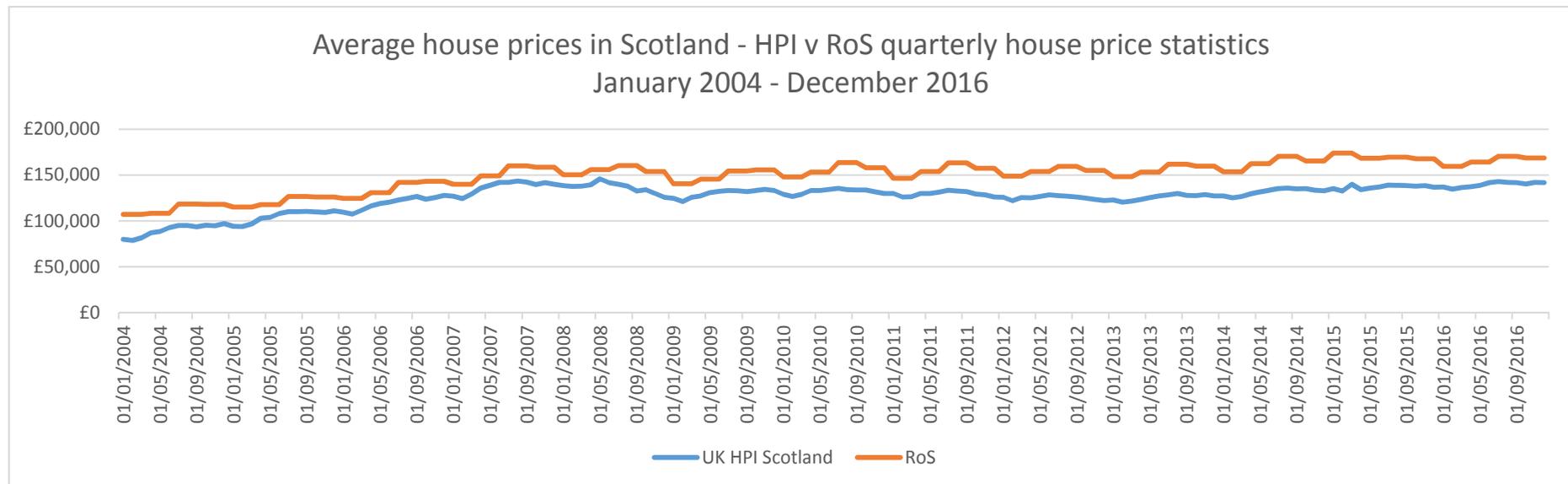


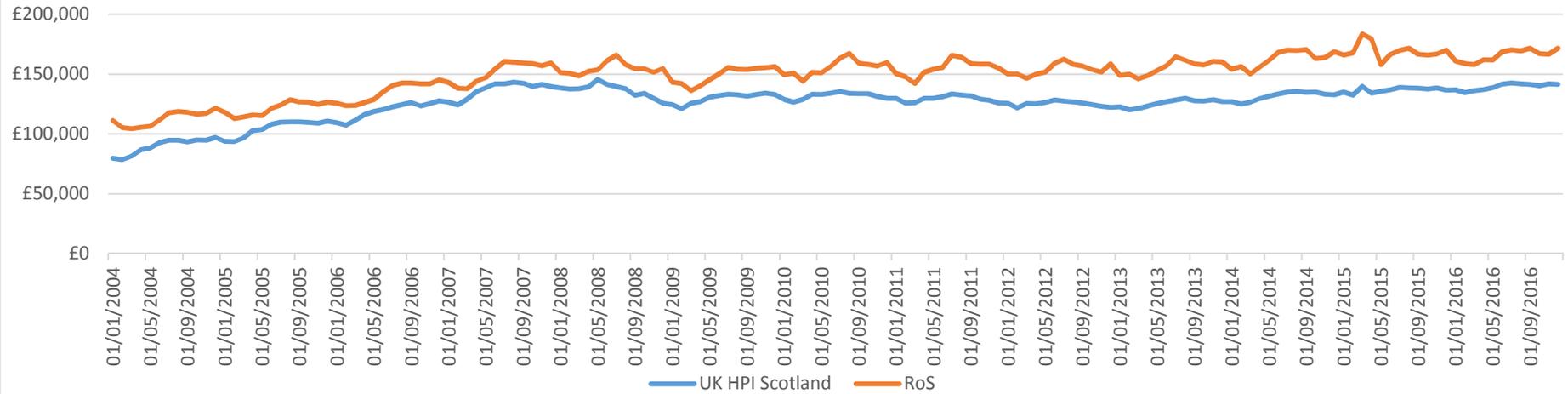
Comparison between UK House Price Index and Registers of Scotland House Price Statistics (Updated 14 February 2017)

The following charts highlight the differences between the Scotland figures within the [UK House Price Index](#) (HPI) and Registers of Scotland's (RoS) [house price statistics](#). Please see our [guidance notes](#) for further information on the compilation of RoS statistics. A summary content table for the HPI and RoS quarterly statistics is also included at section 3 below. This provides an overview of the differences between the methodology and content of the HPI and the methodology and content of the quarterly statistics.

1. Average prices



Average house prices in Scotland - HPI v RoS monthly house price statistics
January 2004 - December 2016



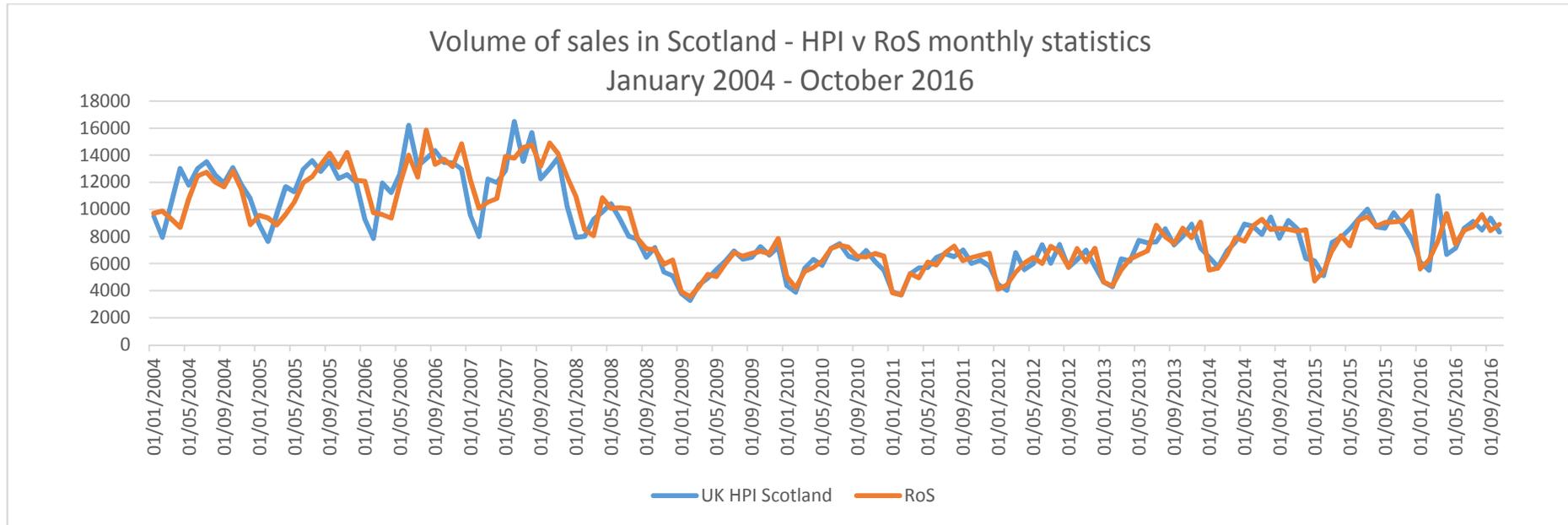
% difference between RoS monthly house price statistics and HPI



Key comments:

- The average price trends when comparing the HPI with RoS house price statistics are very similar. There is a slight delay to changes appearing within the RoS figures because the RoS data is based on date of registration (the date that the application was received for registration by RoS) while the HPI is based on date of entry (the date of the completion of the sale). Registration can occur up to several weeks after date of entry.
- RoS quarterly and monthly averages are higher. This is expected because of the different [methodologies](#) used, specifically the use of an arithmetic mean within the RoS statistics versus the use of a geometric mean in the HPI. The geometric mean will typically be closer to the median than the arithmetic mean.
- The HPI monthly figures are smoother than the RoS monthly house price statistics, again as expected because of the different methodologies used. The HPI figures are mix adjusted, while the RoS house price statistics use the mean of all sales between £20,000 and £1million. This means that the RoS figures are more prone to fluctuations in the market, e.g. if a high number of high value or low value sales are registered within a particular month.
- On average the HPI house price averages are 15.5% lower than the RoS monthly house price averages. The difference ranges from 5.2% to 28.4% lower than RoS stats.

2. Volumes



Key comments:

- Again, the volume trends when comparing the HPI with RoS house price statistics are very similar. There are slight difference in the volumes being presented because the RoS data is based on date of registration (the date that the application was received for registration by RoS) while the HPI is based on date of entry (the date of the completion of the sale). Registration can occur up to several weeks after date of entry.
- Overall, across the period shown, the difference between the volume figures was less than 1%.

3. Summary content table for the HPI and quarterly statistical release

Key features	House Price Index	Quarterly statistical release
Frequency of publication	Monthly	Quarterly
Base data source	Applications for registration in the land register plus house types derived using RoS methodology and base mapping data (Ordnance Survey ©Addressmap)	Applications for registration in the land register plus house types derived using RoS methodology and base mapping data (Ordnance Survey ©Addressmap)
Date range of extraction	Based on the Date of Entry to the property for each calendar month	Based on applications received for registration in the land register within each quarter
Price range	All data with a consideration	£20,000 - £1million
Average house prices	Based on geometric mean – Sub-Scotland local authority figures will be based on 3-monthly moving averages to reduce volatility	Based on arithmetic mean and median
Case mix adjustment	Yes – based on room numbers provided via EPC data	No
Seasonal adjustment	A separate seasonally adjusted series is available, calculated at the regional and national level only	No
Revisions	Three month cycle – final figures at 3-month update	The RoS Quarterly Statistics Time Series is updated on a quarterly basis up until one year after the first publication
Volume of sales	Yes	Yes
Property types	Yes – detached, semi-detached, terrace, flat	Yes – detached, semi-detached, terrace, flat
Cash sales	Yes	Cash sales are included but not separately identified
New builds	Yes	New builds are included but not separately identified
Buyer analysis	Yes – statistics relating to first time buyers and former owner occupiers is extracted from CML data	First time buyers and former owner occupiers are included but not separately identified
Results	Average prices presented as geometric means are typically closer to the median than the arithmetic mean	Typically the use of an arithmetic average will lead to a higher price than the use of other measures. This is because an arithmetic approach to calculating the average price takes full account of the extreme value properties that have been sold and as a result the average price can be sensitive to high value property.