Number Of Million Pound Properties In The UK Will More Than Triple By 2030

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·One in four London homes will cost £1 million+ by 2030

·Yet less than 1 per cent of properties in the North East, Yorkshire and Humber, North West, Scotland and the East Midlands will be £1 million+

·By 2030 the average property price in the UK expected to double - surpassing the half a million pound mark

·Prices set to soar to as much as 16.5 times average incomes by 2030

The number of UK properties worth at least £1 million is expected to more than triple between now and 2030, according to a new report from Santander Mortgages1.

Today, less than half a million homes in the UK are valued at £1 million or more, but this is set to rise to over 1.6 million in the next 15 years.

Working in partnership with economist and LSE Professor of Economic Geography – Paul Cheshire, Santander looked at the future of the UK property market with a forward focus on £1 million+ homes and what drives the market. It's "*Property Millionaires: The Growing Housing Divide*" report found that by 2030, 25 per cent of housing stock in London is expected to be valued at £1 million or more, rising to 70 per cent in two London boroughs.

While seven per cent of homes in the South East are expected to fetch £1 million+ by 2030, less than one per cent in the North East, Yorkshire and Humber, North West, Scotland and the East Midlands are expected to do the same, highlighting a stark geographical divide.

Overall, the average UK property price, which currently stands at £283,5652 is expected to increase 23 per cent by 2020 to £349,3000. Fifteen years from now in 2030, the average UK property price will have almost doubled (97 per cent increase), surpassing the half a million pound mark at £557,444.

Affordability

While property prices are expected to soar, predictions suggest that incomes will not keep pace, resulting in an overall decline in affordability. At present in the UK, the average property price is 7.9 times the average income, but by 2030, this is expected to hit a multiple of 9.7. Again, this trend is elevated in London, where prices are currently 11.5 times incomes and predicted to rise to an eye-watering 16.5 by 2030.

Miguel Sard Managing Director of Mortgages, Santander UK said: "Property price inflation will tip many existing home owners into the million pound price bracket but could also price some aspiring buyers out of the market if they don't have the right support. The current property market is buoyant and the deals available to new and existing owners are extremely competitive, so those wishing to buy or move shouldn't be put off.

"Regardless of the price point a buyer is considering, our advice remains the same; do your research, find a mortgage provider that offers competitive rates and a range of products to ensure that the right deal is secured, and above all, ensure the repayments are affordable."

Professor Paul Cheshire, LSE Professor of Economic Geography, commented: "By 2030 the divide between housing haves at the top and the have-nots at the bottom will be even wider than it is now. More owners will enjoy millionaire status, as homes that many would consider modest fetch seven figure prices in the most sought-after areas. Property price inflation is beneficial for existing owners who will see their net-wealth increase, but it will make entering the market more difficult still for new buyers, further highlighting the importance of the right timing, advice, support and financial planning; and not just having a mum and dad who bought a house but a grandparent too."

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