

Prime Residential Property

Some facts

Westminster on Location

NLA Conference, 27th March 2014

RAMIDUS CONSULTING LIMITED



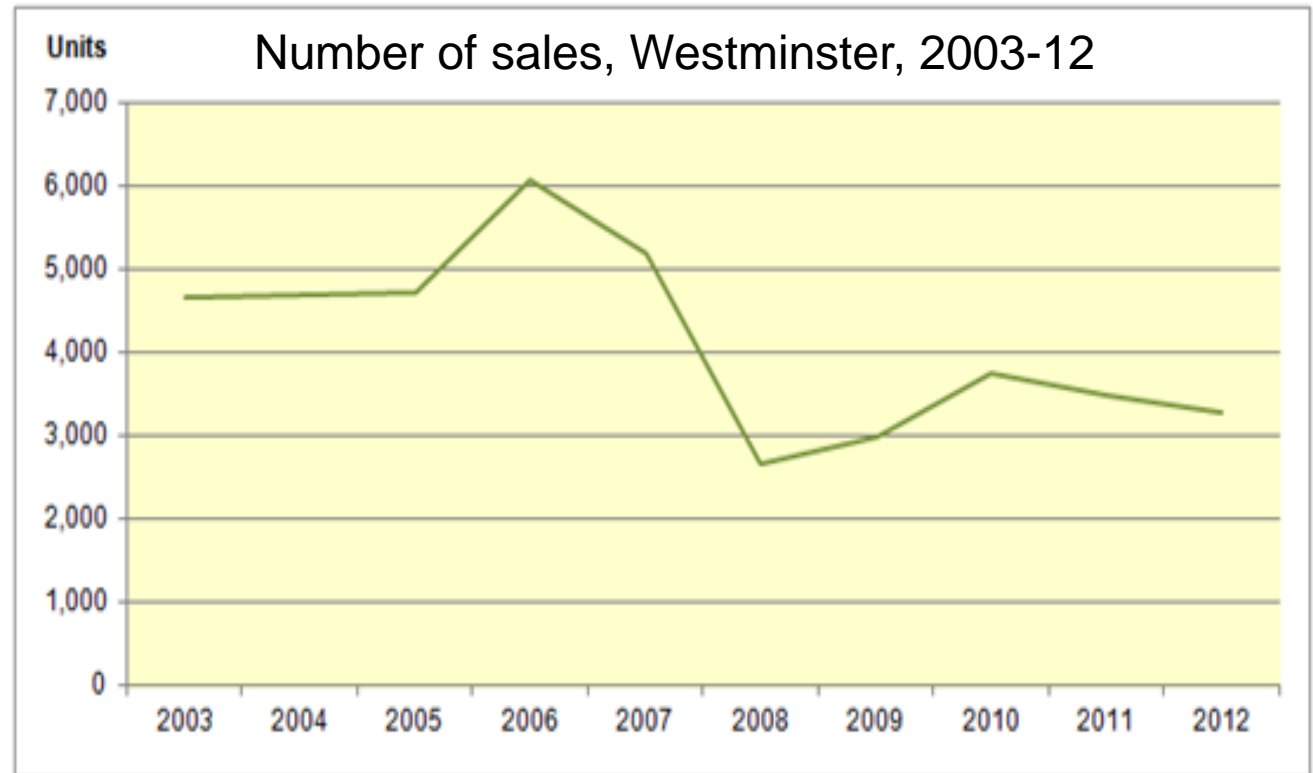
Stock and annual turnover

**Westminster
stock of homes =
c118,000**

Stock up 15%
since 2001.

Around 43,000
sales 2003-12.

3,000-6,000 pa.
4-7% of stock pa.



Source: Land Registry

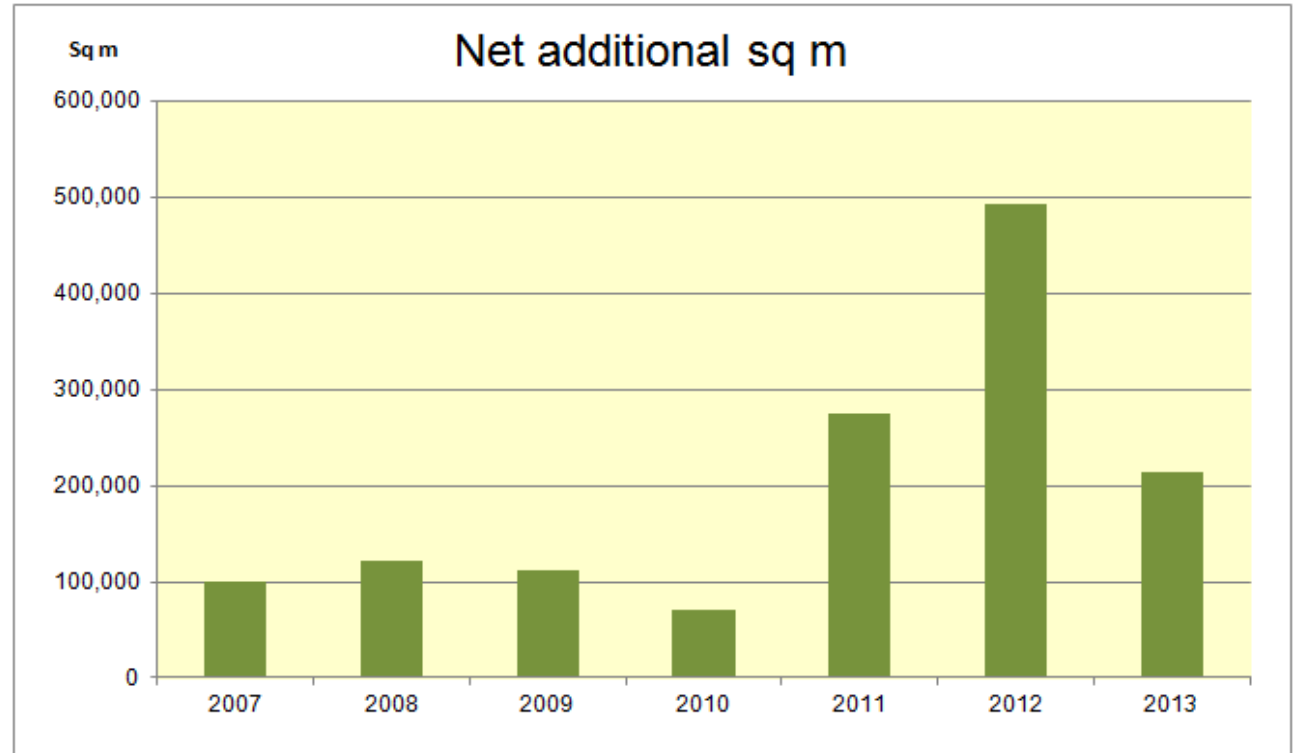
Around 15,000 properties = prime (>£2 million)



Change in stock

Net additional sq m approved, Westminster, 2007-13

Nearly 1.4 million sq m in 1,724 schemes secured planning consent since 2007.



Source: Respipe, City of Westminster

Pipeline

There is 1.1 million sq m in the pipeline.
Equivalent to c14,000 two-bed flats (85 sq m).



Average sale price

Average sale price in Westminster, 2003-13

Since 2003, average prices more than tripled.

Prices not affected by Credit Crunch.



Source: Land Registry

UK and London affordability ratios remained stable since Credit Crunch.
Westminster risen from X16 average national earnings in 2003 to X27 in 2012



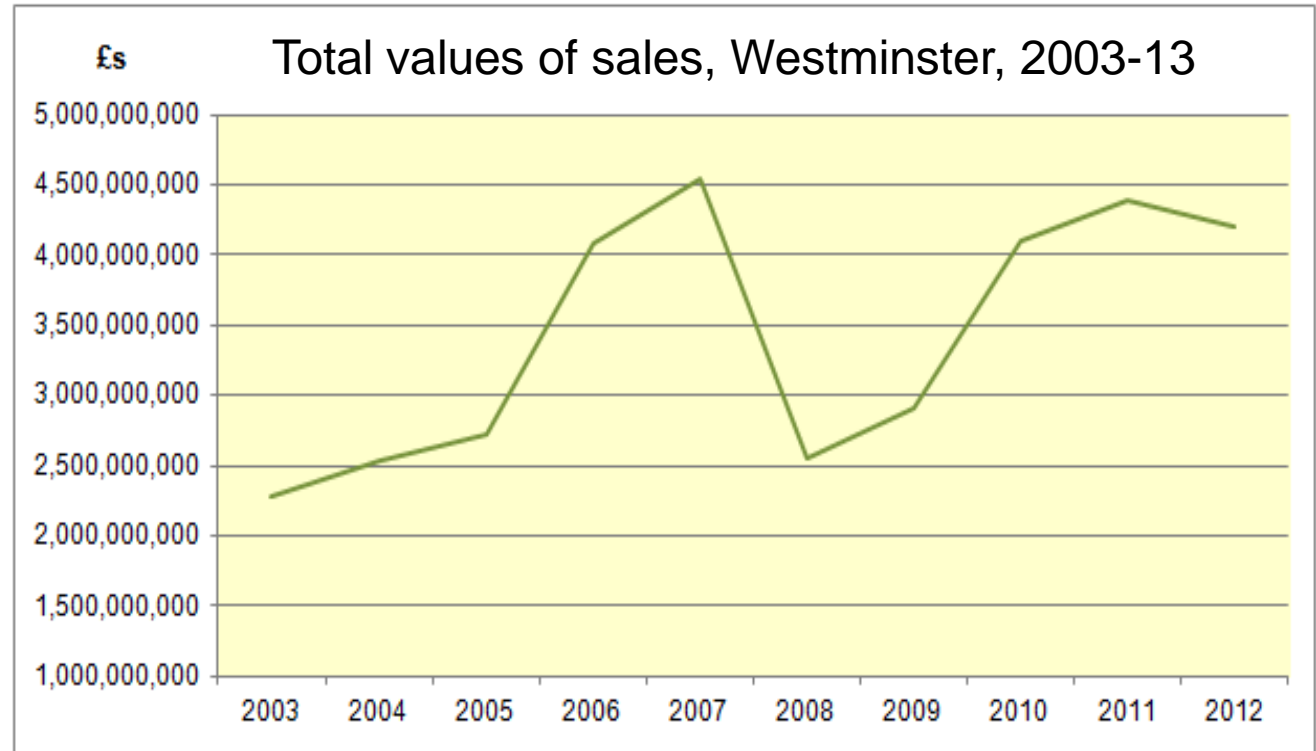
Total value of sales

Total value of sales, Westminster, 2003-12

Same amount spent in 2010 as 2006 (£4bn). But ...

2006 = 6,000 sales.
2010 = 3,700 sales.

By Q3 13, total sales equal to 80% of 2012 total.



Source: Land Registry

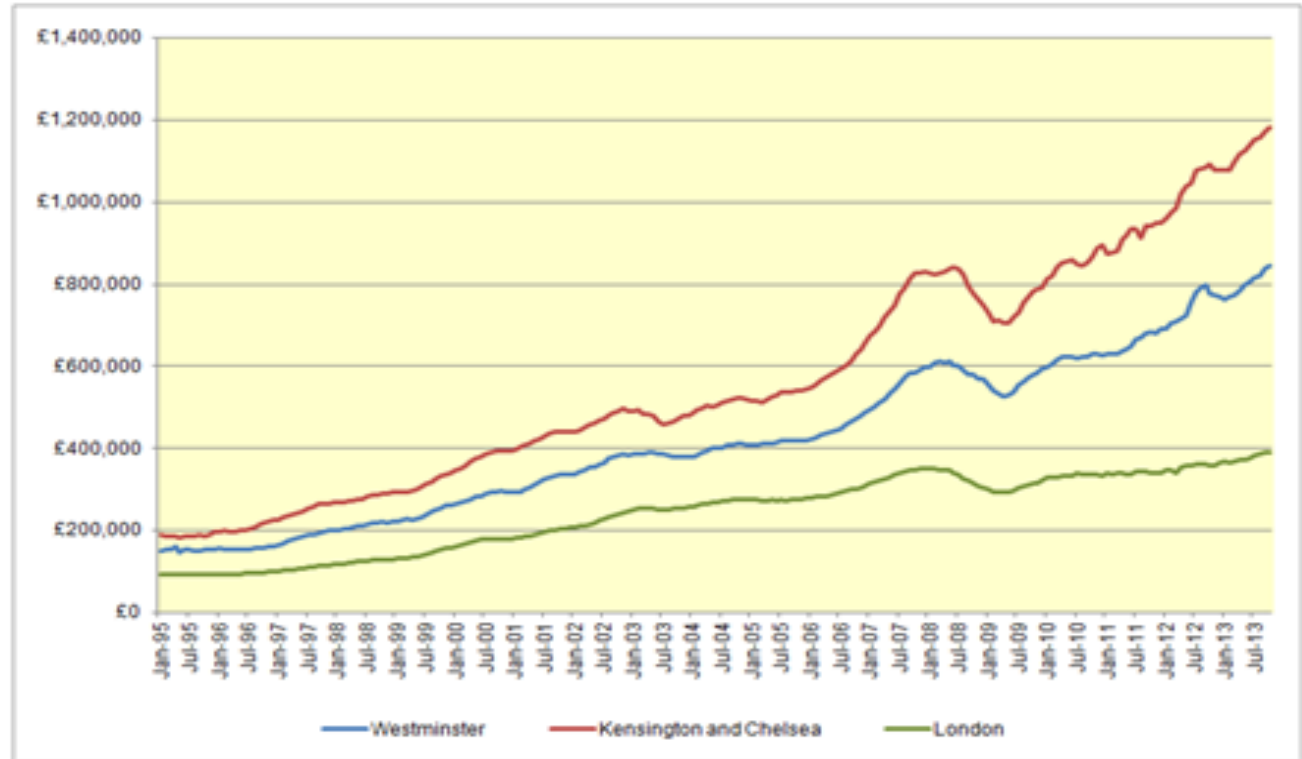


Affordability

Average property prices, 1995-2013

In 1995, average price in Westminster = 160% of London.

In 2013, risen to 220%.



Source: Land Registry, 2013

Kensington & Chelsea

Equivalent figures for K&C

1995 = 200% of London.

2013 = 300% of London.

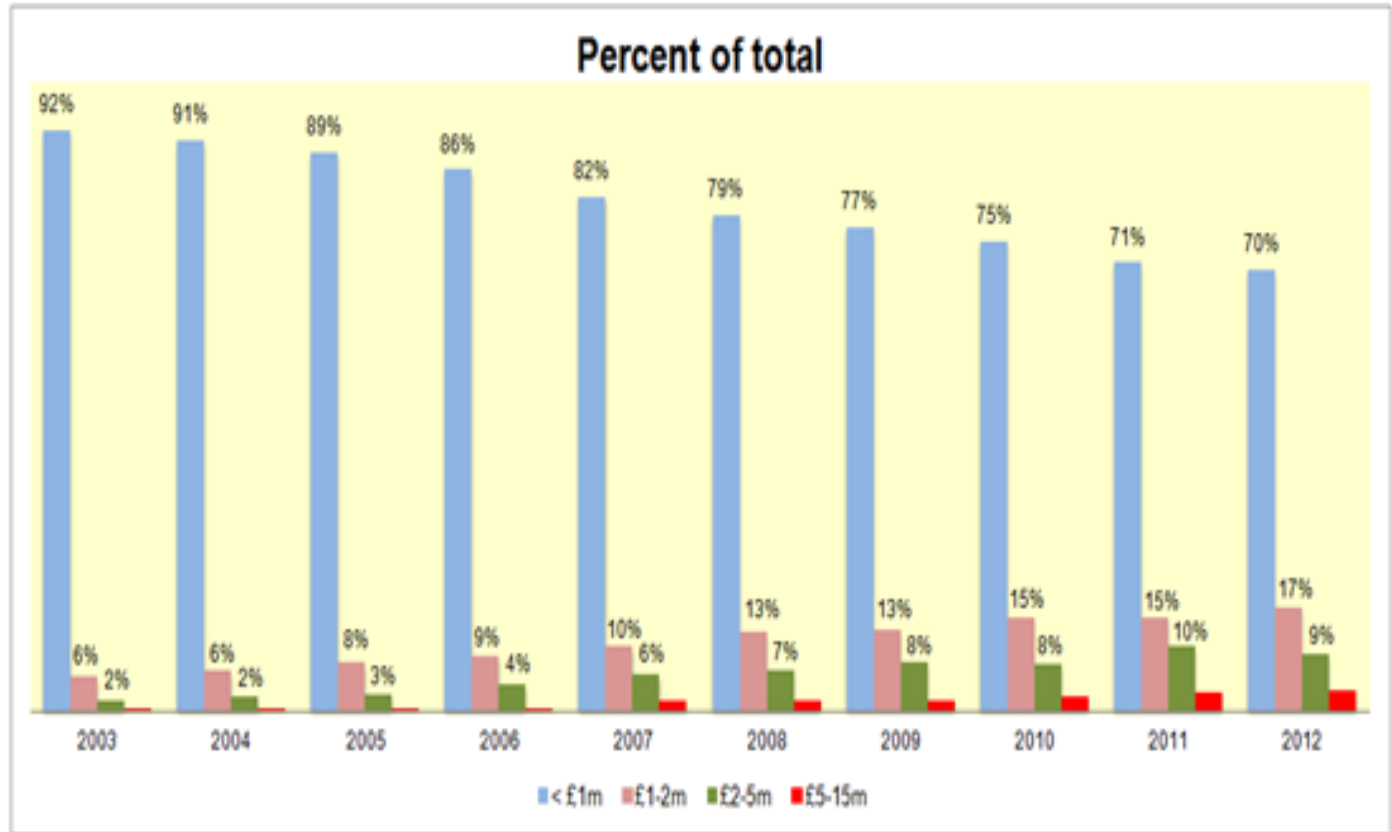


Sales by price band

Number of sales by price band, Westminster, 2003-12

Sales of >£2m = 2% in 2003 to 13% in 2012.

20% Q1-Q3 2013.



Source: Lonres

At 13% in 2012, prime = relatively small proportion of total transactions.

Sales of <£2m remains broadly static.



Sales over £2 million

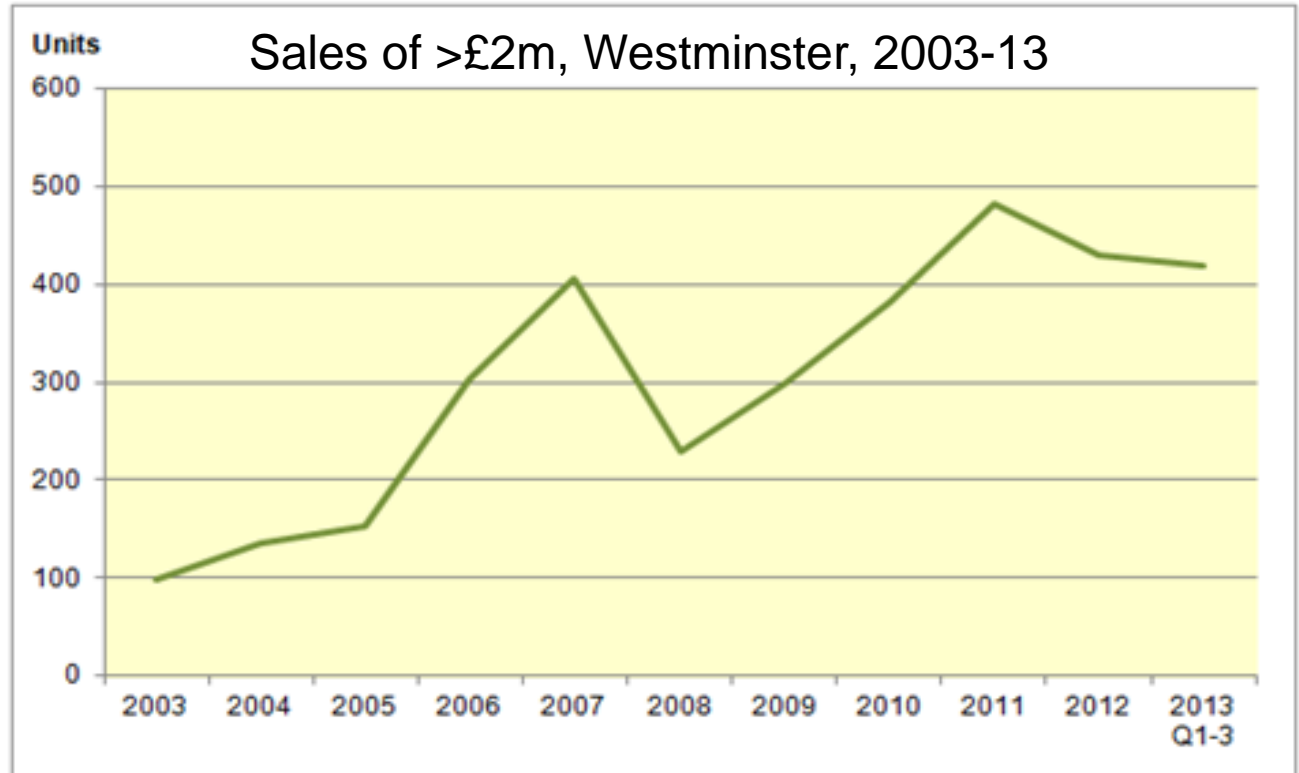
Sales of >£2m in Westminster, 2003-13

8% of sales = >£2m.
Represent 41% of value.

Prime sales = £15.4bn.

Sales of £2-5m = 2,544
Sales of £5-10m = 701
Sales of >£15m = 90

All prime sales = 3,345



Source: Lonres



Sales over £5 million

**Sales of >£5m in
Westminster,
2003-13**

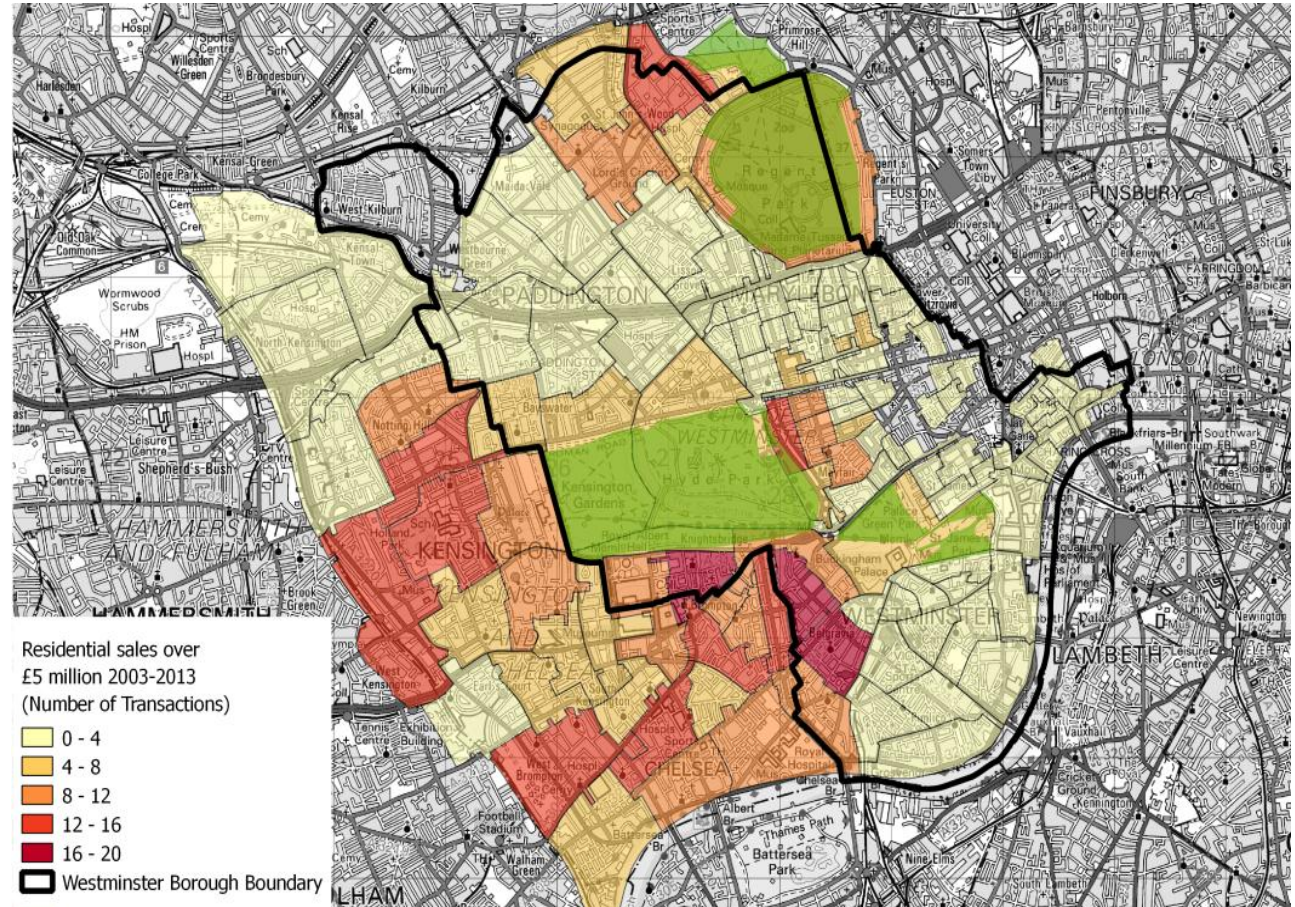


Source: Lonres



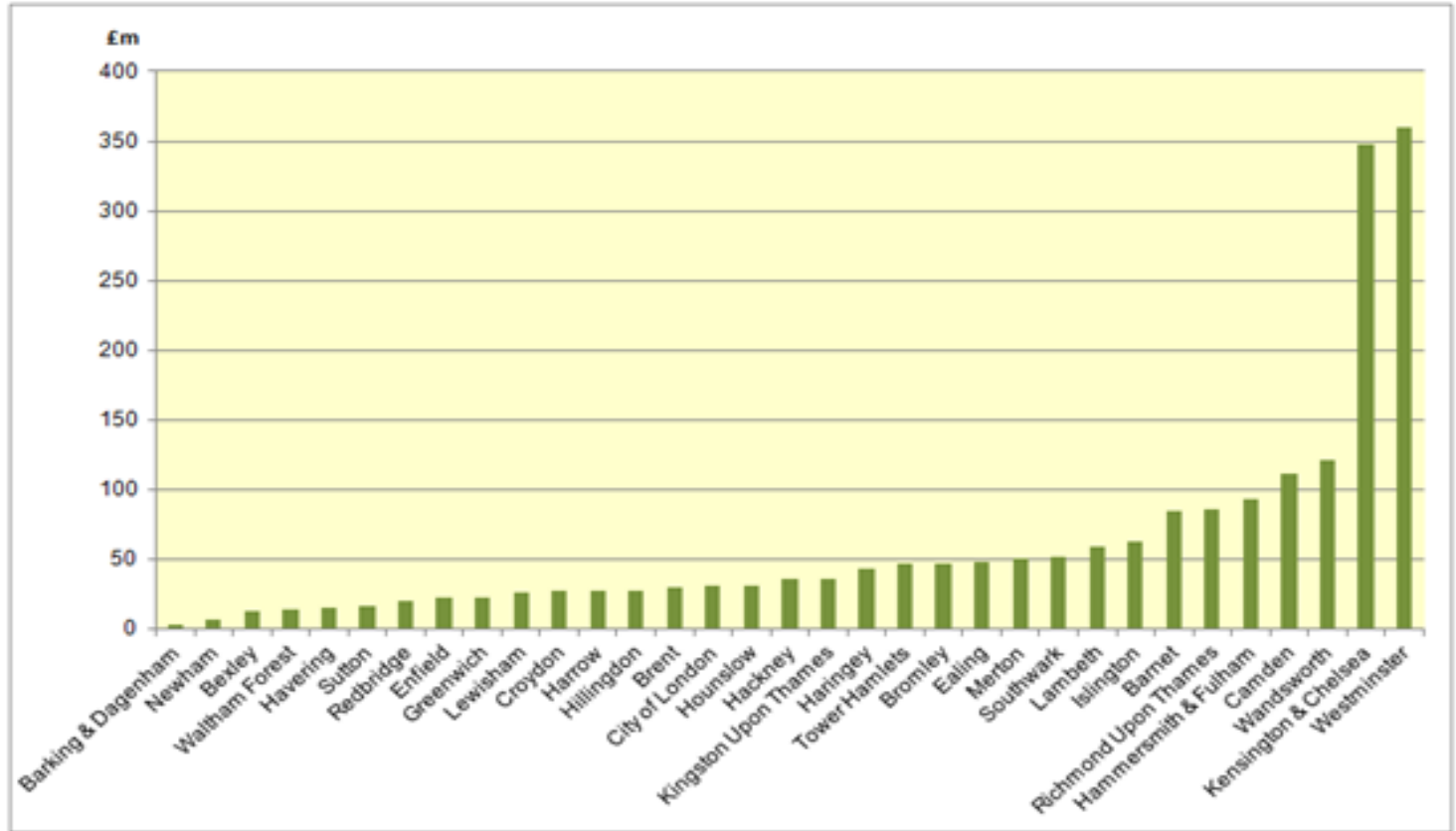
Sales over £5 million

Sales of >£5m, by post code, Westminster and Kensington & Chelsea, 2003-12



Stamp Duty paid

Stamp Duty
Land Tax
yielded by
London
boroughs,
2012-13



Source: HMRC



Stamp Duty paid

Stamp Duty Land Tax yielded by
29 largest UK local authorities,
2012-13, compared to
Westminster

| City | Population | £m SDLT, 2012-13 |
|--------------------|-------------------|---------------------|
| Birmingham | 1,074,300 | 21 |
| Leeds | 750,700 | 23 |
| Glasgow | 598,800 | 16 |
| Sheffield | 551,800 | 15 |
| Bradford | 523,100 | 10 |
| Manchester | 502,900 | 16 |
| Edinburgh | 495,400 | 33 |
| Liverpool | 465,700 | 6 |
| Bristol | 428,100 | 28 |
| Huddersfield | 423,000 | 8 |
| Macclesfield | 370,700 | 29 |
| Cardiff | 345,400 | 12 |
| Leicester | 329,600 | 8 |
| Wakefield | 326,400 | 4 |
| Coventry | 316,900 | 6 |
| Dudley | 313,300 | 5 |
| Nottingham | 303,900 | 5 |
| Newcastle | 279,100 | 10 |
| Sunderland | 275,300 | 3 |
| Brighton & Hove | 273,000 | 33 |
| Walsall | 269,500 | 3 |
| Rotherham | 257,700 | 3 |
| Plymouth | 256,600 | 7 |
| Hull | 256,100 | 1 |
| Milton Keynes | 249,900 | 16 |
| Derby | 248,900 | 5 |
| Stoke | 248,700 | 2 |
| Southampton | 235,900 | 8 |
| Swansea | 238,700 | 5 |
| Total | 11,209,400 | 341 |
| Westminster | 224,000 | 348 |

Source: HMRC



Prime household expenditure

Household expenditure
for owners homes
valued at >£5 million

| House value band | Cost element | Total |
|------------------|------------------------------|-----------------------|
| £5-15m | Employment & professional | £450,000 |
| | Personal | £2,170,500.0 |
| | Health & education | £120,000.0 |
| | Sub-total | £2,740,500.0 |
| | Total for £5-15m band | £1,921,090,500 |
| >£15m | Employment & professional | £750,000 |
| | Personal | £3,617,500 |
| | Health & education | £200,000 |
| | Sub total | £4,567,500 |
| | Total for £5-15m band | £411,075,000 |
| Total | | £2,332,165,500 |



Key messages

Westminster's intractable problem.

Danger of simplistic debate

Role and contribution of prime

London issue

