

# Spotlight **Prime Residential Markets Beyond London**

Spring 2015

## **Fresh perspectives**

A clear view on the component parts  
of the prime residential markets



### **This publication**

This document was published in March 2015. The data used in the charts and tables is the latest available at the time of going to press. Sources are included for all the charts. We have used a standard set of notes and abbreviations throughout the document.

### **Glossary of terms**

■ **Mainstream:** mainstream property refers to the bulk of the UK housing market with, for example, price movements monitored by reference to national and regional average values.

■ **Prime:** the prime market consists of the most desirable and aspirational property by reference to location, standards of accommodation, aesthetics and value. Typically it comprises properties in the top five per cent of the market by house price.

# Foreword

## NEW LIGHT THROUGH OLD WINDOWS



Long term drivers and short term trends will determine the shape of the recovery in the prime markets beyond London

**A**s I write the introduction to this publication we are but six weeks away from a general election.

With the result too close to call, politicians, pundits and spin doctors are watching the polls intently. With so much uncertainty, they are likely to be checking the odds on the outcome of the election on a daily basis.

### Short term sentiment

While they are scouring the data for clues as to which policies resonate with the electorate, in the Savills research department we are looking at how short term sentiment in the housing market sits alongside longer term economic drivers. While they are looking at whether and how different sectors of society are likely to vote, we are looking at which locations and sectors of the market are on the up or falling out of favour.

For some time now, it has been apparent that the world of politics and housing have been on a collision course. Whether it be the coalition's pre-emptive strike in reforming stamp duty, or the opposition's controversial policy for a mansion tax, the taxation of high value homes has been under the political microscope.

So where there is political uncertainty, it is to be expected that there is also a prevailing sense of caution in the prime housing market. For the moment, short term sentiment outweighs economic fundamentals.

As we explain in our lead article on page 4, the medium term outlook for the prime markets beyond London is much brighter than current market conditions would

indicate. A mansion tax is no certainty, unless we get a Labour majority government. Even if such a tax were to be introduced, we are forecasting that prime prices will be higher in five years time than they are now, reflecting the fact that much of the prime market beyond London sits below the £2m threshold.

In the event that such wealth taxes are avoided, we are forecasting a significant rise in the number of £1m+ sales beyond London, as the economy improves and buyers exploit the price gap between the capital and its hinterland, and between the commuter zone and beyond.

### Key drivers

In assessing the market we have looked at a combination of recent trends, long established drivers of demand and the distinction between needs based and discretionary purchases.

We have explored the rise of prime urban markets in locations such as Bath, Cambridge, Oxford, Sevenoaks, St Albans, York and Edinburgh, examined the relationship between good schools and house prices and looked at the prospects for prime coastal markets.

This gives us a clearer picture of the drivers and trends that will shape the prime regional markets over the next five years, even if the political landscape against which they operate remains an uncertainty. ■



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## EXECUTIVE SUMMARY



Prime markets beyond the capital look set for a positive medium term outlook despite pre-election caution  
See pages 04/05



Prime urban locations outside of London have outperformed their rural counterparts since the credit crunch  
See pages 06/07



Where are the biggest prime growth locations? Mapping hotspots and examining where might be next  
See pages 08/09



Good schools in good locations continue to attract buyers moving out of London  
See pages 10/11



Coastal properties carry a price premium, but are we experiencing a new wave of demand for homes near the sea?  
See pages 12/13

## Market dynamics

# MEDIUM TERM PROSPECTS FOR A TIERED MARKET

Value offered in the prime markets beyond London suggests a positive medium term outlook despite pre-election caution

Words: Lucian Cook  
Twitter: @LucianCook  
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“The force of the ripple effect will continue to vary between submarkets”

Lucian Cook, Savills Research  
.....

**I**t has become pretty much impossible to talk about the UK's prime housing markets beyond London as a single entity. Since the downturn of 2008, they have become increasingly stratified, reflecting not only their distance from the capital, but also the tier of the prime market in which they sit and whether they are in an urban, rural or coastal location.

Wide price differentials now exist between London and its commuter zone, the remainder of England and Wales and, indeed Scotland. A property worth £1m in 2007 would now be worth £1.34m in London, £1.05m in the commuter zone and £780k in Scotland.

Within each of these areas, the prime urban markets have generally been on the rise, while their rural counterparts have lagged behind to date (as shown in the table on page 5).

Though the medium term prospects remain positive, all of these

submarkets face challenges in 2015. Although the economic recovery has held firm and the outlook for interest rates remains relatively benign, political uncertainty in the run up to the general election has, for the moment at least, resulted in an air of caution among buyers.

### Mainstream lessons

The mainstream markets, which impact on sentiment higher up the value chain, seem to have been similarly affected despite the best efforts of the Chancellor to stimulate a feelgood factor with this long overdue reform of stamp duty. The reality is that the increased regulation of the mortgage market will have played a significant part in bringing a period of sobriety to the wider housing market following strong growth in the first half of 2014.

Despite lower levels of mortgage debt dependency, regulatory limits on the amount of borrowing a buyer can take on board will also have had an





impact on those looking to work their way up the prime housing market.

Meanwhile, a significant chunk of the prime market now finds itself with a larger stamp duty liability.

Taxation has been an even greater concern in the upper echelons of prime. The debate around a mansion tax has done nothing to engender a sense of urgency among buyers.

However unwelcome and unwarranted the proposal, owners of prime regional housing may take some solace from the fact that the main burden of the tax would be felt by owners of higher value properties in London.

If a mansion tax is introduced it has the potential to make properties outside of the capital, that already look comparatively good value, appear even more attractive. Over time it could drive demand to properties worth under £2m and to the £2m to £3m bracket where we are told a mansion tax would be limited to £3,000 a year.

## Brighter outlook

The medium term outlook for the prime housing markets beyond London looks much brighter. Even in the event a mansion tax is introduced in the form currently proposed, we are forecasting five-year price growth of 19.6%. If the current uncertainty around further taxation is removed we would expect a much quicker bounce back and a more orderly reinstatement of the ripple effect that appeared to have gained some traction in the first half of 2014.








The force of that ripple effect will continue to vary between different submarkets, with those receiving the strongest initial boost being the most popular commuter markets where London based buyers are most active. We expect locations offering the best family living environment to benefit most, putting great emphasis on the quality of schools.

The elastic between the markets of these uber towns and their rural counterparts, and the commuter zone and beyond, can only be stretched so far. As in previous housing market cycles, there will be a point where the value gap between them creates a compelling reason to buy.

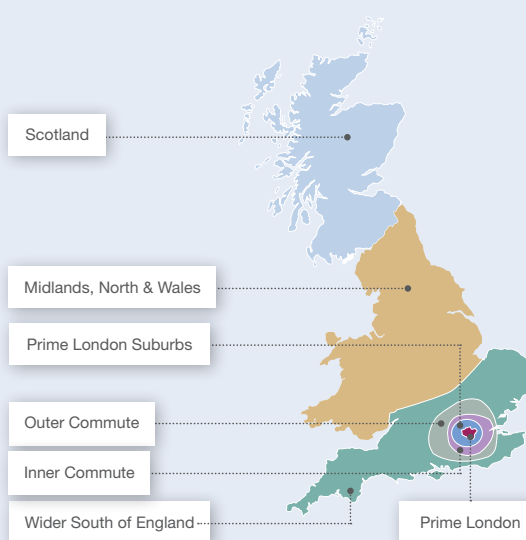
This means whatever the hiatus caused by a general election, there will be buying opportunities across all of the different submarkets, stimulating a more widespread recovery over the medium term. ■

# PRIME PROPERTY PERFORMANCE

How the markets fared over the past year & since 2007 peak

Region	Location	Annual	Since 2007 Peak
 Prime London		↓ -1.6%	↑ 34.3%
 Prime London Suburbs (wider M25)		↑ 1.8%	↑ 8.7%
 Inner Commute Up to 30 minute train journey from London	Urban	↑ 4.0%	↑ 9.6%
	Village	↑ 1.6%	↑ 1.7%
	Rural	↓ -0.4%	↓ -1.3%
 Outer Commute 30-60 minute train journey from London	Urban	↑ 5.8%	↑ 18.9%
	Village	↑ 2.7%	↑ 0.9%
	Rural	↑ 0.8%	↓ -8.5%
 Wider South of England	Urban	↑ 3.3%	↓ -1.2%
	Village	↑ 2.3%	↓ -11.2%
	Rural	↑ 1.4%	↓ -12.5%
	Coastal	↑ 4.1%	↓ -16.6%
 Midlands, North & Wales	Urban	↑ 4.9%	↔ 0.0%
	Village	↑ 4.0%	↓ -12.9%
	Rural	↑ 0.7%	↓ -20.1%
 Scotland	Urban	↑ 1.6%	↓ -17.9%
	Village	↔ 0.0%	↓ -22.3%
	Rural	↓ -1.6%	↓ -27.3%

NB: Figures correct to Q1 2015



## 8.7%

Average performance in prime London suburbs since 2007 peak

## 2.2%

Average growth excluding prime London over the past year

Source: Savills Research

# Prime locations

## CITY LIVING VS COUNTRY LIFE

Words: Sophie Chick  
Twitter: @SophieChick  
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TABLE 1  
**Average house price in top two urban wards by region**

Ward	Dec 14	Type
<b>South East</b>		
St Margaret's, Oxford	£1,688,000	City
North, Oxford	£1,592,000	City
<b>South West</b>		
Canford Cliffs, Poole	£1,035,000	Town
Lansdown, Bath and North East Somerset	£953,000	City
<b>East of England</b>		
Harpenden West, St Albans	£1,059,000	Town
Newnham, Cambridge	£1,055,000	City
<b>The Midlands &amp; Wales</b>		
Edgbaston, Birmingham	£535,000	City
St Alphege, Solihull	£472,000	Town
<b>The North</b>		
Wilmslow East, Cheshire East	£689,000	Town
Harlow Moor, Harrogate	£522,000	Town
<b>Scotland</b>		
Southside/Newington, City of Edinburgh	£617,000	City
Meadows/Morningside, City of Edinburgh	£557,000	City

Source: Savills Research using Land Registry and Registers of Scotland



Prime urban properties are 3.6% above their 2007 peak



### CITY LIVING

Since the credit crunch we have seen the continued rise of the prime urban markets. 'Little Londons' such as Cambridge, Bath, York and Edinburgh have seen price growth race ahead of their neighbouring villages and rural areas. Over the past year, in our outer commuter region - 30-60 minute train journey from London - prime city property values increased by 7.3% compared to those in rural locations, which rose by just 0.8% over the same period.

Closer to London, the commuter towns of Guildford, Sevenoaks and Windsor have been the first to benefit from the ripple effect out of London as towns in our inner commuter region - up to 30 minute train journey from London - saw values increase by 4.0% over the past year, outperforming price growth in both villages and the countryside.

This reflects a change in our attitudes and social behaviours.

There is a general reluctance from young families leaving the major urban hubs to abandon their lifestyles completely. Moving to market towns and cathedral cities which offer good transport links, retail and leisure facilities allows them to maintain elements of their lifestyle which they have become accustomed to.

This move can often act as a stepping stone before families take the plunge and move to the countryside or it becomes a permanent move.

We expect the trend for urban living to continue. We have seen the first signs of wealth beginning to flow out of the capital. As the economy continues to recover and the London housing market slows, we predict more London buyers will make the move out to the regions. The prime commuter markets and urban locations are best placed to take advantage of this. ■



Prime city property values in outer commute areas rose 7.3% over past year



Prime values in outer commute rural locations rose 0.8% over past year



Prime rural properties are 98.5% bigger than those in city or town locations



## COUNTRY LIFE

Despite the rise of urban living, our survey of people looking to buy a prime property outside London last year found that just one third were looking in urban locations. What's more, the most popular type of house was revealed to be a rural farmhouse, indicating that the idyllic country life dream is still alive and kicking.

This is just beginning to show in the figures. Across the country, prime property in rural and village locations saw annual price growth of 2.3% and 0.1% respectively over the year to March 2015. However, over the longer term, values still lag behind and remain some way below their previous peak. Prime property values in villages remain -6.5% below their 2007 level, while the countryside is -13.8% below. Urban properties are now 3.6% above peak.

Home movers are often attracted to the country lifestyle, desiring fresh

air, privacy and proximity to nature. Rural living also offers more space for families at better value for money. Analysis of Savills data shows that prime rural properties are on average 98.5% bigger than those in city or town locations but on a price per square foot basis are 25.8% cheaper. Villages sit between the two, offering 21.3% more square footage than urban locations at a 7.2% discount.

Although we believe the trend for urban living will continue, villages and rural countryside now represent good value in comparison to larger towns, meaning there is currently a good buying opportunity.

Further down the line, as we move into the next phase of the housing market cycle, the value gap between the prime urban markets and their rural counterparts will begin to close as demand becomes more evenly spread. ■

TABLE 2

### Average house price in top two rural/village wards by region

Ward	Dec 14	Type
<b>South East</b>		
Gerrards Cross South, South Bucks	£1,241,000	Village
Virginia Water, Runnymede	£1,239,000	Small Town
<b>South West</b>		
Ampney-Coln, Cotswold	£775,000	Village
Bathavon South, Bath and North East Somerset	£759,000	Village
<b>East of England</b>		
Chorleywood East, Three Rivers	£1,183,000	Village
Ashridge, Dacorum	£832,000	Rural
<b>The Midlands &amp; Wales</b>		
Long Compton, Stratford-on-Avon	£655,000	Village
Little Aston, Lichfield	£651,000	Village
<b>The North</b>		
Prestbury, Cheshire East	£803,000	Village
Bowdon, Trafford	£691,000	Village
<b>Scotland</b>		
Mid Formartine, Aberdeenshire	£294,000	Village
Aboyne, Aberdeenshire	£268,000	Village

Source: Savills Research using Land Registry and Registers of Scotland

## Prime markets

# THE ANATOMY OF THE PRIME MARKET

Mapping the prime hotspots across the country and examining where might be next

Words: Sophie Chick  
Twitter: @SophieChick  
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**A**cross Great Britain there were 18,000 sales over £1m+ in 2014 with an aggregate value of around £44bn, more than the previous high in 2007. The increase in the size of this market over the past decade has been huge as the number of £1m+ sales recorded tripled.

Our map shows where these sales occurred in 2014 as well as

the tier below, the £750k - £1m market. Although the majority of the transactions are in the South of England, accounting for 88% of all £1m+ sales excluding London, our map picks out where the prime hotspots across the country are located.

Additionally, we have looked at Local Authorities where we expect the biggest growth in £1m+ sales to occur, as shown in Table 3 below. ■

TABLE 3  
**Where are the biggest prime growth locations?**

	Region	Local Authority	£1m+ sales 2014*		
			£1m+ sales forecast 2019		
 Suburban		Epping Forest, Essex	83	176	112.2%
		Croydon, London	36	86	140.7%
		Epsom and Ewell, Surrey	29	84	190.0%
 Inner Commute		Dacorum, Hertfordshire	64	149	131.8%
		Chelmsford, Essex	28	73	162.9%
		Surrey Heath, Surrey	26	83	216.6%
 Outer Commute		Wokingham, Berkshire	36	92	157.6%
		Hart, Hampshire	32	84	164.7%
		Aylesbury Vale, Buckinghamshire	26	81	209.0%
 Wider South of England		New Forest, Hampshire	54	120	122.3%
		City of Bristol	50	103	106.0%
		Cheltenham, Gloucestershire	24	50	109.8%
 Midlands, North & Wales		Birmingham	30	51	69.4%
		Cheshire West & Chester	21	41	95.0%
		Harrogate, N. Yorkshire	21	43	104.5%
 Scotland		City of Edinburgh	86	169	97.0%
		City of Aberdeen	36	48	33.8%

Over the next five years, we are forecasting that prime property will see price rises ranging from 25.7% in the London suburbs to 17.5% in Scotland (see page 14 for further details). Using these forecasts and 2014 sales data, we have estimated how many £1m+ sales there will be by 2019.

We have grouped the sales by local authority and to the right is a table of the locations we expect to see the biggest increases.

## 89%

Increase in £1m+ sales outside of London by 2019

Source: Savills Research using Land Registry, HMRC and Registers of Scotland

NB: Analysis excludes Local Authorities with fewer than 20 £1m+ sales in 2014. \*estimated using Land Registry, HMRC and Registers of Scotland



# PRIME HOTSPOTS

Identifying the prime markets across Great Britain

MAP 1  
**£750k+ sales in 2014**

**KEY**

- £1m+
- £750k - £1m

47% of £1m+ sales in Scotland are in Edinburgh.

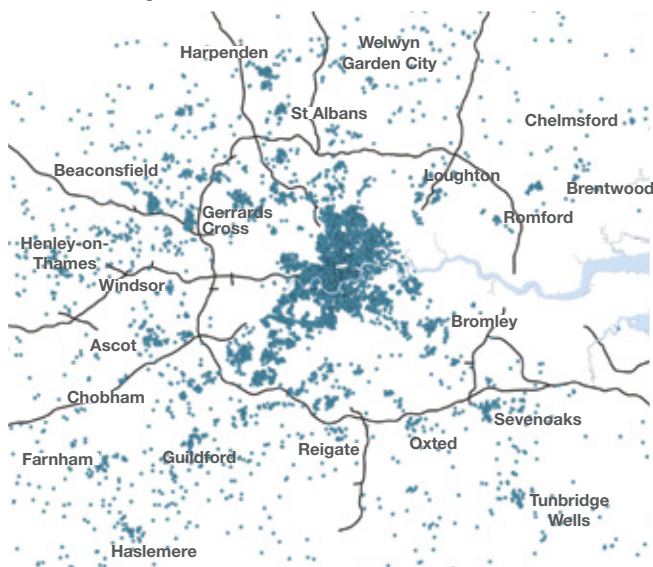
Cheshire accounts for one third of all £1m+ sales in the North.

The Ampney-Coln ward in the Cotswolds is the highest value ward in the South West

37% of all £1m+ sales in Cornwall, Devon, Dorset, Suffolk and Norfolk are within 1km of the coast. More details on page 12.

MAP 2

## A close up on the London commuter belt



Source: Savills Research using Land Registry

In the cities of Cambridge, Oxford, Bath, Bristol, and Winchester there were 450 £1m+ sales in 2014, the same as Scotland and the North of England combined.

74% of all £1m+ sales outside of London occur in the commuter belt

Source: Savills Research using Land Registry and Registers of Scotland

# Schools

## THE EDUCATION EQUATION

Good schools in good locations continue to attract buyers moving out of London

Words: Lucian Cook  
Twitter: @LucianCook  
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“The top performing state schools tend to be located in the more affluent areas”

Lucian Cook, Savills Research  
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One of the key catalysts that drives housing demand out of London is the desire to buy a larger family home in an area that offers good schooling. Making that move often occurs in anticipation of a child starting school or moving up to secondary school.

### Moving out of London

In London, the pressure on schools is intense. A good state school education is not guaranteed. Of those applying to state secondary school, 30% do not get into their first choice in the capital. In the prime boroughs of Wandsworth and Hammersmith & Fulham this figure rises to 40%.

The cost of a private education in London is high. In addition to school fees, the average house price in the postcode districts in which London's independent schools are located is just shy of £760,000.

Increasingly among the more affluent families, the ability to exploit the price differential between

London and the country provides an opportunity to free up cash in order to facilitate a private education for their children. There is little doubt that this is the least risky option, with over half of all top performing schools at A-level being in the independent sector.

### Grammar schools

By contrast, the most cost efficient option is to tap into high performing state schools, without school fees to worry about. In England, for many the golden ticket is to be able to get their children into one of the 164 grammar schools, where there is no consistent house price premium above the local authority. Within the state sector they account for over half of the top 10% of best performing schools (measure by reference to GCSE results). 128 of them make up 84% of the top 5% of state secondary schools.

In particular, this drives demand into Kent and Buckinghamshire which, together with the much less expensive Lincolnshire, have the most extensive grammar school networks.

Getting your child into these schools remains highly competitive. There are around 23,000 grammar school students in each GCSE year roughly half the number in independent schools and under 4% of the total secondary school population. Similarly, while this may be an option if you live in Trafford, Birmingham or on the Wirral, such schools are few and far between in other parts of the country.

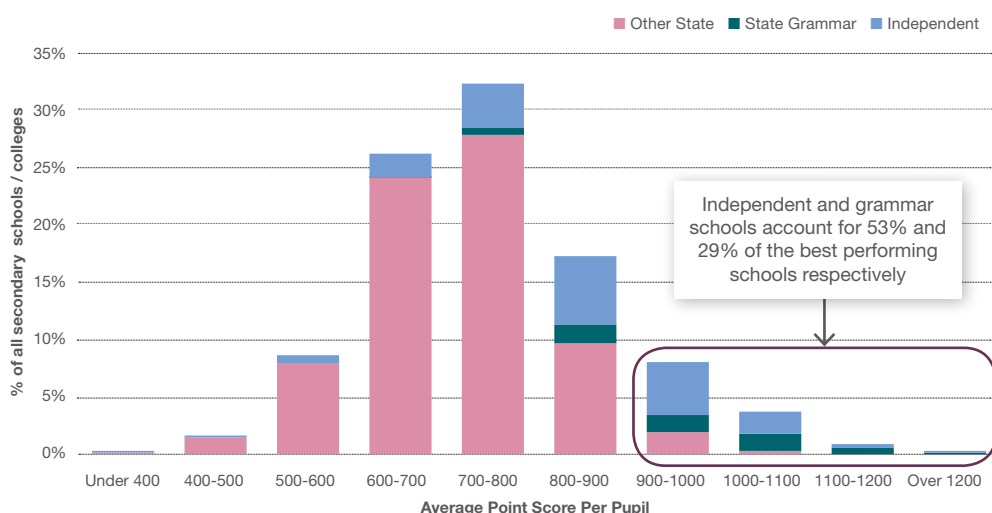
Though there are exceptions to the rule, elsewhere within the state school system the top performing schools tend to be located in more affluent areas that command higher house prices. As shown in Graph 1, prices in the postcode sector of the best performing non-selective state schools are 25% above regional average, and 14% higher than the local education authority in which they sit, lending credibility to the house price premium those living in relevant school catchment areas so often refer to.

### Educational hotspots

For many, rather than pinning their hopes on a single school, a choice of good schools will determine where families will look to buy.

In locations such as Northwood, Brighton, Shrewsbury and Ascot such demand will be driven entirely by a cluster of high performing independent schools. In others, such as Dorking, Malvern, Borehamwood, Warwick,

GRAPH 1  
**Performance at A-Level** Independent schools are top of the class



Source: Savills Research using Department of Education

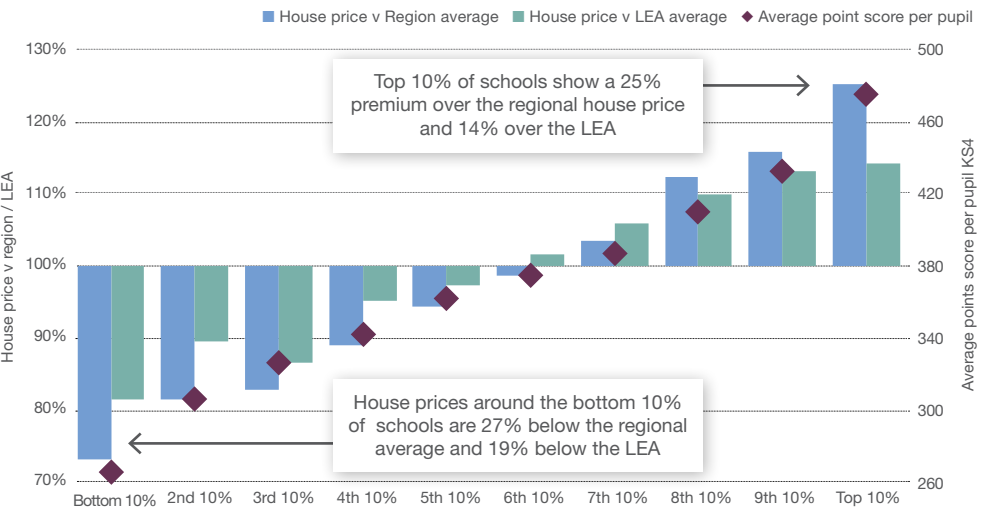
Oxford and Guildford, these will be supplemented by one or two high performing state school alternatives.

In areas, such as Wallington, Altrincham and Orpington it might be exclusively a function of the grammar school system.

In others, such as Bath, Winchester, York, Colchester, Tunbridge Wells, Chelmsford and Cambridge, the network of a range of high performing schools underpins a high value family housing market. ■

**£760k**  
Average house price  
close to London's  
independent schools

GRAPH 2  
**House price v secondary school performance**



Source: Savills Research using Land Registry and Department of Education

# SCOTTISH INDEPENDENTS

## Scotland's independent schools command a premium

There are 70 independent schools in Scotland, following either the Scottish or English curriculum and educating around 4% of pupils in Scotland. Pupil numbers in Scotland's independent schools are continuing to hold steady despite the increased pressure on family budgets.

The majority of independent schools are located in and around the core locations of Edinburgh, Glasgow, Perth and Aberdeen. In fact, Edinburgh has more such schools per head of the population than any other city in the UK, with no less than 20 servicing a population of around 500,000. One in four of all secondary school age children attend an independent school in Edinburgh.

Unsurprisingly, two-thirds of independent schools are located in postcode sectors where the average property price exceeds the average for their respective local authority area. The premium across all areas during 2014 averaged 34%, increasing to 60% in the hotspots of Edinburgh and Glasgow.

The gap in residential property values is not just confined to independent school locations. Property prices during 2014 in postcode sectors where Scotland's top 20 state secondary schools are located were on average 25% higher compared to their respective Local Authority areas. A number of such schools are located in Scotland's commuter hotspots of East Lothian, East Renfrewshire and East Dunbartonshire.



George Heriot's School, Edinburgh

# Coastal property RIDING A NEW WAVE OF DEMAND

Living by the sea comes at a price, and there is a clear premium for a home near to the coast

Words: Sophie Chick  
Twitter: @SophieChick



"The demand for prime coastal hotspots comes from a mix of sources"

Sophie Chick, Savills Research

**T**he British population has always been drawn to the coast, perhaps because we are an island, never more than 70 miles from the sea.

Traditionally, the Victorians would holiday at seaside resorts. Having been in decline for many years, there are signs that some of these are witnessing the beginnings of a renaissance. However, it is typically other, smaller micro-markets that have secured the status of a prime location over the past few decades, by attracting demand from increasing numbers of people who want to own their own home by the sea.

## Premium living

In our survey of people looking to move home last year, we found that the view from a property is the most valued attribute that buyers are looking

for and, for many, a view of the sea is as good as it gets.

This means living by the sea comes at a cost. There is a clear price premium for proximity to the coast. Our analysis shows that on average prices within 100m of the coastline of Great Britain are 12.4% higher than those within 1km, although there is substantial variation between different locations.

## Geographical variation

The coastal premium is highest in England at 18.7%, compared to 16.6% in Wales and just 1.2% in Scotland where the coastline is vast and complex.

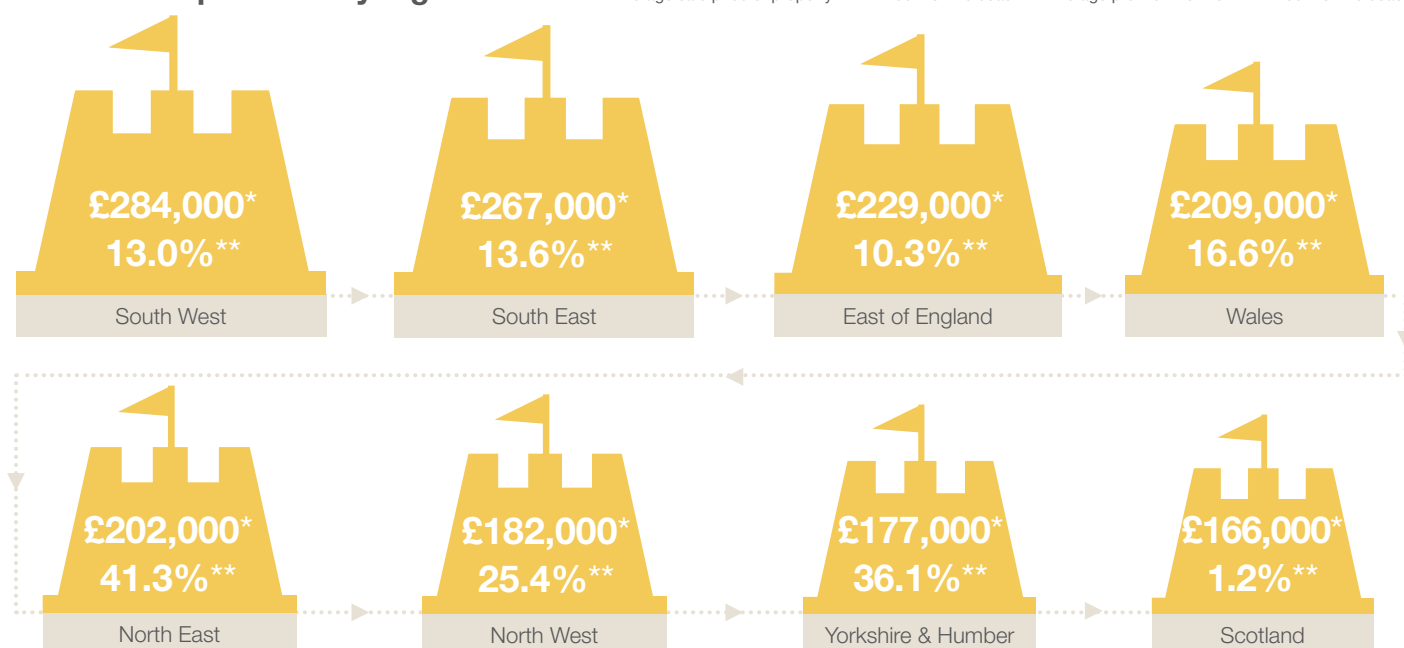
Scotland, including the islands, accounts for more than half of the coastline and the remoteness of some locations, especially in the North and North West, drives the average coastal premium down north of the border. Golfing and sailing hotspots nonetheless play a key role in driving the demand for housing in locations such as Fife, home to St Andrews Golf Course, where coastal properties are over 50% more expensive than those further inland.

Perhaps counter-intuitively, the highest coastal premiums in England occur in the north of the country. Merseyside has the highest premium of all the British counties, with

GRAPH 3

## The coastal premium by region

\*Average sale price of property within 100m of the coast \*\*Average premium to live within 100m of the coast



Source: Savills Research using Land Registry and Registers of Scotland

NB: Based on the average sale price in 2014 of property within 100m from the coastline compared to 100m – 1km away



properties near the sea selling for an average of £357k, 87% higher than those inland.

However, the most expensive coastlines can be found in the south. The town of Heswall on the Wirral is the only coastal hotspot outside of the south to make our top 30 list.

Dorset has the most expensive coastline of any county with an average sale price of £393k for property within 100m of the coast. In part this reflects the very high prices in the long-established ultra prime coastal hotspots of Sandbanks and Canford Cliffs.

Though the seafront in Sandbanks still retains its crown as the most expensive in Britain, in the last year the average price in Salcombe was slightly higher than across Sandbanks and Canford Cliffs combined.

### Mixed demand

The demand for prime coastal hotspots comes from a mix of sources. Very strong house price growth in the years leading up to 2007 reflected the strong demand from buyers coming from London – often with bonus money – looking for a holiday home.

This all changed when the credit crunch hit. Since then demand has reverted to a combination of local buyers, downsizers and those

looking for a change of lifestyle. This generally resulted in prices being re-pegged to lower budgets, though the intermittent spikes in demand from second home buyers meant a lot of short term volatility.

### Re-entering the market

By mid 2013 values reached their lowest levels since the downturn at -26% below their 2007 peak. However, over the past 18 months, the prime coastal property markets have seen evidence of discretionary second home buyers re-entering the market more consistently, meaning average values have increased by 12.7%.

This means that, despite the readjustments since the credit crunch, our list of the top 30 most expensive coastal locations has seen an average price increase of 38.5% over the past 10 years, outperforming the regions they sit in, which saw an average growth of 31%. ■

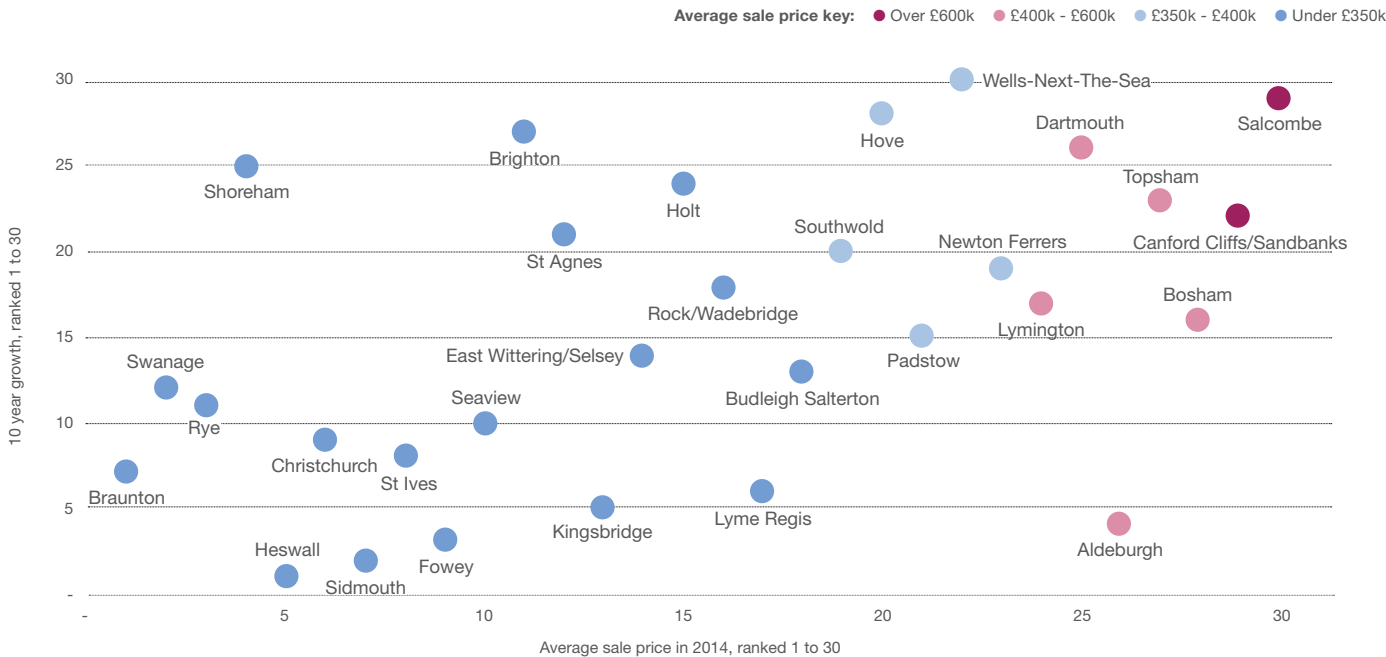


Properties within 100m of GB coastline are 12.4% higher than those 1km



GRAPH 4

### Top 30 coastal hotspots











































Source: Savills Research using Land Registry

# Market forecasts

## HOUSE PRICES 2015-2019


























### PRIME MARKETS Five-year forecast values\*

	2015	2016	2017	2018	2019	5-year
Central London	 -1.0%	 8.0%	 6.5%	 5.0%	 5.0%	25.5%
Other London	 0.0%	 6.0%	 5.0%	 4.0%	 4.0%	20.4%
Suburbs	 1.0%	 7.0%	 6.0%	 5.0%	 4.5%	25.7%
Inner Commute	 1.0%	 7.0%	 5.5%	 5.0%	 4.5%	25.1%
Outer Commute	 1.0%	 6.0%	 5.5%	 5.0%	 5.0%	24.5%
Wider South of England	 1.0%	 4.5%	 5.0%	 5.0%	 5.0%	22.2%
Midlands/North	 1.0%	 4.0%	 4.0%	 5.0%	 5.0%	20.4%
Scotland	 0.0%	 4.0%	 4.5%	 4.0%	 4.0%	17.5%

Source: Savills Research

\*Assuming no mansion tax but allowing for revision of the council tax system  
NB: These forecasts apply to average prices in the second hand market. New build values may not move at the same rate

### PRIME REGIONAL With mansion tax scenario

	Band	2015	2016	2017	2018	2019	5-year
Central scenario*	Prime Regional	 1.0%	 6.0%	 5.0%	 5.0%	 5.0%	23.9%
	£3m+	 -7.0%	 3.0%	 7.0%	 6.0%	 5.5%	14.6%
With full mansion tax as per Savills estimates**	£2m - £3m	 -4.0%	 3.0%	 7.0%	 6.0%	 5.5%	18.3%
	£1m - £2m	 -2.0%	 6.0%	 6.0%	 5.0%	 5.0%	21.4%
	Prime Regional	 -3.0%	 4.5%	 6.5%	 5.5%	 5.0%	19.6%

Source: Savills Research

\*Assuming no mansion tax but allowing for revision of the council tax system \*\*Assuming the mansion tax is introduced in 2015  
NB: These forecasts apply to average prices in the second hand market. New build values may not move at the same rate

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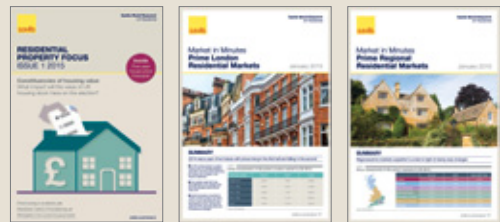
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