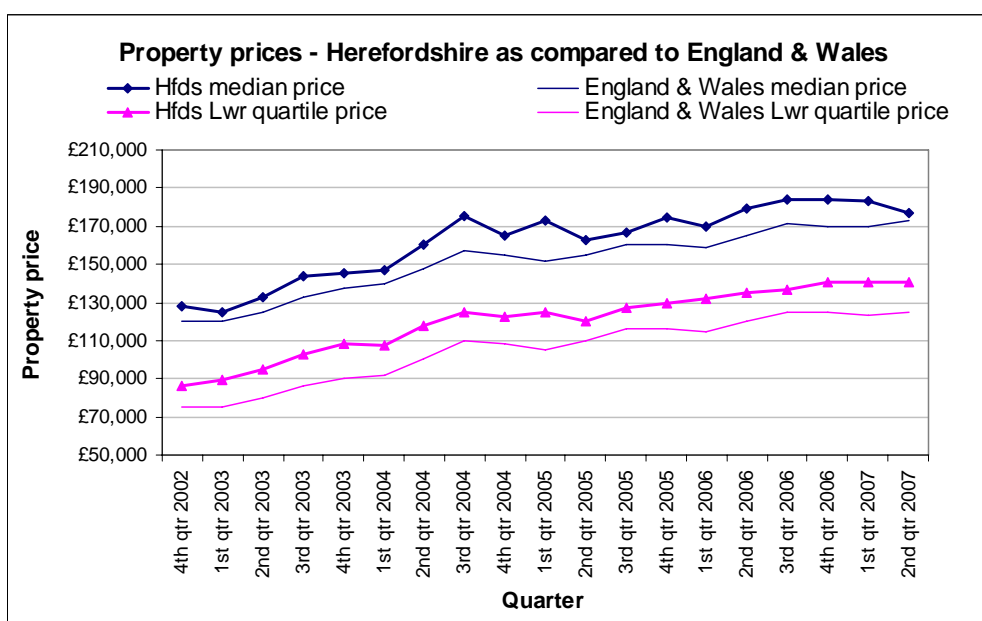


PROPERTY PRICES

HM Land Registry collects price data from all property sales in England and Wales. This data is collated by DCLG (Department for Communities and Local Government) where it is published as a series of 'Live Tables'. In these tables, various measures of house price – the mean, the median and the lower quartile – are reported quarterly, by Local Authority (see appended table at end of article). Currently the most recent figures available cover **April to June 2007**. The graph below shows how Herefordshire house prices have changed over the last four years, as compared to England and Wales.



Source: CLG (Communities & Local Govt) web site: www.communities.gov.uk

Note: median prices for the 2nd qtr of 2007 and the lower quartile prices for the 1st qtr of 2007 are provisional

Median prices

The median price is the figure that is half way along the price spectrum, such that 50% of house prices are lower and 50% are higher.

In the 2nd quarter of 2007, the provisional median price of a property in Herefordshire was **£176,750**. In comparison, the median property prices for England & Wales and the West Midlands were £172,995 and £145,000 respectively.

The median price of a property in Herefordshire has fallen by **1%** over the year compared to rises of 5% for England & Wales and 4% for the West Midlands region.

Lower quartile prices

The lower quartile price is the figure that lies a quarter of the way along the price spectrum, such that three quarters of prices are higher than this reference point and a quarter are lower. As it represents the lower end of the housing market, it is a useful figure to use when looking at affordability. The table below shows the latest available lower quartile prices derived from Land Registry data – the prices for England & Wales and for the West Midlands Region have risen slightly since the previous quarter, whereas the Herefordshire figure does not show a change. The lower quartile price in Herefordshire is 13% higher than that for England & Wales, whereas Herefordshire earnings are lower than the national average, making affordability of housing a key issue for the county.

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	Lower quartile prices for Jan - Mar 2007	Lower quartile prices for Apr - Jun 2007 (provisional figures)
England & Wales	£123,000	£125,000
West Midlands	£106,000	£109,142
Herefordshire	£141,000	£141,000

Source: CLG (Communities & Local Govt) web site: www.communities.gov.uk

House Price Index

On 31st October 2006, the Land Registry launched a new House Price Index (HPI). Unlike the quarterly median (as reported above) and mean house prices, figures are updated on a monthly basis. The index is a number that represents a change in average house price from a fixed reference point in time (the index base). The Land Registry uses April 2000 as their index base (i.e. the HPI for April 2000 is 100). A year later, in April 2001, the HPI for England and Wales was 109.2, showing that prices had risen by 9.2% over the year.

The Land Registry's HPI is calculated using the Repeat Sales Regression method (see www.calnea.com for a detailed description of the methodology). This method incorporates only those properties that have been sold on more than one occasion since April 2000, so that prices are compared **for the same property**. It draws on the Land Registry's database of sale prices that currently holds 1.5 million such properties in England & Wales.

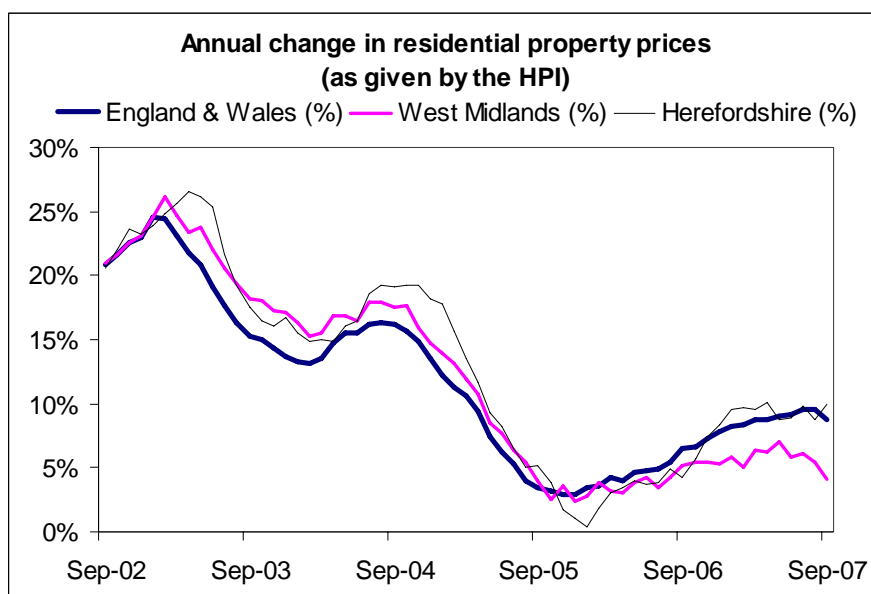
HPI values in September 2007 for Herefordshire, the West Midlands region and England & Wales are given in the table below. The methodology used for the HPI is designed to give the best available estimate of annual increases in house prices and these are given in the last column of the table. Also shown are standardised average house prices, generated by taking the average house price in April 2000 and adjusting this with respect to the change in HPI.

September 2007	HPI	Standardised average house price (£)	Annual price increase
England & Wales	223.6	183,896	8.7%
West Midlands	220.7	151,829	4.1%
Herefordshire	228.2	200,392	10.0%

Source: Land Registry web site: <http://www.landregistry.gov.uk/>

Annual change in property prices

The chart below shows that, over the last 5 years, the annual rates of increase in house prices for Herefordshire and the West Midlands region as given by the HPI were largely greater than for England & Wales. The current (September 2007) rate of increase in house prices for Herefordshire is 10.0%, which is 1 percentage point higher than for England & Wales (8.7%) and approximately 6 percentage points higher than for the West Midlands (4.1%). The difference in annual growth between Herefordshire and England & Wales has averaged 0.3 percentage points over the previous 6 months, compared to a value of 3.6 percentage points between Herefordshire and the West Midlands.



Volume of sales

The Land Registry figure for the number of house sales in Herefordshire during July 2007 was 289. In the 6 months prior to August 2007 (February 2007 to July 2007) the volume of sales averaged 285 per month, which is a decrease of 10% from the same period last year (315 sales per month).

Other News relating to house prices

On the 5th July, the Bank of England base rate rose by a quarter of a percent from 5.50% to 5.75%. Coming on top of rate rises in January and May of 2007 this will mean another increase in the monthly mortgage repayment amounts for home buyers.

Yorkshire & Humber replaced London as the region with the highest average monthly house price growth during September, with an increase of 2 per cent, compared to 1.3 per cent for London. The West Midlands region, however, experienced a decline in average house price of -0.7 per cent for the month.

Supplementary table

Year of 2nd Quarter	Mean property prices			Median property prices			Lower quartile property prices		
	England & Wales	West Midlands	Hfds	England & Wales	West Midlands	Hfds	England & Wales	West Midlands	Hfds
2000	£107,544	£82,287	£102,543	£80,000	£67,000	£83,500	£53,000	£47,000	£61,995
2001	£118,579	£95,540	£115,149	£89,950	£75,000	£92,000	£58,950	£52,950	£65,500
2002	£134,593	£107,559	£133,265	£107,000	£87,500	£110,000	£68,000	£60,000	£75,950
2003	£149,558	£126,658	£151,989	£125,000	£105,000	£133,000	£79,950	£75,000	£95,000
2004	£176,033	£148,218	£186,440	£148,000	£126,998	£160,000	£100,500	£91,500	£117,875
2005	£185,894	£156,808	£193,585	£155,000	£132,760	£162,500	£110,000	£100,000	£120,000
2006	£200,337	£166,302	£207,394	£164,995	£140,000	£179,000	£119,950	£109,950	£135,000
2007^a	£213,342	£171,551	£208,830	£172,995	£145,000	£176,750	£125,000	£109,142	£141,000

Source: HM Land Registry. (^a Figures for 2007 are provisional.)

For further information on the data in this article, please contact the Research Team on 01432 383069, or email researchteam@herefordshire.gov.uk

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