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### London house prices: Hackney leads the way with the highest rise in the capital

- Gap in average house prices between London and England and Wales has significantly widened over the past 20 years
- Kensington & Chelsea and Westminster remain most expensive but the capital's more affordable boroughs record strong growth
- London house prices now nearly 12 times average earnings
- Private housing stock in London now worth £1.27 trillion

**The North East London Borough of Hackney has seen the steepest growth in house prices in the capital over the past 20 years, according to new research by Lloyds Bank.**

The average house price in Hackney has increased £530,700 (702%), from £75,569 in 1996 to £606,269 in 2016. This compares to the average increase of almost 450% for London and 290% in England and Wales over the same period.

The sharp increase in Hackney has seen it shoot 16 places up the list of house price increases for London boroughs, from 28<sup>th</sup> in 1996 to 12<sup>th</sup> in 2016.

Homes in Westminster have seen the next largest increase in average prices over the past 20 years, from £190,438 (1996) to £1,424,388 (2016) – an increase of 648% - followed by Southwark (626%) (Table 1).

However, the report also reveals that prices in London's more affordable boroughs have also recorded strong price growth. Waltham Forest (617%) and Newham (612%) were among the six least expensive boroughs in 1996 but have now moved to one of the top five performing areas. House prices in these areas have been boosted by the Olympic regeneration programme and improved travel links via the Dockland Light Railway (1987) and the Jubilee Line extension (1999).

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## Price gap widens across England

Over the past 20 years, the gap in average house prices between London and the average for England and Wales has widened from a difference of £33,834 (or 47%) in 1996 to £299,631 (or 107%) in 2016, with London's 'Prime' boroughs - Kensington & Chelsea, City of Westminster and City of London - having pulled even further apart. Prices are now 5.72 times the England and Wales average, in comparison to 3.34 times in 1996.

The total value of private housing stock in London has also seen a surge. In 1996 it was £201.8 billion, increasing nearly six and a half fold (529%) in 2016 to £1.27 trillion.

**Andrew Mason, Lloyds Bank Mortgage Director commented:** "The last 20 years have seen substantial growth in house prices in London, especially in the most affluent areas of the City. The boom years between 1996 and 2008 saw the gap widening between house prices at the top end of the market and those in London's inner and outer boroughs, creating two distinct markets<sup>1</sup> – 'Prime' and 'Mainstream'.

"However, whilst those boroughs at the top end have pulled away considerably from the rest of London and the country in terms of house prices, improved transport links to the city from the outer boroughs and the 2012 Olympic Games has meant that the boroughs directly benefitting from these have seen house price growth outpace the Prime areas in recent years."

## The best performing London Boroughs

Between 1996 and 2016, 20 boroughs have seen average house prices increase by over £400,000. Kensington and Chelsea has seen the largest increase in monetary value, where the average house price has grown from £297,768 to £1,857,287 – an increase of £1,559,518 (524%) and equivalent of £6,498 per month. The next best performer is Westminster where the average value has grown by £1,233,949, followed by Camden (£887,658). These three boroughs along with Hammersmith and Fulham have consistently been London's five most expensive areas over the past 20 years.

In 1996, average house prices were under £100,000 across nearly two thirds (64%) of London's boroughs - fast forward 20 years and average prices are now more than £500,000 for over half (58%). (Table 1)

The ten most expensive places to live in London remain largely unchanged compared to 1996. The key exceptions are Southwark, which has moved up ten places to ninth spot and Haringey

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which moved up two places to tenth. Barnet and Kingston-upon-Thames have dropped out of the top ten.

## Biggest Movers

Whilst Hackney is the bigger climber on the list, Bromley in Greater London has fallen most in the league table, dropping seven places from 14<sup>th</sup> in 1996 to 21<sup>st</sup> in 2016.

## London house prices are now nearly 12 times average earnings

Average earnings<sup>2</sup> in London have failed to keep pace with the rise in house prices over the past 20 years. In 1996, the average price to earnings ratio in the capital was 3.9. This had risen to 11.6 in 2016.

The least affordable borough both 20 years ago and today is Camden, with a ratio house price to average earnings of 6.2 in 1996 and 20.0 in 2016. The most affordable borough in 2016 was Bexley (7.4) followed by Havering (7.7).

**-Ends-**

## NOTES TO EDITORS:

The prices in the following tables refer to the arithmetic average of house prices. The data has been extracted from the Land Registry for 12 months to December each year.

### <sup>1</sup> London borough definitions:

**Prime:** Kensington & Chelsea, City of Westminster and City of London (not officially classed as a borough but included in this analysis).

**Inner:** Camden, Hackney, Hammersmith & Fulham, Islington, Lambeth, Lewisham, Southwark, Tower Hamlets and Wandsworth.

**Outer:** Barking & Dagenham, Barnet, Bexley, Bromley, Brent, Croydon, Ealing, Enfield, Greenwich, Haringey, Harrow, Havering, Hillingdon, Hounslow, Kingston upon Thames, Merton, Newham, Redbridge, Richmond upon Thames, Sutton and Waltham Forest.

<sup>2</sup> The price to earnings ratio is calculated using the ASHE data for full time male employees for years 1996 and 2016. Average earnings refer to mean values.

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NB: No data available for City of London earnings. Lloyds earnings estimate for the following local authority districts: Kensington & Chelsea, Richmond upon Thames, Hackney, Merton, Brent and Redbridge.

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**Table 1: London Local Authority District Growth: 1996 to 2016**

Local Authority District	Average House Price 1996	P/E Ratio 1996	Average House Price 2016	P/E Ratio 2016	20 Yr Change £	20 Yr Change %
Hackney	75,569	3.3	606,269	14.2	530,700	702%
Westminster	190,438	6.1	1,424,388	18.5	1,233,949	648%
Southwark	87,559	3.4	636,040	14.0	548,481	626%
Waltham Forest	60,388	3.1	433,105	11.4	372,718	617%
Newham	50,077	2.4	356,638	10.2	306,561	612%
Lewisham	62,770	2.9	439,811	10.4	377,041	601%
City of London	136,344	n/a	908,759	n/a	772,415	567%
Brent	82,698	3.9	549,704	14.0	467,007	565%
Wandsworth	120,481	5.3	758,034	10.4	637,553	529%
Camden	169,047	6.2	1,056,705	20.0	887,658	525%
Kensington and Chelsea	297,768	3.3	1,857,287	11.2	1,559,518	524%
Lambeth	95,642	3.7	593,542	14.3	497,900	521%
Haringey	102,533	5.1	622,944	14.8	520,411	508%
Hammersmith and Fulham	150,561	5.6	914,478	13.7	763,917	507%
Islington	124,754	4.6	753,673	12.1	628,918	504%
Merton	104,019	3.9	606,295	12.1	502,277	483%
Tower Hamlets	88,672	3.1	513,092	10.0	424,420	479%
Greenwich	76,073	3.6	433,742	9.0	357,670	470%
Ealing	97,605	4.2	549,489	13.2	451,884	463%
Barking and Dagenham	51,628	2.2	285,129	9.1	233,500	452%
Enfield	82,953	3.8	446,322	11.0	363,370	438%
Harrow	94,457	4.0	507,698	11.3	413,241	437%
Barnet	111,203	5.2	595,756	12.2	484,554	436%
Hounslow	92,115	4.0	492,561	12.4	400,446	435%
Richmond upon Thames	150,258	3.8	797,959	11.0	647,701	431%
Redbridge	80,572	3.2	425,028	9.0	344,456	428%
Hillingdon	84,187	3.2	443,599	10.3	359,412	427%
Kingston upon Thames	106,789	4.3	552,473	10.1	445,683	417%
Croydon	75,657	3.6	377,257	8.9	301,600	399%
Bromley	97,554	4.7	481,733	8.1	384,180	394%
Sutton	79,578	3.6	392,297	9.3	312,718	393%
Bexley	69,925	3.3	343,093	7.4	273,168	391%
Havering	79,603	4.2	359,895	7.7	280,292	352%
<b>Prime London</b>	<b>238,632</b>	-	<b>1,593,913</b>	-	<b>1,355,281</b>	<b>568%</b>
<b>Inner London</b>	<b>106,590</b>	-	<b>619,956</b>	-	<b>513,367</b>	<b>482%</b>
<b>Outer London</b>	<b>89,956</b>	-	<b>486,043</b>	-	<b>396,087</b>	<b>440%</b>
<b>London</b>	<b>105,266</b>	<b>3.9</b>	<b>578,381</b>	<b>11.6</b>	<b>473,115</b>	<b>449%</b>
<b>England &amp; Wales</b>	<b>71,433</b>	<b>3.5</b>	<b>278,750</b>	<b>7.2</b>	<b>207,317</b>	<b>290%</b>

Source: Land Registry, 12 month rolled data to December, ASHE full time male data.

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**Table 2: House price league table: 1996 and 2016**

Local Authority District	Average House Price 1996	Local Authority District	Average House Price 2016	Change in Rank
Kensington and Chelsea	297,768	Kensington and Chelsea	1,857,287	↔ 0
Westminster	190,438	Westminster	1,424,388	↔ 0
Camden	169,047	Camden	1,056,705	↔ 0
Hammersmith and Fulham	150,561	Hammersmith and Fulham	914,478	↔ 0
Richmond upon Thames	150,258	City of London	908,759	↑ 1
City of London	136,344	Richmond upon Thames	797,959	↓ 1
Islington	124,754	Wandsworth	758,034	↑ 1
Wandsworth	120,481	Islington	753,673	↓ 1
Barnet	111,203	Southwark	636,040	↑ 10
Kingston upon Thames	106,789	Haringey	622,944	↑ 2
Merton	104,019	Merton	606,295	↔ 0
Haringey	102,533	Hackney	606,269	↑ 16
Ealing	97,605	Barnet	595,756	↓ 4
Bromley	97,554	Lambeth	593,542	↑ 1
Lambeth	95,642	Kingston upon Thames	552,473	↓ 5
Harrow	94,457	Brent	549,704	↑ 6
Hounslow	92,115	Ealing	549,489	↓ 4
Tower Hamlets	88,672	Tower Hamlets	513,092	↔ 0
Southwark	87,559	Harrow	507,698	↓ 3
Hillingdon	84,187	Hounslow	492,561	↓ 3
Enfield	82,953	Bromley	481,733	↓ 7
Brent	82,698	Enfield	446,322	↓ 1
Redbridge	80,572	Hillingdon	443,599	↓ 3
Havering	79,603	Lewisham	439,811	↑ 6
Sutton	79,578	Greenwich	433,742	↑ 1
Greenwich	76,073	Waltham Forest	433,105	↑ 5
Croydon	75,657	Redbridge	425,028	↓ 4
Hackney	75,569	Sutton	392,297	↓ 3
Bexley	69,925	Croydon	377,257	↓ 2
Lewisham	62,770	Havering	359,895	↓ 6
Waltham Forest	60,388	Newham	356,638	↑ 2
Barking and Dagenham	51,628	Bexley	343,093	↓ 3
Newham	50,077	Barking and Dagenham	285,129	↓ 1

Source: Land Registry, 12 month rolled data to December

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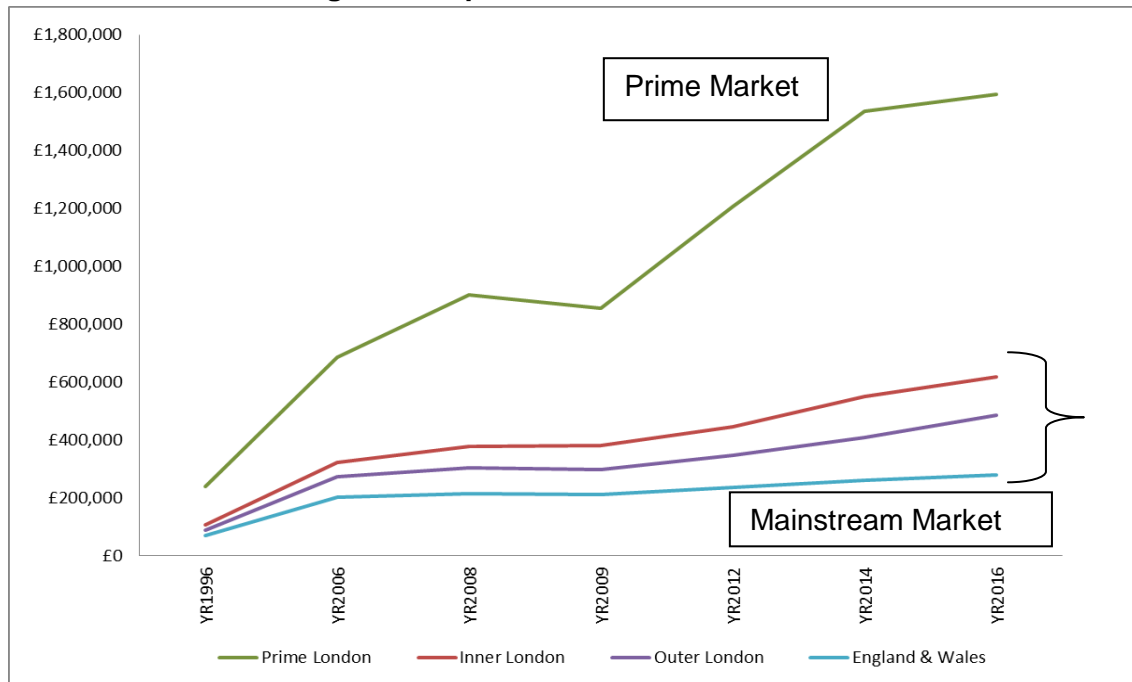
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Chart 1: London borough house prices from 1996



Source: Land Registry, 12 month rolled data to December

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