
Ed Humpherson, Director General for Regulation

Graham Farrant
Chief Executive and Chief Land Registrar
HM Land Registry
[by email]

23 November 2017

Dear Graham

ASSESSMENT OF THE UK HOUSE PRICE INDEX

Thank you for inviting us to assess the UK House Price Index against the *Code of Practice for Official Statistics*. We have completed the assessment, and have today published our [Assessment Report](#). I am grateful for the positive contribution of your staff on behalf of the working group for engaging with us throughout this assessment process.

House price statistics are key economic indicators and provide important insights into the wider economy and society by helping users to understand trends national and local housing markets. Our assessment shows that the new UK HPI is already widely valued by a range of different users, including central, devolved and local government officials, economic policy makers, estate and letting agents, banks and building societies, house builders and housing associations as well as citizen users.

I appreciate the drive and collaborative energy that HM Land Registry colleagues have brought to the development of the UK House Price Index, the production of which represents a significant achievement. The cross-departmental working group – including the Office for National Statistics (ONS), Registers of Scotland (RoS) and Land Property Services Northern Ireland (LPS) – responsible for the UK HPI's production is a positive example of effective cross-departmental collaboration and should be proud of its achievements.

An essential element of maximising the public value of the UK HPI will be for the statisticians to build on their previous engagement activities, and engage proactively with a wide range of different users on an ongoing basis. This will allow them to understand users' experience of statistics, what information they might need to aid their understanding of price changes, and will provide users with opportunities to inform and shape the index's future development.

Our assessment highlights the increase in the scale of revisions to UK HPI from earlier this year which has been driven by volatility in new build property prices compounded by an operational backlog in registering new build sales transactions. I look forward to the working group resolving this issue swiftly to demonstrate the credibility of UK HPI and maintain users' confidence. Crucially, the methods must be further developed and the backlog reduced, to ensure that the UK HPI represents a robust estimate of the change in average house prices, with acceptable revisions to the initial published estimates.

The working group also should reflect on how its arrangements can be strengthened to better manage the development of statistical methods, to help reinforce trustworthiness and broader public value. A key element of this will be to set out clear strategy for the index's future development and the publication of a statistical work programme that takes into account users' feedback.

Finally, I very much welcome the decision to end pre-release access to the UK HPI from July this year. I believe that this will make a significant contribution towards increasing public confidence in the official figures produced by government.

Reflecting the importance of National Statistics designation and to provide users with confidence in the direction of travel, I encourage you to publish a plan of proposed actions to increase the trustworthiness, quality and public value of these statistics as a result of this assessment.

Please feel free to discuss any aspect of this with us at any time.

I am copying this letter to John Pullinger, the National Statistician, Lorna Jordon at HM Land Registry, Frances Pottier at the Department for Business, Energy and Industrial Strategy, Mike Prestwood at ONS, Stephanie Harcourt at Land Property Services Northern Ireland and Ailsa Robertson at Registers of Scotland.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ed Humpherson', written in a cursive style.

Ed Humpherson
Director General for Regulation