

# **Predicting London House Prices**

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### **1. Introduction**

#### **1.1 Background**

The London property market is leading the way for regeneration, many property developers choose to invest in London because the stable growth of house prices will pretty much guarantee a solid return on investment. Investors and developers adding capital to areas of London has enabled the regeneration of many London boroughs, this has in turn made many areas in the suburbs of London more desirable to live, which attracts more businesses to trade. This cycle has led to the constant growth of the London property market. For developers, residential buyers and property investors, London continues to be the flagship property investment hotspot in the UK.

There are many variables that can impact the price of a property in London; size, number of bedrooms, location, proximity to travel links, proximity to other amenities e.g. supermarkets, restaurants, bars.

Price varies wildly between different boroughs and areas of London, for this reason a single borough will be selected for the analysis, although the experiment will be applicable to all areas. The selected area for this experiment is the London Borough of Ealing. Ealing is generally recognised as a sought after place to own property, this is largely down to the significant amount of regeneration that has been taking place over the last decade throughout the entire borough, coupled with its superb transport links into the city.

#### **1.2 Problem**

The project will identify and analyse the impact of different variables - both structural and environmental - and the effects they have on the price of a house in London Borough of Ealing. Once the key variables are identified, the project aims to utilise this analysis to predict the sales price of future property sales based on both current and historical data.

#### **1.3 Interest**

Understanding the key drivers behind property value in a given area presents many potential benefits to property developers, buyers and investors and alike.