

Statistical bulletin

UK House Price Index: August 2016

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

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Table of contents

1. [Introduction](#)
2. [UK all dwellings](#)
3. [House price index, by UK country](#)
4. [House price index, by English region](#)
5. [House price index, by UK local authority district](#)
6. [Quality and methodology](#)
7. [Background information](#)

1 . Introduction

This is a high-level summary of the UK House Price Index (HPI), which replaces the previous house price indices separately published by the Land Registry and the Office for National Statistics. For full details, including commentary, historical data tables and analytical tools please see the [main publication of the new House Price Index](#), published today on the GOV.UK website.

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

2 . UK all dwellings

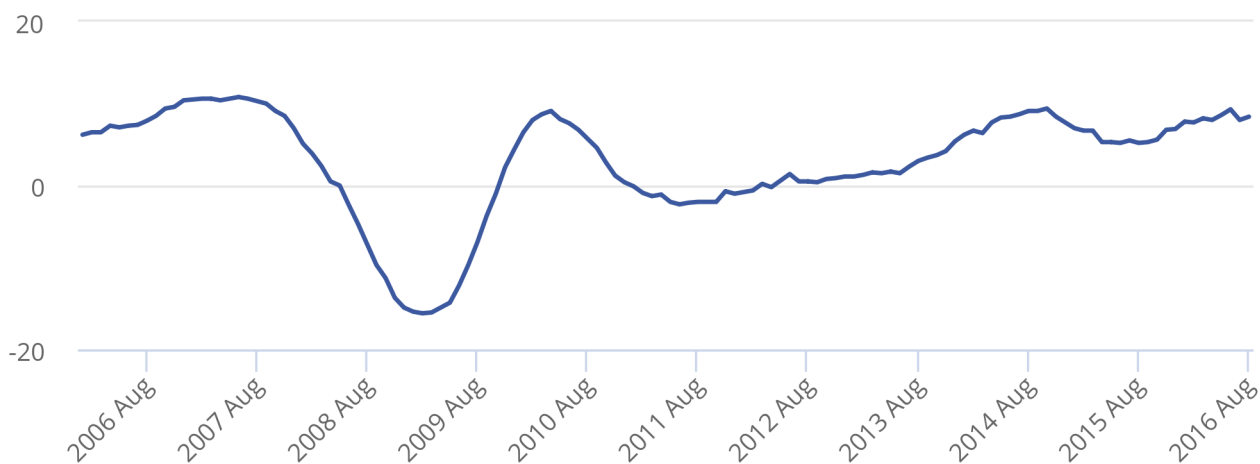
Average house prices in the UK have increased by 8.4% in the year to August 2016 (up from 8.0% in the year to July 2016), continuing the strong growth seen since the end of 2013.

Figure 1: Annual house price rates of change, UK all dwellings from January 2006 to August 2016

12 month percentage change

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Source: Land Registry, Registers of Scotland, Land and Property Services Northern Ireland and Office for National Statistics

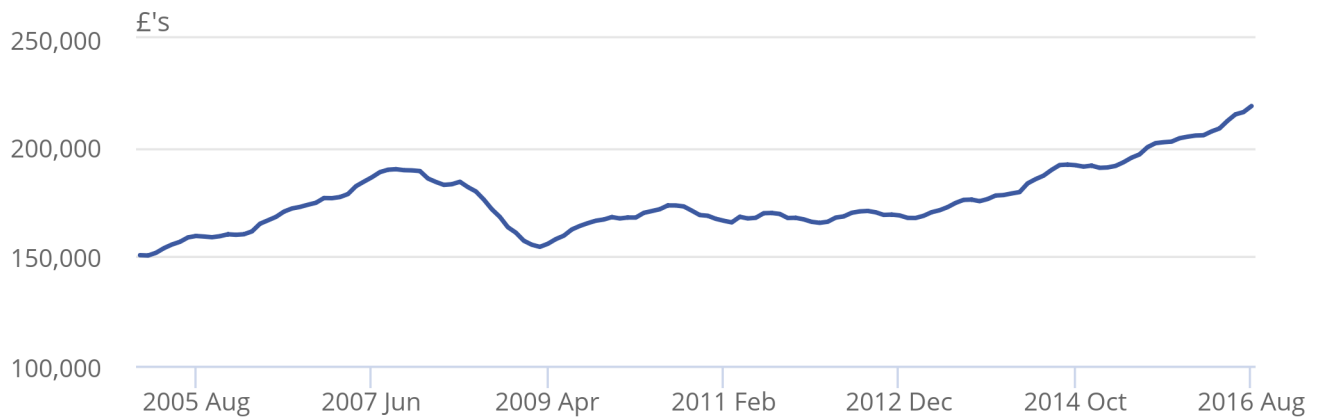
Notes:

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

The average UK house price was £219,000 in August 2016. This is £17,000 higher than in August 2015 and £3,000 higher than last month.

Figure 2: Average UK house price, January 2005 to August 2016

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Source: Land Registry, Registers of Scotland, Land and Property Services Northern Ireland and Office for National Statistics.

Notes:

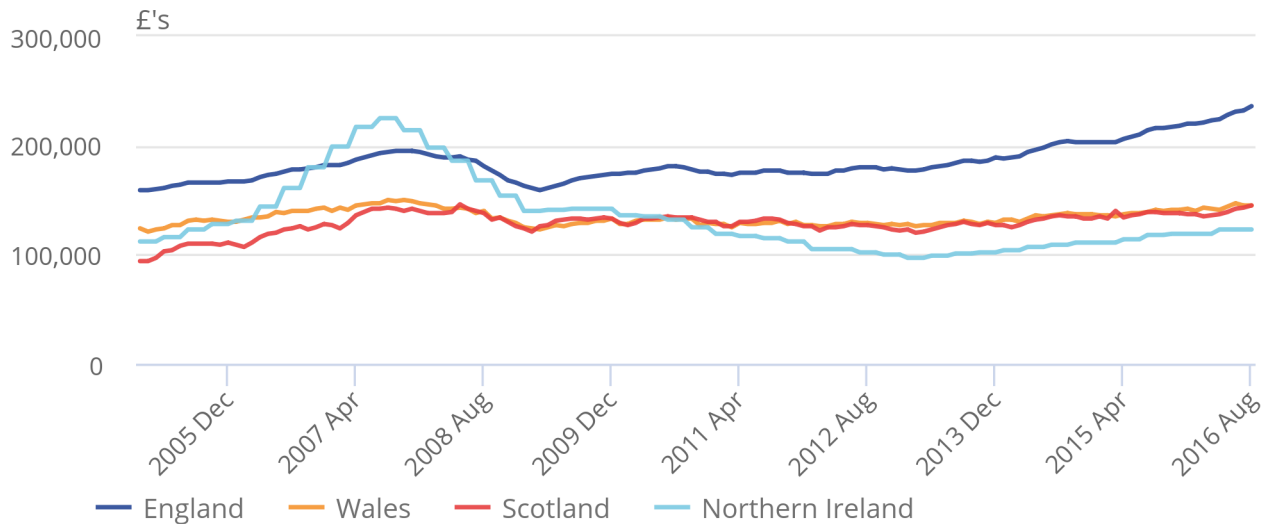
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3 . House price index, by UK country

The main contribution to the increase in UK house prices came from England, where house prices increased by 9.2% over the year to August 2016, with the average price in England now £236,000. Wales saw house prices increase by 2.7% over the last 12 months to stand at £145,000. In Scotland, the average price increased by 4.3% over the year to stand at £145,000. The average price in Northern Ireland is currently £123,000.

Figure 3: Average house price, by UK country, January 2005 to August 2016

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Source: Land Registry, Registers of Scotland, Land and Property Services Northern Ireland and Office for National Statistics

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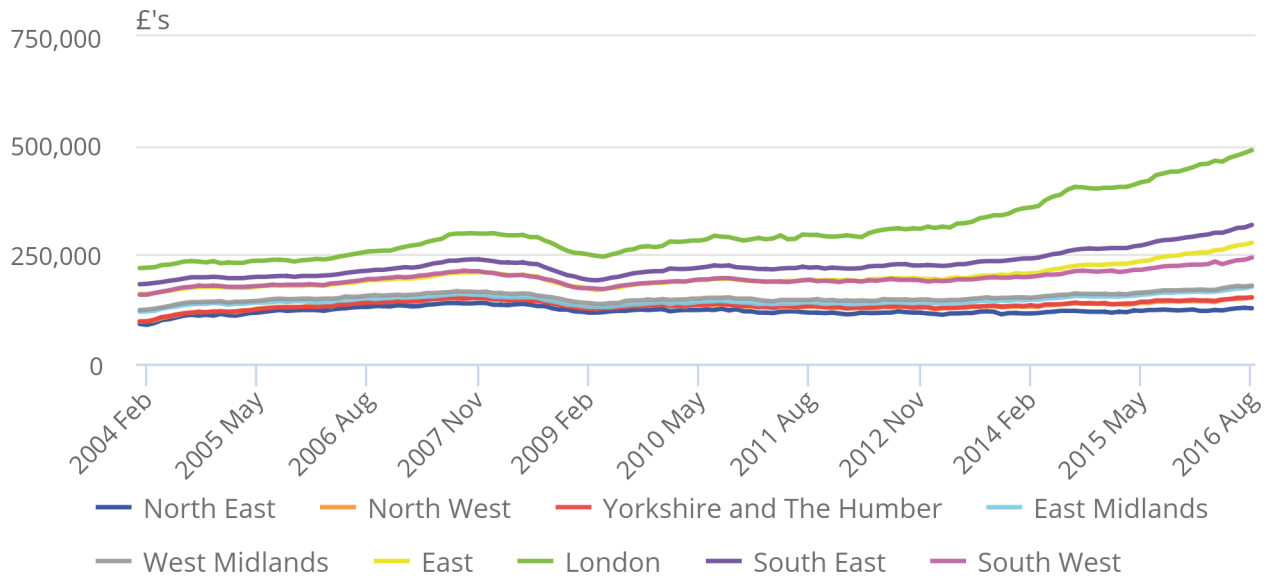
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4 . House price index, by English region

On a regional basis, London continues to be the region with the highest average house price at £489,000, followed by the South East and the East of England, which stand at £318,000 and £277,000 respectively. The lowest average price continues to be in the North East at £127,000.

Figure 4: Average house price, by English region, January 2004 to August 2016

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Source: Land Registry and Office for National Statistics

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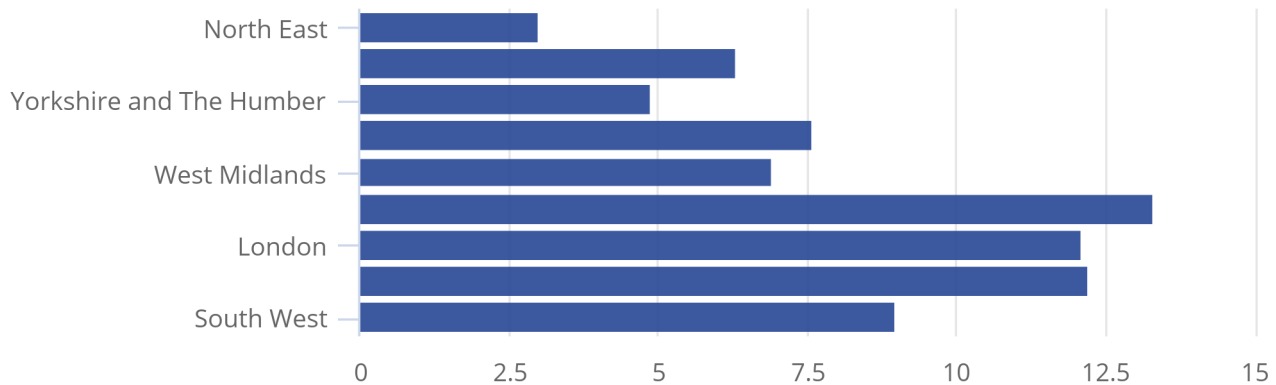
The East of England is the region which showed the highest annual growth, with prices increasing by 13.3% in the year to August 2016. Growth in the South East was second highest at 12.2%, followed by London at 12.1%. The lowest annual growth was in the North East, where prices increased by 3.0% over the year.

Figure 5: All dwellings annual house price rates of change, year to August 2016: by English region

12 month percentage change

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5 . House price index, by UK local authority district

The local authority showing the largest annual growth in the year to August 2016 was Newham, where prices increased by 23.7% to stand at £373,000. The lowest annual growth was recorded in the City of Aberdeen, where prices fell by 8.7% to stand at £176,000.

Movements at the local authority district level can be quite volatile due to the low number of transactions in some geographies.

In August 2016, the most expensive borough to live in was Kensington and Chelsea, where the cost of an average house was £1.3 million. In contrast, the cheapest areas to purchase a property were Burnley and Blaenau Gwent, where an average house cost £77,000.

Table 1 : Top and bottom 5 UK local authority districts by annual growth in the year to August 2016

Top 5 Local Authorities	% change	Average Price (£)
Newham	23.7	372,897
South Bucks	23.6	661,295
Basildon	21.5	294,369
Shetland Islands	20.8	149,490
Thurrock	20.6	257,297

Bottom 5 Local Authorities	% change	Average Price (£)
City of Aberdeen	-8.7	175,922
Hartlepool	-6.7	98,327
Dumfries and Galloway	-3.2	118,168
Camden	-2.7	797,901
Gwynedd	-1.9	146,138

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

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
- the quality of the output: including the accuracy of the data, how it compares with related data
- uses and users
- how the output was created”

7. Background information

The UK House Price Index 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 at the end of 2016, 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). Further information on how the new UK HPI compares with the previous ONS and Land Registry House Price Indices can be found in the article [Explaining the impact of the new UK HPI](#).

