

John Pullinger
National Statistician

Cc: ODUG Members

31 March 2015

ONS House price measures

Dear John,

I am writing to comment on the ONS house price index proposals which we discussed briefly when you came to talk to ODUG at the end of last year.

As you know, the ONS has recently concluded a consultation on the creation of a “definitive house price index”¹. The proposals go some way to satisfying the need for a national index to include in the RPI/CPI but we do not think they will really meet the needs of those interested in the property market, and they lack ambition.

It would be a shame if policy were to be determined by a consultation that had fewer than 30 responses, and mostly from the public sector, rather than a genuine vision of what is possible. House price data is far more important than that. Our view is that the review exercise – which started long ago with an ONS paper in 2002 – should not just be to encourage individual agencies that have house price data to publish it in a timely manner, and with some consistency of methodology. It should be to encourage agencies to collaborate to ensure that the evidence collected by all of them is brought together into a single system the aim of which is to provide a genuinely reliable and timely measure of house price changes for small areas.

The key dataholders are; yourselves at the ONS (since the HPI work was moved from DCLG) and the Land Registries for England & Wales, Scotland and Northern Ireland, and they should produce one dataset for the benefit of all users, inside and outside of government. In an ideal world, if a couple more items of data/information could be added to the conveyancing documents, and added to the data currently available on Energy Performance

¹<http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/consultation-on-the-development-of-a-definitive-house-price-index/index.html> (Consultation ended 12/12/14 and reported in March 2015.)

Certificates (EPCs), the departments really would have everything required to produce a genuinely valuable dataset. Other possible parties that could be more closely involved include: VOA and HMRC for taxes paid sales data. Can efforts be made to prise open the necessary datasets? Only then will really good data on, say, the number of bedrooms or property size (in metres) be readily available.

We also recommend that an attempt is made to link this work with the private sector, which produces several indices - as set out by Acadata² - including those most watched by the media. We suggest, for example, that The Council of Mortgage Lenders should become involved, as data supplier. Given the private sector data are the most commonly used, the relationship between the ONS/LR data and other data should be better understood. Users only need to look at the enormous range of average house price produced by each measure to realise that, currently, the indices are not comparable.

On presentation, the ONS and LRs are proposing that each party continues to publish its own data. This means that the (consistent) UK figure and English regional data published at the same time will be published by different departments in different places. That's a recipe for user confusion.

Needless to say this is also a very good opportunity to publish some expansive open data and we believe that this chance must not be missed. The efforts that DECC are making with the NEED data³ are exemplary.

We appreciate that this work started well before you arrived as National Statistician but ask that you take a close look at it and see if something far more satisfying can be achieved in this area.

Yours sincerely,

Simon Briscoe

On behalf of **Open Data User Group**

² <http://www.acadata.co.uk/Which%20House%20Price%20Index.pdf>

³

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/360716/need_user_event_slides_september_2014.pdf