



## July 2019 Report

2nd September 2019

### PRIME CENTRAL LONDON (PCL)

#### BUYER MOMENTUM CONTINUES TO BUILD

- Average annual prices in July (excl. new build) show modest growth of 1.5% vs. 2018, standing at £1,909,015.
- However, monthly and quarterly prices have shown falls.
- Annual transactions now stand at 3,242. This represents a fall of 5%, the smallest decline since 2014.
- Quarterly transactions show an increase of 26.7%.
- New build† average prices rise annually by 9.3% to £3,425,886.
- Annual new build transactions stand at just 417, a fall of 52% from two years ago.

#### PCL Headlines: July 2019

<b>Average Annual Price (Excl. New Build)</b>	<b>£1,909,015</b>
Monthly % Change*	-6.1
Quarterly % Change	-3.3
Annual % Change	1.5
<b>Annual Volume of Sales</b>	<b>3,242</b>
Quarterly % Change	26.7
Annual % Change	-5.0

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

	Average Annual Price	% Change	Annual Volume (all)	% Change
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	£1,909,015	1.5	3,242	-5.0

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:

July data for Prime Central London (PCL) continues to show a slightly more encouraging picture.

Annual prices increased overall by 1.5% vs. 2018 to £1,909,015, although prices declined 3.3% over the quarter.

Annual transactions to July stand at 3,242, down to just 62 sales per week. This is fewer than the lowest point in the Global Financial Crisis.

There are indications however, that the fall in transactions is bottoming out. With a drop of just 5% over the year, this is the lowest fall since 2014. This has been buoyed by a surge in sales over the last quarter, reflecting the flurry of activity prior to the original Brexit deadline of March 29<sup>th</sup>.

An increase in activity normally presages price growth, although investors may hold back again to see if sterling weakens further, with the prospect of a no-deal Brexit.

#### NEW BUILD:

#### PCL New Build Headlines: Jan 2019

<b>Average Price</b>	<b>£3,425,886</b>
Monthly % Change*	0.1
Quarterly % Change	56.1
Annual % Change	9.3
<b>Annual Volume of Sales</b>	<b>417</b>
Quarterly % Change	-46.2
Annual % Change	-38.9

<b>Proportion of Total Sales %</b>	<b>12.6</b>
<b>New Build Premium %</b>	<b>50.8</b>

\*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 £3,425,886. This represents a 50.8% premium over existing stock. Whilst very strong, this has fallen from almost 70% six months previously.

Price growth has also dropped back to 9.3% from almost 60%, as several high value developments have completed with no equivalent transactions coming through yet.

Reflecting this, new build sales have fallen by 38.9% over the year to just 417, or eight a week, although a number of prestigious projects are in the pipeline.



## July 2019 Report

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### GREATER LONDON

#### MARKET CONTINUES TO RALLY

- Average prices in July (excl. new build) now stand at £644,746.
- This is a monthly rise of 3.1%, the strongest monthly performance since 2014.
- Annual prices increase by 1.9%, outperforming 2018.
- The fall in annual transactions has slowed to just 1.7%, to 85,701.
- Quarterly transactions have surged by 33.4%.
- New build† prices now stand at £720,448, an annual increase of 2.9% and a 17.4% premium over older stock.
- However, new build transactions continue to plummet with an annual fall of 20.1% to 11,591.

#### Greater London Headlines: July 2019

<b>Average Price (Excl. New Build)</b>	<b>£644,746</b>
Monthly % Change*	3.1
Quarterly % Change	4.6
Annual % Change	1.9
<b>Annual Volume of Sales</b>	<b>85,701</b>
Quarterly % Change	33.4
Annual % Change	-1.7

\*based on 3 monthly rolling data each month

#### Greater London Monthly Data (excl. new build)

	Avg Price*	Monthly Change %	Quarterly Change %	New Build† £ Premium %
Jul-18	£619,547	1.6	4.1	20.6
Aug-18	£624,203	0.8	4.2	20.4
Sep-18	£625,184	0.2	2.6	21.3
Oct-18	£617,575	-1.2	-0.3	21.7
Nov-18	£619,020	0.2	-0.8	19.9
Dec-18	£612,682	-1.0	-2.0	18.3
Jan-19	£613,026	0.1	-0.7	17.4
Feb-19	£607,526	-0.9	-1.9	n/a
Mar-19	£613,802	1.0	0.2	n/a
Apr-19	£616,488	0.4	0.6	n/a
May-19	£617,239	0.1	1.6	n/a
Jun-19	£625,506	1.3	1.9	n/a
Jul-19	£644,746	3.1	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 also shows signs of improvement in July.

Average prices for July stand at £644,746. Representing annual growth of 1.9%, this is a marked improvement over 2018. Monthly growth of 3.1% is the strongest seen since 2014.

On an annual basis, sales fell by just 1.7% to 85,701, which is the lowest rate of decline since 2014, when they peaked at 118,872. Quarterly transactions have risen by one third, following the trend seen in PCL.

Whilst these signs of recovery are good news for a market which has been languishing, greater political and economic certainty will, without doubt, reinforce this. At the moment, this appears to be in the balance.

Developers will certainly be watching carefully, having faced a difficult year, with annual sales down over 20%.

#### 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	£624,659	1.9	85,701	-1.7
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: Jan 2019

Average Price	£720,448
Monthly % Change*	-3.2
Quarterly % Change	0.8
Annual % Change	2.9
Annual Volume of Sales	11,591
Quarterly % Change	-26.1
Annual % Change	-20.1

Proportion of Total Sales %	13.4
New Build Premium %	17.4

\*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 prices now stand at £720,448. Annual growth is down to just 2.9%, following a run of double-digit increases.

Sales volumes are also down, with a 20.1% fall over the year.

Developers are still struggling against an unfriendly tax environment for buyers and the premium attached to new build stock, which while falling, is still at 17.4%.

There are consequently attractive opportunities for shrewd investors who can identify good assets and benefit from weak sterling and deep discounts.

### ENGLAND AND WALES

#### (EXCLUDING GREATER LONDON)

#### SIGNS OF A PICK UP

- Average prices for July in England and Wales (excl. new build) are £263,145.
- Monthly prices rise by 2.2%.
- Annual price growth remains almost static at 0.8%, the weakest performance since 2011.
- Annual transactions increase by 2.2% to reach 807,478 due to a surge in quarterly sales, reversing the fall in 2018.
- New build† annual average prices rise 4.9% to £308,411, a 15.8% premium over existing stock.
- New build annual transactions continue to increase to 98,922, rising to 12.6% of all sales.

#### E&W Residential Headlines: July 2019

Average Price (Excl. New Build)	£263,145
Monthly % Change*	2.2
Quarterly % Change	3.3
Annual % Change	0.8
Annual Volume of Sales	807,478
Quarterly % Change	30.8
Annual % Change	2.2

\*based on 3 monthly rolling data each month

#### E&W Residential Monthly Data

	Avg Price*	Monthly Change %	Quarterly Change %	New Build† £ Premium %
Jul-18	£262,013	3.1	5.2	14.9
Aug-18	£268,517	2.5	7.7	15.1
Sep-18	£270,718	0.8	6.5	15.0
Oct-18	£269,091	-0.6	2.7	14.9
Nov-18	£265,561	-1.3	-1.1	15.1
Dec-18	£263,663	-0.7	-2.6	15.4
Jan-19	£262,250	-0.5	-2.5	15.8
Feb-19	£259,847	-0.9	-2.2	n/a
Mar-19	£256,516	-1.3	-2.7	n/a
Apr-19	£254,800	-0.7	-2.8	n/a
May-19	£254,953	0.1	-1.9	n/a
Jun-19	£257,556	1.0	0.4	n/a
Jul-19	£263,145	2.2	3.3	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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Source - Land Registry - [Download formal LCPAca Residential Index methodology here](#)



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2nd September 2019

### ENGLAND AND WALES (EXCLUDING GREATER LONDON)

#### Naomi Heaton, CEO of LCP, comments:

The housing market in England and Wales (excl. Greater London) shows a more positive turn in July, following some time in the doldrums.

Average prices have reached £263,145 in July, a very strong monthly increase of 2.2%. This has brought annual growth into positive territory of 0.8%, albeit it is still the lowest pace of growth since 2011.

Underlying this potential rally is the marked increase in transactions, which are up 30.8% over the quarter, reflecting the upturn seen in Greater London and PCL.

This has resulted in annual sales exceeding 2018 by 2.2%, after two years of falls. Nevertheless, transactions are running at almost 27% below the level seen pre-GFC in 2007 which must be a matter of concern for the government's housing agenda.

On an upbeat note, annual new build sales have increased by 5.7%, reaching 98,922 and maintaining record heights.

#### 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	£262,752	0.8	807,478	2.2

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: Jan 2019

Average Price	£308,411
Monthly % Change*	1.4
Quarterly % Change	1.3
Annual % Change	4.9
Annual Volume of Sales	98,922
Quarterly % Change	10.3
Annual % Change	5.7

Proportion of Total Sales %	12.6
New Build Premium %	15.8

\*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 £308,411, representing annual growth of 4.9%. Both monthly and quarterly prices have increased as well, by 1.4% and 1.3% respectively.

Unlike the Greater London market, transactions continue to increase both over the year by 5.7% and 10.3% on a quarterly basis.

As a result, the new build share of the market is at a high of 12.6%, despite the fact the new build premium has increased to 15.8%.