

Double-digit house-price rises return to five key London boroughs

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Five London boroughs have clocked up double-digit house price growth in the past year, says Ruth

Bloomfield



£1.6 million: a five-bedroom house in Weltje Road,

Hammersmith, W6, in London's "middle ring"

After a six-year property recession the capital is showing signs of a recovery that extends beyond the gilded streets of prime central London.

The latest Land Registry data shows the areas performing best are all in the capital's "middle ring" — between prime London and the outer suburbs.

Prices in prime central London have continued to grow – but not at such a dramatic rate as in previous years. According to a

separate report from Knight Frank, prices are up 7.2 per cent year on year.

But Liam Bailey, the firm's director of residential research, said the biggest growth area is on the fringes of the City, where prices rose by 2.6 per cent last month alone.

Zone 2's biggest winners are:

- * **Camden**: up 11.8 per cent;
- * **Hackney**: up 10.3 per cent;
- * **Merton**: up by 11.4 per cent;
- * **Wandsworth**: up by 10.8 per cent; and
- * **Hammersmith & Fulham**: up by 11 per cent.

Ed Mead, a director of Douglas and Gordon, believes that fear of a future mansion tax and the current seven per cent stamp duty levy on homes above £2 million are driving the market in middle-ring boroughs.

Giles Hannah, managing director of London agency VanHan, believes Zone 2 is booming because UK buyers have been priced out of the centre of the city.

"Hammersmith is a core market to watch with excellent transport links, easy access to the City and to Westfield, making it a perfect area for families who need facilities, space, large gardens, off-street parking and who do not want to pay Kensington and Chelsea prices," he said.

Hannah also feels consumer confidence is blossoming. "Unemployment is down, jobs are on the up, the City and financial markets are performing well, the outlook for the London market is very positive," he said.

However the experts agree that one of the reasons for the buoyant market is a lack of stock. And, in a sellers' market, prices get pushed upwards.

"We are surprising ourselves in some cases as to what price competing buyers will pay for the very most in demand homes," said Douglas Sleeper, sales director at Townends estate agents. "Last week we agreed sales on as many properties as we took on which is clearly not sustainable."

However he feels that the market is over the worst, and Hannah agrees, forecasting three per cent growth across London over the next year.