

Swyddfa Brisió Cás Newydd/Newport Valuation Office

Ail Lawr
Adeiladau'r Llywodraeth
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Cás Newydd NP19 7WA

Second Floor
Crown Buildings
11 Chepstow Road
Newport NP19 7WA

Mr. P.J Staddon, BSc, Dip, MBA, MRTPI
The Planning Inspectorate

Eich cyf/Your Ref:
Ein cyf/Our Ref : 1434344/NGT

(Sent via E-mail to Rhondda Cynon Taf CBC
for onward transmission)

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Dyddiad/Date : 2nd May 2014

Dear Sir,

**Re: Further information for consideration during Examination of
Rhondda Cynon Taf County Borough Councils' draft Community
Infrastructure Levy (CIL) Schedule**

I have been advised by the Programme Officer that next week's Hearing will also consider the further two points which appear to be causing some confusion between the parties;

1. *"Whether the sales values and the BCIS cost data used in the original and further testing are from the same time periods? And precisely what were those time periods?"*
2. *The effects of changes in sales values and build costs on the robustness of the 2012 study work (which DVS states is still the Council's 'key evidence base' in its April 2014 clarification note)?"*

The time periods of the sales values and the BCIS cost data used

In respect of point 1, I can advise that all inputs (with the exception of allowances for Fire Sprinklers, section 106 and Externals) were taken from Savills submission of 7th August 2013 ("REP 9", as published on the RCT CIL Examination internet page). Therefore, the sales and build costs are taken as at the time of the Savills' report.

As I made clear in my report of October 2013 ("CD6"), I adopted most of Savills' assumptions (including their construction cost rate of £70 per square foot) so that I could focus upon the inputs which caused most immediate concern (Fire Sprinklers, section 106 and Externals). I also made clear in my report of October 2013 ("CD6") that there were a number of other inputs made by Savills (In "REP 9") that I disagreed with (developer profit, for example) but, under the instructions of my client, I adopted those inputs to highlight the impact of the three most immediate concerns (Fire Sprinklers, section 106 and Externals). However, I would say that build cost was NOT one of the items which I disagreed with at the time.

Whilst the appraisals included within my October 2013 report ("CD6") were not what I would have independently run myself, I believe that they did usefully illustrate that even Savills' own appraisals supported the draft CIL rates once adjustments were made to the allowances for Fire Sprinklers, section 106 and Externals.

In respect of build costs, I think it is important to note that whilst BCIS is the established public database for this evidence it is not contributed to by the larger private house builders that are being represented here by Savills and the Home Builders Federation (HBF), and who include Taylor Wimpey, Llanmoor, Persimmon, Charles Church and Redrow Homes in this case. Most BCIS data comes from (typically smaller) Housing Associations.

HBF members not contributing to the BCIS database is relevant because if the construction costs of these larger developers were higher than BCIS then I would have expected them (as it would be in their commercial best interests) to have provided such evidence to this Examination (or in other viability reviews). So I assume that at worst the construction costs of these larger developers are the same as BCIS costs, but that there is a reasonable chance that their actual build costs are lower (since it seems statistically implausible that their costs would be identical to BCIS rates).

DVS deals with independent development viability reviews across Wales and the rest of the UK and it is very rare that we uncover an actual agreed construction contract or the out-turning construction costs of HBF members. When we do, I can say that in my experience these construction cost rates fall below BCIS. A good example of this was a Government procurement exercise that the Homes and Communities Agency (HCA) ran last year and in which they invited developers to bid for inclusion on a framework that would short list them for larger (publically owned) development sites in England. As part of the process bidding developers had to provide details of their construction cost rates and development profit requirements. Unfortunately, this information is not in the public domain but DVS does have access to this and can confirm that the (whilst there was some variance amongst developers and regions) average fell below BCIS rates.

Savills would appear to have arrived at their build cost of £70 per square foot with reference to BCIS at the time of their report (August 2013) and whilst it was a rounded figure I considered it, in light of the foregoing and the market information to hand, a reasonable rate at the time of the assessment.

In their August 2013 submission, Savills also provided some details of a few sites showing their external and abnormal development costs. It is unfortunate that a fuller picture is not provided (Developers normally provide their full development appraisal during scheme viability review) as this may also have shed some light on the developers actual construction costs (etc). However, I particularly raise this point because within their submission Savills work off a construction cost of £70 per square foot to calculate the % allowances for external works and abnormal costs (**NB s106 costs are INCLUDED within the “abnormal” costs**). Increasing the construction cost has the impact of reducing the % allowances and to illustrate this point I include two PDF documents which are reproductions of the external works data provided by Savills. **Appendix A** is a simple reproduction of what Savills submitted (with a few minor additions, which I highlight within the document itself). The second document, **Appendix B**, shows the impact upon % external works (and other additional development costs i.e. abnormal costs) if the construction cost rate is increased to £75.90 per square foot.

The effects of changes in sales values and build costs

In respect of your second query, it is pertinent to again refresh the viability evidence and I have undertaken further indicative appraisals to assist with this. However, before highlighting the results of these I would note that increases in build costs typically mirror trends within the end development market itself, as my third inclusion **Appendix C** shows. I would also note that as, like for like, sales values exceed build costs then equal increases in their respective indices mean a net increase in overall viability- for example, a 10% increase on a £180 psf sale price equals extra receipts of £18 psf, whereas a 10% increase on a construction cost of £75 psf leads an extra cost of £7.5 psf i.e. a net development receipt increase of £10.5 psf.

Moving onto the further testing, I have run a further eight indicative “Savills” type appraisals (See **Appendices D to K**). The appraisals reflect latest market conditions for sales and build costs. I have adopted the median average build cost for two storey homes in Taff Ely (£817 per square metre; or £75.90 per square foot) since Zones 2 & 3 cover this district and I reproduce the BCIS data at **Appendix L**. In considering changes within the housing market, I have had regard to the latest Land Registry house price report (published 30th April 2014 & copy included at **Appendix M**) which confirms that sale prices in Rhondda Cynon Taf increased by 5.6% over the last year (1.7% in the last month).

In my latest indicative appraisals I have also revisited developer profit in light of latest market evidence, including the HCA procurement exercises, which confirm that the profit levels adopted by Savills are not reflective of the latest market conditions. I have also adjusted benchmark land values back in line with the original Study averages, which concur with current market benchmarks. There are other inputs which I could amend in light of market information (professional fees, marketing, finance costs etc.) but as they are individually less significant (though would have a cumulative positive effect on viability) I have chosen to keep all other inputs in line with Savills assumptions to limit the items of divergence.

For clarity, my eight indicative appraisals initially highlight the impact of updating build costs and developer profit. The eight appraisals are then effectively split into two sets of four appraisals, the first being tested at the previous sale values (illustrating the impact of nil market increases) and the second reflective of a 5% increase in sales values (Having regard to Land Registry data). A table showing the results from these eight "Savills" appraisals is included at **Appendix N**. You will observe that these latest results fully support the proposed CIL rates, whilst allow a significant "viability buffer".

I hope this note and the email attachments are of some assistance to the examination.

Yours Faithfully

N G Tyldesley BSc (Hons) MRICS
Principal Development Surveyor
DVS

Other documents attached within host email:

- Appendix A-** DVS review of external works allowance (Build costs at £70 psf)
- Appendix B-** DVS review of external works allowance (Build costs at £75.90 psf)
- Appendix C-** Chart showing relationship between house price and construction cost indices
- Appendix D-** Zone 2 (50 units) indicative appraisal – House prices unchanged
- Appendix E-** Zone 2 (100 units) indicative appraisal – House prices unchanged
- Appendix F-** Zone 3 (50 units) indicative appraisal – House prices unchanged
- Appendix G-** Zone 3 (100 units) indicative appraisal – House prices unchanged
- Appendix H-** Zone 2 (50 units) indicative appraisal – House prices +5%
- Appendix I-** Zone 2 (100 units) indicative appraisal – House prices +5%
- Appendix J-** Zone 3 (50 units) indicative appraisal – House prices +5%
- Appendix K-** Zone 3 (100 units) indicative appraisal – House prices +5%
- Appendix L-** BCIS Extract for Taff Ely district
- Appendix M-** Land Registry house price report (30th April 2014)
- Appendix N-** Table showing results from eight appraisals on "Savills" type basis

All DVS reproduction of Savills "Commercially Sensitive" data for additional site costs (Appendix 1 to Savills 30th April 2013 representations)

Important Note: DVS highlights any cells which it has added to the table in PURPLE fill colour

Development site	Location	Developer	Date of land purchase	no. of units	Net site area - acres	built area - sqft	built area - sqm	% Affordable Housing	\$106- Financial Contributions (£a)	Additional build costs (abnormal) - (£a)	External works (Roads, services & drainage)	Total site costs	units per net acre	Hectare net area	Total Build cost (Savills advise this is based on BCIS)	Average rate of build cost (£'s per square foot)	\$106 per square foot	\$106 per square metre	Additional (abnormal) build costs per ACRE	Additional (abnormal) build costs as % of pure build costs	External Works as % of pure build costs	Total site costs as % of pure build costs
bryn celyn	lanharan	lovell	Feb-12	88	7.1	82,631	7,676	20%	£493,820	£1,292,779	not provided	cannot determine	12.39	30.63	£5,784,170	£70	£5,612	£64	£182,082	22.35%	cannot determine	cannot determine
milford park	rhydfelin	parisimmon	Feb-13	48	3.38	51,907	4,813	20%	£49,000	£802,341	£461,000	£1,263,341	14.20	35.06	£3,626,450	£70	£1,021	£10	£237,379	22.17%	17.71%	34.88%
not released	hawthorn	charles church	Nov-12	79	4.5	76,733	7,128	20%	£97,000	£685,500	£981,000	£1,666,500	17.56	43.38	£3,371,310	£70	£1,228	£14	£152,333	12.76%	12.26%	31.02%
parc dan y bryn	tonyrefail	redrow	Jan-11	51	3.72	54,944	5,104	20%	£139,104	£893,999	£123,776	£1,017,775	13.71	33.86	£3,848,080	£70	£2,728	£27	£240,322	23.24%	3.22%	26.46%
woodland meadow	lanharan	redrow	Jan-12	97	7.43	107,932	10,027	20%	£349,820	£1,458,494	£817,627	£2,276,121	13.06	32.26	£7,555,240	£70	£3,606	£35	£196,298	19.30%	10.82%	30.13%
padfield court	tonyrefail	lianmoor	Aug-11	137	10.96	144,792	13,451	15%	£307,000	£1,622,900	not provided	cannot determine	12.50	30.89	£10,135,440	£70	£2,241	£23	£148,075	16.01%	cannot determine	cannot determine
Average:																£148,075	£70	£2,241	£23	19.39%	11.25%	30.61%

* = Savills list additional/abnormal costs as including, demolitions, asbestos removal, off site infrastructure, drainage attenuation, land remediation, import soil, service diversions, flood defences, EO foundations, pumping stations & electric substations

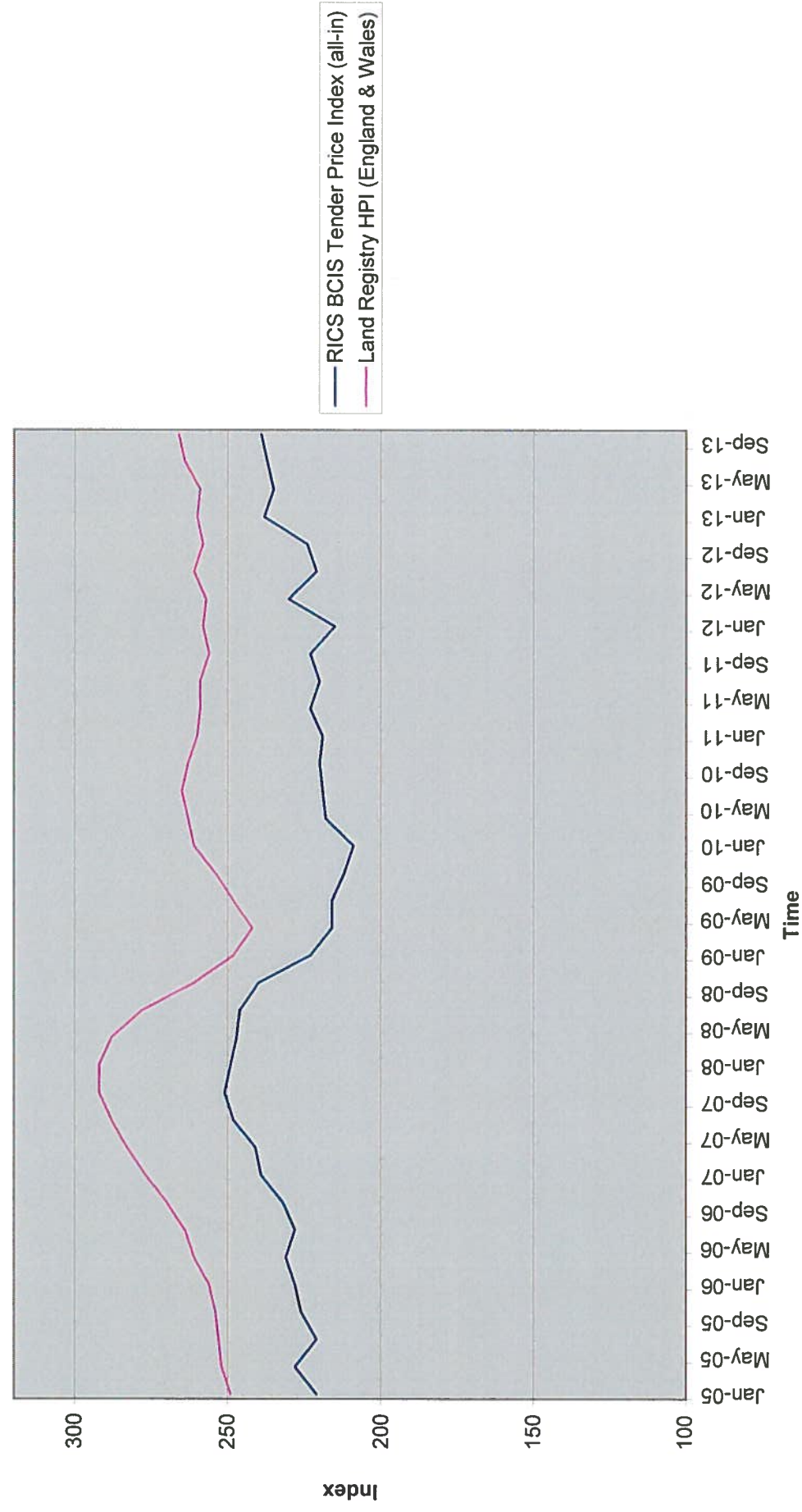
B) DVS reproduction of Savills "Commercially Sensitive" data for additional site costs - BUT with build costs to £76.90 per square foot

Important Note: DVS highlights any cells which it has added to the table in PURPLE fill colour

Development site	Location	Developer	Date of land purchase	no. of units	Net site area - acres	built area - sqft	built area - sqm	% Affordable Housing	£106- Financial contributions (£1)	Additional build costs (abnormal) (£1)	External works / Roads, services & drainage	Total site costs	units per net acre	Units per hectare	sqft per net acre	Total Build cost Savills advise this is based on (BCIS)	Average rate of build cost (£'s per square foot)	£106 per square foot	£106 per square metre	Additional (abnormal) build costs per ACRE	Additional (abnormal) costs build as % of pure build costs	External Works as % of pure build costs	Total site costs as % of pure build costs
bryn celyn	lanharan	lovell	Feb-12	88	7.1	82,631	7,676	20%	£493,920	£1,292,779	not provided	cannot determine	12.39	30.63	11,638	£6,271,693	£75.90	£5,612	£64	£182,082	20.61%	cannot determine	cannot determine
milford park	rhdfelin	persimmon	Feb-13	48	3.38	51,807	4,813	20% off	£49,000	£802,341	£461,000	£1,263,341	14.20	35.09	15,328	£3,932,151	£75.90	£1,021	£10	£237,379	20.40%	cannot determine	cannot determine
not released	hawthorn	charles church	Nov-12	79	4.5	76,733	7,128	20%	£97,000	£685,500	£981,000	£1,666,500	17.56	43.35	17,052	£5,824,035	£75.90	£1,228	£14	£152,333	11.77%	cannot determine	cannot determine
parc dan y bryn	lonyrefail	redrow	Jan-11	51	3.72	54,944	5,104	20%	£139,104	£893,999	£123,776	£1,017,775	13.71	33.88	14,770	£4,170,250	£75.90	£2,728	£27	£240,322	21.44%	cannot determine	cannot determine
woodland meadow	lanharan	redrow	Jan-12	97	7.43	107,932	10,027	20%	£349,920	£1,458,494	£817,627	£2,276,121	13.06	32.26	14,527	£8,192,039	£75.90	£3,606	£35	£196,298	17.80%	cannot determine	cannot determine
paudfield court	lonyrefail	lanmoor	Aug-11	137	10.95	144,792	13,451	15%	£307,000	£1,622,900	not provided	cannot determine	12.50	30.89	13,211	£10,989,713	£75.90	£2,241	£23	£146,075	14.77%	cannot determine	cannot determine
Average:																							
17.89%																							
10.36%																							
28.23%																							

* Savills list additional/abnormal costs as including demolitions, asbestos removal, off site infrastructure, drainage attenuation, land remediation, import soil, service diversions, flood defences, EO foundations, pumping stations & electric substations

House & Construction Price Indices (2005-2013)



Valuation Office Agency

Development Appraisal

DVS update of Savills (No sales growth)

Zone 2 - 50 units (BUT 20% ew-no s106-no Fire)

Report Date: 02 May 2014

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY**

DVS update of Savills (No sales growth)
 Zone 2 - 50 units (BUT 20% ew-no s106-no Fire)

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE								
Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales			
Market Housing	40	45,320	165.00	186,945	7,477,800			
2 bed house (AFH)	5	3,150	98.87	62,288	311,441			
3 bed house (AFH)	<u>5</u>	<u>3,750</u>	<u>92.06</u>	<u>69,048</u>	<u>345,240</u>			
Totals	50	52,220			8,134,481			

NET REALISATION

8,134,481

OUTLAY**ACQUISITION COSTS**

Residualised Price (3.57 Acres 115,146.50 pAcre)

411,073

Other Acquisition

Fixed price (for land)
 SDLT on fixed price
 Agent fee on fixed price
 Legal fees on fixed price

624,750
 38,459
 9,615
 4,807

CONSTRUCTION COSTS**Construction**

Market Housing
 2 bed house (AFH)
 3 bed house (AFH)

ft ²	Rate ft ²	Cost
45,320 ft ²	75.90 pf ²	3,439,788
3,150 ft ²	75.90 pf ²	239,085
<u>3,750 ft²</u>	<u>75.90 pf²</u>	<u>284,625</u>
52,220 ft²		3,963,498

3,963,498

Contingency

3.00% 118,905

Other Construction

External allowances

118,905
 792,700

PROFESSIONAL FEES

Other Professionals (OMH)
 Other Professionals (AFH)

8.00% 275,183
 8.00% 41,897

MARKETING & LETTING

Sales, marketing & legals (OMH)

317,080
 224,334

DISPOSAL FEES

224,334

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY****DVS update of Savills (No sales growth)****Zone 2 - 50 units (BUT 20% ew-no s106-no Fire)**

Sales Legal Fee	40 un	750.00 /un	30,000
Sales Legal Fee	10 un	500.00 /un	5,000
			35,000

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)
 Total Finance Cost

253,826

TOTAL COSTS

6,794,046

PROFIT

1,340,434

Performance Measures

Profit on Cost%	19.73%
Profit on GDV%	16.48%
Profit on NDV%	16.48%
IRR	33.00%
Profit Erosion (finance rate 7.000%)	2 yrs 7 mths

Valuation Office Agency

Development Appraisal

DVS update on Savills appraisal (No sales growth)

Zone 2 - 100 units (BUT 20% ew-no s106-no Fire)

Report Date: 02 May 2014

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY**

DVS update on Savills appraisal (No sales growth)
 Zone 2 - 100 units (BUT 20% ew-no s106-no Fire)

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE								
Sales Valuation								
Market Housing	80	90,640	165.00	186,945	14,955,600			
2 bed house (AFH)	10	6,300	98.87	62,288	622,881			
3 bed house (AFH)	10	7,500	92.06	69,048	690,480			
Totals	100	104,440			16,268,961			

NET REALISATION

16,268,961

OUTLAY**ACQUISITION COSTS**

Residualised Price (7.14 Acres 106,249.99 pAcre)

758,625

Other Acquisition

Fixed price (for land)
 SDLT on fixed price
 Agent fee on fixed price
 Legal fees on fixed price

1,249,500
 77,591
 19,398
 9,699

1,356,188

CONSTRUCTION COSTS

Construction
 Market Housing
 2 bed house (AFH)
 3 bed house (AFH)
Totals

ft²
 90,640 ft²
 6,300 ft²
 7,500 ft²
104,440 ft²

Rate ft²
 75.90 pft²
 75.90 pft²
 75.90 pft²
7,926,996

Cost
 6,879,576
 478,170
 569,250
7,926,996

7,926,996

Contingency

237,810

237,810

Other Construction

External allowances

1,585,399

1,585,399

PROFESSIONAL FEES

Other Professionals (OMH)
 Other Professionals (AFH)

550,366
 83,794

634,160

MARKETING & LETTING

Sales, marketing & legals (OMH)

448,668

448,668

DISPOSAL FEES

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY****DVS update on Savills appraisal (No sales growth)
Zone 2 - 100 units (BUT 20% ew-no s106-no Fire)**

Sales Legal Fee	80 un	750.00 /un	60,000	
Sales Legal Fee	20 un	500.00 /un	10,000	70,000

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)
Total Finance Cost

479,391

TOTAL COSTS**13,497,236****PROFIT****2,771,725****Performance Measures**

Profit on Cost%	20.54%
Profit on GDV%	17.04%
Profit on NDV%	17.04%
IRR	29.61%
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Valuation Office Agency

Development Appraisal

DVS update on Savills appraisal (No sale growth)

Zone 3 - 50 units (BUT 20% ew-no s106-no Fire)

Report Date: 02 May 2014

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY**

DVS update on Savills appraisal (No sale growth)
 Zone 3 - 50 units (BUT 20% ew-no s106-no Fire)

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Sales Valuation	40	45,320	175.00	198,275	7,931,000
Market Housing	5	3,150	98.87	62,288	311,441
2 bed house (AFH)	5	3,750	92.06	69,048	345,240
3 bed house (AFH)	5	<u>52,220</u>			<u>8,587,681</u>
Totals	50				

NET REALISATION 8,587,680

OUTLAY

ACQUISITION COSTS
 Residualised Price (3.57 Acres 177,140.03 pAcre) 632,390

Other Acquisition

Fixed price (for land) 714,000
 SDLT on fixed price 50,545
 Agent fee on fixed price 12,636
 Legal fees on fixed price 6,318
 783,499

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
Market Housing	45,320 ft ²	75.90 pf ²	3,439,788
2 bed house (AFH)	3,150 ft ²	75.90 pf ²	239,085
3 bed house (AFH)	<u>3,750 ft²</u>	<u>75.90 pf²</u>	<u>284,625</u>
Totals	52,220 ft ²		3,963,498

Contingency 118,905

Other Construction

External allowances 792,700

PROFESSIONAL FEES

Other Professionals (OMH) 275,183
 Other Professionals (AFH) 41,897

MARKETING & LETTING

Sales, marketing & legals (OMH) 317,080

DISPOSAL FEES

237,930

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY****DVS update on Savills appraisal (No sale growth)
Zone 3 - 50 units (BUT 20% ew-no s106-no Fire)**

Sales Legal Fee	40 un	750.00 /un	30,000
Sales Legal Fee	10 un	500.00 /un	5,000
			35,000

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)
Total Finance Cost

290,697

TOTAL COSTS**7,171,698****PROFIT****1,415,982****Performance Measures**

Profit on Cost%	19.74%
Profit on GDV%	16.49%
Profit on NDV%	16.49%
IRR	31.27%
Profit Erosion (finance rate 7.000%)	2 yrs 7 mths

Valuation Office Agency

Development Appraisal

DVS update of Savills assumptions (No sales growth)

Zone 3 - 100 units (BUT 20% ew-no s106-no Fire)

Report Date: 02 May 2014

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY**

DVS update of Savills assumptions (No sales growth)
 Zone 3 - 100 units (BUT 20% ew-no s106-no Fire)

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE		Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Sales Valuation		80	90,640	175.00	198,275	15,862,000
Market Housing		10	6,300	98.87	62,288	622,881
2 bed house (AFH)		10	7,500	92.06	69,048	690,480
Totals		100	104,440			17,175,361

NET REALISATION

17,175,361

OUTLAY**ACQUISITION COSTS**

Residualised Price (7.14 Acres 165,282.15 pAcre)

1,180,115

Other Acquisition

Fixed price (for land)

SDLT on fixed price

Agent fee on fixed price

Legal fees on fixed price

1,428,000
 99,597
 24,899
 12,450

1,564,946

CONSTRUCTION COSTS

Construction

Market Housing

2 bed house (AFH)

3 bed house (AFH)

Totals

ft²
 90,640 ft²
 6,300 ft²
 7,500 ft²
 104,440 ft²

Rate ft²
 75.90 pft²
 75.90 pft²
 75.90 pft²
 7,926,996

Cost
 6,879,576
 478,170
 569,250
 7,926,996

7,926,996

Contingency

237,810

237,810

Other Construction

External allowances

20.00%

1,585,399

1,585,399

PROFESSIONAL FEES

Other Professionals (OMH)

Other Professionals (AFH)

8.00%
 8.00%

550,366
 83,794

MARKETING & LETTING

Sales, marketing & legals (OMH)

3.00%

475,860

DISPOSAL FEES

475,860

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY****DVS update of Savills assumptions (No sales growth)
Zone 3 - 100 units (BUT 20% ew-no s106-no Fire)**

Sales Legal Fee	80 un	750.00 /un	60,000	
Sales Legal Fee	20 un	500.00 /un	10,000	70,000

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)
Total Finance Cost

577,254

TOTAL COSTS**14,252,539****PROFIT****2,922,822****Performance Measures**

Profit on Cost%	20.51%
Profit on GDV%	17.02%
Profit on NDV%	17.02%
IRR	27.54%
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Valuation Office Agency

Development Appraisal

DVS update of Savills (5% sales growth)

Zone 2 - 50 units (BUT 20% ew-no s106-no Fire)

Report Date: 02 May 2014

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY**

DVS update of Savills (5% sales growth)
 Zone 2 - 50 units (BUT 20% ew-no s106-no Fire)

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Sales Valuation					
Market Housing	40	45,320	173.25	196,292	7,851,690
2 bed house (AFH)	5	3,150	98.87	62,288	311,441
3 bed house (AFH)	5	3,750	92.06	69,048	345,240
Totals	50	52,220			8,508,371

NET REALISATION

8,508,371

OUTLAY**ACQUISITION COSTS**

Residualised Price (3.57 Acres 190,756.47 pAcre)

681,001

Other Acquisition

Fixed price (for land)

SDLT on fixed price

Agent fee on fixed price

Legal fees on fixed price

624,750

38,459

9,615

4,807

677,631

CONSTRUCTION COSTS**Construction**

Market Housing

2 bed house (AFH)

3 bed house (AFH)

Totals

ft²

45,320 ft²

3,150 ft²

3,750 ft²

52,220 ft²

Rate ft²

75.90 pf

75.90 pf

75.90 pf

75.90 pf

Cost

3,439,788

239,085

284,625

3,963,498

3,963,498

Contingency

118,905

118,905

Other Construction

External allowances

792,700

792,700

PROFESSIONAL FEES

Other Professionals (OMH)

Other Professionals (AFH)

275,183

41,897

317,080

MARKETING & LETTING

Sales, marketing & legals (OMH)

235,551

235,551

DISPOSAL FEES

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY****DVS update of Savills (5% sales growth)
Zone 2 - 50 units (BUT 20% ew-no s106-no Fire)**

Sales Legal Fee	40 un	750.00 /un	30,000
Sales Legal Fee	10 un	500.00 /un	5,000
			35,000

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)
Total Finance Cost

284,245

TOTAL COSTS**7,105,609****PROFIT****1,402,761****Performance Measures**

Profit on Cost%	19.74%
Profit on GDV%	16.49%
Profit on NDV%	16.49%
IRR	31.54%
Profit Erosion (finance rate 7.000%)	2 yrs 7 mths

Valuation Office Agency

Development Appraisal

DVS update on Savills appraisal (5% sales growth)

Zone 2 - 100 units (BUT 20% ew-no s106-no Fire)

Report Date: 02 May 2014

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY**

DVS update on Savills appraisal (5% sales growth)
 Zone 2 - 100 units (BUT 20% ew-no s106-no Fire)

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Sales Valuation	80	90,640	173.25	196,292	15,703,380
Market Housing	10	6,300	98.87	62,288	622,881
2 bed house (AFH)	10	7,500	92.06	69,048	690,480
3 bed house (AFH)	<u>100</u>	<u>104,440</u>			<u>17,016,741</u>
Totals					

NET REALISATION

17,016,741

OUTLAY**ACQUISITION COSTS**

Residualised Price (7.14 Acres 179,072.71 pAcre)

1,278,579

Other Acquisition

Fixed price (for land)

SDLT on fixed price

Agent fee on fixed price

Legal fees on fixed price

1,249,500

77,591

19,398

9,699

1,356,188

CONSTRUCTION COSTS**Construction**

Market Housing

2 bed house (AFH)

3 bed house (AFH)

Totals

ft²

90,640 ft²

6,300 ft²

7,500 ft²

104,440 ft²

Rate ft²

75.90 pft²

75.90 pft²

75.90 pft²

75.90 pft²

Cost

6,879,576

478,170

569,250

7,926,996

7,926,996

Contingency

237,810

237,810

Other Construction

External allowances

1,585,399

1,585,399

PROFESSIONAL FEES

Other Professionals (OMH)

Other Professionals (AFH)

550,366

83,794

634,160

MARKETING & LETTING

Sales, marketing & legals (OMH)

471,101

471,101

DISPOSAL FEES

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY**

DVS update on Savills appraisal (5% sales growth)
 Zone 2 - 100 units (BUT 20% ew-no s106-no Fire)

Sales Legal Fee	80 un	750.00 /un	60,000	
Sales Legal Fee	20 un	500.00 /un	10,000	70,000

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)
 Total Finance Cost

560,128

TOTAL COSTS

14,120,361

PROFIT

2,896,380

Performance Measures

Profit on Cost%	20.51%
Profit on GDV%	17.02%
Profit on NDV%	17.02%
IRR	27.86%
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Valuation Office Agency

Development Appraisal

DVS update on Savills appraisal (5% sale growth)

Zone 3 - 50 units (BUT 20% ew-no s106-no Fire)

Report Date: 02 May 2014

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY**

DVS update on Savills appraisal (5% sale growth)
 Zone 3 - 50 units (BUT 20% ew-no s106-no Fire)

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Sales Valuation					
Market Housing	40	45,320	183.75	208,189	8,327,550
2 bed house (AFH)	5	3,150	98.87	62,288	311,441
3 bed house (AFH)	5	3,750	92.06	69,048	345,240
Totals	50	52,220			8,984,231

NET REALISATION

8,984,230

OUTLAY**ACQUISITION COSTS**

Residualised Price (3.57 Acres 257,332.42 pAcre)

918,677

Other Acquisition

Fixed price (for land) 714,000
 SDLT on fixed price 50,545
 Agent fee on fixed price 12,636
 Legal fees on fixed price 6,318

783,499

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
Market Housing	45,320 ft ²	75.90 pf ²	3,439,788
2 bed house (AFH)	3,150 ft ²	75.90 pf ²	239,085
3 bed house (AFH)	3,750 ft ²	75.90 pf ²	284,625
Totals	52,220 ft²		3,963,498

3,963,498

Contingency

3.00% 118,905

Other Construction

External allowances

118,905

PROFESSIONAL FEES

Other Professionals (OMH) 275,183
 Other Professionals (AFH) 41,897

317,080

MARKETING & LETTING

Sales, marketing & legals (OMH)

3.00% 249,827

249,827

DISPOSAL FEES

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY****DVS update on Savills appraisal (5% sale growth)
Zone 3 - 50 units (BUT 20% ew-no s106-no Fire)**

Sales Legal Fee	40 un	750.00 /un	30,000
Sales Legal Fee	10 un	500.00 /un	5,000
			35,000

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)
Total Finance Cost

322,959

TOTAL COSTS**7,502,144****PROFIT****1,482,087****Performance Measures**

Profit on Cost%	19.76%
Profit on GDV%	16.50%
Profit on NDV%	16.50%
IRR	30.06%
Profit Erosion (finance rate 7.000%)	2 yrs 7 mths

Valuation Office Agency

Development Appraisal

DVS update of Savills assumptions (+5% Sales growth)

Zone 3 - 100 units (BUT 20% ew-no s106-no Fire)

Report Date: 02 May 2014

APPRAISAL SUMMARY

VALUATION OFFICE AGENCY

DVS update of Savills assumptions (+5% Sales growth)
 Zone 3 - 100 units (BUT 20% ew-no s106-no Fire)

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE							
Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales		
Market Housing	80	90,640	183.75	208,189	16,655,100		
2 bed house (AFH)	10	6,300	98.87	62,288	622,881		
3 bed house (AFH)	<u>10</u>	<u>7,500</u>	<u>92.06</u>	<u>69,048</u>	<u>690,480</u>		
Totals	100	104,440			17,968,461		

NET REALISATION

17,968,461

OUTLAY

ACQUISITION COSTS

Residualised Price (7.14 Acres 242,518.42 pAcre)

1,731,581

Other Acquisition

Fixed price (for land) 1,428,000
 SDLT on fixed price 99,597
 Agent fee on fixed price 24,899
 Legal fees on fixed price 12,450

1,564,946

CONSTRUCTION COSTS

Construction

Market Housing	ft ²	Rate ft²	Cost
2 bed house (AFH)	90,640	75.90 pft ²	6,879,576
3 bed house (AFH)	6,300	75.90 pft ²	478,170
Totals	<u>7,500</u>	<u>75.90 pft²</u>	<u>569,250</u>
	104,440		7,926,996

7,926,996

Contingency

237,810

Other Construction

External allowances

1,585,399

237,810

1,585,399

PROFESSIONAL FEES

Other Professionals (OMH) 550,366
 Other Professionals (AFH) 83,794

634,160

MARKETING & LETTING

Sales, marketing & legals (OMH)

499,653

DISPOSAL FEES

499,653

APPRAISAL SUMMARY**VALUATION OFFICE AGENCY****DVS update of Savills assumptions (+5% Sales growth)
Zone 3 - 100 units (BUT 20% ew-no s106-no Fire)**

Sales Legal Fee	80 un	750.00 /un	60,000
Sales Legal Fee	20 un	500.00 /un	10,000
			70,000

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)
Total Finance Cost

662,884

TOTAL COSTS**14,913,429****PROFIT****3,055,032****Performance Measures**

Profit on Cost%	20.49%
Profit on GDV%	17.00%
Profit on NDV%	17.00%
IRR	26.17%
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

£/m2 study

Append L

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 19-Apr-2014 12:19

o Rebased to Taff-Ely

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
Housing, mixed developments (15)	881	424	754	854	990	1,915	826
Estate housing							
Generally (15)	849	424	726	828	940	1,771	1530
Single storey (15)	924	494	789	895	1,062	1,462	265
2-storey (15)	832	424	723	817	917	1,603	1148
3-storey (15)	848	547	676	803	939	1,771	116
4-storey or above (25)	1,218	922	-	1,111	-	1,620	3
Estate housing detached (15)	918	672	746	916	1,083	1,200	11
Estate housing semi detached							
Generally (15)	841	436	730	832	930	1,462	332
Single storey (15)	952	594	817	957	1,084	1,462	58
2-storey (15)	819	436	724	817	910	1,404	256
3-storey (15)	800	592	656	758	873	1,277	18
Estate housing terraced							
Generally (15)	871	424	723	831	983	1,771	342
Single storey (15)	918	556	725	863	1,101	1,425	56
2-storey (15)	860	424	731	831	957	1,477	238
3-storey (15)	871	547	688	797	946	1,771	48
Flats (apartments)							
Generally (15)	1,017	504	850	980	1,146	3,085	720
1-2 storey (15)	964	571	826	934	1,083	1,859	178
3-5 storey (15)	1,001	504	844	978	1,133	2,100	482
6+ storey (15)	1,316	750	1,043	1,241	1,457	3,085	54



March 2014

Date of release: 30 April 2014

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Index	271.8
Average price	£169,124
Monthly change	-0.4%
Annual change	5.6%

To find out more about any of the information contained in this document or on our other House Price Index offerings, please email Lorna Jordan at commercial.services@landregistry.gsi.gov.uk

Land Registry House Price Index Headline statistics

The March data shows a monthly price change of -0.4 per cent.

The annual price change now stands at 5.6 per cent, bringing the average house price in England and Wales to £169,124.

The number of property transactions has increased over the last year. From October 2012 to January 2013 there was an average of 55,824 sales per month. In the same months a year later, the figure was 74,941.

Index ¹	271.8
Average price ²	£169,124
Monthly change	-0.4%
Annual change	5.6%

Annual growth of 5.6 per cent in March brings the average house price in England and Wales to £169,124.

¹ Seasonally adjusted House Price Index (HPI) with base period of January 1995=100

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

Land Registry

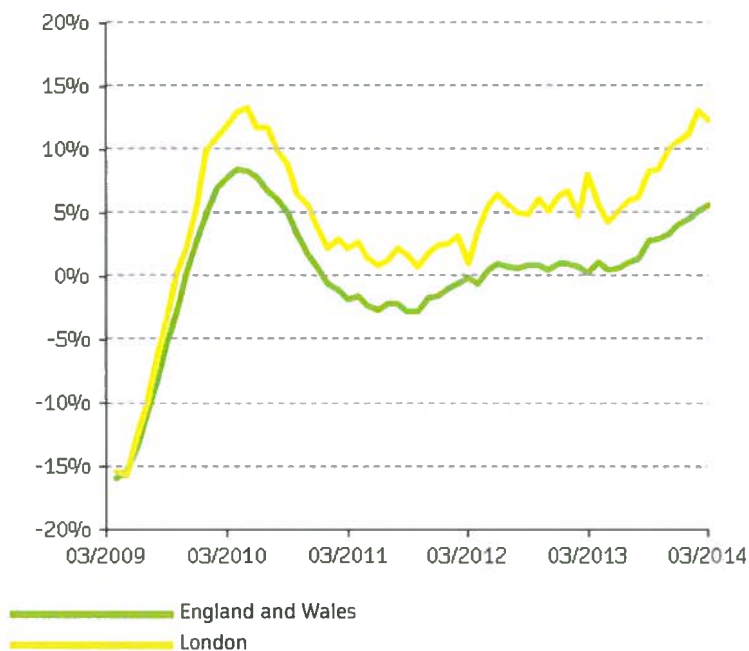
House Price Index

Average annual price change

The March data for London shows a monthly increase of 0.6 per cent. At 12.4 per cent, the annual change for London is considerably higher than other regions.

The average price of property in the capital is £414,490 in comparison with the average for England and Wales of £169,124.

Average annual change in residential property prices



Average prices by property type (England and Wales)	March 2014	March 2013	Difference (%)
Detached	£265,753	£254,107	4.6
Semi-detached	£159,684	£152,197	4.9
Terraced	£126,859	£120,600	5.2
Flat/maisonette	£163,437	£151,167	8.1
All	£169,124	£160,182	5.6

Land Registry

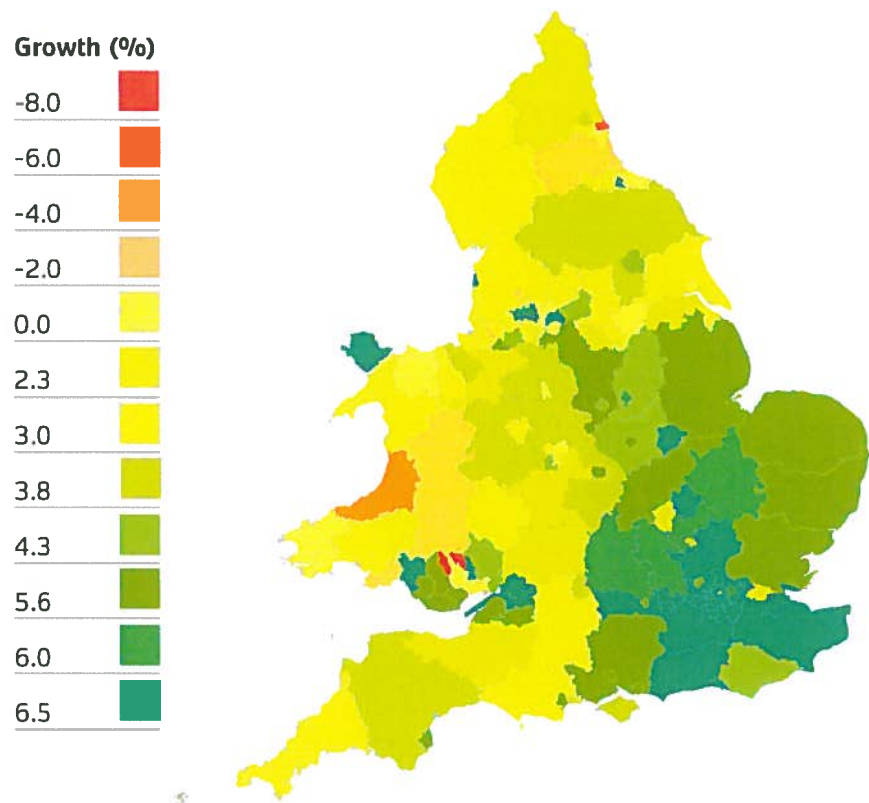
House Price Index

Price change by region

	Region	Monthly change (%)	Annual change (%)	Average price (£)
Key regional observations	East	1.1	7.1	£184,980
— The region with the most significant annual price increase is London with a movement of 12.4 per cent.	North East	1.1	3.3	£99,313
— Wales experienced the only annual price fall of 1.6 per cent.	South West	0.7	4.7	£179,066
— Both East and North East regions saw the greatest monthly price rise with a movement of 1.1 per cent.	London	0.6	12.4	£414,490
— Wales also saw the most significant monthly price fall with a movement of -4.2 per cent.	West Midlands	0.6	3.7	£133,532
	South East	-0.7	6.1	£221,189
	Yorkshire & The Humber	-0.9	1.8	£116,993
	East Midlands	-1	4.6	£127,384
	North West	-1.8	2.3	£109,042
	Wales	-4.2	-1.6	£113,275

Land Registry House Price Index Price change by county

Annual price change by county



Key county and unitary authority observations

- Greater London experienced the greatest annual price increase in March with a movement of 12.4 per cent.
- Blaenau Gwent saw the greatest annual price fall with a movement of -15.7 per cent.

County/unitary authority	Monthly change (%)	Annual change (%)	Average price (£)
Bath and NE Somerset	1.8	4.8	242,406
Bedford	0.7	6.6	160,680
Blackburn with Darwen	1.3	-3.9	71,846
Blackpool	3.1	7.9	80,395
Blaenau Gwent	-0.6	-15.7	61,860
Bournemouth	1.8	3.8	176,253
Bracknell Forest	0.7	6.4	226,107
Bridgend	0.4	5.5	118,184
Brighton and Hove	0.6	7.2	244,739
Buckinghamshire	0.9	6.0	273,908
Caerphilly	-1.8	-1.8	95,031
Cambridgeshire	1.1	5.7	188,321
Cardiff	1.0	4.3	147,105
Carmarthenshire	-1.7	0.9	104,399
Central Bedfordshire	1.1	5.9	181,077
Ceredigion	-1.5	-4.4	150,136

Land Registry

House Price Index

Price change by county

	County/unitary authority	Monthly change (%)	Annual change (%)	Average price (£)
Key county and unitary authority observations <ul style="list-style-type: none"> — Blackpool experienced the strongest monthly growth with an increase of 3.1 per cent. — Merthyr Tydfil saw the most significant monthly price fall with a movement of -9.8 per cent. — Three counties and unitary authorities exhibited no monthly price movement. 	Cheshire East	1.2	3.8	152,222
	Cheshire West and Chester	0.1	2.4	152,082
	City of Bristol	1.1	8.1	182,158
	City of Derby	0.6	4.3	107,932
	City of Kingston Upon Hull	0.1	-1.5	68,698
	City of Nottingham	1.4	5.9	87,716
	City of Peterborough	1.6	4.5	112,035
	City of Plymouth	1.1	3.3	130,124
	Conwy	0.7	-1.2	125,455
	Cornwall	0.4	1.7	182,331
	Cumbria	0.3	0.1	121,104
	Darlington	1.6	2.1	103,216
	Denbighshire	-3.1	1.8	113,053
	Derbyshire	0.3	4.9	124,085
	Devon	0.6	3.4	193,841
	Dorset	-0.7	1.9	211,663
	Durham	0.4	-3.2	78,803
	East Riding of Yorkshire	-0.3	1.0	129,098
	East Sussex	0.0	4.2	184,091
	Essex	0.7	5.3	197,239
	Flintshire	0.2	3.1	127,108
	Gloucestershire	0.1	2.5	173,979
	Greater London	0.6	12.4	414,490
	Greater Manchester	0.1	3.5	104,940
	Gwynedd	-0.7	1.4	139,901
	Halton	0.2	5.2	99,816
	Hampshire	0.6	5.5	218,343
	Hartlepool	-1.4	-2.7	74,776
	Herefordshire	-0.9	2.0	173,422
	Hertfordshire	0.9	6.9	258,610
	Isle of Anglesey	0.3	8.0	132,220
	Isle of Wight	1.2	3.8	154,681
	Kent	0.7	6.3	191,137
Lancashire	-0.7	1.3	103,803	
Leicester	1.5	4.8	115,434	
Leicestershire	0.5	3.9	150,946	
Lincolnshire	0.6	4.7	126,035	

Land Registry

House Price Index

Price change by county

County/unitary authority	Monthly change (%)	Annual change (%)	Average price (£)
Luton	0.1	3.3	130,430
Medway	0.3	6.4	144,845
Merseyside	-0.3	1.2	103,923
Merthyr Tydfil	-9.8	-9.5	59,041
Middlesbrough	0.2	8.8	76,646
Milton Keynes	0.5	2.8	162,279
Monmouthshire	-0.7	3.9	176,314
Neath Port Talbot	1.5	6.3	85,677
Newport	-0.8	-1.0	112,688
Norfolk	1.0	5.5	150,231
North East Lincolnshire	0.6	0.6	79,846
North Lincolnshire	0.3	2.8	101,360
North Somerset	0.5	4.5	179,469
North Yorkshire	0.6	3.2	171,660
Northamptonshire	0.7	4.7	140,973
Northumberland	0.2	2.7	123,134
Nottinghamshire	0.3	4.1	122,771
Oxfordshire	0.7	5.7	256,383
Pembrokeshire	1.2	-0.1	134,998
Poole	1.2	5.3	215,176
Portsmouth	1.1	5.3	147,969
Powys	-2.7	-3.8	141,586
Reading	0.8	5.3	208,815
Redcar and Cleveland	-0.1	-0.8	98,773
Rhondda Cynon Taff	1.7	5.6	76,345
Rutland	2.1	10.3	221,683
Shropshire	0.4	3.3	158,580
Slough	1.2	7.0	179,886
Somerset	0.9	2.4	165,905
South Gloucestershire	0.2	6.3	186,780
South Yorkshire	0.1	1.7	102,273
Southampton	-0.6	4.8	142,198
Southend-on-Sea	0.0	6.9	158,551
Staffordshire	0.4	3.4	133,249
Stockton-on-Tees	1.0	0.5	107,321
Stoke-on-Trent	-0.9	-0.1	69,910
Suffolk	0.9	5.5	160,507

Land Registry

House Price Index

Price change by county

County/unitary authority	Monthly change (%)	Annual change (%)	Average price (£)
Surrey	0.7	6.3	326,163
Swansea	-1.0	-3.2	106,011
Swindon	-0.2	3.6	131,518
The Vale of Glamorgan	0.4	4.3	160,814
Thurrock	0.3	2.5	146,859
Torbay	1.2	5.5	147,544
Torfaen	0.9	6.9	103,044
Tyne and Wear	0.7	0.7	102,728
Warrington	0.2	3.9	142,267
Warwickshire	0.1	3.4	168,597
West Berkshire	0.2	6.8	241,159
West Midlands	0.0	2.7	116,767
West Sussex	0.6	7.5	222,335
West Yorkshire	-0.4	1.1	107,827
Wiltshire	-0.3	2.1	186,450
Windsor and Maidenhead	1.2	7.2	362,192
Wokingham	1.2	7.3	296,857
Worcestershire	0.8	2.7	167,882
Wrekin	-0.3	1.1	124,937
Wrexham	0.1	2.9	117,943
York	0.5	3.9	184,172

Land Registry

House Price Index

Price change by metropolitan district

	Metropolitan district	Monthly change (%)	Annual change (%)	Average price (£)
Key metropolitan district observations	Barnsley	1.7	0.8	86,366
	Birmingham	0.0	2.4	114,187
	Bolton	1.5	6.1	94,000
	Bradford	-0.3	0.5	92,334
— The metropolitan district with the largest annual price increase is Oldham rising by 11.3 per cent.	Bury	-1.0	7.4	109,800
— Both Newcastle upon Tyne and Knowsley experienced the highest monthly price rise, with an increase of 2.2 per cent.	Calderdale	-0.1	0.1	96,555
— South Tyneside saw the most significant annual price fall with a movement of -6.2 per cent.	Coventry	2.0	4.6	112,786
— Wolverhampton saw the greatest monthly price fall with a movement of -3.4 per cent.	Doncaster	0.1	-1.2	92,996
	Dudley	0.8	4.0	121,428
	Gateshead	1.2	1.3	94,900
	Kirklees	0.4	3.9	109,681
	Knowsley	2.2	-2.1	100,543
	Leeds	-1.0	0.5	122,311
	Liverpool	-0.5	1.1	91,213
	Manchester	-1.0	2.2	94,146
	Newcastle upon Tyne	2.2	3.3	115,510
	North Tyneside	-0.6	2.4	118,596
	Oldham	1.7	11.3	83,806
	Rochdale	-0.5	-1.5	87,573
	Rotherham	-0.4	1.7	97,841
	Salford	1.4	1.4	87,203
	Sandwell	-2.3	0.8	92,749
	Sefton	-1.5	1.1	116,298
	Sheffield	0.1	2.9	116,824
	Solihull	0.3	2.8	199,391
	South Tyneside	-0.2	-6.2	92,202
	St Helens	0.5	1.5	94,110
	Stockport	0.3	4.9	145,885
	Sunderland	0.6	-0.7	84,974
	Tameside	-2.3	-1.2	91,025
	Trafford	0.6	1.8	183,809
	Wakefield	0.3	1.6	104,251
	Walsall	0.4	-0.3	108,604
	Wigan	0.5	2.2	92,016
	Wirral	-0.1	1.6	114,428
	Wolverhampton	-3.4	0.3	98,462

Land Registry

House Price Index

Price change by London borough

Key London borough observations

- The borough with the highest annual price rise is Waltham Forest, with a movement of 23.5 per cent.
- Lambeth experienced the highest monthly increase, with a movement of 3.3 per cent.
- Harrow saw the lowest annual growth of 4.4 per cent.
- Hackney experienced the lowest monthly price growth of -0.8 per cent.
- n/a is shown if there have been insufficient sales that meet the criteria for inclusion.

London borough	Monthly change (%)	Annual change (%)	Average price (£)
Barking and Dagenham	1.5	10.6	238,909
Barnet	1.7	6.3	405,750
Bexley	0.5	8.6	249,519
Brent	0.1	12.1	374,643
Bromley	1.2	10.9	330,778
Camden	2.2	13.7	735,454
City of London	n/a	n/a	n/a
City of Westminster	1.4	17.5	908,786
Croydon	0.5	9.1	278,811
Ealing	2.0	14.3	394,030
Enfield	-0.3	8.5	282,603
Greenwich	0.6	10.5	298,036
Hackney	-0.8	19.0	525,022
Hammersmith and Fulham	1.8	15.8	696,344
Haringey	1.4	13.8	430,527
Harrow	0.7	4.4	322,022
Havering	0.5	7.1	275,308
Hillingdon	1.3	7.7	290,853
Hounslow	2.3	9.7	321,112
Islington	1.1	20.6	598,447
Kensington and Chelsea	0.6	12.8	1,238,411
Kingston upon Thames	0.8	10.5	372,237
Lambeth	3.3	21.9	462,684
Lewisham	0.7	15.0	327,877
Merton	2.4	14.3	411,643
Newham	0.6	5.9	241,571
Redbridge	1.1	6.2	316,125
Richmond upon Thames	1.9	13.2	549,924
Southwark	2.6	21.1	484,435
Sutton	1.0	8.3	279,192
Tower Hamlets	1.3	14.9	422,115
Waltham Forest	2.2	23.5	315,102
Wandsworth	1.1	17.4	512,955

Land Registry House Price Index Sales volumes

Sales volumes

— In the months October 2013 to January 2014, sales volumes averaged 74,941 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 55,824 per month.

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

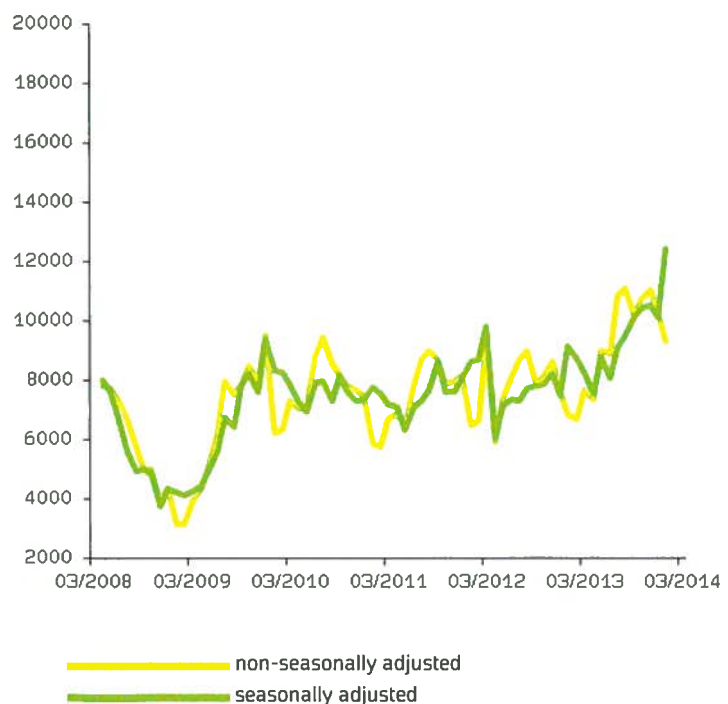
Because sales volume figures for the two most recent months are not yet complete, they are not included in the report.

In addition, the lag in recording data is likely to result in increases to the reported sales volumes over time.

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 in January 2014 increased by 61 per cent to 1,011 from 628 in January 2013.

Price range (£)	January 2014	January 2013	Difference
Under 50,000	956	886	8%
50,001 – 100,000	7,816	5,971	31%
100,001 – 150,000	13,655	9,457	44%
150,001 – 200,000	12,081	8,062	50%
200,001 – 250,000	9,922	6,918	43%
250,001 – 300,000	4,409	2,999	47%
300,001 – 400,000	6,191	4,134	50%
400,001 – 500,000	3,318	2,112	57%
500,001 – 600,000	1,369	785	74%
600,001 – 800,000	1,623	966	68%
800,001 – 1,000,000	772	455	70%
1,000,001 – 1,500,000	549	346	59%
1,500,001 – 2,000,000	243	141	72%
Over 2,000,000	219	141	55%
Total	63,123	43,373	46%

Sales volumes by price range (London)

— The number of properties sold in London for over £1 million in January 2014 increased by 67 per cent to 712 from 426 in January 2013.

Price range (£)	January 2014	January 2013	Difference
Under 50,000	-	-	n/a
50,001 – 100,000	66	36	83%
100,001 – 150,000	337	311	8%
150,001 – 200,000	867	769	13%
200,001 – 250,000	1,537	1,444	6%
250,001 – 300,000	1,027	767	34%
300,001 – 400,000	1,774	1,276	39%
400,001 – 500,000	1,214	760	60%
500,001 – 600,000	603	341	77%
600,001 – 800,000	785	458	71%
800,001 – 1,000,000	400	262	53%
1,000,001 – 1,500,000	354	214	65%
1,500,001 – 2,000,000	179	98	83%
Over 2,000,000	179	114	57%
Total	9,322	6,850	36%

Land Registry House Price Index Repossession data

Adjusted headline statistics

The table to the right shows the headline statistics after the inclusion of repossession data. The difference between the adjusted figures and those on the front page of this report are explained by the inclusion of this additional data. Please note repossession data was only comprehensively recorded after 2006.

The additional data reduces the average price for England and Wales to £167,830 and increases the annual change to 6.3 per cent.

Adjusted index ¹	269.7
Average price ²	£167,830
Monthly change	-0.3%
Annual change	6.3%

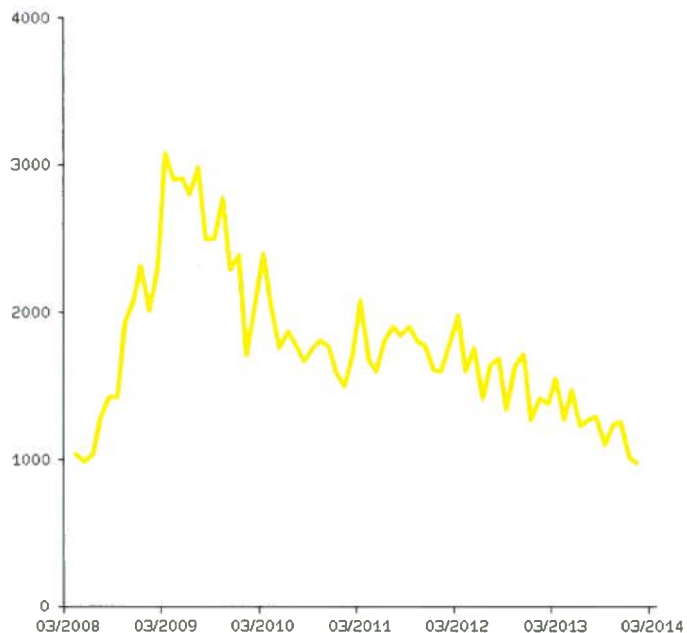
Repossession volumes

- In the months October 2013 to January 2014, repossession volumes averaged 1,124 per month. This is a fall compared to the same period a year earlier, when volumes averaged 1,515 per month.
- Repossession volumes appear to be exhibiting a downward trend.

Because repossession volume figures for the two most recent months are not yet complete, they are not included in the report.

In addition, the lag in recording data is likely to result in small increases to the reported repossession volumes over time.

Monthly repossession volumes – England and Wales

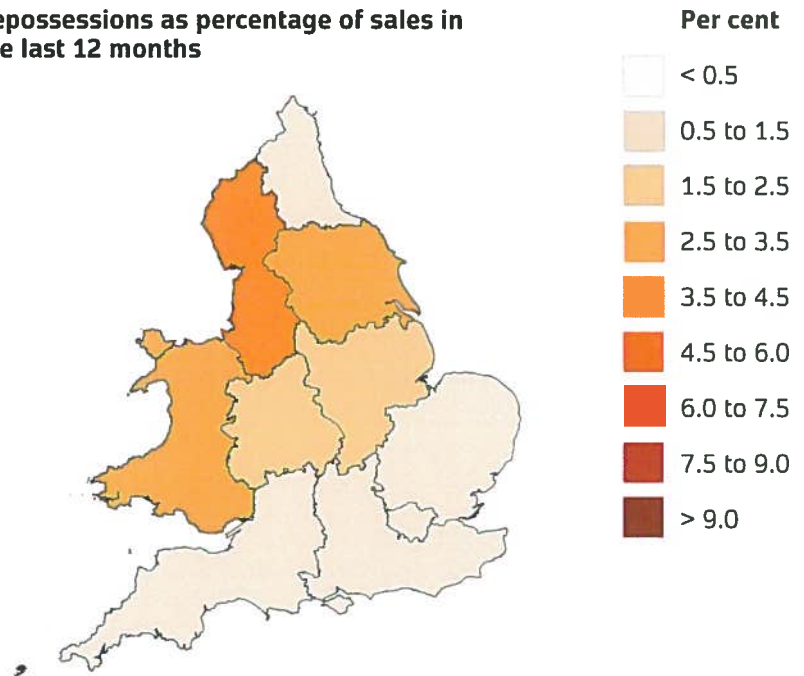


¹ Seasonally adjusted HPI inclusive of repossession data from January 2006 onwards.

² Standardised seasonally adjusted prices inclusive of repossession data from January 2006.

Land Registry House Price Index Repossession data

Repossessions as percentage of sales in the last 12 months



Regional repossession sales

- The region with the greatest fall in the number of repossession sales was the North East.
- All regions experienced a decrease in the number of repossession sales in January.

Region	January 2014	January 2013	Difference
East	66	101	-35%
East Midlands	93	127	-27%
London	117	194	-40%
North East	25	43	-42%
North West	237	297	-20%
South East	108	170	-36%
South West	57	88	-35%
Wales	78	115	-32%
West Midlands	61	93	-34%
Yorkshire & The Humber	137	192	-29%
Total	979	1,420	-31%

Land Registry

House Price Index

Notes

The April House Price Index (HPI) will be published at www.landregistry.gov.uk at 09:30 hours on 30 May 2014.

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 January 1995. At present it contains details on over 18 million sales. Of these, over 6.5 million are identifiable matched pairs, providing the basis for the repeat-sales regression analysis used to compile the index.

In the adjusted headline statistics section on p14, the effect of the inclusion of repossession data is revealed. Such data was only comprehensively recorded after January 2006. Since this date, we have data on over 120,000 repossessions.

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 both back to 1995 and forward to the present day. 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

With the world's largest property database of over 23 million titles, Land Registry underpins the economy by safeguarding ownership of many billions of pounds worth of property.

As a government department established in 1862, executive agency and trading fund responsible to the Secretary of State for Business, Innovation and Skills, Land Registry keeps and maintains the Land Register for England and Wales. The Land Register has been an open document since 1990.

Please visit www.landregistry.gov.uk for further information.

Land Registry

House Price Index

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