

Highgate by numbers

– Evidence of a cooling housing market

The third in a series of articles by Simon Briscoe that looks at publicly available data about Highgate and its surrounds.

The first article, concerning deprivation rankings and population structure, and the second concerning education and the benefit culture, appeared in recent editions of Buzz and are now on the web site at www.highgatesociety.com.

Love it or loathe it, you cannot live in Highgate without being aware of the housing market. Estate agents are the dominant force around the High Street - claiming 10 frontages at the last count - and the 'for sale' boards are a feature of every road. The recent rise in prices - and the threat of a sharp fall - crops up in conversation at many social gatherings. Curiosity about housing is insatiable. Even on a damp November evening when the High Street is nearly deserted, you can always see someone peering into the agents' windows.

But behind all the hype and hope what are the facts about house prices in Highgate? The Land Registry, with whom all transactions have to be lodged, publishes figures that throw some light on the matter. Detailed figures go back only to 1998 so we can see recent trends but we cannot go back to the last period of housing boom and bust a decade ago.

Data is available by postcode and it is presented here for the area of N6, which is Highgate in eyes of the Post Office (which sets the postcodes). The N6 postcode area covers an area bounded by Hornsey Lane and Swain's Lane in the south, Shepherds Hill in the east, Queens Woods and The Great North Road in the north, and Bishops Avenue and Hampstead Heath in the west.

The area of N6 is broken down into 3 parts, known as sectors – N6 4 (north of Hampstead Lane and west of Southwood Lane), N6 5 east of Southwood Lane and Highgate High Street) and N6 6 (south of Hampstead Lane and the High Street). There seems little logic to the system of post coding so don't ask why Highgate has sectors numbered 4, 5 and 6 but no 1, 2 or 3! Each property then has two letters attached to the end of these codes (which it normally shares with around 15 to 20 others) to show exactly where it is. Data are available for each sector – but not down to the full code – and they show property sales by type, i.e. detached, semi, terraced or flat/maisonette. Figures are not given for any category if there have been fewer than three transactions in any period so as to preserve the privacy of those involved in the deal.

**** Map here ****

The key points about our area are:

- There are about 40 property sales a month – two every working day.
- The market for family homes is definitely showing some signs of weakening. Evidence for this includes:

- The prices recorded for the average detached, semi and terraced house in N6 5 have been lower in the last two quarters than they were at the start of the year.
 - Terraced houses in N6 5 have been hovering at or below the prices achieved in the second half of 2000.
 - Terraced houses in N6 4 tell a more dramatic story – the last year has seen prices consistently 20% lower than at the end of 2000 and the start of 2001.
 - The price of property in the reasonably homogenous N6 5 has risen by only 3% in the year to the third quarter (and fell fractionally in the year to the second quarter). This compared to a rise of around 15% in the whole of London (also roughly the average rate in the boroughs of Barnet, Haringey, Camden and Islington).
 - The price for the average transaction in the whole of Highgate has not yet fallen. Aggregate levels have been kept up by the firm prices in high volume sales of flats and maisonettes in N6 4 and N6 5 and a very small number of high end transactions for detached houses in N6 4 and N6 6. Flats have risen in price by 10% in the last year, the same rise as recorded in the previous year.
- The number of transactions is hovering around a level about one-fifth off the recent peaks. In the third quarter (from July to September) 140 properties were sold in Highgate. The peak of transactions occurred in early 2000 but then dipped to a low in early 2001. The modest rise since then seems to have petered out and, despite the third quarter being the strongest of the year, the rolling average of the number of transactions has been falling very slowly throughout 2002.
 - Many people think of Highgate as being full of expensive large houses. If turnover is a good proxy for stock, this is not so. The bulk of the estate agents' business is flats. Over the whole N6 area, about 30 detached, 40 semi-detached and 70 terraced houses have been sold each year in the recent past. These are outnumbered by the flats and maisonettes, the sales of which have numbered about 350 a year, accounting for over 70% of turnover volumes.
 - N6 5 has accounted for seven out of ten transactions in Highgate over the last four years, despite the three Highgate sectors being roughly equal in area. The housing in N6 5 is more densely packed and has many privately owned flats.
 - The figures suggest – though it is only a rough estimate – that over the last few years there have been on average about 15-20 houses sold in Highgate over the £1 million mark. Most of these, and virtually all of the multi-million pound houses, are found in N6 4, the area north of Hampstead Lane and west of Southwood Lane.
 - A good estimate of the overall price trend is given by looking at the prices achieved for sales of flat and maisonettes. There are more of them sold and they are more homogenous than houses so they suffer less from the deficiencies of the data. The numbers bounce around from quarter to quarter but it is clear that the growth rate of prices has slowed in all three Highgate areas this year. The annual rate is negative for the whole of N6 in the third quarter for the first time since records began four years but that has as much to do with the mix of properties sold a year ago – there must have been some luxury apartments sold pushing up the prices. But the appearance of the first fall is perhaps a sign of the direction of the market.
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Background to the numbers

The Land Registry figures are the only ones that give detail down to such small areas. While that makes them of unique interest, they are not perfect. The main weakness is that the LR simply averages all the sale prices for property in an area over the given period. This means that the price for a small area (as opposed to a borough or county) can be distorted by one or two atypical transactions. The Highgate sector figures are affected when several very large and expensive houses are sold. An example is seen clearly in the figures for detached houses in N6 5. The average price is about £750,000, but in the third quarter of 2000, the average price of the three houses sold was £2.6 million. So, if the other two houses sold in the quarter were at an average price, the third would have been sold for around £6 million – a very unusual price for the area.

The Land Registry has plans in the years ahead to publish new numbers that would 'quality adjust' the numbers. In the meantime, the other main sources for house price figures are the government and, from the commercial sector, the Nationwide and Halifax, but they are not available below regional level.

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Source: <http://www.landreg.gov.uk>