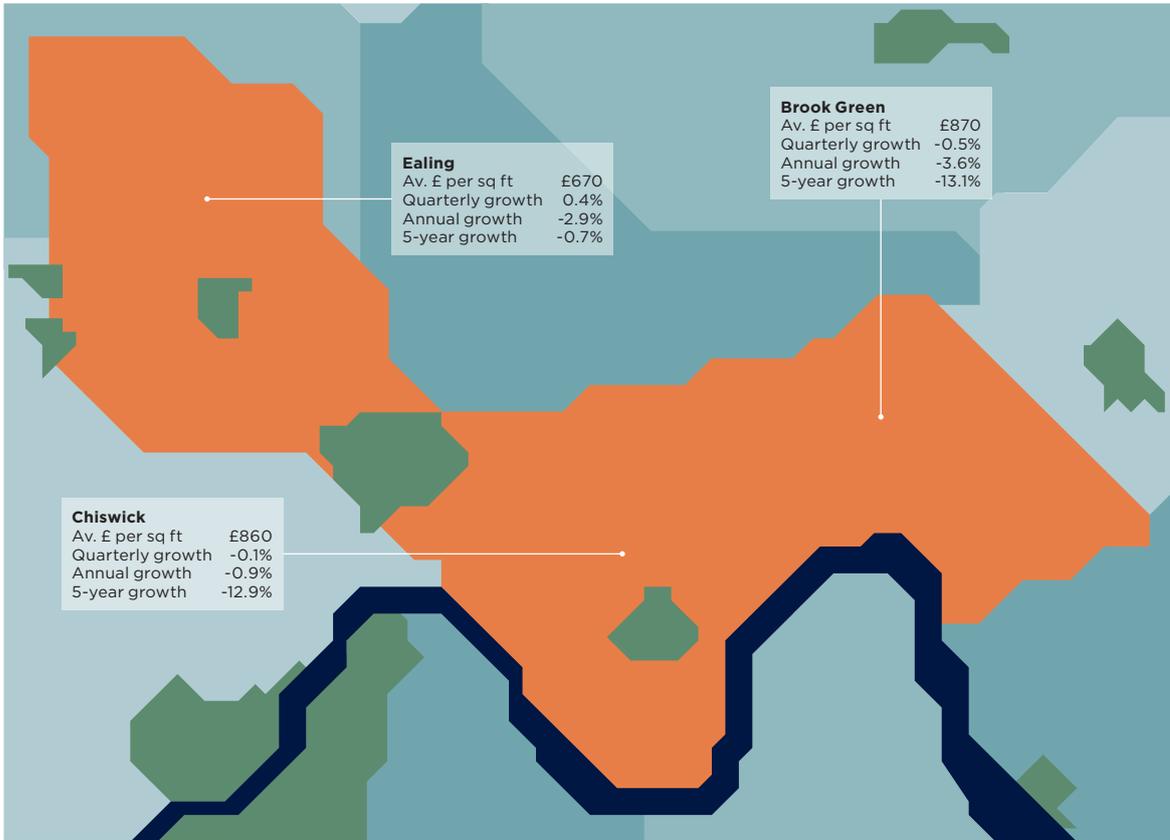


# Prime West London



Source Savills Research Note Prime property values to March 2019

## Price monitor

Key statistics for house price growth



Quarterly price movement across the prime London housing markets for Q1 2019



Quarterly price movement across the prime West London housing markets for Q1 2019



Average change in prices for property worth less than £1m in the prime markets of West London, since Q1 2014



Average change in prices for property worth £2m or more in the prime markets of West London, since Q1 2014

Source Savills Research

## Brexit continues to cause uncertainty

Price falls across prime London continue to slow. The first quarter of 2019 saw a fall of just 0.3%, leaving prices 2.5% lower than a year ago. This is encouraging given the ongoing political turmoil, which remains the biggest challenge in the market according to our agents. While stock levels are subdued, applicants and viewings have increased in the first quarter of this year, suggesting buyers see value in the market but are reluctant to commit until after Brexit.

Price expectations of buyers and sellers have narrowed, keeping the market moving, while location and condition continue to be key selling points. With competitive mortgage rates and a currency advantage for overseas buyers, Brexit

negotiations will be pivotal to the market going forward.

Prime West London, from Brook Green and Shepherd's Bush, west through Chiswick to Ealing, saw prices stay flat (-0.1%) in Q1 of 2019, leaving them 2.3% below where they were a year ago and just over 10% lower than in Q1 2014.

The price correction was initially triggered by new stamp duty rates and affordability pressures, in a market where mortgage debt plays a key role. Since then, prices have slowly corrected as Brexit dampened confidence in the market. The uncertainty around Brexit and its effect on the economy and, in turn, household finances has made the market more needs based and led to lower levels of stock coming to the market.

### Prime London prices

Ongoing Brexit negotiations continue to affect prices across the region

	Prime central London	Prime North West London	Prime South West London	Prime West London	Prime North & East London	All prime London
<b>Quarterly growth</b>	-0.6%	-0.8%	0.1%	<b>-0.1%</b>	-0.5%	-0.3%
<b>Annual growth</b>	-3.7%	-4.1%	-1.1%	<b>-2.3%</b>	-2.5%	-2.5%
<b>5-year growth</b>	-19.1%	-9.6%	-8.9%	<b>-10.2%</b>	-2.7%	-11.6%

Source Savills Research Note Prices to March 2019

## Prime West London in focus

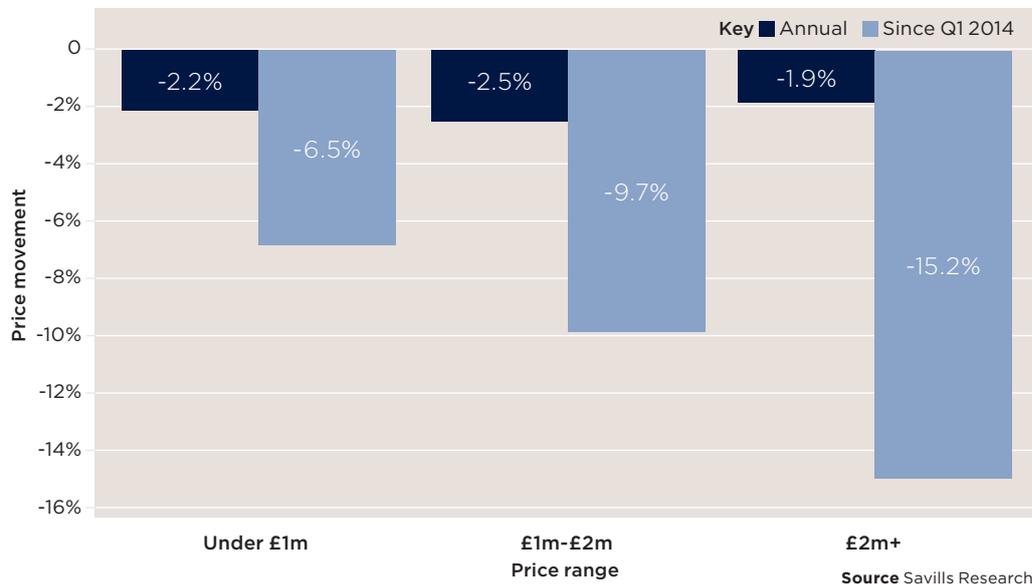
Across West London, more affordable prime properties, those worth below £1m, have held up more strongly than the top end of the market, with falls of 6.5% since Q1 2014. By comparison, property worth £2m or more has seen values fall by 15.2%. This is due to greater exposure to stamp duty changes, while the more discretionary nature of this part of the market means buyers and sellers are more likely to adopt a wait-and-see approach in a less certain market.

Similarly, the prime market of Ealing, where sq ft values are more than 20% below the more established markets of Chiswick and Brook Green, have seen prices fall by 5.6% since their peak, compared with a 13% fall for its neighbours to the east.

This price differential also means that much of the demand for properties in prime Ealing is from young professionals and investment buyers, around two-thirds of buyers are aged below 40. However, the more traditional prime markets of Chiswick, Brook Green and Shepherd's Bush are largely dominated by those buying their primary residence and, in particular, those looking to upsize in the area. As such, the vast majority of prime buyers in these areas have children.

Ealing has also benefited from the promise of Crossrail. The borough of Ealing is set to have five Crossrail stations, which will significantly improve capacity and cut journey times into central London.

**Fall into line** Price falls for the top end of the market have slowed



👉 Ealing has benefited from the promise of Crossrail, which will significantly improve capacity and cut journey times 👉

### OUTLOOK

Looking forward, we are forecasting a relatively subdued market across prime London while Brexit negotiations continue and we then enter a transition period.

However, low levels of available stock should help to prevent any further significant price falls.

Once uncertainty clears, there is the potential for pent-up

demand from those currently sitting on the fence to lead to more activity, but this may not necessarily translate into price increases straight away. The fundamental

reasons that buyers are drawn to prime West London still remain: the region has good schools, an abundance of green spaces, and plenty of connectivity to central London.

### Prime London house price forecasts Growth will return in the medium term

	2019	2020	2021	2022	2023	5-year
Prime central London	-1.0%	0.0%	6.0%	2.0%	5.0%	12.4%
Other prime London markets	-1.0%	0.0%	3.5%	1.0%	3.5%	7.1%

Source Savills Research Note These forecasts apply to average prices in the second-hand market. New build values may not move at the same rate.

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