

**ES.** Homes&Property

# London house prices: tentative signs of property market 'bottoming out', says Rightmove

The time it takes to sell a home has stopped slowing, while asking prices across the capital are levelling out.

[ANNA WHITE](#) | 4 hours ago

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The [London](#) housing market is showing signs of “bottoming out”, according to a report released today from [Rightmove](#).

Average asking prices across the capital levelled out from June to July, falling by a mere 0.2 per cent to £617,941, compared to an average dip of 0.6 per cent in the same period for the past five years.

In January this year, homes were taking an average of 89 days to sell - the slowest time period recorded in the past 12 months. The July figures show this has now returned to the same pace as a year ago, with properties shifting within 67 days on average.

Rightmove's analyst Miles Shippside describes this as "a further sign that stability is returning."

Typically during the spring selling season there is a glut of homes coming to the market causing a fall in prices as supply outstrips demand. However, this year there has been an 18 per cent fall in the number of homes for sale due to what Savills' Lucian Cook calls the "protracted political hiatus."

Brexit uncertainty, the Conservative leadership race and the high cost of moving house continues to encourage people to improve, rather than move.

There are fewest homes being put up for sale in travel zones 1 to 3, with 20 per cent fewer new sellers this month compared to the same period 12 months ago.

"With the limited fresh choice for buyers and the substantial price drops that we have seen since the peaks of a few years ago, there are tentative signs of the market bottoming out," says Shippside.

## **Signs of recovery in prime central London**

There are very tentative indications of recovery in London's luxury core.

Asking prices edged up 0.3 per cent to £1,328,388 from June to July and 0.2 per cent compared to this time last year. In Zone 2, the marketed value of a home rose 0.7 per cent month-on-month.

“In London we are starting to see green shoots of recovery, with latent demand kicking in, international investors taking advantage of the weaker Sterling and a sense Brexit will be sorted one way or another with new political leadership,” says Dean Clifford, co-founder of the developer Great Marlborough Estates.

## **Signs of growth in London's outer areas**

Perceived as more affordable, asking prices have risen by 2.3 per cent in travel Zone 6 from June to July and 1.1 per cent in the past year.

The pipeline of large new-build developments such as [Barking Riverside](#), popular with young first-time buyers, is keeping the market turning over on the periphery of the capital.

The strongest sub market in London was Kingston with asking prices rising 3.7 per cent year-on-year to £632,790, followed by Bromley and Waltham Forest.

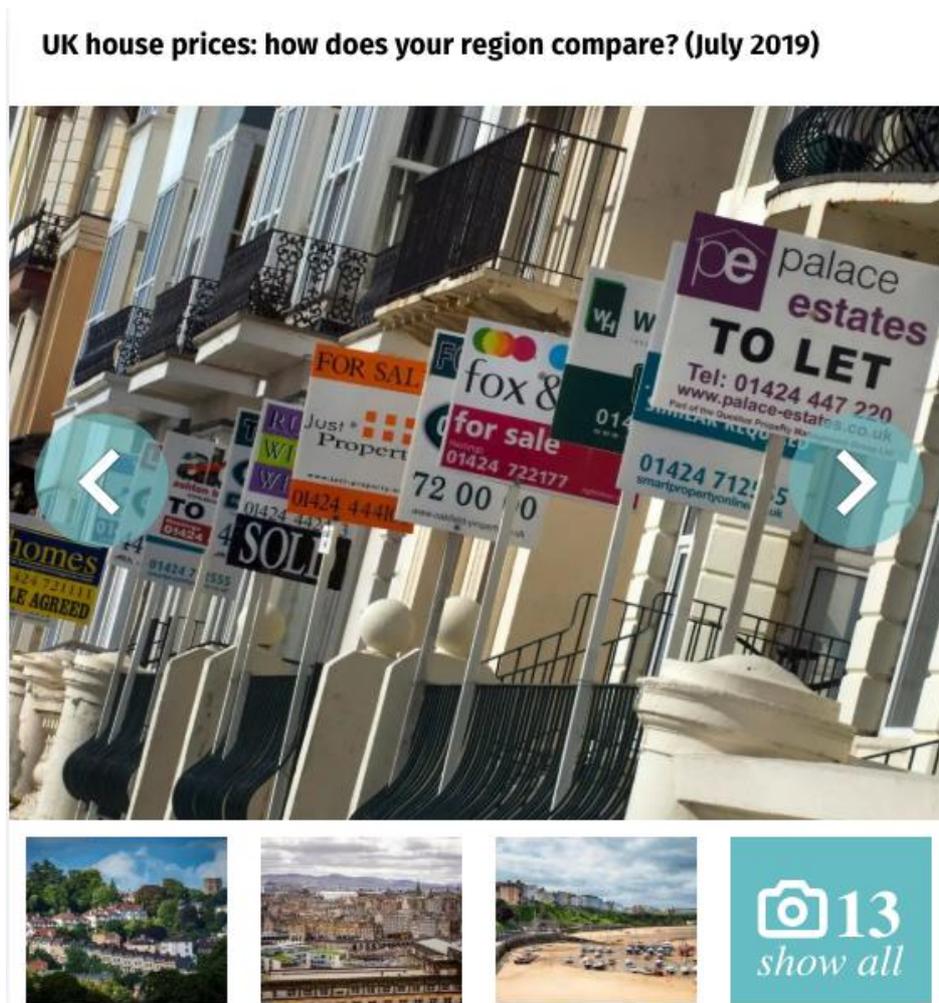
Tower Hamlets was the weakest pocket with asking prices falling 7.4 per cent from July 2018 to July 2019 and 1.2 per cent from June to July this year. Sales were also turgid in Merton and Lambeth.

“In central London affluent vendors don’t necessarily need to liquidate their assets and can sit tight until they think they can get the right price for their property. Many are renting out these properties until the market strengthens,” explains Becky Fatemi, founder of Rokstone Properties in Marylebone.

“However, Lambeth and Merton are domestic family markets where people have to move for schooling and more bedrooms as their brood grows. They are cutting the price in order to shift their homes.”

## House prices across the UK

The price of property going on sale across the UK has fallen 0.2 per cent (£656) to £308,692 from June to July — the first time prices have seen a monthly fall this year.



The number of homes coming to market has fallen 7.8 per cent compared to the last spring/summer season and it's taking 62 days to sell a home, up from 56 days this time last year. The volume of deals being agreed is down 4.6 per cent compared to 12 months ago.

“The current political climate means that the crucial ingredients of confidence have been impaired, and that is causing some potential buyers and sellers to hesitate. With record employment, low interest

rates and good mortgage availability, buyers have a lot in their favour apart from the lack of political certainty,” says Shiptside.

There are, however, more properties on the market outside of London than at any other time in the last four years so buyers entering the market after the traditionally quiet summer season should have plenty of choice.

The most active property pockets are in the major cities in Scotland and the West Midlands.

The average time it takes to sell a home in Scotland is 43 days, compared to the national average of 62. Prices have nudged up 1.3 per cent month-on-month to £157,941. In the West Midlands it takes 55 days and prices are up 2.5 per cent annually to £200,338.