



Business & Economy

Subscribe now - £1 for 4 weeks ▶



- Home
- UK
- World
- Companies
- Markets
- Global Economy
- Lex
- Comment
- Management
- Personal Finance
- Life & Arts
- Africa
- Asia-Pacific
- Europe
- Latin America
- Middle East & North Africa
- UK
- US & Canada
- Science & Environment
- World Blog
- Tools

October 28, 2015 1:06 pm

Average London house price reaches £500,000

Conor Sullivan

- Share
- Author alerts
- Print
- Clip
- Comments



The average price of a London home has hit £500,000, according to the Land Registry, rising 10 per cent in the year to September.

In England and Wales the average selling price was £187,000, up 5 per cent on a year earlier, underlining the big and growing difference between London and the rest of the country.



The only area not to see a rise was the north-east, where prices fell 0.3 per cent to just under £100,000.

More

ON THIS TOPIC

- Landlords eclipse mortgaged owner-occupiers
- Over-55s expect £100,000 from 'downsizing'
- 35-year mortgages become the norm
- 'Affordable housing' definition slammed

IN UK BUSINESS & ECONOMY

- UK construction shrinks in November
- Philip Pullman resigns as festival patron
- Three convicted over Hatton Garden heist
- VW says sorry to UK, but will not pay out

Increases have rippled out from the capital, with prices growing 9 per cent in the south-east and 8 per cent in the east of England.

"With the prospect of an interest rate rise likely to be pushed deeper into 2016 by [Tuesday's] underwhelming GDP data, house price inflation is unlikely to be checked by a rise in the cost of borrowing," said Jonathan Hopper of Garrington Property Finders.

With demand up and supply stagnant, London prices look set to keep rising. The capital's population hit a record high in the past year and is forecast to rise to 10m by 2030. Housebuilding at the rate of 50,000 is estimated to be required to meet this demand, but only about 19,500 a year have been built during the past decade.

Brandon Lewis, the housing minister, last month said he wanted to see 200,000 homes built each year by 2020. Last year just 140,000 were built.

The median salary of a London worker, as of April last year, was £33,800 or £650 a week, according to the Office for National Statistics. With a deposit of six months' gross earnings and a mortgage of four times

UK ECONOMIC DATA



The FT's one-stop overview of key British economic data, including GDP, inflation, unemployment, business surveys, the public finances and house prices

EDITOR'S CHOICE

LUCY KELLAWAY



Time to get stoked by the year's worst corporate guff

FT VIEW



The hard-headed case for the UK to stay in the EU

NEWS BY EMAIL

Sign up for email briefings to stay up to date on topics you are interested in

MOST POPULAR

Read Commented Videos

1. Trump and Clinton tax plans scare Wall Street
2. Oil slides below \$30 on oversupply fears
3. Gap years for grown-ups
4. Republican debate: Trump and Cruz clash as gloves come off
5. Doom mongers have their day in the sun as markets

Sign up now



FirstFT is our new essential daily email briefing of the best

income, the median worker would only be able to raise 30 per cent of the price of the average house.

At the top end of the market, the figures illustrated how higher stamp duty levied on sales of the most expensive homes has slowed down activity. There was a 22 per cent fall in sale volumes for homes worth more than £1.5m in July compared with a year earlier.

Stamp duty reforms introduced in December last year led to a reduction for all but the most expensive properties. The duty levied on a £2m home went from £100,000 to £153,750, leading to many buyers seeking lower prices that sellers have been reluctant to accede to.

“There has been nothing less than a shakedown at the super-prime end of the property market,” said Rob Weaver of crowdfunding platform Property Partner.

House prices would rise 6 per cent next year, IHS Global Insight forecast, helped by “very low mortgage interest rates, strengthening earnings growth, high employment and elevated consumer confidence”.

RELATED TOPICS [United Kingdom, London](#)

Copyright The Financial Times Limited 2018. You may share using our article tools. Please don't cut articles from FT.com and redistribute by email or post to the web.

In depth

[UK housing market](#)



Price indices have presented wildly contrasting pictures of the health of the housing market – according to some the boom is back, while to others the slump staggers on

[Further reading](#)

turn

- 6. Landlord housing wealth eclipses owner-occupiers with mortgages
- 7. 'Cannabis-based' drug trial in France leaves person 'brain-dead'
- 8. Boris Johnson's Iraq visit a diplomatic headache, emails reveal
- 9. Goldman in \$5.1bn mortgage-backed securities settlement
- 10. Globalisation 2.0 – an optimistic outlook

HIGHLIGHTS

HOWTOSPENDIT.COM



The customised cool of the new Triumph Bonneville

FT FUNDS



Find, compare and track funds for your portfolio