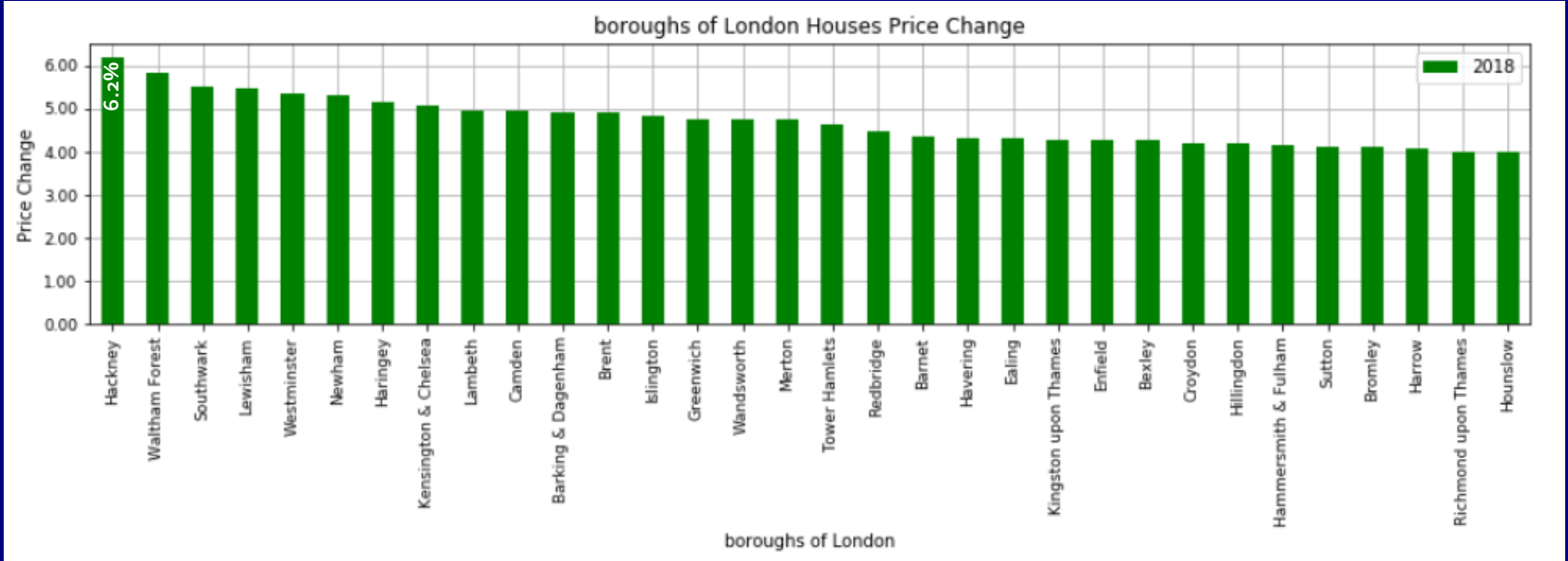




# THE LONDON BOROUGHES

WHICH BOROUGHES OF LONDON HAVE SEEN THE GREATEST INCREASE IN  
HOUSING PRICES, ON AVERAGE, OVER THE LAST TWO DECADES?

# Which boroughs of London have seen the greatest increase in housing prices, on average, over the last two decades?

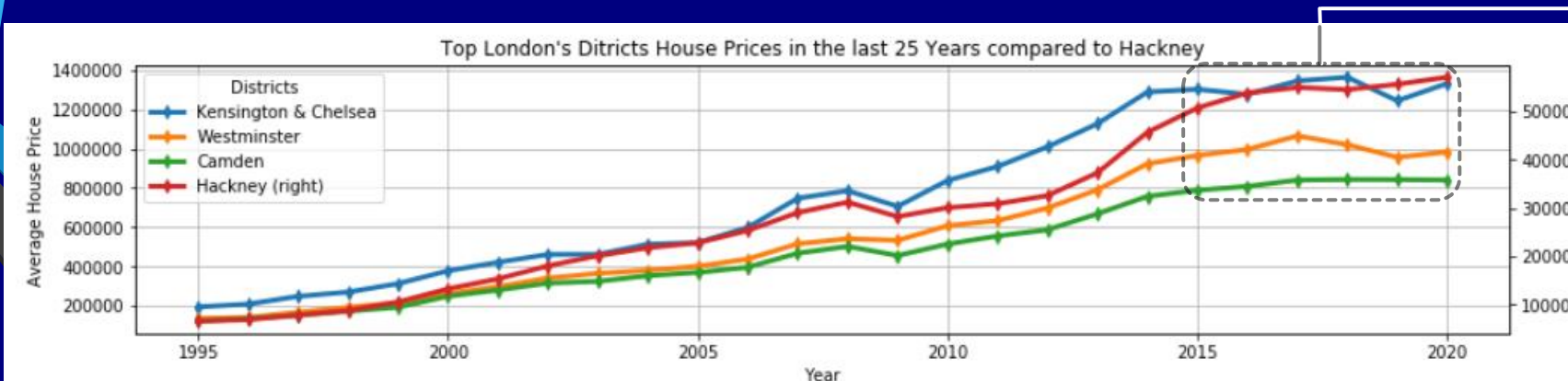
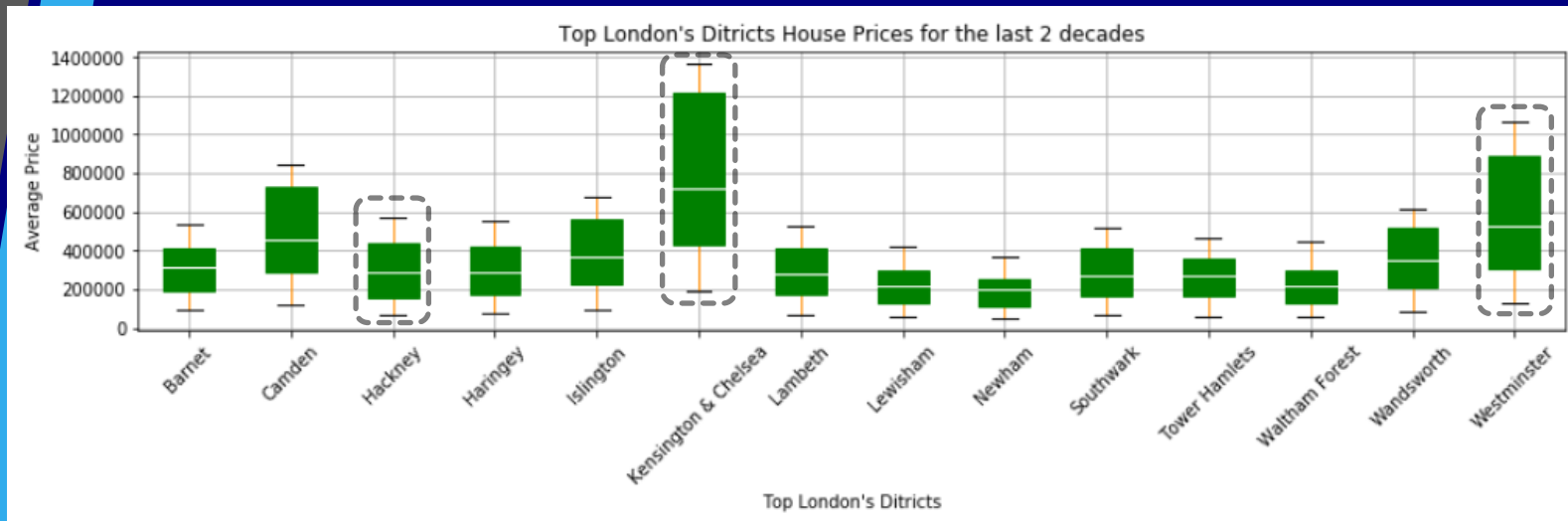


❖ After completing our analysis; as shown above, Hackney has seen the greatest price increase with ~6.2% when we compared average prices between 1998 and 2018.

# Why Hackney has shown the greatest price increase among all London Boroughs?

## (1) Affordability:

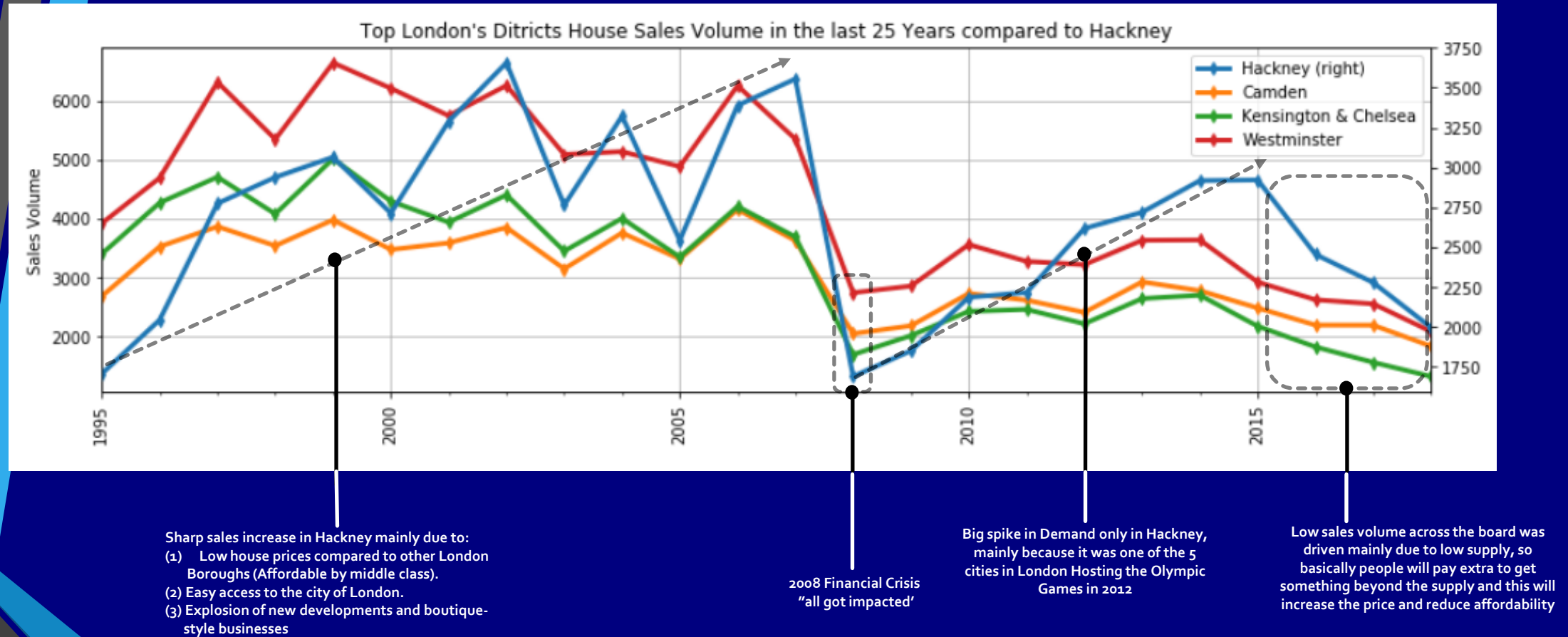
Hackney's house prices in 1995 was the lowest among the top highest house prices in London Boroughs. This suggest that Hackney was really attractive & affordable choice for many middle class workers who can have easy access to the city.



When the demand curve for housing increases, so too do prices. It makes sense: If more people want something than is available for purchase, then they are willing to pay more for that product. As prices increase, demand generally drops (verified from chart next sheet), as affordability decreases.

## (2) High Demand:

Sales volume data shows that Hackney has the highest demands among the most famous London's boroughs.





# Summary & Conclusion



- ❖ Hackney has shown the greatest price change among all London boroughs with ~6.2% compared 1995 with 2018.
- ❖ From 1995 till 2015, Hackney has shown the highest demands due to:
  - Affordability: Low house prices compared to other London Boroughs (Affordable by middle class).
  - Easy Access to the city of London.
  - Explosion of new developments and boutique-style businesses.
  - Big demand spike in 2012 only in Hackney, after the 2008 Financial crisis, mainly because it was one of the 5 cities in London Hosting the Olympic Games in 2012.
- ❖ From 2015 till now, all London boroughs have shown a decline in house sales:

After analyzing both the Average Price and the Sales Volume data, we can conclude that when the demand curve for housing increases, so too do prices. It makes sense: If more people want something than is available for purchase (Low supply), then they are willing to pay more for that product. As prices increase, demand generally drops, as affordability decreases.
- ❖ There are so many factors that can affect the supply and demand for housing, and many aren't economic in nature. Consider the current COVID-19 pandemic, which grounded constructions, paused home sales for a period, and caused building materials to be intermittently (un)available. That certainly put significant downward pressure on housing supply and demand. Or, consider a local government that wants to encourage urban growth and opens up new urban land for development that will increase supply as inward migration increases demand. So as a conclusion, we can not look at only the price increase change without looking at many different factors that affect housing market supply and demand like in our example the Sale volumes