

Property prices in London	Average	Highest house price pre credit crunch	Lowest house price during recession	What was the biggest house price fall during 2009	How many months prices fell for 2007-2009
UK HPI data		2007/08	2009		
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London property price report - June 2016

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ing, selling or investing in today's variable market means you need to take a great deal of care before making a decision. It's essential to secure independent, up-to-date advice you can trust. Kate and her team from Propertychecklists.co.uk make it easy to access the information and support you need FREE of charge.

Although London is often reported as 'one market', it really isn't. From our analysis there are thousands of markets, just in Greater London, but we break this down for you into the 32 London boroughs, so click here if you just want to see how your own borough has performed.

Summary of London property price reports

London data	Current Month Jun-16	Current Month Jul-16	Current Month Aug-16	Annual Change	
Rightmove	£643,117	£635,710	£619,409	2.0%	Asking prices
LSL Acadata HPI	£590,203	£584,363	n/a	4.6%	Actual prices, includes cash sales
UK HPI	£472,204	£484,716	n/a	12.3%	Sold prices, includes cash sales and new builds

Kate Faulkner comments on the London market:

The London property price data shown by Rightmove, LSL and UK HPI illustrates what a vast difference the 'average' price is in London, depending on which index you use. The Rightmove figure is a whopping 36% higher than UK HPI. This shows how useless average data is in an area that has prices ranging from a few hundred thousand to tens of millions of pounds!

From a trend perspective, though, the data shows that property prices in the capital are certainly slowing. The 12% increase from UK HPI represents what was happening three-six months ago, whereas the Rightmove and LSL data reflects more what people think of the market in today's terms – and that's clearly a slowdown, almost to a full stop.

However, it should be remembered that London has been seeing double-digit rises since around 2012/13, so a slowdown a few years on should really be welcomed by all.

Top five high growth areas YoY	YoY %	Five high growth areas last 10 years
Newham	20.8%	City of Westminster
Haringey	20.2%	Haringey
Havering	19.7%	Lewisham
Hillingdon	19.7%	Waltham Forest
Waltham Forest	19.5%	Southwark

Source: [UK HPI](#)

Lowest five low growth areas YoY	YoY %	Five low growth areas last 10 years
Islington	5.8%	Hammersmith and Fulham
Hackney	4.3%	Tower Hamlets
Camden	-0.6%	Sutton
Hammersmith and Fulham	-1.6%	Havering
Kensington and Chelsea	-3.0%	Barking and Dagenham

Source: [UK HPI](#)

Kate Faulkner comments on the London high growth areas:

The data on individual boroughs shows that the previously strong growth seen in the wealthy counties has now, albeit in a small way, gone into reverse. The outskirts of London are still seeing the ripple effect of prices rising in the capital's centre, but it's likely they will follow the same pattern moving forward and see a slowdown in the next year or so. But the five-year growth figures show that, even though year-on-year performance is good for the likes of Havering, that area has seen one of the poorest rises in prices, while it is interesting that Hammersmith and Fulham has now slowed so much it's also ended up as one of the poorer performers with Waltham Forest – of all places – doing substantially better!

Price inflation for new builds 50% higher than existing homes

Kate Faulkner comments on the London market:

The new UK HPI data shows some really interesting changes in trends for prices. With most cash and mortgaged purchases growing by around 12% year on year, you can see the tremendous impact of new build – an enormous inflation rate 50% higher than existing homes. This is significant because if a borough has a substantial amount of new build, it's clear that this can artificially increase the property price inflation rate for that area.

From a purchase cost perspective, the competition for second and third homes is clearly high with average prices being £547,424 versus £423,422 for first homes, a gap of 23%. Interestingly though in other areas, first-time buyers are paying up to 40% less than the 'average price' showing the initially raw deal that FTBs get buying in the capital versus living in other areas.

The Rightmove stats show additional information that the vote to Brexit has caused a 'wobble' at the top of the market, coupled no doubt with the increases in property taxation. But we will have to wait for a few months to see if the fall in sterling is enough to tempt foreign buyers back into the UK prime market.

Funding, buyer and building status for London

London	Monthly change %	Annual change %	Average price
Cash	0.6	11.3	£510,028
Mortgage	1.1	12.6	£476,922
First time buyer	0.8	12.0	£423,422
Former owner occupier	1.1	12.5	£547,424
New build	-2.4	18.2	£506,525
Existing resold property	1.3	11.8	£482,896

Source: [UK HPI](#)

Average asking prices by market sector:

Sector	September 2016	August 2016	Monthly change	Annual change
First-time buyers	£477,097	£473,352	+0.8%	+3.6%
Second-steppers	£667,858	£671,600	-0.6%	+3.6%
Top of the ladder	£1,510,559	£1,356,230	+11.4%	-5.4%

Source: [Rightmove HPI](#)

Summary of the London market commentary

The number of properties sold in London are sliding following the Brexit vote and stamp duty increase

Knight Frank

“A fully-functioning London housing market is an important building block for a stronger economy, particularly in view of the economic and political uncertainty brought by the UK’s vote to leave the European Union.

“The importance of the prime London housing market in particular is underlined by the fact 11% of all stamp duty revenue in England and Wales is collected in the two London boroughs of Kensington & Chelsea and Westminster. Furthermore, housing transactions play a key role in sparking wider economic activity and encouraging social mobility. Any knock-on benefits will be reduced if housing market activity in the economic epicentre of central London is curtailed.

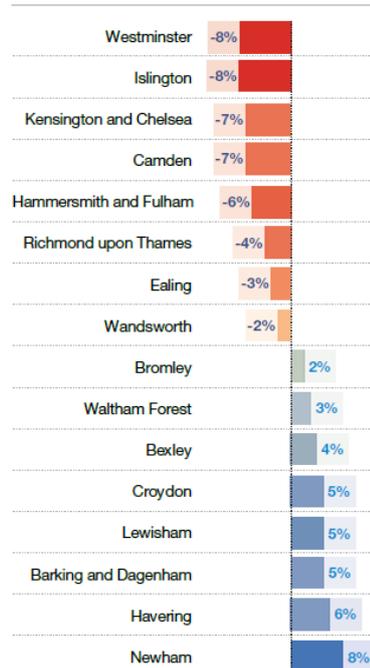
“Our latest analysis shows the government increasingly relies on London for its stamp duty revenue, an overall figure that now exceeds £6 billion a year. However, while London’s contribution rose to 44.6% in the year to March 2016 from 41.5% a year earlier, London only accounted for 12.3% of transactions, down from 12.7%. The picture emerging is one of growing fiscal reliance on areas where transactions are shrinking at the steepest rate.

“There are also signs the stamp duty changes introduced by former Chancellor George Osborne are disrupting the natural cycle of the London property market.

“Transactions in Westminster, Camden, Islington, Hammersmith & Fulham and Kensington & Chelsea all fell by an average of more than 5% per year over the five-year period to March 2016. It is the first time this magnitude of decline has been registered in this many London boroughs since Land Registry records began in 1995. If the pattern persists, the risk is that demand and property prices in outer boroughs will become further inflated and more susceptible to future price instability.”

Five-year average annual % change in transaction volumes

Five-year period to March 2016



Source: *Knigh Frank*

Kate Faulkner comments on the sales volume and time to sell:

It's not a big surprise that sales are down in London in April and May as this was after an enormous rush to buy in March to beat the stamp duty rises. It's likely to take sometime for these figures to recover – if they do this year.

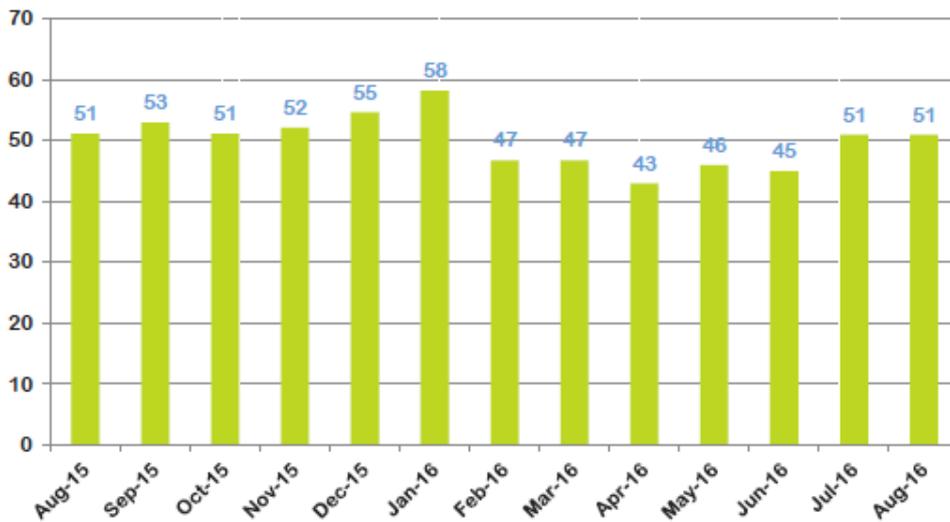
From a time-to-sell perspective, though, things are still looking pretty healthy despite a slower market, with properties being sold in just 51 days.

Sales volumes for London

Month	Sales 2016 London	Sales 2015 London	Difference %
April	4,616	8,688	-46.9
May	5,111	9,466	-46.0

Source: *UK HPI*

Average 'time to sell' (days) - London



Source: *Rightmove HPI*

Appendix 1

Current performance by individual London borough

The table below shows how your borough is performing year on year now and whether this performance is above or below the long-term annual increase.

Property prices in London UK HPI data	Average price for July 2016*	Year on year change in price in July	Average price in 2000	Average annual increase since 2000	Is the market underheating/ overheating
Greater London average	£ 484,716	12.3%	£ 130,411	9%	Over
Areas outperforming the Greater London average					
Newham	£ 359,231	20.8%	£ 83,681	10%	Over
Haringey	£ 569,376	20.2%	£ 133,953	9%	Over
Hillingdon	£ 417,684	19.7%	£ 120,742	8%	Over
Havering	£ 348,973	19.7%	£ 100,714	8%	Over
Waltham Forest	£ 424,824	19.5%	£ 93,975	10%	Over
Croydon	£ 365,479	19.4%	£ 109,119	8%	Over
Redbridge	£ 409,025	19.3%	£ 115,193	8%	Over
Bexley	£ 328,107	19.2%	£ 94,978	8%	Over
Lewisham	£ 421,155	17.9%	£ 95,725	10%	Over
Barking and Dagenham	£ 276,145	17.2%	£ 71,079	9%	Over
Sutton	£ 376,410	16.4%	£ 115,040	8%	Over
Enfield	£ 388,151	15.7%	£ 111,689	8%	Over
Barnet	£ 542,389	15.3%	£ 153,676	8%	Over
Kingston upon Thames	£ 500,730	15.2%	£ 146,959	8%	Over
Bromley	£ 440,373	14.6%	£ 133,997	8%	Over
Greenwich	£ 387,336	14.5%	£ 102,411	9%	Over
Brent	£ 499,514	13.9%	£ 126,785	9%	Over
Merton	£ 526,216	13.3%	£ 137,687	9%	Over
Hounslow	£ 401,957	13.3%	£ 128,285	7%	Over
Ealing	£ 497,044	13.1%	£ 144,352	8%	Over
Areas with double digit growth					
Richmond upon Thames	£ 685,448	11.6%	£ 209,937	8%	Over
Harrow	£ 451,643	11.1%	£ 141,115	8%	Over
Tower Hamlets	£ 468,484	9.8%	£ 128,200	8%	Over
Wandsworth	£ 621,220	9.3%	£ 165,376	9%	Over
Southwark	£ 519,781	9.2%	£ 121,970	9%	Over
Lambeth	£ 527,419	8.8%	£ 132,007	9%	Under
City of Westminster	£ 1,029,884	7.4%	£ 241,773	9%	Under
Islington	£ 683,349	5.8%	£ 174,119	9%	Under
Hackney	£ 541,914	4.3%	£ 121,135	10%	Under
Camden	£ 788,065	-0.6%	£ 217,700	8%	Under
Hammersmith and Fulham	£ 760,245	-1.6%	£ 229,465	8%	Under
Kensington and Chelsea	£ 1,287,850	-3.0%	£ 355,951	8%	Under

Source: [UK HPI](#)

Appendix 2

London prices risk analysis

This table shows you what happened in each borough during the credit crunch so if you buy now and the market falls, it gives an indication of what the market might fall by and also how long prices may fall for before they bottom out and start rising again.

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Kate's guide to the individual indices

- [Rightmove](#) - Useful to measure average time to sell and sellers' sentiment. (E & W)
- [LSL Acadata HPI](#) – Analyses Land Registry figures, separates out London, good analysis on transactions. (E & W)
- [UK HPI](#) – Tracks sold property price data, good for accurate information, but doesn't reflect current market conditions. (E,W,S & NI)

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About [Kate Faulkner](#)

Kate has written six property books including four for the consumer organisation Which? – Buy, Sell and Move House; Renting and Letting; Develop your Property and Property Investment Handbook. Kate presents at a seminar almost every week to landlords, investors and first-time buyers, and is often asked to chair debates and present at industry conferences.

From a media perspective, Kate's appearances include BBC Breakfast News, Your Money, GMTV, ITV, Radio 4 You and Yours, The Big Questions and 5Live. In the last 12 months, Kate has carried out numerous TV and radio interviews, has been quoted every month in major newspapers and magazines and been featured in many local newspapers.

For more information contact Kate Faulkner directly on 07974 750562 or kate@designsonproperty.co.uk