



April 2019 Report

20th May 2019

PRIME CENTRAL LONDON (PCL)

SURGE IN BUYERS TO BEAT BREXIT “DEADLINE”

- Average annual prices in April (excluding new build) in PCL now stand at £1,930,472.
- Prices rise by 13.2% over the quarter.
- Annual transactions stand at just 3,295, a fall of 16.0%.
- Quarterly transactions see a surge of 24.7%.
- New build† average prices rise to £2,198,662, a 61.8% premium over existing stock.
- New build transactions stand at just 580, an annual fall of 18%.

PCL Headlines: Apr 2019

Average Price*(Excl. New Build)	£1,930,472
Quarterly % Change	13.2
Annual % Change	7.4
Annual Volume of Sales	3,295
Quarterly % Change	24.7
Annual % Change	-16.0

*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	£1,772,258	7.8	4,083	-10.9
2018	£1,883,098	5.5	3,392	-16.9
Last 12 Months	£1,930,472	7.4	3,295	-16.0

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

Naomi Heaton, CEO of LCP, comments:

Annual transactions in Prime Central London (PCL) in April are just above the record lows seen in the last two months and now stand at 3,295. This is a fall of 16.0% annually amounting to just 63 sales per week on average.

Despite this glum picture, transactions have seen an almost 25% increase over the last quarter. This has translated into a spike in prices of 13.2%. On an annual basis, average prices now stand at £1,930,472.

This can be attributed to increased activity seen since last December. Investors came back into the market to capitalise on weak sterling and suppressed prices, before an anticipated uptick post the intended 29th March deadline to exit the EU. Now that the government has kicked ‘the can down the road’, this flurry appears to have subsided.

It is therefore difficult to tell whether we are seeing the green shoots of a market recovery or a false dawn. Nevertheless, it is indicative of the weight of money waiting to return to the market.

NEW BUILD:

PCL New Build Headlines: Oct 2018

Average Price*	£2,198,662
Quarterly % Change	-33.8
Annual % Change	53.8

Annual Volume of Sales	580
Quarterly % Change	77.3
Annual % Change	-18.0
Proportion of Total Sales %	16.1
New Build Premium %	61.8

*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 £2,198,662. This represents an increase of 53.8% over the year and a 61.8% premium over existing stock.

This is the result of several super-prime developments in the last 12 months pushing average new build prices to record levels. However, now these high value sales have been completed, quarterly prices have dropped by 33.8%.

On an annual basis, transactions have also fallen by 18%. Whilst there was a quarterly spike of 77.3%, equivalent to 96 sales, this was on the back of a very weak preceding quarter. Annual sales stand at just 580. This is an average of just 11 new build units changing hands each week - a bitter pill for developers to swallow.

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

NEW BUILD SALES PLUMMET IN WEAKENING MARKET

- Average prices in Greater London (excluding new build) now stand at £635,815.
- This is a monthly rise of 3.7%.
- Annual prices increase by 2.5%.
- Annual transactions fall by 4.6% to just 85,898, 26.0% lower than at the EU Referendum in June 2016.
- New build[†] prices now stand at £714,297, representing a 21.8% premium over existing stock and an annual increase of 14.4%
- However, new build transactions are falling much faster than existing stock at 15.2% annually, to 12,900.

Greater London Headlines: Apr 2019

Average Price*(Excl. New Build)	£635,815
Monthly % Change	3.7
Quarterly % Change	3.3
Annual % Change	2.5
Annual Volume of Sales	85,898
Quarterly % Change	-2.9
Annual % Change	-4.6

*based on three monthly rolling data each month

Greater London Monthly Data (excl. new build)

	Avg Price*	Monthly Change %	Quarterly Change %	New Build † £ Premium %
Apr-18	£595,315	-1.3	-1.6	20.0
May-18	£599,396	0.7	-1.2	19.6
Jun-18	£609,667	1.7	1.1	19.9
Jul-18	£619,878	1.7	4.1	20.7
Aug-18	£624,578	0.8	4.2	20.5
Sep-18	£625,604	0.2	2.6	21.5
Oct-18	£617,936	-1.2	-0.3	21.8
Nov-18	£620,536	0.4	-0.6	n/a
Dec-18	£614,642	-0.9	-1.8	n/a
Jan-19	£615,431	0.1	-0.4	n/a
Feb-19	£607,569	-1.3	-2.1	n/a
Mar-19	£612,836	0.9	-0.3	n/a
Apr-19	£635,815	3.7	3.3	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 April are £635,815. This represents a rise of 3.7% over the month, and a very modest annual increase of 2.5%.

Transactions, however, dropped by 2.9% over the quarter and 4.6% over the year as continued Brexit uncertainty takes its toll on the domestic market.

With no real prospect of an immediate improvement to the economy in the face of Brexit headwinds, it appears that for the time being, buyers are still holding fire until they have a clearer picture of the UK's direction of travel.

Greater London Annual Data

	Average Annual Price	% Change	Annual Volume (all)	% Change
2008	£366,061	3.3	82,265	-50.9
2009	£370,123	0.3	77,262	-6.1
2010	£414,362	12.7	92,703	20.0
2011	£426,200	3.1	90,721	-2.1
2012	£444,197	4.2	95,590	5.4
2013	£478,943	7.5	111,200	16.3
2014	£523,003	9.3	118,862	6.9
2015	£541,739	3.4	113,074	-4.9
2016	£579,402	6.3	102,968	-8.9
2017	£607,919	5.9	92,746	-9.9
2018	£613,951	0.9	86,799	-6.4
Last 12 Months	£622,256	2.5	85,898	-4.6

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

NEW BUILD:

Greater London New Build Headlines: Oct 2018

Average Price*	£714,297
Quarterly % Change	6.2
Annual % Change	14.4

Annual Volume of Sales	12,900
Quarterly % Change	-26.6
Annual % Change	-15.2
Proportion of Total Sales %	14.7
New Build Premium %	21.8

*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

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GREATER LONDON

NEW BUILD:

New build average prices now stand at £714,297, an increase of 6.2% over the quarter. Annual prices have seen a significant rise of 14.4% and new builds are now selling at a 21.8% premium over existing stock.

Transactions, however, paint a different picture with falls of 26.6% over the quarter and 15.2% annually.

The fall in sales is very disappointing given the government's commitment to increasing housing stock. Most likely, it is the result of the significant premium new builds charge.

ENGLAND AND WALES

(EXCLUDING GREATER LONDON)

ENGLAND AND WALES CATCH BREXIT COLD

- Average prices in England and Wales (excluding new build) stand at £253,522.
- Monthly prices fall by 0.8% and quarterly prices fall 2.4%.
- Annual transactions continue to fall by 0.3% and now stand at 800,091.
- Quarterly transactions fall by 6.5%.
- New build† prices stand at £304,140 rising annually by 3.9%, representing a 14.9% premium over existing stock.
- New build annual transactions stand at 97,035, an annual rise of 5.3%.
- Quarterly new build transactions plummet by 17.3%.

E&W Residential Headlines: Apr 2019

Average Price*(Excl. New Build)	£253,522
Monthly % Change	-0.8
Quarterly % Change	-2.4
Annual % Change	3.3
Annual Volume of Sales	800,091
Quarterly % Change	-6.5
Annual % Change	-0.3

*based on three monthly rolling data each month

E&W Residential Monthly Data

	<i>Avg Price*</i>	<i>Monthly Change %</i>	<i>Quarterly Change %</i>	<i>New Build† £ Premium %</i>
Apr-18	£249,198	-0.9	-1.0	14.8
May-18	£249,312	0.0	-1.0	14.8
Jun-18	£254,273	2.0	1.2	14.9
Jul-18	£262,261	3.1	5.2	14.9
Aug-18	£268,852	2.5	7.8	15.0
Sep-18	£270,958	0.8	6.6	15.0
Oct-18	£269,121	-0.7	2.6	14.9
Nov-18	£265,177	-1.5	-1.4	n/a
Dec-18	£262,342	-1.1	-3.2	n/a
Jan-19	£259,827	-1.0	-3.5	n/a
Feb-19	£256,701	-1.2	-3.2	n/a
Mar-19	£255,496	-0.5	-2.6	n/a
Apr-19	£253,522	-0.8	-2.4	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 £253,522 for April. This represents a monthly fall of 0.8% and a fall of 2.4% over the quarter. Annual growth is now at its lowest since 2013.

Average prices have been on a downward trajectory now for seven consecutive months. Where previously England and Wales had not shown the same signs of Brexit jitters as the capital, it appears that this is no longer the case.

Annual transactions are stuttering with a sizable drop of 6.5% over the quarter and 0.3% annually. These figures will not come as a surprise, with Rightmove recently reporting that 28% of listings have sat on the sales market for more than six months.

With a common consensus about Brexit appearing to be some way off with the collapse of cross-party talks, there may be little short term improvement to the status quo.

E&W Residential Annual

	<i>Average Annual Price</i>	<i>% Change</i>	<i>Annual Volume (all)</i>	<i>% Change</i>
2008	£196,751	-1.2	567,313	-48.6
2009	£194,023	-2.3	555,735	-2.0
2010	£209,284	9.0	569,634	2.5
2011	£202,892	-3.1	569,491	0.0
2012	£204,510	0.8	581,442	2.1
2013	£208,355	1.6	679,850	16.9
2014	£219,403	5.5	801,105	17.8
2015	£230,505	4.9	803,671	0.3
2016	£240,809	4.9	817,838	1.8
2017	£251,134	4.2	811,409	-0.8
2018	£260,419	3.6	791,951	-2.4
<i>Last 12 Months</i>	£261,246	3.3	800,091	-0.3

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: Oct 2018

Average Price*	£304,140
Quarterly % Change	0.6
Annual % Change	3.9

Annual Volume of Sales	97,035
Quarterly % Change	-17.3
Annual % Change	5.3
Proportion of Total Sales %	12.2
New Build Premium %	14.9

**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 £304,140, with both quarterly and annual growth outperforming existing stock. Nevertheless, at just 3.9% this is the lowest annual growth since 2012.

Transactions, however, see a seismic quarterly fall of 17.3% as economic uncertainty prevails.

Overall new build sales have been holding up better than in London, although the drop in quarterly transactions may augur a more difficult time ahead.