



“The UK’s most in-depth housing market survey by far”

hometrack’s Monthly London Survey: April 2003

London House Prices Continue Downward Spiral

Increasing supply and falling numbers of buyers leaves a depressed market heading for further price falls over the coming months.

Hometrack’s April monthly survey of London properties reveals house prices are continuing to deflate, with a **0.1% fall** seen this month. This follows last month’s **-0.2%** change. The last rise seen in average London house prices was in October last year.

Twenty boroughs reported house price falls, **eight** saw **no change** while **five boroughs** reported house price rises.

The **largest falls** occurred in **Dagenham and Barking** (-0.8%), **Kensington and Chelsea** (-0.7%), **Merton** (-0.5%) and **Camden** (-0.5%). The only boroughs reporting house price rises were **Tower Hamlets** (0.2%) and **Brent, Greenwich** and **Hounslow**, all with **0.1%** change for the month.

Price falls are still widespread across London, but boroughs with higher than average property values – those towards the centre – tend to be the ones reporting the largest falls. The **ten boroughs** with the largest falls have an average property value of **£263,610**, whereas the **ten boroughs** with stable or rising prices have an average value of **£208,750**. The average house price for London as a whole is **£230,500**.

Hometrack’s unique **London Demand Index™** reveals an excess in supply of properties for the sixth month in succession. Demand has been falling since June last year. April’s **9%** seasonal increase in the number of **new properties** for sale contrasts sharply with a **1% fall** in the number of **new buyers** registered.

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Prices achieved as a percentage of asking price fell for the **tenth month** in succession to **91%** - the lowest ever recorded in Hometrack's history – providing more evidence that house price falls are likely to continue in the Capital. It is currently taking an average of **5.8 weeks** to sell a property, with an average of **17.4 viewings** per sale.

John Wriglesworth, **hometrack's** housing economist, comments: *"The London housing market has again shown signs of embedded weakness. Lenders' policies of limiting loan sizes to around 3.5 times income and the Iraqi war have meant that the Capital has experienced an uncertain past few months. However, with the stock markets continuing an upward trend since the beginning of the month, the future prospects for jobs and the Capital's economy are looking better. Negative inflation will undoubtedly continue in some areas, but we should slowly see signs of a more healthy market returning to areas away from the centre.*

"We continue to forecast -5.0% in London house price deflation this year."

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Editor's Notes:

hometrack.co.uk: Established in 1999, **hometrack.co.uk** is focused on products and services for business and consumers in the residential property market. hometrack is differentiated by:

- A unique Housing Database that provides the latest market information at the postcode level including property prices and trends, allowing area profiling, neighbourhood and property scoring. Over 7,500 reports are received monthly from 4,000 agents.

- A unique Estate Agent Database that included full profiles of every agency in England & Wales based on a mystery shopping exercise of over 12,000 agencies. The top 30% have been asked to contribute data to the Housing Database.
- Hometrack also provides a range of products and services to Hometrack Approved Agents that enhance their service and help generate additional revenue

John Wriglesworth, BSc (Econ), MPhil, DPhil (Oxford): John has three university economics degrees and was Director of Housing Market research at UBS Ltd (formerly UBS Philips & Drew) for seven years, where he was universally acknowledged as the UK's leading housing market expert. He is a regular contributor to the Financial Mail on Sunday.

hometrack London Survey™: hometrack's housing market data is collected monthly from over 900 estate agents across London, based on their own respective latest monthly information on house prices (by type of house), number of sales, growth in buyers and registered properties for sale. It is without doubt the most comprehensive and up to date survey of the London housing market undertaken with an estimated sample size representing half of its total market.

hometrack Housing Demand Index™: each month hometrack.co.uk tracks the difference between the number of buyers registered with estate agents and the number of properties for sale (active instructions). A widening of the gap between buyers and properties for sale indicates excess demand, which will inevitably lead to house prices being bid up in the market.

TABLE 1: London survey by large areas – April 2003

Region	Weighted Overall Average Price	Weighted Overall Average Price Change	Terraced property price	Semi-detached property price	Detached property price	Flat/Maisonette price
Central London & City	£424,000	-0.4	£1,014,300	£1,419,200	£2,770,500	£359,300
London - East	£172,000	-0.1	£173,000	£206,100	£371,700	£141,100
London - North	£232,900	-0.3	£250,000	£286,900	£502,800	£191,400
London - North West	£251,500	-0.2	£242,500	£264,900	£451,900	£193,600
London - South East	£185,800	0.0	£188,600	£209,700	£350,500	£152,600
London - South West	£243,900	-0.1	£253,800	£257,200	£396,600	£186,700
London - West	£232,300	0.0	£244,400	£250,600	£404,100	£182,400
Greater London	£230,500	-0.1	£232,500	£244,600	£411,300	£195,500

Region	Change in number of new properties listed	Change in no. of sales agreed	Sales price as a % of asking price	Change in number of new buyers registered	Time taken to sell	Average number of viewings per sale	Percentage downvalued by surveyors
Central London & City	3.9	-1.4	88.4	0.8	7.6	20.1	1.0
London - East	11.1	1.1	90.8	-2.2	4.8	15.7	3.0
London - North	7.6	2.4	91.4	-4.4	5.3	18.4	2.0
London - North West	9.4	-6.9	90.2	-4.8	5.4	17.1	3.0
London - South East	9.9	13.0	92.0	1.2	6.2	15.7	2.0
London - South West	7.5	18.3	90.7	-0.9	6.3	19.2	2.0
London - West	9.5	8.9	91.7	3.1	5.6	17.3	1.0
Greater London	8.8	7.0	91.0	-0.9	5.8	17.4	2.0

TABLE 2: Key housing market statistics – April survey

London House Prices: average rise over the month	-0.1%
London House Prices: Rise over this year to date	-0.4%
hometrack's London house price inflation forecast for 2003 ¹	-5.0%
Consensus forecast for National (UK) House price rises for 2003 ²	9.5%

¹ hometrack National house prices relate to the weighted, aggregated, regional house prices in England & Wales

² Consensus estimate for National (UK) House price rises relate to the current National estimates of the Nationwide and Halifax

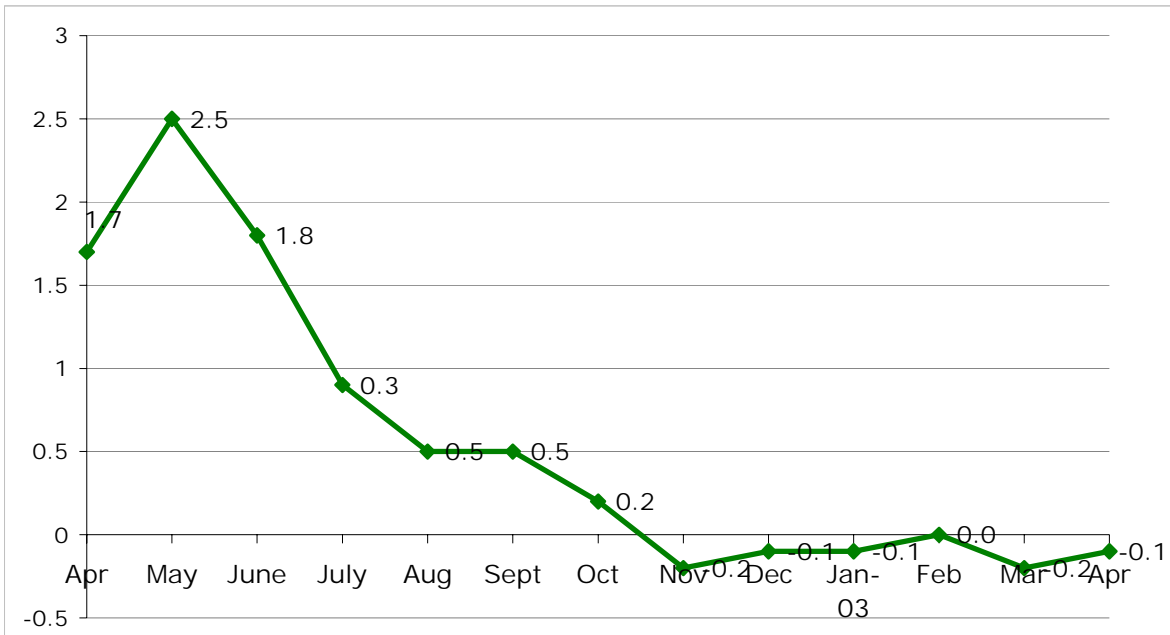
TABLE 3: Hot and Not Spots - London's best and worst performing boroughs

Top 5	
Borough	Weighted Overall Average Price Change
Tower Hamlets	0.2
Brent	0.1
Greenwich	0.1
Hounslow	0.1
Bexley	0.0
Bottom 5	
Borough	Weighted Overall Average Price Change
Islington	-0.4
Camden	-0.5
Merton	-0.5
Kensington & Chelsea	-0.7
Barking & Dagenham	-0.8

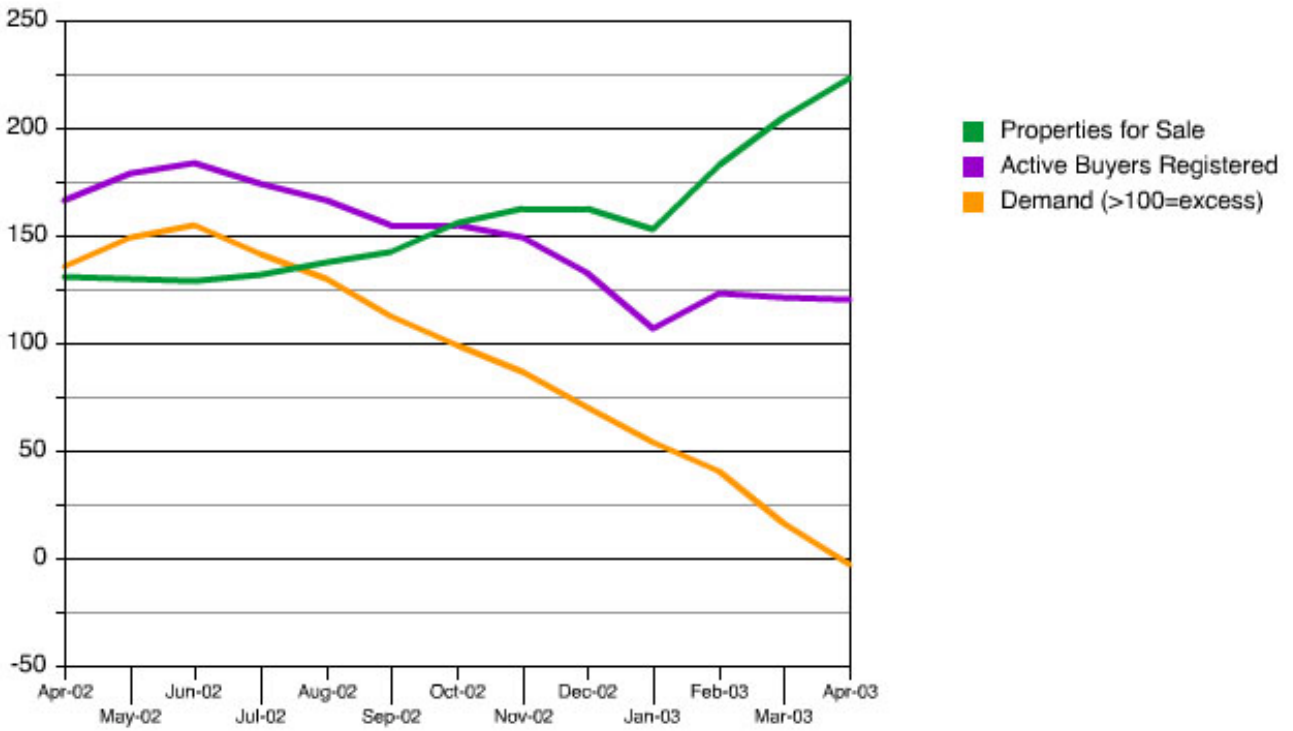
HOT SPOTS:

- ❑ **Tower Hamlets** – First time buyers are find bargain priced properties in this up and coming with excellent transport links and easy access to excellent facilities in neighboring boroughs. Rejuvenation of the borough is helping to sustain the price rises.
- ❑ **Greenwich** – Agents report that prices are stabilising and are very similar to those seen a year ago.
- ❑ **Hounslow** – The better properties at realistic prices are selling well. Other properties are proving more difficult to see. An overall busy start to the year, with a very high level of valuations.
- ❑ **Bexley** – Having not seen large unsustainable price rises in the past, the borough's prices are not seeing recorection. The number of new properties on the market is being matched by the same number of buyers.

GRAPH 1: Change in London House Prices (%)



GRAPH 2: London Demand Index



(October 2000 = 100)

GRAPH 3: Price achieved as a percentage of the asking price

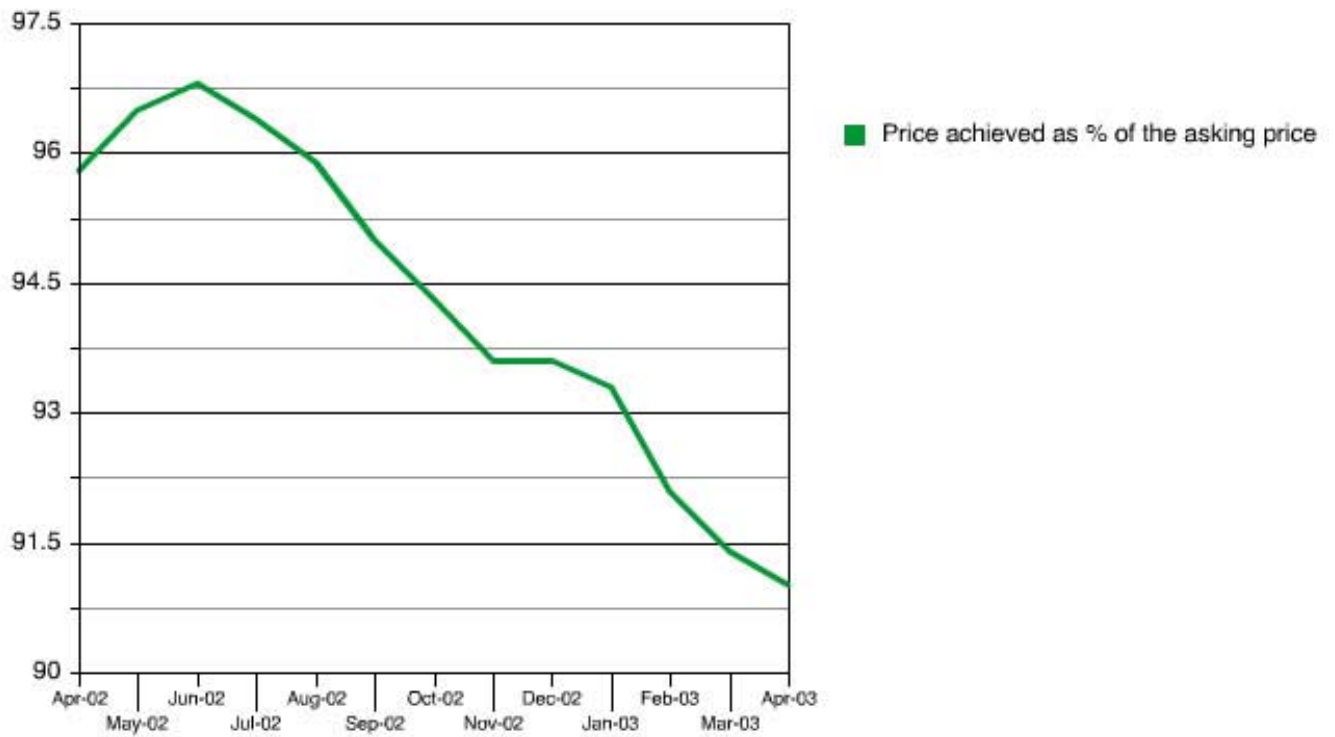


TABLE 4: Detailed Breakdown of London Borough Housing Market Statistics:

Region	Weighted Overall Average Price	Weighted Overall Average Price	Terraced property price	Semi-detached property price	Detached property price	Flat/Maisonette price
Tower Hamlets	£195,400	0.2	£262,200	£209,300		£184,800
Brent	£210,300	0.1	£224,900	£242,700	£409,200	£153,100
Greenwich	£177,500	0.1	£191,900	£218,900	£367,800	£140,000
Hounslow	£180,700	0.1	£179,200	£210,100	£288,800	£140,800
Bexley	£164,400	0.0	£145,700	£189,200	£294,200	£102,700
Croydon	£190,200	0.0	£175,700	£218,800	£335,600	£121,400
Ealing	£224,000	0.0	£236,500	£275,300	£474,500	£174,900
Hammersmith and Fulham	£301,500	0.0	£447,200	£548,200	£919,800	£246,900
Harrow	£238,500	0.0	£207,300	£251,100	£424,300	£149,100
Hillingdon	£205,000	0.0	£177,600	£211,100	£364,100	£129,200
Lambeth	£228,500	0.0	£285,800	£304,500	£377,600	£197,500
Newham	£135,200	0.0	£159,000	£168,500	£207,800	£100,600
Barnet	£260,200	-0.1	£266,800	£302,700	£480,700	£179,700
City of London	£310,700	-0.1				£310,700
Hackney	£209,800	-0.1	£312,200	£304,900		£176,400
Lewisham	£159,800	-0.1	£188,700	£209,700	£323,300	£130,100
Richmond-upon-Thames	£341,200	-0.1	£352,200	£408,000	£677,300	£215,400
Southwark	£213,100	-0.1	£256,400	£299,200	£419,500	£196,200
Bromley	£215,700	-0.2	£180,100	£230,200	£378,000	£132,200
City of Westminster	£386,900	-0.2	£647,100	£540,500	£1,932,700	£335,500
Enfield	£206,500	-0.2	£191,900	£265,400	£438,200	£138,000
Havering	£170,200	-0.2	£144,500	£187,300	£314,200	£101,500
Redbridge	£193,400	-0.2	£183,900	£238,700	£443,100	£117,100
Wandsworth	£284,300	-0.2	£361,900	£383,900	£621,100	£237,300
Kingston-upon-Thames	£263,300	-0.3	£239,000	£288,800	£484,900	£175,200
Sutton	£192,400	-0.3	£180,100	£223,700	£344,000	£131,000
Waltham Forest	£169,800	-0.3	£186,600	£225,400	£339,800	£127,500
Haringey	£239,600	-0.4	£272,700	£443,100	£1,322,500	£190,800
Islington	£261,800	-0.4	£388,200	£485,400		£237,700
Camden	£334,300	-0.5	£557,400	£922,600	£1,571,200	£286,300
Merton	£244,600	-0.5	£249,200	£302,400	£498,600	£191,600
Kensington & Chelsea	£522,000	-0.7	£1,071,400	£1,368,500	£2,225,100	£414,900
Barking and Dagenham	£124,000	-0.8	£130,300	£146,500	£145,000	£86,700

TABLE 5: Price change by county (April 2003)

