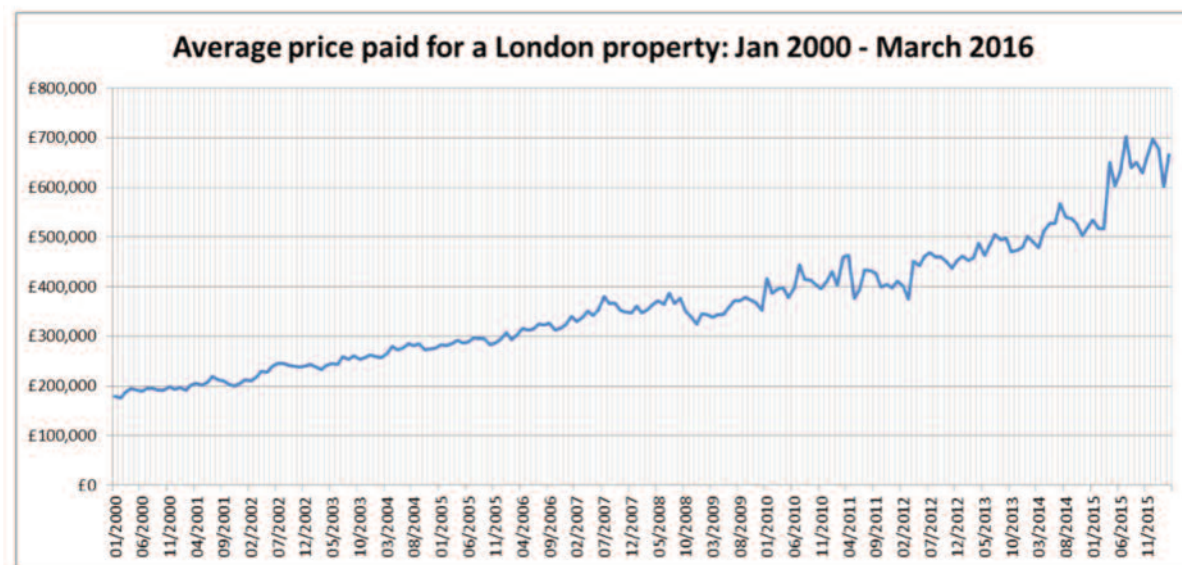


# London property price trends revealed



A Martian landing in London today would fast realise that the capital's number one obsession is property prices. It is just inescapable that for most Londoners, incomes have not kept pace with property prices and they have become poorer.

The average price of a London home in January 2000 was £179,821. In March 2016, it was £625,120. Even allowing for inflation from 2000-2015, the average home would be costing just over £270,000. No wonder then that London's prospective first time buyers need a minimum annual income of £77,000, or three times the national average to get a mere foot on the property ladder.

Yet within these datasets from the Land Registry, a different story emerges, made only possible by the creation of a highly capable geospatial database, which goes far beyond any public facing property website - [www.ukcrimestats.com](http://www.ukcrimestats.com).

And the planning implications are huge. Few would doubt that had London increased the build rate of housing instead of reducing it, at a time when the population increased by 1.7

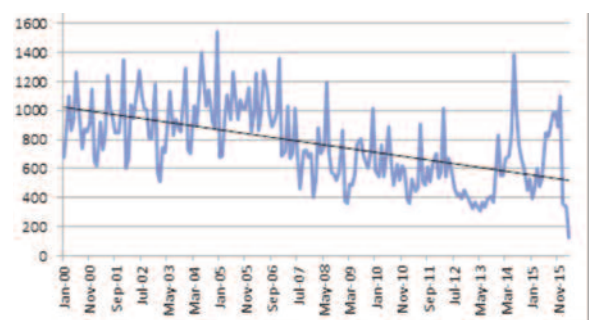
million, living in London would be much more affordable. But as this chart shows, the trend level of new homes completed each month since the turn of the century is clearly downwards.

The source for this information is a database is now available on [www.ukcrimestats.com](http://www.ukcrimestats.com) – the leading crime and post-code data research and analysis platform. And in a new report for the Economic Policy Centre, "London's Property Price Trends Revealed" quite a different and more nuanced picture emerges.

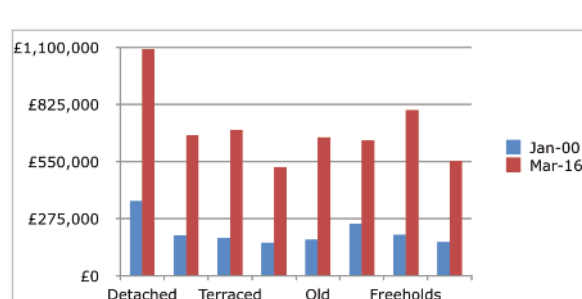
*PiL* readers will appreciate that the average home price is a very crude indicator. It is far better to look closer at the data and break it down by property category to see where the most and least inflationary pressure has been. And indeed, as we will discover, the nation's capital still has pockets of affordability in long neglected areas that are on the verge of a renaissance.

With the rush to avoid stamp duty increases, March 2016 was not a typical month with approximately double the usual

London's declining rate of new properties sold from 2000 to March 2016



Average price paid per London property type in January 2000 and March 2016



Dan Lewis is Chief Executive of the Economic Policy Centre and Director of UKCrimeStats.com, and Senior Infrastructure Adviser to the Institute of Directors

## The lowest and highest cost Boroughs to own a home in between April 2014 and March 2016

Rank	London Borough	Detached	Semi-Detached	Terraced	Flats/Maisonettes
1	Barking and Dagenham Borough Council	£334,275	£281,859	£257,879	£170,295
2	Bexley Borough Council	£486,920	£345,605	£283,640	£182,019
3	Havering Borough Council	£542,729	£349,687	£284,119	£195,211
4	Newham Borough Council	£463,452	£366,426	£330,658	£264,367
5	Croydon Borough Council	£612,253	£407,510	£322,812	£227,490
29	Hammersmith and Fulham Borough Council	£2,869,250	£1,868,691	£1,464,007	£681,557
30	Camden Borough Council	£4,640,440	£2,789,878	£1,900,483	£762,804
31	Westminster City Council	£5,663,269	£4,286,667	£3,320,094	£1,276,305
32	Kensington and Chelsea Borough Council	£10,231,111	£7,636,730	£4,220,529	£1,463,507
33	City of London Corporation	£0 – N/A	£6,350,000	£4,066,857	£872,477

number of property transactions and the most –perhaps ominously - nationwide since November 2007. However, viewed over time since 2000, by far the greatest increase in price has been in freehold properties, followed by terraced homes and then by Flats.

To understand where the most affordable living in London is today, we can break the data down to much smaller areas and London's planners should take note of where they are.

Of London's 33 Boroughs, the most affordable based on 2

years of property transactions from April 2014 to March 2016, is Barking and Dagenham. No wonder the outgoing Mayor, Boris Johnson was so keen to build there with developments like Barking Riverside and Beam Park. While perhaps unsurprisingly, the most expensive boroughs are Westminster, Camden and Hammersmith.

Viewed at a nearly four times smaller scale still with Postcode Districts, out of 110, we can determine some key traits. SE28, currently the cheapest postcode district to live in >>>

## London's cheapest Postcode Districts from Jan 2014 to Dec 2015:

District	Region	Detached	Semi-Detached	Terraced	Flats/Maisonettes	All Types
SE28	Thamesmead	£262,200	£246,103	£228,285	£190,780	£213,025
SE2	Abbey Wood	£349,545	£299,414	£266,609	£164,000	£252,860
SE25	Croydon	£422,000	£366,286	£315,880	£196,950	£259,048
N18	Upper Edmonton	£327,333	£314,448	£287,500	£169,107	£261,832
E13	Plaistow	£406,250	£307,364	£289,121	£199,870	£263,722

## London's leading new build properties sold by Postcode District 2014-15

Rank	PD	Region	New properties
1	<a href="#">E14</a>	Tower Hamlets	2437
2	<a href="#">SE1</a>	Southwark	929
3	<a href="#">NW9</a>	Barnet	903
4	<a href="#">N1</a>	Hackney	787
5	<a href="#">E3</a>	Tower Hamlets	783

## London's leading Postcode Districts by total transactions value 2014-15

Rank	Postcode District	Region	Detached	Semi-Detached	Terraced	Flats/ Maisonettes
1	<a href="#">SW6</a>	Hammersmith and Fulham	£61,211,000	£246,398,000	£3,353,893,000	£2,881,889,000
2	<a href="#">SW3</a>	Kensington and Chelsea	£60,466,000	£146,745,000	£2,640,010,000	£2,589,697,000
3	<a href="#">NW3</a>	Camden	£697,157,000	£649,459,000	£1,004,888,000	£3,085,757,000
4	<a href="#">W2</a>	Westminster	£106,507,000	£131,295,000	£988,827,000	£3,799,387,000
5	<a href="#">SW11</a>	Wandsworth	£55,649,000	£254,256,000	£2,116,418,000	£2,535,633,000

>>> in London, has been slated for redevelopment by Peabody, principally of the Thamesmead estate. Abbey Wood seems poised for take-off with a Crossrail connection going live in 2018. Croydon meanwhile, has been transformed in a few short years from the butt of many jokes to a new kind of towering metropolis, driven in part by the redevelopment of East Croydon station, a tram and the Overground connection with West Croydon. The cheapest areas are seemingly in the vanguard of London's planned development.

Now if we look at which areas over the last 5 years (Jan 2010 to Dec 2015) have seen the most property sales, once again the findings are stark.

There is a clear mixture of new build and speculative capital ranging from Croydon to Fulham. But when we look to see which areas have had the most new properties built and sold, there is a very clear bias towards the city centre and emphatically not in the most expensive areas of London. As the table shows, the top five areas measured by the total value of transactions, are not where the new build is happening.

So, all in all, London's development is not matching demand, but it is following a kind of logic. Previously declining areas that are the cheapest are being redeveloped like Croydon

and Woolwich, helped by fast new transport links. Dramatic new build rates have been taking place close to the City particularly in a still deprived Tower Hamlets. And the near impossibility of new build in Kensington, Chelsea and Fulham has led to the basement phenomenon and runaway property inflation based on short supply.

But we have only just got started. Planning for London's population growth of up to 2 million more by 2030 is perhaps the biggest and most demanding headache for London's new Mayor, Sadiq Khan.

Central to that question will be the affordability, location and quantity of the housing stock and how best to connect up transport infrastructure and the new social infrastructure of schools, hospitals and public amenities that will be required.

If we are to maintain the green belt, the logical next step appears to be to densify the suburbs. But this runs the risk of destroying their essential character and quality of life, not least having a garden. Access to green spaces is more useful and tangible to most people than cordoned off green belt land.

So perhaps London's future economy will inevitably be served even more by long distance commuters and the development of some more green belt land. ■