

# KENSINGTON MARKET INSIGHT 2016

**Prices in Kensington are comparatively good value after a recent period of subdued growth, as Mark Redfern tells Tom Bill**

Kensington's grand stucco-fronted properties, highly-rated schools and wide tree-lined roads mean residential demand is traditionally strong among families.

Its location between Hyde Park and Holland Park is another incentive, and UK and European buyers have been particularly active in Kensington compared to other high-value areas of prime central London in recent years.

As a result, price growth patterns have differed from neighbourhoods that line the other three sides of Hyde Park.

Activity was particularly strong as demand rebounded following the financial crisis. Driven by a desire for established safe-haven markets, annual growth in Kensington reached a peak of 28.2% in May 2010.

Demand remained comparatively strong through to the last months of 2012 as the euro zone crisis deepened. However, Kensington has since only experienced single-digit growth, primarily because the area did not benefit from strong globalised demand to the same extent as Mayfair to the west of the park and Knightsbridge to the south.

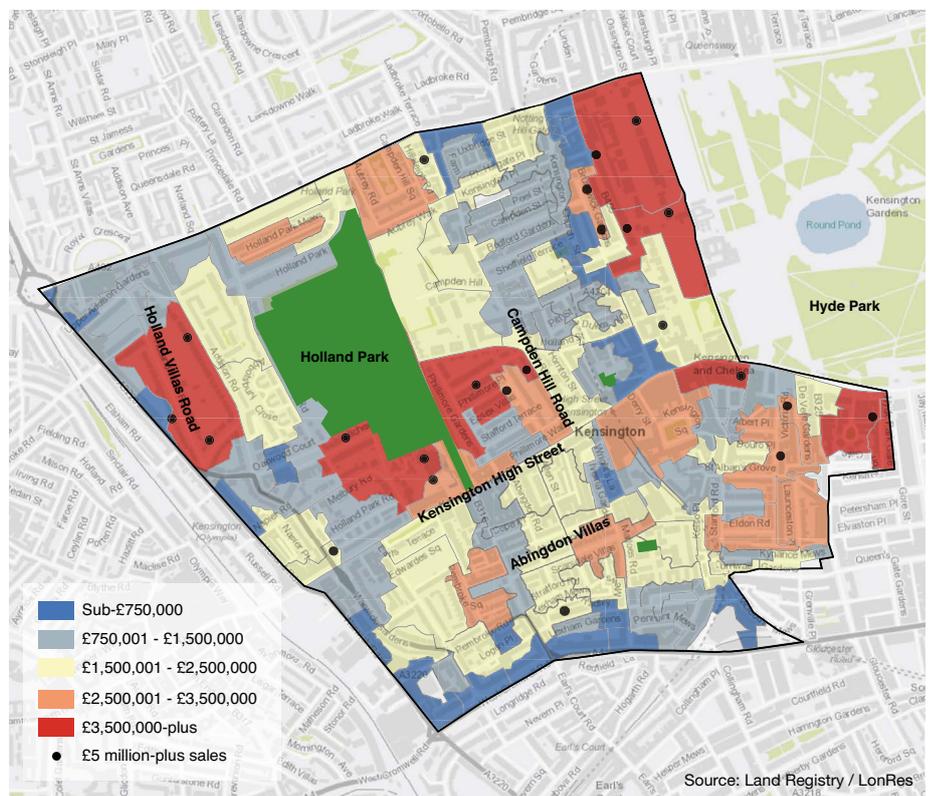
Stronger activity elsewhere was driven in part by the sort of high-quality new-built developments less common in Kensington.

More recently, price growth in Kensington has been weaker than markets north of Hyde Park including W2 and Marylebone, where demand intensified as these formerly overlooked residential areas began to provide better value.

Due to this period of slower growth since 2012, Kensington now offers comparatively good value for money.

The average price in Kensington was £1,524 per square foot in the first six months of 2016, which compares to £1,594 in Marylebone and £2,422 in Mayfair, according to LonRes data.

**FIGURE 1**  
**Property prices in Kensington** Average price, 12 months to April 2016

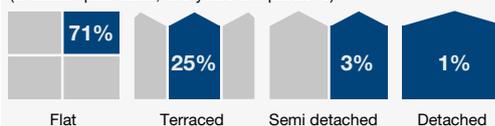


**FIGURE 2** **Kensington fact sheet**

- 2.4%** Annual price growth in year to July 2016
- 18.8%** Price growth in the five years to July 2016
- 19.2%** Kensington's share of London's £10 million-plus sales in the year to July 2016
- £1,524** Average price per square foot in the first six months of 2016

**Blue Plaques**  
Sir Winston Churchill Former Prime Minister  
Agatha Christie Novelist

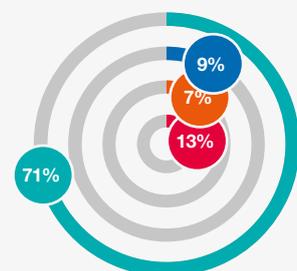
**PROPERTY TYPE**  
(£1 million-plus sales, two years to April 2016)



**Population: 30,197**

**AGE OF HOUSING STOCK**

- Pre-1900
- 1900-1939
- 1945-1972
- 1973-present



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“Kensington has started to look relatively good value again” said Mark Redfern, Knight Frank’s office head in Kensington. “You can buy a house on a prime street for under £1,750 per square foot and a flat for under £1,600. As a result, we now have a much more diverse mix of nationalities buying in Kensington than in previous years.”

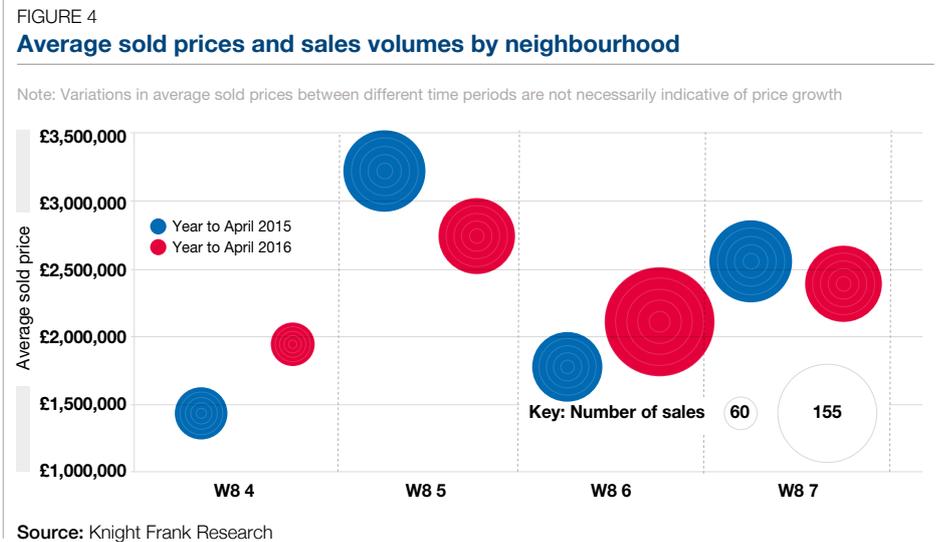
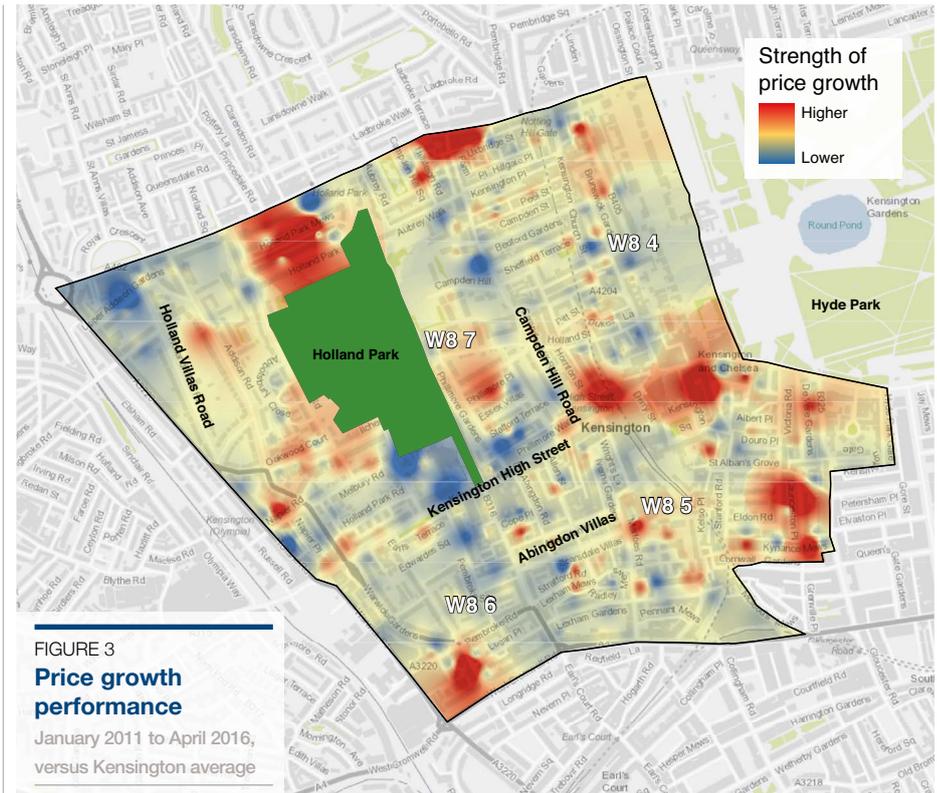
Demand is building from a relatively low base due to the impact of higher stamp duty. The number of prospective buyers per available property in Kensington was 3.7 in July 2016 compared to 10.9 in July 2014, a decline mirrored across prime central London. Furthermore, there were 16.1% fewer transactions in Kensington in the year to April 2016 compared to the same period two years earlier.

However, this recent period of subdued trading means vendors are increasingly flexible when setting asking prices, which will further strengthen activity. Reductions typically need to be double-digit to have an impact and this pricing re-alignment process has been brought into sharper relief by the uncertainty created by the UK’s vote to leave the European Union.

In a sign that underlying demand remains strong, viewings increased 23.8% between January and July 2016 compared to last year.

Furthermore, Kensington now has a prime development pipeline of its own including Holland Park Villas, Campden Hill and One Kensington Gardens, though there remains scope for further development in the wider area, particularly at the western end of the High Street.

Kensington also remains a leading super-prime address in London. One in five £10 million-plus properties sold in London in the year to July 2016 were in Kensington, the largest share of the market and same figure as the previous twelve-month period.



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