

# PRESS RELEASE

16th February 2016

## Number of properties for sale decline in Central London

According to research by Hurford Salvi Carr the number of properties coming onto the market for sale in Central London is in decline. This could mean that the central London housing market is heading for paralysis. 2015 saw a general slowdown in the number of properties coming onto the market for sale and Hurford Salvi Carr expect that trend to continue in 2016. This signals the creation of a housing market more akin to that found in Central and Northern Europe, where sale prices remain stable and the rental market is the dominant force.

There are a number of historical factors that are compounding the situation. Since 2009 home owners and investors in the central areas of London such as Midtown, the City and the Docklands have seen property prices rise by around 60%. This, coupled with record low interest rates over the past 6 years, means that property owners are in a very strong position. The majority have a low debt to equity capital ratio on their homes and with an uncertain stock market this makes property feel like a safe haven, reinforcing a view that residential property in London is a safe long term investment.

According to Hurford Salvi Carr this means fewer properties are coming onto the market and as David Salvi points out "If owners and investors are not tempted to sell in a strong market very few will be tempted to sell should the market stall. Therefore we anticipate the number of property transactions to fall further in 2016 across central London as market conditions soften."

The situation is further exacerbated by the affordability factor, the average price of a one bedroom apartment in central London is now over £500,000. At these current levels new home owners and buy-to-let investors are increasingly dependent on inherited wealth and windfall salary bonuses to be able to purchase at current central London pricing, with or

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without bank funding. This situation is unlikely to change since central London does not have the land available to expand supply to a level that has any prospect of satisfying demand.

As a result Hurford Salvi Carr expects that London will see the continuation of current trends:

- A greater number of people will have to enter or remain in the rental sector.
- People will buy at a much later stage of life;
- It is likely that people will become more reliant on inherited wealth to buy in London; and
- Older buyers will become the new norm.

To see the full Hurford Salvi Carr Market Research Brochure go to: <http://www.hurford-salvi-carr.co.uk/research/2015-Q4.pdf>

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About Hurford Salvi Carr:

Hurford Salvi Carr are an independent firm of property advisors and development consultants who specialize in the Central London property market. They have been selling and letting residential and commercial property in London since 1996 and pride themselves on our customer service and in depth knowledge of the local markets that make up the West End, City and Docklands.

