

First Towns Outside London Reach £1m Average House Price

Tuesday 27 October, 2015

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For the first time ever, three towns outside of London have reached an average property price of over one million pounds. The three towns in question are the surrey towns of Cobham and Virginia Water, and the Buckinghamshire town of Beaconsfield. This news comes as the rising demand for houses, coupled with the lack of supply, has continued to push house prices up all over the country.

Recently the CEBR (Centre for Economics and Business Research) have increased their projection for house price rises this year, which now sits at an estimated level of 5.6%. The CEBR's research has blamed several things for this continued rise in house prices but primarily points to the simple economic truth of supply and demand. There has been a much noted rise in demand in recent years, which has been exacerbated by a supply that is not keeping pace. In addition to this the Centre has stated that there is a growing difference between properties at the high end of the market and those at the lower end. This means that people are finding it increasingly problematic to upgrade their property from smaller homes, such as flats, to larger ones such as semi-detached or detached houses. In fact the Centre for Economics and Business Research has estimated that, on average, it would cost someone in London £175,000 to move from a flat to a terraced house.

Lloyds Bank were the first to announce that these three locations had become the first "millionaire" towns outside of London. Virginia Water has the highest average property price at £1.16 million. This was closely followed by Cobham, which currently has an average property price of £1.06 million and is home to many players from Chelsea Football Club. Beaconsfield is the only town outside of Surrey to make it into the list and is only narrowly over the threshold with an average house price of £1.003 million.

The director of private banking at Lloyds, Sarah Davies, noted this landmark in UK house prices:

"Whilst there are several London neighbourhoods where prices are already at this elevated level, outside of the capital this is a first"

Whilst this marks a new high for towns outside of London, there was actually a fall in the number of houses purchased over £1 million in the first half of 2015- when compared with the same period of last year. In the first six months of 2014, there were 6,303 homes purchased above this price but in the same months of this year there were only 5,599 properties bought for that amount.

This all means that house prices are going up but properties at the high end are increasing in price even faster than the rest. It may all seem fairly bleak but, surprisingly, there has been a 14% increase in the rate of mortgage approvals in 2015. However, September did see a 4.5% decrease in approvals when compared with the previous month.

The accompanying infographic has been put together by the [Money Expert loans](#) team.

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