



June 2019 Report

29th July 2019

PRIME CENTRAL LONDON (PCL)

TRANSACTIONS SURGE OVER THE QUARTER

- Average annual prices in June (excluding new build) in PCL remain stable versus 2018, standing at £1,878,004.
- Prices rise 2.7% over the quarter.
- Annual transactions fall by 13.1% and stand at 3,244, still lower than during the Global Financial Crisis.
- However, quarterly transactions show an increase of 23% to 890.
- New build† average prices rise to £3,419,389, a premium over existing stock of 54.5%, down from 68.2%.
- Annual new build transactions stand at just 455, a fall of 48% from two years ago.

PCL Headlines: June 2019

Average Annual Price (Excl. New Build)	£1,878,004
Monthly % Change*	-2.2
Quarterly % Change	2.7
Annual % Change	-0.2
Annual Volume of Sales	3,244
Quarterly % Change	23.0
Annual % Change	-13.1

*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	£1,096,189	6.9	5,794	-4.4
2012	£1,267,688	16.6	5,560	-4.0
2013	£1,437,463	13.4	6,290	13.1
2014	£1,645,964	14.9	6,231	-0.9
2015	£1,542,985	-6.2	5,036	-19.2
2016	£1,691,053	6.6	4,581	-9.0
2017	£1,770,480	7.7	4,083	-10.9
2018	£1,881,986	5.5	3,409	-16.5
2019	£1,878,004	-0.2	3,244	-13.1

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:

Average annual prices in Prime Central London (PCL) in June stand at £1,878,004 – a static picture versus 2018. Whilst there has been a monthly fall of 2.2%, quarterly prices have risen 2.7%.

Annual transactions to June stand at just 3,244, a drop of 13.1% annually, with just 63 sales per week. Transactions are still 12.5% less than the very lowest point in the Global Financial Crisis.

However, in the short term there has been a marked quarterly increase of 23%. This improvement has been echoed anecdotally with reported increases in buyers and offers.

With property listings thin on the ground, there is more competition for good quality stock. Nevertheless, exceptional value can still be found in the current market, especially for dollar denominated investors.

NEW BUILD:

PCL New Build Headlines: Dec 2018

Average Price	£3,419,389
Monthly % Change*	8.3
Quarterly % Change	42.3
Annual % Change	33.9
Annual Volume of Sales	455
Quarterly % Change	-24.9
Annual % Change	-31.3

Proportion of Total Sales %	13.3
New Build Premium %	54.5

*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 £3,419,389. This represents an increase of 33.9% over the year and a 54.5% premium over existing stock.

Whilst still very strong, the premium has fallen from almost 70% six months previously. Price growth has also dropped back from a high of almost 60%. This is due to a number of high value new build sales being completed with no equivalent transactions currently coming through.

This is also illustrated by the dramatic 31.3% fall in transactions over the year to 455, just nine new build sales a week.

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

MARKET SHOWS SIGNS OF IMPROVEMENT

- Average prices in Greater London (excluding new build) now stand at £624,241
- This is a monthly rise of 1.7%, the strongest performance over the year.
- Annual prices increase by 1%.
- Annual transactions fall by 4.2% to just 84,634, 27.1% lower than at the EU Referendum in June 2016.
- Quarterly transactions, however, increase by 14.2%
- New build† prices now stand at £745,598, an annual increase of 6.3% and an 18.3% premium over old stock.
- However, new build transactions continue to plummet to 12,051, a fall of 17.5%.

Greater London Headlines: Jun 2019

Average Price (Excl. New Build)	£624,241
Monthly % Change*	1.7
Quarterly % Change	1.8
Annual % Change	1.0
Annual Volume of Sales	84,634
Quarterly % Change	14.2
Annual % Change	-4.2

*based on three monthly rolling data each month

Greater London Monthly Data (excl. new build)

	<i>Avg Price*</i>	<i>Monthly Change %</i>	<i>Quarterly Change %</i>	<i>New Build† £ Premium %</i>
Jun-18	£609,651	1.7	1.1	19.8
Jul-18	£619,609	1.6	4.1	20.6
Aug-18	£624,313	0.8	4.2	20.3
Sep-18	£625,361	0.2	2.6	21.3
Oct-18	£617,785	-1.2	-0.3	21.7
Nov-18	£619,362	0.3	-0.8	19.9
Dec-18	£613,325	-1.0	-1.9	18.3
Jan-19	£613,810	0.1	-0.6	n/a
Feb-19	£607,857	-1.0	-1.9	n/a
Mar-19	£613,068	0.9	0.0	n/a
Apr-19	£615,571	0.4	0.3	n/a
May-19	£613,978	-0.3	1.0	n/a
Jun-19	£624,241	1.7	1.8	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

Naomi Heaton, CEO of LCP, comments:

Average prices in Greater London for June stand at £624,241. This represents an increase of 1.7% for the month and the strongest performance over the year. Annual prices have increased by 1% over 2018.

Quarterly transactions have followed suit with PCL, albeit not as dramatically, rising by 14.2%. On an annual basis, sales fell by 4.2% which is the lowest rate of decline since 2014.

Whilst there are signs of an improving market, London property faces further headwinds. The new Tory leadership and a 'do or die' stance on exiting the EU by October 31st may bring further uncertainty to our political climate.

What impact this will make is far too early to tell, but it may dampen the rally we are beginning to see.

Greater London Annual Data

	<i>Average Annual Price</i>	<i>% Change</i>	<i>Annual Volume (all)</i>	<i>% Change</i>
2008	£366,061	3.3	82,265	-50.9
2009	£370,128	0.3	77,265	-6.1
2010	£414,360	12.7	92,704	20.0
2011	£426,207	3.1	90,725	-2.1
2012	£444,186	4.2	95,597	5.4
2013	£478,939	7.5	111,203	16.3
2014	£523,008	9.3	118,867	6.9
2015	£541,811	3.5	113,075	-4.9
2016	£579,414	6.3	102,977	-8.9
2017	£607,814	5.9	92,781	-9.9
2018	£613,467	0.8	87,114	-6.1
2019	£619,474	1.0	84,634	-4.2
<i>Last 12 Months</i>				

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: Dec 2018

Average Price	£745,598
Monthly % Change*	-2.3
Quarterly % Change	8.2
Annual % Change	6.3
Annual Volume of Sales	12,051
Quarterly % Change	-17.0
Annual % Change	-17.5

Proportion of Total Sales %	13.8
New Build Premium %	18.3

*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 £745,598. With growth of 6.3% over the year, the sector is outperforming price growth of existing property. However, this month sees a fall of 2.3%.

Sales volumes continue to see significant falls of 17.0% quarterly and 17.5% annually to 12,051.

New build transactions took a while to respond to changes in the tax landscape and the 2016 Referendum, due to the number of forward off-plan purchases. However, they are now down 28.7% from their high point, resulting in the proportion of new build sales falling to 13.8% from 17.7%.

ENGLAND AND WALES

(EXCLUDING GREATER LONDON)

PRICES STAGNATE AND TRANSACTIONS FALL AT FASTEST RATE SINCE 2008

- Average prices in England and Wales (excluding new build) stand at £255,050.
- Monthly prices rise by 0.9%
- Annual price growth is almost static at 0.3%, the weakest performance since 2011.
- Annual transactions fall 2.5% to 781,005, their lowest level since 2013.
- Bucking the trend, new build[†] annual average prices rise 4.4% to £303,977, a 15.3% premium over existing stock.
- New build annual transactions stand at 98,563, an annual rise of 5.8%.

E&W Residential Headlines: Jun 2019

Average Price (Excl. New Build)	£255,050
Monthly % Change*	0.9
Quarterly % Change	-0.1
Annual % Change	0.3
Annual Volume of Sales	781,005
Quarterly % Change	13.0
Annual % Change	-2.5

*based on three monthly rolling data each month

E&W Residential Monthly Data

	Avg Price*	Monthly Change %	Quarterly Change %	New Build [†] £ Premium %
Jun-18	£254,242	2.0	1.2	14.8
Jul-18	£262,250	3.1	5.3	14.9
Aug-18	£268,863	2.5	7.9	15.0
Sep-18	£271,075	0.8	6.6	15.0
Oct-18	£269,437	-0.6	2.7	14.9
Nov-18	£265,991	-1.3	-1.1	15.1
Dec-18	£263,938	-0.8	-2.6	15.3
Jan-19	£262,133	-0.7	-2.7	n/a
Feb-19	£259,174	-1.1	-2.6	n/a
Mar-19	£255,323	-1.5	-3.3	n/a
Apr-19	£253,425	-0.7	-3.3	n/a
May-19	£252,837	-0.2	-2.4	n/a
Jun-19	£255,050	0.9	-0.1	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:

Whilst many commentators are reporting that the regions are still seeing strong price growth, this has not been reflected in the overall picture for England and Wales.

Average prices in England and Wales (excluding Greater London) stand at £255,050 for June. This represents a quarterly fall of 0.1% and negligible annual growth of 0.3%, the lowest rate since 2011.

Transactions, in any event, are perhaps a better barometer of buyer sentiment. Changes to property tax and political uncertainty hit London earliest and hardest, but the rest of the UK has not been unaffected.

Despite a 13.0% rise over the last quarter, annual transactions have fallen at the fastest rate since the Global Financial Crisis (GFC), decreasing 2.5% this year to 781,005. This is the third successive year of falls with transactions 29.2% lower than before the GFC. Any economic fallout from Brexit may significantly worsen the picture.

E&W Residential Annual

	<i>Average Annual Price</i>	<i>% Change</i>	<i>Annual Volume (all)</i>	<i>% Change</i>
2008	£196,754	-1.2	567,325	-48.6
2009	£194,027	-2.3	555,761	-2.0
2010	£209,286	9.0	569,646	2.5
2011	£202,892	-3.1	569,511	0.0
2012	£204,511	0.8	581,450	2.1
2013	£208,356	1.6	679,871	16.9
2014	£219,404	5.5	801,140	17.8
2015	£230,506	4.9	803,712	0.3
2016	£240,806	4.9	817,914	1.8
2017	£251,137	4.2	811,706	-0.8
2018	£260,859	3.8	795,693	-2.0
2019	£261,745	0.3	781,005	-2.5
<i>Last 12 Months</i>				

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: Dec 2018

Average Price	£303,977
Monthly % Change*	0.2
Quarterly % Change	-1.2
Annual % Change	4.4
Annual Volume of Sales	98,563
Quarterly % Change	34.5
Annual % Change	5.8

Proportion of Total Sales %	12.4
New Build Premium %	15.3

**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 performance of the new build sector is currently the most positive story.

New build average prices now stand at £303,977. Whilst quarterly prices have fallen by 1.2% and the monthly figure remains stagnant at just 0.2%, annual growth is 4.4%.

Transactions have also recorded positive growth over the year of 5.8%, with a quarterly spike of 34.5%. As a result, the new build premium has increased to 15.3% and the new build share of the market is at a high of 12.4%.

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