Annex E - DATASET STRENGTHS AND WEAKNESSES

The following sections highlight the strengths and weaknesses of Registers of Scotland's (RoS) residential sales dataset, which is used in the creation of the House Price Index and the RoS Quarterly House Price statistics.

STRENGTHS

- The data has a broad scope because all types of sales are sent to us for registration, i.e. cash sales, mortgage sales, high and low value sales, etc.

- The data covers the whole of Scotland.

- The data includes the actual sale price of the property and not just a valuation.

- From December 2014, our electronic application forms allow for the automatic input of form data into the registration systems, reducing the risk of data input error.

- The data undergoes a quality assurance process to further improve data quality, particularly in relation to key areas such as price paid, date of entry and extracting only market value sales. RoS continually reviews and develops this quality assurance process.

- The data is rich, allowing for possibility and flexibility to extract and present data/statistics using different criteria e.g. date of entry/registration date, cash/mortgage sales, new-build developments, etc.

- The house type methodology adds an extra dimension to the data, allowing us to provide statistics on average prices broken down into detached, semi-detached, flats and terraced properties.

- The residential sales dataset is continuing to accumulate over time, creating a rich asset that will continue to grow in value. Also, in addition to capturing current and ongoing sales data within the dataset, RoS' Land Register completion programme will bring older sales into the Land Register, opening up the possibility to further enrich the database. Within the RoS business transformation programme, the digital improvement project is looking at current limitations with spatial, title sheet and address data. As an example, in an initial exercise, 90% of title addresses were allocated a Unique Property Reference Number (UPRN).

WEAKNESSES

- Data is currently only available from 1 April 2003 (although as noted above the Land Register completion programme will open up the possibility of further enriching the database).

- RoS cannot include transactions where the sale has not been sent into us for registration. Unfortunately, it is not possible to estimate the volume of such transactions, but the majority of sales will be submitted to benefit from the state guarantee of title and warranty offered by RoS.

- There is often a time lag between completion of the sale of the property and the solicitor submitting the application for registration. The majority (90-95%) of sales are submitted within 2 to 8 weeks, but RoS has no control over any time lags caused by the conveyancing process.

- Registration processes within RoS mean that it is not always possible to immediately identify the exact location of properties in our Geographic Information System. This has an impact on the application of our house type methodology and the allocation of sales to a local authority area. In excess of 90% of applications will be allocated in the initial stages, with the remainder being allocated in subsequent updates.

- With the exception of house types, RoS does not currently hold any additional property attribute data, e.g. council tax banding information, room numbers, property size (m^2), interior property plans, buy to let sales, etc.

- Not every transaction in our database is quality assured, only those highlighted during the QA process (see Annex D – Quality Assurance Process for a detailed description of this process). In excess of 50% of the transactions are quality assured, however.

- The dataset does not currently include Unique Property Reference Numbers (UPRNs), and not all RoS title addresses contain a UPRN. However, as noted above, there is an ongoing project at RoS that will allocate UPRNs to title addresses. Once this project is complete UPRNs can be included within the residential sales dataset and will therefore allow the dataset to be more easily matched to other datasets.

- RoS is not currently able to identify all new-builds. RoS new-build methodology only relates to single properties sold out of a major builder's[1] development title and not to very small developments or single new-build properties by private or small-scale builders. However, since private new builds may not be offered for sale for some time, and since the majority of residential new builds across Scotland will be undertaken by major builders, we are satisfied that the final estimates relating to new builds are sufficiently robust (initial estimates are more volatile due to the conveyancing and registration process issues mentioned above).

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[1] "Major builders" include both large companies operating across the UK, and smaller companies just operating within certain regions of Scotland.