

Property price data – making markets more transparent

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Release of property price data

There is a new generation of property information companies emerging that will serve better the property industry with more and better information on prices paid for individual residential properties. Such data has long been in the public domain in Scotland but it was only with the Lord Chancellor's ruling that from 1 April 2000 price paid data should be available in England and Wales, it became a legal obligation to provide this information on completion of a property transaction south of the border. This is a triumph of a modest kind for freedom of information and openness against the constraints, and proper concerns of privacy and data protection.

The data for England and Wales is provided from HM Land Registry's Plymouth computer, and is updated monthly, providing data that on average represents transactions completed within the last five weeks. Since January of this year residential prices data for the whole of England and Wales has been available on license, updated monthly with online uploads available. In doing this, the Land Registry is fulfilling one of the major pillars of its strategy; providing more and better information to make markets more transparent.

The data is available for professional and general public use through Land Registry Direct and On Line and also from a number of private companies making the data available online.

Innovative uses of property price information

The value of this information is becoming clear. At the level of the individual house purchase, the property profession advising purchasers and sellers and the agents marketing the properties have much less opaque intelligence. This demands a new honesty about expectations of prices that properties can fetch. The data also dramatically changes the role of the junior surveyor who used to spend a considerable amount of time ringing around for comparable evidence.

Better information means that professionals can provide better advice to their clients. There are still some that hold the view that local knowledge is sufficient but it is increasingly obvious that the currency and quality of the data now available

is invaluable. Easy to access online, the information is adding certainty in place of some variable estimates, and massively increasing the productivity of those seeking valid comparables from the market place.

Applications in the way ahead

At the level of national concern for housing markets there remains a major task yet to be accomplished. By harnessing this data in expert systems, it will be possible to overcome some of the peaks and troughs typical of all property with its fixity and lead times to increase supply. These classically have led to oversupply following shortage as a consequence of rapidly rising prices. The Barker Report on Housing is particularly significant in this regard. There is well-documented shortage of supply in specific locations within the prosperous South East. In contrast, there are some definable areas in the North East and North West where housing markets have rapidly deteriorated, and habitable housing stock has little or no value.

The public policy imperative for regeneration has widespread support. The capacity to monitor monthly changes in prices of houses by type, tenure, and particularly specific locations within streets allows a much better method of encouraging the virtuous circle of value enhancement to be separated from the vicious spiral of decay and decline. The data is currently available for the past five years. It must allow much more effective and focused use of public monies to bring about this regeneration.

The property data now available in the residential sector should also be available in the public domain for land and commercial property. There are currently studies within government to determine whether and how price paid for all properties, including commercial as well as residential, could be made available. The results from these studies are expected before the end of the year.

Meanwhile, the existing data provides new found precision. It allows more accurate methods of measuring affordability in relation to the cost of provision compared to the wealth and value created in the housing stock.

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