South Facing Property Premiums Are A Myth

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- **Research reveals properties with a south facing garden, typically marketed as sun traps, only carry a 0.37 per cent price premium**
- **A river view adds nine per cent to the value compared to other identical properties in a new development**
- **Sky high prices – London developers charge premiums of up to 31 per cent for higher levels**

A new study1 commissioned by Direct Line Home Insurance reveals that despite estate agents and property experts espousing the benefits of a south facing garden, this is not reflected in the asking price. Analysis of property asking prices reveals homes with south facing gardens carry a mere 0.37 per cent premium compared to properties with north facing gardens.

South facing gardens have long been touted as desirable because they typically get the sun for most of the day and are therefore thought to be warmer and brighter, but it appears this isn't reflected in property prices.

River views however do carry a higher cost, averaging 9 per cent2 compared to identical properties located on the same development without this sought-after outlook. In one North London development, a three bedroom property with a river view has an asking price of £850,000 - 42 per cent more than an identically proportioned and designed property elsewhere in the development that costs £600,000.

The research also reveals that in many cities if you live higher in a new development, you pay a significant premium for the privilege. One developer informed researchers they added a £15,000 premium to the asking price for every floor, bringing new meaning to the phrase 'sky high' prices.

An apartment on the 14th floor of a new London development five minutes from Angel tube station is on the market for £850,000, which is 31 per cent more expensive than an identical property on the third floor. In a new development near London's Colindale station a one bedroom flat on the fourth floor costs £438,950 while an identical property on the eighth floor is on the market for £475,0003.

Katie Lomas, head of Direct Line Home Insurance, commented:“The research highlights that south-facing premiums may well be a myth, but a room with a view comes with a hefty price tag. People are prepared to pay thousands more for the same amenities and layout because a property is located higher in a building, has a more scenic vista, or because it overlooks water. However, while picturesque river views are much admired it is worth noting properties built near water may cost more to insure because of increased flood risk. Purchasers should check the likely cost of insurance before they commit to buy.”

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