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Department of Real Estate MSc in Real Estate

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Examining the Factors affecting housing prices in London; before and after Brexit referendum

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MSc in Real Estate

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AUGUST 2024

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"Examining the Factors affecting housing prices in London; before and after Brexit referendum".

Department of Real Estate

Supervisor: Dr. Thomas Dimopoulos

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Abstract

This study is based on examining the factors influencing the housing prices in London, focusing on demographic and macroeconomic factors, as well as housing cost and supply, during the period from 2014 to 2022. Employing multiple regression analysis, the study examines the association between various independent variables and the housing price index (HPI) across six models of different market segments, cash and mortgage purchases, new builds, first-time buyers, former owner occupiers and all property types.

This study findings suggests that the interest rate base rates, Consumer price inflation in all items and construction output price indices housing were found significant on influencing housing prices, with HPI cash purchases holding the largest explanation of the variance.

Whereas, London population was considered as the biggest contributor as an explanatory variable on the dependent variable(housing prices) on the majority of the models used and net migration was also significantly correlated with the dependent variable (housing prices) that incorporated cash and former owner occupiers.