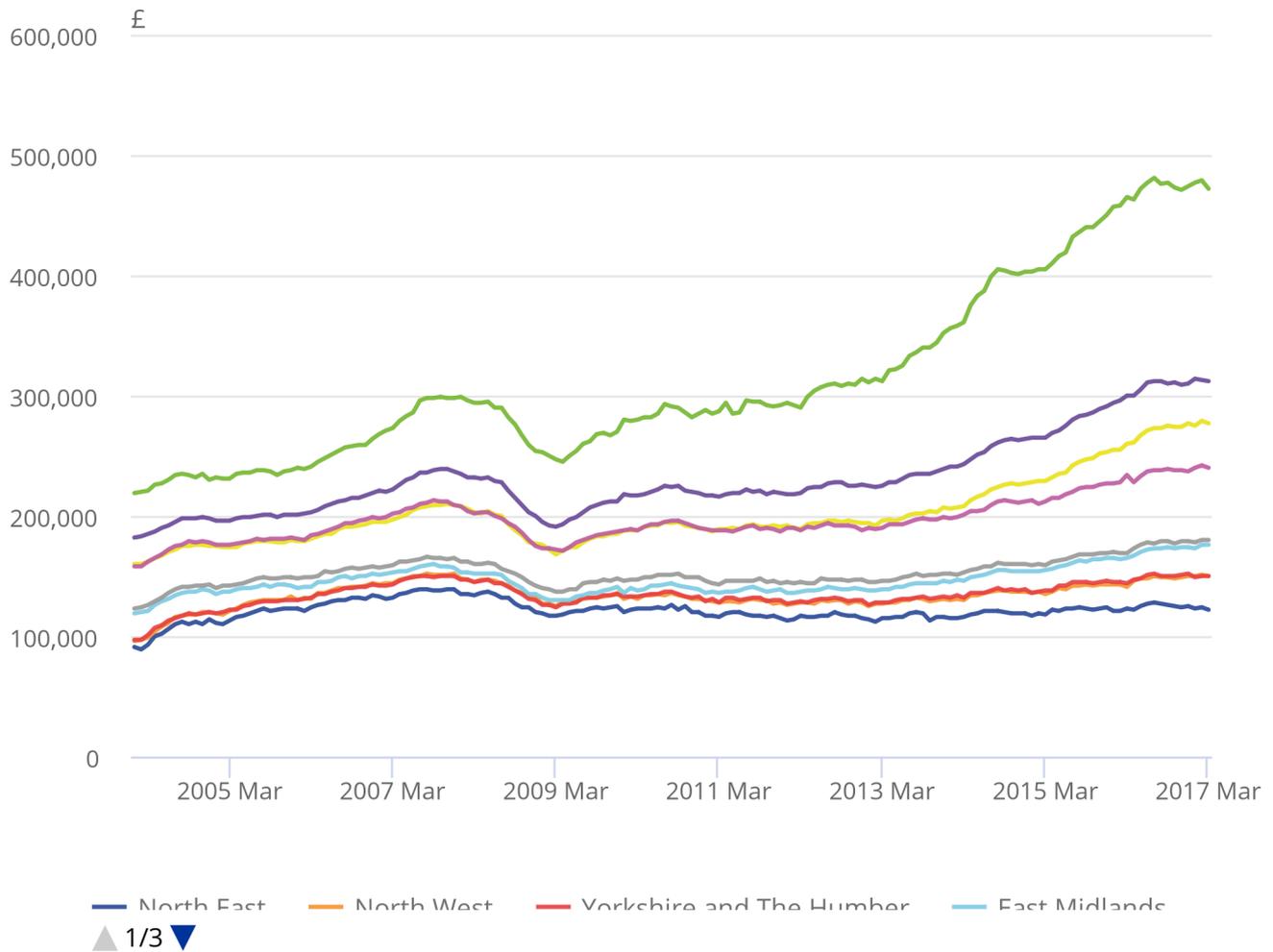
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4 . House price index, by English region

On a regional basis, London continues to be the region with the highest average house price at £472,000, followed by the South East and the East of England, which stand at £312,000 and £277,000 respectively. The lowest average price continues to be in the North East at £122,000.

Figure 4: Average house price, by English region, January 2004 to March 2017

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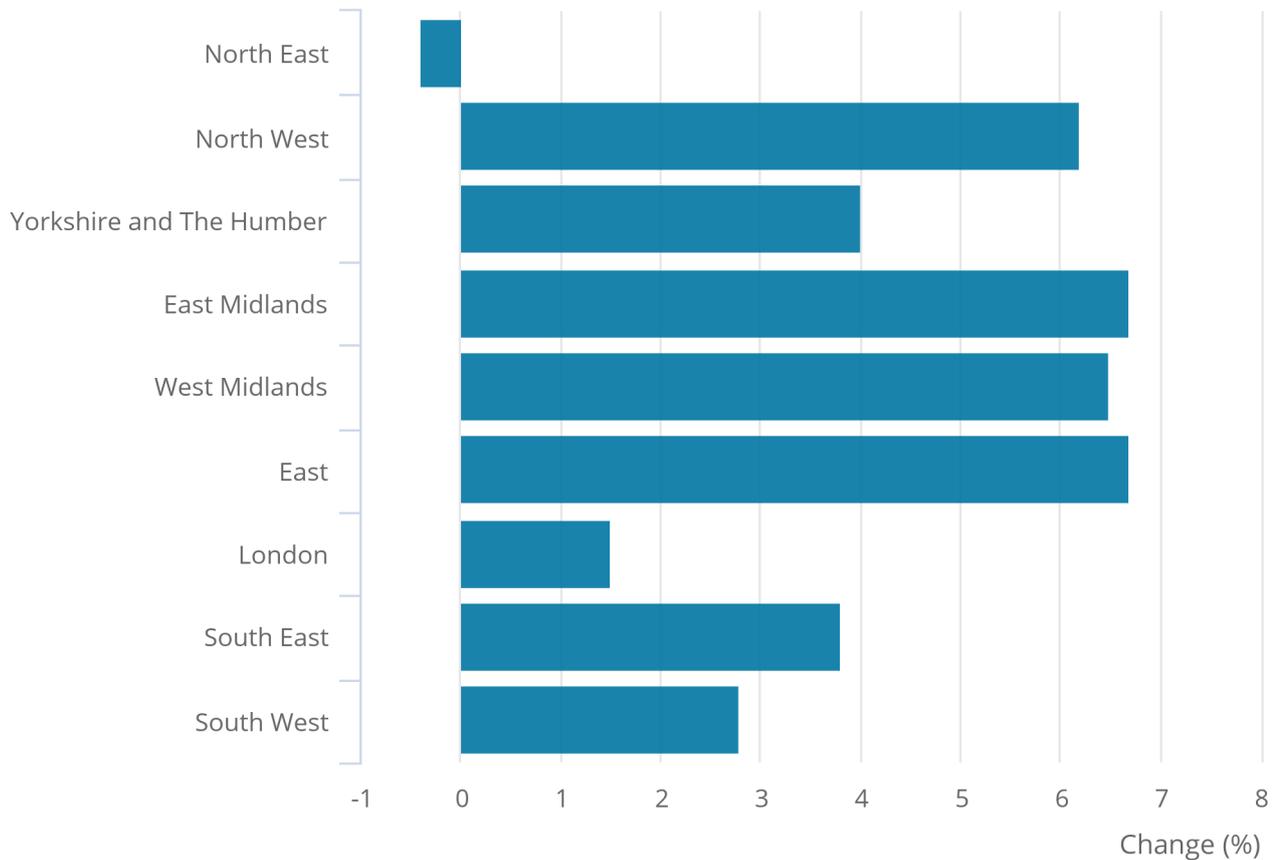
Source: HM Land Registry and Office for National Statistics

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The East of England and the East Midlands both showed the highest annual growth, with prices increasing by 6.7% in the year to March 2017. This was followed by the West Midlands at 6.5%. The lowest annual growth was in the North East, where prices decreased by 0.4% over the year, followed by London at 1.5%.

Figure 5: All dwellings annual house price rates of change, year to March 2017: by English region

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On a seasonally adjusted basis, the North West showed the highest monthly growth with prices increasing by 0.7% over the month to March 2017. The lowest seasonally adjusted monthly growth was in the North East where prices decreased by 2.2% over the month.

5 . House price index, by UK local authority district

The local authority showing the largest annual growth in the year to March 2017 was the Orkney Islands, where prices increased by 15.3% to stand at £144,000. Low numbers of sales transactions in some local authorities, such as the Orkney Islands can lead to volatility in the series. Whilst efforts are made to account for this volatility, the change in price in these local levels can be influenced by the type and number of properties sold in any given period. The lowest annual growth was recorded in South Hams, where prices fell by 7.7% to stand at £281,000.

In March 2017, the most expensive borough to live in was Kensington and Chelsea, where the cost of an average house was £1.4 million. In contrast, the cheapest area to purchase a property was Burnley, where an average house cost £75,000.

Table 1: Top and bottom 5 UK local authority districts by annual growth in the year to March 2017

Top 5 Local Authorities	% change	Average price (£)
Orkney Islands	15.3	143,751
Knowsley	14.9	128,267
South Bucks	14.7	638,210
Hinckley and Bosworth	13.6	204,267
Salford	13.4	148,231

Bottom 5 Local Authorities	% change	Average price (£)
South Hams	-7.7	280,892
City of London	-6.4	743,781
City of Aberdeen	-6.3	163,050
Argyll and Bute	-5.5	124,138
Tower Hamlets	-5.3	444,397

Source: Land Registry, Registers of Scotland and Land and Property Services Northern Ireland.

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6 . Quality and methodology

The [UK House Price Index \(HPI\) Quality and Methodology Information document](#) contains important information on:

- the strengths and limitations of the data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

7 . Things you need to know about this release

The UK House Price Index (HPI) has been published initially as an [experimental official statistic](#) to allow for users to acclimatise to the format of the new HPI, to evaluate user reaction to the new data, to continue evolution of data publication to meet user requirements and to further develop the data sources used in the production. While the methodology for the new UK HPI has been finalised, further work is taking place to secure additional property attributes data (such as from Scottish Assessors) that will supplement and provide additional assurance to the future production process.

It is expected that we will seek to remove the experimental status once the above points have been implemented and then progress with the assessment of the new [UK HPI as a National Statistic](#).

Please note that the Northern Ireland Residential Property Price Index, used as a component source in the production of the new UK HPI, remains an official statistic (that is, it is not classified as experimental).

In September 2016, users of the index were invited to complete a questionnaire to aid evaluation of different aspects of the [main report](#). The responses have been used to plan future improvements.

Further information on how the new UK HPI compares with the previous Office for National Statistics and HM Land Registry House Price Indices can be found in the article [Explaining the impact of the new UK HPI](#).