



August 2019 Report

30th September 2019

PRIME CENTRAL LONDON (PCL)

SURGE IN BUYERS CONTINUES... (FOR NOW)

- Average annual prices in August (excl. new build) show modest growth of 1.1% vs. 2018, standing at £1,901,254.
- However, monthly and quarterly prices both show falls.
- Annual transactions fall by 6.1% to 3,204, lower than during the GFC.
- Quarterly transactions, however, show a surge of 20.9%.
- New build[†] average prices rise annually by 14.9% to £2,439,549 but show short term falls.
- Annual new build transactions stand at just 345, a fall of 50.6% vs. the previous year.

PCL Headlines: August 2019

Average Annual Price (Excl. New Build)	£1,901,254
Monthly % Change*	-1.3
Quarterly % Change	-7.8
Annual % Change	1.1
Annual Volume of Sales	3,204
Quarterly % Change	20.9
Annual % Change	-6.1

*based on 3 monthly 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	£930,001	12.2	4,531	-50.7
2009	£882,857	-6.7	5,015	10.7
2010	£1,012,506	16.6	6,062	20.9
2011	£1,096,189	6.9	5,794	-4.4
2012	£1,267,688	16.6	5,560	-4.0
2013	£1,437,289	13.4	6,292	13.2
2014	£1,645,759	14.9	6,232	-1.0
2015	£1,543,031	-6.1	5,039	-19.1
2016	£1,690,894	6.6	4,582	-9.1
2017	£1,770,091	7.7	4,085	-10.8
2018	£1,880,480	5.4	3,412	-16.5
2019	£1,901,254	1.1	3,204	-6.1

Last 12 months

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

Naomi Heaton, CEO of LCP, comments:

August data for Prime Central London (PCL) continues to suggest a wind of change.

Annual prices increased overall by 1.1% vs. 2018 to £1,901,254, although prices declined 1.3% over the month. Annual transactions fell a further 6.1% in August to 3,204 – down to just 62 sales per week.

The slide in transactions looks to be bottoming out. The annual fall is the lowest since 2014 and sales have surged 21% over the last quarter, reflecting a tangible increase in buyer interest.

This has not yet translated into price growth as buyers still expect significant discounts, even on marked down prices. Greater competition for limited stock may change this.

Continuing Brexit shenanigans of course, may cause investors to retreat again but on the other hand, increasing global uncertainty appears to be reinvigorating the appeal of PCL as an alternative asset class.

NEW BUILD:

PCL New Build Headlines: Feb 2019

Average Price	£2,439,549
Monthly % Change*	-28.7
Quarterly % Change	-22.7
Annual % Change	14.9
Annual Volume of Sales	345
Quarterly % Change	-44.1
Annual % Change	-50.6

Proportion of Total Sales %	10.7
New Build Premium %	59.1

*based on 3 monthly rolling data each month. There is a 6-month lag to record new build vs old stock completions in LR Price Paid Data

New build average prices stand at £2,439,549, representing a massive 59.1% premium over existing stock for the year. This reflects some extremely high value transactions, where average prices exceeded £5m.

Monthly prices, however, have now fallen back by 28.7%. There has also been a 50.6% fall in annual transactions to just 345, fewer than 7 a week on average.

New landmark projects in the pipeline will no doubt replenish the number of transactions and push up average prices again.

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



August 2019 Report

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GREATER LONDON

MARKET SHOWS SIGNS OF BOTTOMING OUT

- Average prices in August (excl. new build) now stand at £646,661, representing a monthly increase of 2.7%.
- Annual prices increase by 2.0%, outperforming 2018.
- The fall in annual transactions has slowed to 2.5%, which now stand at 84,970.
- Quarterly transactions have surged by 37.4%.
- New build[†] prices now stand at £731,772, an annual increase of just 1.6%.
- New build transactions continue to plummet with an annual fall of 23.5% to 11,046.

Greater London Headlines: August 2019

Average Price (Excl. New Build)	£646,661
Monthly % Change*	2.7
Quarterly % Change	4.6
Annual % Change	2.0
Annual Volume of Sales	84,970
Quarterly % Change	37.4
Annual % Change	-2.5

*based on 3 monthly rolling data each month

Greater London Monthly Data (excl. new build)

	Avg Price*	Monthly Change %	Quarterly Change %	New Build [†] £ Premium %
Aug-18	£624,204	0.8	4.2	20.4
Sep-18	£625,176	0.2	2.6	21.3
Oct-18	£617,559	-1.2	-0.3	21.7
Nov-18	£618,904	0.2	-0.8	19.9
Dec-18	£612,585	-1.0	-2.0	18.3
Jan-19	£612,993	0.1	-0.7	17.4
Feb-19	£607,426	-0.9	-1.9	16.5
Mar-19	£612,788	0.9	0.0	n/a
Apr-19	£616,660	0.6	0.6	n/a
May-19	£618,022	0.2	1.7	n/a
Jun-19	£623,255	0.8	1.7	n/a
Jul-19	£629,946	1.1	2.2	n/a
Aug-19	£646,661	2.7	4.6	n/a

*Based on 3 monthly rolling data each month † 6-month lag to register new build completions in Land Registry (LR) Price Paid Data

Naomi Heaton, CEO of LCP, comments:

The Greater London market in August shows signs of bottoming out.

Prices in August increased by 2.7% to £646,661, contributing to annual growth of 2%. This was a marked improvement over 2018 which saw prices grow by a lacklustre 0.8%.

On an annual basis, sales dropped by 2.5% to 84,970. This compares favourably with the falls seen over the last four years, albeit transactions are considerably down at 28.5% below their post-GFC high.

The improving picture for transactions has been underpinned by a recent surge in activity, similar to PCL, with a quarterly increase of 37.4%.

It seems some buyers have tired of postponing their purchase decisions and believe current pricing and the weakness in sterling already create attractive market conditions.

Nevertheless, as with PCL, heightened uncertainty around the Brexit outcome on 31st October may cause buyers to sit back again and wait.

Greater London Annual Data

	Average Annual Price	% Change	Annual Volume (all)	% Change
2008	£366,066	3.3	82,267	-50.9
2009	£370,131	0.3	77,264	-6.1
2010	£414,356	12.7	92,706	20.0
2011	£426,207	3.1	90,725	-2.1
2012	£444,229	4.2	95,598	5.4
2013	£478,948	7.5	111,206	16.3
2014	£522,999	9.3	118,872	6.9
2015	£541,836	3.5	113,081	-4.9
2016	£579,414	6.3	102,981	-8.9
2017	£607,800	5.9	92,793	-9.9
2018	£613,230	0.8	87,153	-6.1
2019	£625,694	2.0	84,970	-2.5
Last 12 months				

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: Feb 2019

Average Price	£731,772
Monthly % Change*	1.6
Quarterly % Change	-4.0
Annual % Change	1.0
Annual Volume of Sales	11,046
Quarterly % Change	-35.1
Annual % Change	-23.5

Proportion of Total Sales %	12.8
New Build Premium %	16.5

*based on 3 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 monthly prices have increased by 1.6% to £731,772. Annual growth, however, is down to just 1%.

Transactions are also down, with a 23.5% fall over the year. Quarterly transactions are down an even greater 35.1%. However, with the six-month time lag for Land Registry to register sales, the recent surge in buyer activity will not yet have been captured.

Nevertheless, the outlook remains difficult for developers. The new build share of the market has fallen from a peak of 17.7% to 12.8% and the price premium for new stock has fallen from a high of 21.7% to 16.5% currently.

ENGLAND AND WALES

(EXCLUDING GREATER LONDON)

MODEST RALLY IN PRICES AND SALES

- Average monthly prices for August in England and Wales (excl. new build) rose by 2.8% to £269,685.
- Annual price growth remains almost static at 1.1%, the weakest performance since 2012.
- Annual transactions increase by just 0.7% to 795,437
- This pick-up is due to a 26.8% surge in quarterly sales.
- New build[†] annual average prices rise 5.6% to £309,737, a 16.2% premium over existing stock.
- New build annual transactions continue to increase to 98,456, representing 12.5% of all sales.

E&W Residential Headlines: August 2019

Average Price (Excl. New Build)	£269,685
Monthly % Change*	2.8
Quarterly % Change	5.5
Annual % Change	1.1
Annual Volume of Sales	795,437
Quarterly % Change	26.8
Annual % Change	0.7

*based on 3 monthly rolling data each month

E&W Residential Monthly Data

	Avg Price*	Monthly Change %	Quarterly Change %	New Build [†] £ Premium %
Aug-18	£268,521	2.5	7.7	15.0
Sep-18	£270,725	0.8	6.5	15.0
Oct-18	£269,085	-0.6	2.7	14.9
Nov-18	£265,540	-1.3	-1.1	15.1
Dec-18	£263,609	-0.7	-2.6	15.4
Jan-19	£262,232	-0.5	-2.5	15.8
Feb-19	£260,086	-0.8	-2.1	16.2
Mar-19	£257,054	-1.2	-2.5	n/a
Apr-19	£255,576	-0.6	-2.5	n/a
May-19	£255,557	0.0	-1.7	n/a
Jun-19	£258,796	1.3	0.7	n/a
Jul-19	£262,234	1.3	2.6	n/a
Aug-19	£269,685	2.8	5.5	n/a

*Based on 3 monthly rolling data each month † 6-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:

The housing market in England and Wales (excl. Greater London) continues to show signs of a rally against a weak backdrop.

Average prices reached £269,685 in August with a very strong monthly increase of 2.8%. This has helped bring annual growth into positive territory at 1.1%, although this is the lowest pace of growth since 2012.

A marked increase in quarterly transactions of 26.8%, reflecting the upturn seen in Greater London and PCL has helped underpin prices.

It has also led to a modest increase in annual sales of 0.7%, after two years of decline. At 795,437, this is however, still 28% below the level seen pre-GFC in 2007 - a hefty reduction in the number of people buying their own home.

As the absence of a resolution on Brexit begins to create stresses on the economy, the short-term pick-up which has been seen may well be reversed.

E&W Residential Annual

	Average Annual Price	% Change	Annual Volume (all)	% Change
2008	£196,755	-1.2	567,331	-48.6
2009	£194,028	-2.3	555,772	-2.0
2010	£209,286	9.0	569,654	2.5
2011	£202,894	-3.1	569,517	0.0
2012	£204,512	0.8	581,455	2.1
2013	£208,355	1.6	679,880	16.9
2014	£219,405	5.5	801,153	17.8
2015	£230,507	4.9	803,733	0.3
2016	£240,805	4.9	817,943	1.8
2017	£251,139	4.2	811,813	-0.7
2018	£260,663	3.7	789,950	-2.7
2019	£263,563	1.1	795,437	0.7

Last 12 months

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

NEW BUILD:

E&W New Build Headlines: Feb 2019

Average Price	£309,737
Monthly % Change*	0.6
Quarterly % Change	2.1
Annual % Change	5.6
Annual Volume of Sales	98,456
Quarterly % Change	-11.0
Annual % Change	4.3

Proportion of Total Sales %	12.5
New Build Premium %	16.2

*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

The new build market in England and Wales outside Greater London continues to put in a solid performance. Average prices now stand at £309,737, representing annual growth of 5.6%. Both monthly and quarterly prices have increased as well, by 0.6% and 2.1% respectively.

Annual transactions have increased by 4.3%, although a quarterly fall of 11% may presage problems to come.

Currently, however, the new build share of the market remains almost constant at 12.5%, despite the price premium achieved being at an all-time high of 16.2%.

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