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**Chair of the UK Statistics Authority, Sir Michael Scholar KCB**

Malcolm Dawson OBE  
Chief Land Registrar and Chief Executive  
Land Registry  
Head Office  
Lincoln's Inn Fields  
LONDON  
WC2A 3PH

23 January 2012

Dear Mr Dawson

**LAND REGISTRY HOUSE PRICE INDEX**

The Statistics Authority's statutory role is to promote and safeguard the production and publication of official statistics that serve the public good. In so doing, we assess the arrangements for producing sets of statistics against the Code of Practice for Official Statistics, and carry out a programme of wider reviews. We also look into issues of concern that are raised with us.

One such issue is the potentially confusing array of official and other statistics on house prices. You may be aware that the National Statistician has recently conducted a review of housing market statistics and I know that Land Registry officials were closely involved with this.

However, some more specific questions about the Land Registry's House Price Index arose in correspondence. Statistics Authority officials have summarised these in the attached note and I would be grateful for your comments on them.

I am copying this letter to Jil Matheson, the National Statistician.

Yours sincerely



**Sir Michael Scholar KCB**

## **Points raised with the Statistics Authority**

These points relate to the Land Registry House Price Index and the standardised average house prices that are calculated in accordance with changes in the Index.

1. The results published in the monthly Land Registry House Price Index are produced using repeat sales regression. Does this method include any adjustment to provide a constant mix of property types? If not, is there any advice offered by the Land Registry as to how the results should be interpreted?
2. Does the method include any adjustments to ensure that other aspects of quality are constant - for example, if a property undergoes major improvement or deterioration before it is re-sold?
3. We have been told that within each local authority area, the price change for each of the four property types is the same. Could you confirm the reason for this and explain how these local, standardised prices are intended to be used? In which circumstances would they provide a better measure than simple average prices derived from the price paid dataset?
4. The Land Registry website says that the HPI "is the most accurate independent house price index available". Is there evidence to support this statement? Would it be better to put the emphasis on the range of different sources available?