

# Press Release



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## SAVILLS PUBLISHES THE 5 YEAR FORECASTS FOR THE UK'S PRIME HOUSING MARKETS

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Prime commuter housing markets are set to outperform prime London in the five years to 2020, with the relative value offered compared to the capital likely to underpin medium-term house price growth, according to international real estate adviser Savills, which today published new 5 year forecasts for the UK's prime housing markets. However, short term growth prospects are likely to be hampered by the combined impact of stamp duty, mortgage market review and a slow prime London market.

The price gap between property in London and its commuter belt indicates the potential for significant growth once the ripple effect is restored. Prime London property prices are 36.8 per cent above their 2007 levels, compared to a 6.6 per cent rise in commuter areas over the same period.

Consequently, the prime housing markets in London suburbs, inner commuter (up to 30 mins train journey to London) and outer commuter (up to 60 mins) locations have the strongest growth prospects over the five years to 2020, at 24.5 per cent, 24.0 per cent and 23.4 per cent respectively.

However, these prime housing markets in the commuter zone markets are dependent on movement in the prime London housing markets, which is only expected to occur after they acclimatise to a new tax and regulatory environment, allowing the fundamentals of wealth generation, both domestic and global, to translate into restored demand. This is expected to start to take effect in 2017, with trend rates of price growth returning from 2018 onwards to deliver 5 year price growth of 21.5 per cent in prime central London and 18.2 per cent growth in other prime London markets.

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### Savills Vietnam

Savills Vietnam is the largest and most experienced real estate practice with offices in Hanoi and Ho Chi Minh City. The company provides comprehensive property services such as: Residential Sales, Commercial Leasing, Residential Leasing, Research & Consultancy, Valuation & Feasibility Study, Banking & Corporate Services, Investment Brokerage & Advisory, Retail Consultancy & Leasing, Property & Asset Management, Tenant Advisory & Representation, Industrial Consultancy & Leasing, Marketing & Creative services. Savills Vietnam has won the Asia Pacific Property Awards 2015 - 2016 for "**Best Real Estate Agency in Vietnam**", and "**Best Property Consultancy in Vietnam**". 2015 is also a milestone for Savills Vietnam when the company celebrates its 20 years of operations and growth with the Vietnam market. Currently, Savills Vietnam consists of over 1,000 experienced and professional staff nationwide.

Across the rest of the country prime housing markets are expected to be driven by a preference for city and town locations and strengthening local economies. Scotland is seeing a similar predilection for metropolitan areas, but all markets over £750,000 are being constrained by Land and Buildings Transaction Tax to some degree.

Sophie Chick, Savills research associate director says: “We expect the trend for urban living to continue as London buyers seek out vibrant locations where they don’t have to sacrifice the convenience of living close to shops, restaurants and leisure facilities. Positive sentiment for cities in the north of England is also being bolstered by talk of a northern powerhouse, despite the proposals being some way off.

“While the prime property market is continuing to adjust to a new fiscal and regulatory environment, wages are increasing, interest rates are still low and there is political certainty for the next five years. Under these circumstances, we expect prime property to return to long term trend rates of real price growth in 2018.”

	2016	2017	2018	2019	2020	5 years to 2020
<b>Prime central London</b>	0.0%	2.0%	5.0%	6.5%	6.5%	21.5%
<b>Outer prime London</b>	2.0%	2.0%	4.0%	4.0%	5.0%	18.2%
<b>Suburban</b>	2.0%	4.0%	7.0%	5.5%	4.0%	24.5%
<b>Inner commute</b>	3.0%	4.0%	6.0%	4.5%	4.5%	24.0%
<b>Outer commute</b>	3.0%	4.0%	6.0%	4.0%	4.5%	23.4%
<b>Wider south England</b>	2.0%	3.0%	5.5%	4.0%	4.0%	19.9%

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<b>Midlands / North</b>	2.0%	2.0%	5.0%	4.0%	4.0%	18.2%
<b>Scotland</b>	2.0%	3.5%	4.0%	4.0%	4.0%	18.8%

Source: Savills Research

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