



March 2019 Report

29th April 2019

PRIME CENTRAL LONDON (PCL)

BREXIT'S FALSE DAWN BRINGS SURGE OF ACTIVITY

- Average annual prices in March (excluding new build) in PCL now stand at £1,848,282.
- Prices fall by 3.7% in Q1.
- Annual transactions stand at just 3,378, a fall of 15.7%.
- Quarterly transactions see a surge of 18.3%.
- New build† average prices rise to £2,377,521, a 60.8% premium over existing stock.
- New build transactions stand at just 586, an annual fall of 18%

PCL Headlines: Mar 2019

Average Price*(Excl. New Build)	£1,848,282
Quarterly % Change	-3.7
Annual % Change	1.8
Annual Volume of Sales	3,378
Quarterly % Change	18.3
Annual % Change	-15.7

*based on annual rolling data each month† Six-month lag to register new build completions in Land Registry (LR) Price Paid Data

	<i>Average Annual Price</i>	<i>% Change</i>	<i>Annual Volume (all)</i>	<i>% Change</i>
2008	£930,068	12.2	4,530	-50.7
2009	£882,857	-6.7	5,015	10.7
2010	£1,012,630	16.6	6,061	20.9
2011	£1,096,186	6.9	5,793	-4.4
2012	£1,267,854	16.6	5,559	-4.0
2013	£1,437,625	13.4	6,289	13.1
2014	£1,646,132	14.9	6,230	-0.9
2015	£1,542,985	-6.2	5,036	-19.2
2016	£1,690,624	6.6	4,581	-9.0
2017	£1,770,792	7.7	4,081	-10.9
2018	£1,878,272	5.3	3,400	-16.7
12 Months	£1,848,282	1.8	3,378	-15.7

Note: Price data is based on existing stock only and new build data is considered separately (see over)

Naomi Heaton, CEO of LCP, comments:

Average annual prices in March for Prime Central London (PCL) now stand at £1,848,282. They have fallen 3.7% over the quarter. On an annual basis, prices hold with a modest increase of just 1.8%.

Annual transactions remain just above the record low seen last month and now stand at 3,378, a fall of 15.7%.

Nevertheless, the run up to the initial Brexit deadline of 29th March saw shrewd buyers and investors push through deals whilst levels of competition remained subdued and sterling weak. As a result, transactions increased 18.3% in Q1.

It had been anticipated that following Brexit D-Day, there would be a clear roadmap for the UK to leave the European Union engendering a market revival. However, subsequent delays to our departure have created more uncertainty. This is unlikely to change materially until a clear decision is in the offing.

NEW BUILD:

PCL New Build Headlines: Sep 2018

Average Price*	£2,377,521
Quarterly % Change	-41.6
Annual % Change	53.1

Annual Volume of Sales	586
Quarterly % Change	52.5
Annual % Change	-18.0
Proportion of Total Sales %	16.4
New Build Premium %	60.8

*based on three monthly rolling data each month. There is a six-month lag to record new build vs old stock completions in LR Price Paid Data

New build average prices now stand at £2,377,521. This represents an increase of 53.1% over the year and a 60.8% premium over existing stock. This was largely due to the completion of some super prime developments in the early part of the year, since then prices have fallen by 41.6% in the last quarter.

Nevertheless, transactions have increased over this period by 52.5% as a larger number of smaller units in W1 were sold in One Seymour Street, 35 Marylebone High Street and Chiltern Place.

Despite this, sales numbers are still suffering on an annual basis, having fallen by 18.0% to a low of 586. This is fewer than 12 new build transactions a week and reflects a very difficult trading environment for developers.

For media and other enquiries, please contact James Harbach on james@londoncentralportfolio.com or Naomi Heaton CEO on naomi@londoncentralportfolio.com or at +44 (0) 207 723 1733, www.londoncentralportfolio.com

Source - Land Registry - [Download formal LCPAca Residential Index methodology here](#)



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GREATER LONDON

SALES GO ON FALLING AND FALLING

- Average prices in Greater London (excluding new build) now stand at £624,343.
- This is a monthly rise of 2.6%.
- Annual prices increase by just 1.4%.
- Annual transactions fall by 3.4% to just 87,368, 24.7% lower than at the EU Referendum in June 2016.
- New build[†] prices now stand at £691,452, representing a 21.5% premium over existing stock and an annual increase of 15.2%
- However, new build transactions are falling much faster than existing stock, at a rate of 18.0% annually.

Greater London Headlines: Mar 2019

Average Price*(Excl. New Build)	£624,343
Monthly % Change	2.6
Quarterly % Change	1.5
Annual % Change	1.4
Annual Volume of Sales	87,368
Quarterly % Change	-7.1
Annual % Change	-3.4

*based on three monthly rolling data each month

Greater London Monthly Data (excl. new build)

	Avg Price*	Monthly Change %	Quarterly Change %	New Build [†] £ Premium %
Mar-18	£603,300	-0.6	1.8	18.4
Apr-18	£595,440	-1.3	-1.5	20.0
May-18	£599,473	0.7	-1.2	19.6
Jun-18	£609,811	1.7	1.1	19.9
Jul-18	£620,401	1.7	4.2	20.7
Aug-18	£625,125	0.8	4.3	20.5
Sep-18	£626,484	0.2	2.7	21.5
Oct-18	£619,352	-1.1	-0.2	n/a
Nov-18	£621,430	0.3	-0.6	n/a
Dec-18	£615,177	-1.0	-1.8	n/a
Jan-19	£615,163	0.0	-0.7	n/a
Feb-19	£608,557	-1.1	-2.1	n/a
Mar-19	£624,343	2.6	1.5	n/a

*Based on three monthly rolling data each month † Six-month lag to register new build completions in Land Registry (LR) Price Paid Data

GREATER LONDON

Naomi Heaton, CEO of LCP, comments:

Average prices in Greater London for March are £624,343. This is a rise of 2.6% over the month, culminating in an increase of 1.4% over the year.

Unlike PCL, transactions in Greater London saw a fall in Q1 of 7.1% as concerns about the post-Brexit landscape continue to trouble a largely domestic market.

This cements the long-term trend of falling transactions with a drop of 3.4% over the year. At 87,368, they are now 24.7% lower than in June 2016, when the EU Referendum took place. It illustrates the devastating impact the ensuing uncertainty has had on the property market, coupled with numerous tax hikes since 2014.

If the current cross-party talks yield a compromise which can be ratified, then the prospect of a swift exit is still on the table. If not, we will see an extension of the limbo that not just the London housing market finds itself in, but the UK economy as a whole, with significant negative implications.

Greater London Annual Data

	Average Annual Price	% Change	Annual Volume (all)	% Change
2008	£366,061	3.3	82,264	-50.9
2009	£370,123	0.3	77,259	-6.1
2010	£414,351	12.7	92,703	20.0
2011	£426,200	3.1	90,721	-2.1
2012	£444,200	4.2	95,587	5.4
2013	£478,942	7.5	111,200	16.3
2014	£523,007	9.3	118,858	6.9
2015	£541,736	3.4	113,072	-4.9
2016	£579,402	6.3	102,968	-8.9
2017	£607,894	5.9	92,719	-10.0
2018	£614,427	1.0	86,766	-6.4
12 Months	£619,305	1.4	87,368	-3.4

Note: Price data is based on existing stock only and new build data is considered separately (see over)

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GREATER LONDON

NEW BUILD:

Greater London New Build Headlines: Sep 2018

Average Price*	£691,452
Monthly % Change	4.2
Quarterly % Change	0.6
Annual % Change	15.2

Annual Volume of Sales	13,003
Quarterly % Change	-19.0
Annual % Change	-18.0
Proportion of Total Sales %	14.8
New Build Premium %	21.5

*based on three monthly rolling data each month. There is a six-month lag to record new build vs old stock completions in LR Price Paid Data

New build average prices now stand at £691,452, an increase of 4.2% over the month and 0.6% over the quarter. Annual prices have seen a significant annual uplift of 15.2%.

Transactions, on the other hand, have seen a substantial fall over both the quarter (19.0%) and year (18.0%) to 13,003. The new build market is now seeing far greater falls in sales than for existing stock across Greater London.

As with PCL, the new build premium remains at the unusually high level of 21.5%. This is largely due to the impact of a number of ultra-high-end developments being completed over the last 12 months.

ENGLAND AND WALES

(EXCLUDING GREATER LONDON)

WEAKEST PRICE GROWTH SINCE 2013

- Average prices in England and Wales (excluding new build) stand at £254,196.
- Monthly prices fall by 1.4% and quarterly prices fall 2.6%.
- Annual transactions continue to fall by 0.8% and now stand at 798,521.
- Quarterly transactions plummet by 14%.
- New build† prices stand at £307,692 rising annually by 3.6%, representing a 15.1% premium over existing stock.
- New build annual transactions stand at 95,935, an annual rise of 5.2%.
- Quarterly new build transactions plummet by 24.3%.

E&W Residential Headlines: Mar 2019

Average Price*(Excl. New Build)	£254,196
Monthly % Change	-1.4
Quarterly % Change	-2.6
Annual % Change	2.9
Annual Volume of Sales	798,521
Quarterly % Change	-14.0
Annual % Change	-0.8

*based on three monthly rolling data each month

E&W Residential Monthly Data

	Avg Price*	Monthly Change %	Quarterly Change %	New Build† £ Premium %
Mar-18	£251,351	-0.2	-0.2	14.6
Apr-18	£249,193	-0.9	-1.0	14.8
May-18	£249,286	0.0	-1.1	14.8
Jun-18	£254,207	2.0	1.1	14.9
Jul-18	£262,087	3.1	5.2	14.9
Aug-18	£268,459	2.4	7.7	15.1
Sep-18	£270,464	0.7	6.4	15.1
Oct-18	£268,498	-0.7	2.4	n/a
Nov-18	£264,203	-1.6	-1.6	n/a
Dec-18	£261,115	-1.2	-3.5	n/a
Jan-19	£258,539	-1.0	-3.7	n/a
Feb-19	£257,893	-0.2	-2.4	n/a
Mar-19	£254,196	-1.4	-2.6	n/a

*Based on three monthly rolling data each month † Six-month lag to register new build completions in Land Registry (LR) Price Paid Data

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ENGLAND AND WALES (EXCLUDING GREATER LONDON)

Naomi Heaton, CEO of LCP, comments:

Average prices in England and Wales (excluding Greater London) stand at £254,196 for March. This represents a monthly fall of 1.4% and a fall of 2.6% for Q1. Growth levels on an annual basis remain at the lowest since 2013, standing at just 2.9%.

Annual transactions also remain weak and now stand at 798,521, down 0.8%. With a fall of 14% in Q1, this downward trend could be expected to continue for now.

The Brexit wobbles that have been evident in the capital for some time are now impacting on England and Wales. Buyers' faith in the market has waned and sellers are beginning to question whether now is the best time to make a move. Average prices have fallen every month since last September.

In previous market cycles, London has often been an early indicator of what was to come for the rest of the UK. This may well presage more bad news to come for the domestic market.

E&W Residential Annual

	Average Annual Price	% Change	Annual Volume (all)	% Change
2008	£196,752	-1.2	567,307	-48.6
2009	£194,024	-2.3	555,720	-2.0
2010	£209,284	9.0	569,622	2.5
2011	£202,891	-3.1	569,480	0.0
2012	£204,510	0.8	581,436	2.1
2013	£208,355	1.6	679,833	16.9
2014	£219,401	5.5	801,087	17.8
2015	£230,503	4.9	803,639	0.3
2016	£240,809	4.9	817,800	1.8
2017	£251,139	4.2	811,169	-0.8
2018	£259,933	3.4	784,946	-3.2
¹² Months	£260,265	2.9	798,521	-0.8

Note: Price data is based on existing stock only and new build data is considered separately (see over)

ENGLAND AND WALES (EXCLUDING GREATER LONDON)

NEW BUILD:

E&W New Build Headlines: Sep 2018

Average Price*	£307,692
Monthly % Change	0.9
Quarterly % Change	2.4
Annual % Change	3.6

Annual Volume of Sales	95,935
Quarterly % Change	-24.3
Annual % Change	5.2
Proportion of Total Sales %	12.2
New Build Premium %	15.1

*based on three monthly rolling data each month. There is a six-month lag to record new build vs old stock completions in LR Price Paid Data

New build average prices now stand at £307,692, an increase of just 0.9% for the month, culminating in an annual increase of 3.6%. This is the lowest growth since 2012. Whilst making uncomfortable reading for developers, this slow down in price growth will be welcomed by buyers. The issue of affordability remains a very real problem throughout the UK and the new build premium over existing stock still runs at more than 15%.

Transactions in this sector have been on the rise of late and now stand at 95,935, an increase of 5.2% over the year. However, the quarterly data tells a different story with a seismic fall in transactions of 24.3%.

This figure is arguably the most alarming reported this month. Despite the Government's various schemes created to incentivise the purchase of new homes, the calamitous state of UK politics is rendering them impotent.

The uncertainty rolls on.