



# SUPER-PRIME HOME COUNTIES LETTINGS

SPRING | 2018

## The stock of super-prime lettings properties put up for rent fell in 2017 as the sales market showed signs of picking up, Jemma Scott tells Oliver Knight.

The prime rental market in the Home Counties tends to be very cyclical, often picking up when the sales market slows and vice-versa. This is especially the case in the super-prime market, covering rentals of at least £15,000 per calendar month (pcm).

Momentum swung in favour of the sales market in 2017, with Knight Frank figures showing a 13% increase in the number of transactions agreed above £5m across the Home Counties compared with the previous year. Agents note that in comparison deals in the super-prime lettings market were less frequent.

“A more active sales market has tempted a number of ‘accidental’ landlords and tenants – who had switched to the rental sector following changes to stamp duty – back into the sales market,” Jemma Scott, a Partner in Knight Frank’s Super-Prime Home Counties team, said. “This has meant that stock availability has been more limited this year, a factor which has ultimately contributed to a moderation in activity.”

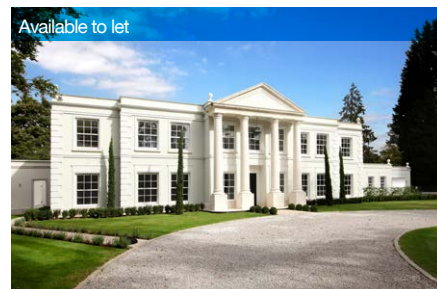
Indeed, an analysis of listings data from Rightmove showed there was a 7.2% drop in the number of new super-prime properties brought to the market across the Home Counties compared with 2016.

As a result, there is evidence that landlords have been willing to reduce rents in order to attract tenants and minimise void periods – where properties sit empty. Some 30% of properties listed for rent above £15,000 pcm in the Home Counties saw a cut in asking rents last year.

This coincided with a 16% increase in the number of properties listed for rent between £10,000 and £15,000 pcm, with some of these properties moving from the super-prime bracket.

“What isn’t immediately obvious is the large proportion of transactions that occur off market. As a consequence of reductions to asking rents, where tenants are also able to offer attractive terms in other areas, such as long-term commitments or larger advance rental payments, they are able to take advantage of some good deals,” Jemma adds. “However, landlords need to ensure their properties offer the highest specification and quality in order to the command top rents.”

The market in London has been more buoyant, with a record number of super-prime lettings transactions in 2017, up by 35% year-on-year LonRes data showed.



Wentworth, Virginia Water

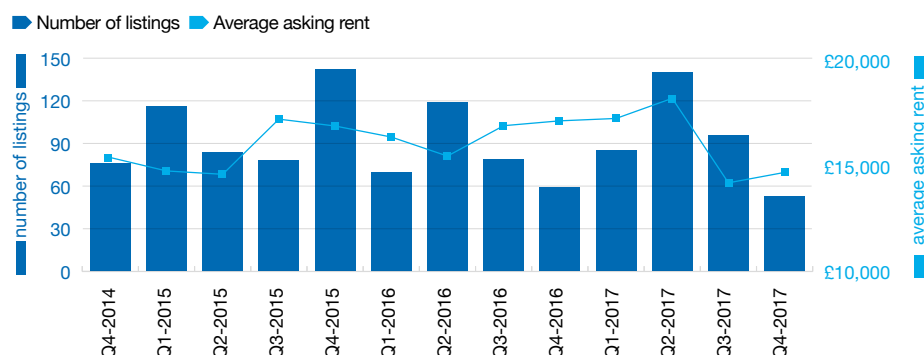


St Anns Court, Chertsey

### Super-Prime Lettings Team

The Knight Frank Super-Prime lettings team provides a unique service to clients and tenants with property interests upwards of £15,000 per month across the Home Counties. Covering Ascot, Cobham, Esher, Guildford, Sunningdale, Virginia Water, Weybridge and the surrounding countryside, the team has over 140 years of collaborative lettings experience. Our most experienced negotiators work closely and seamlessly across Berkshire, Buckinghamshire, Oxfordshire, and Surrey offering a single point of contact for access to the Home Counties most exclusive properties both on and off market.

FIGURE 1  
Home Counties lettings volumes and rental value data (£10,000+ pcm)



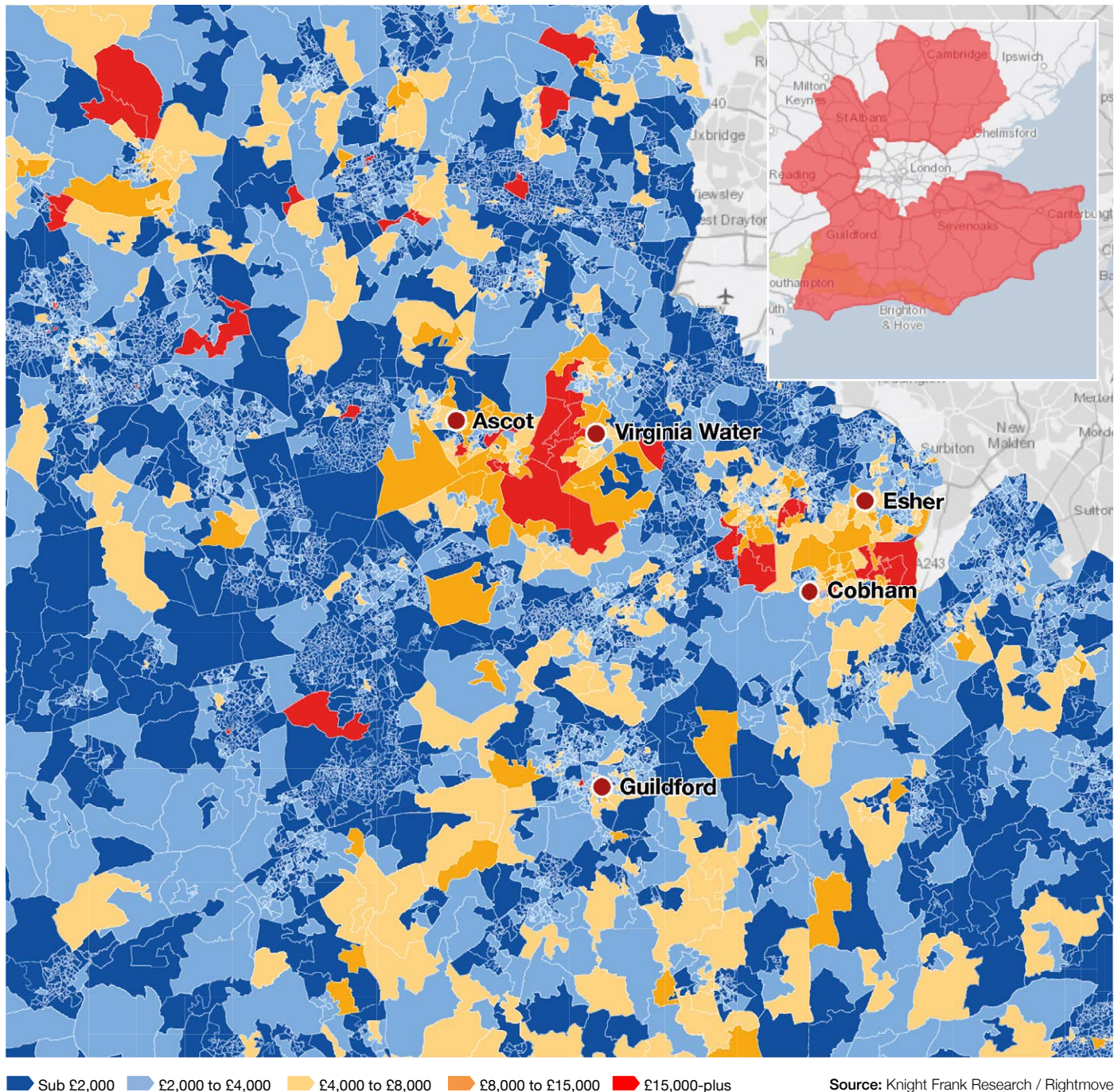
Source: Knight Frank Research / Rightmove



**Jemma Scott**  
Partner, Home Counties  
jemma.scott@knightfrank.com  
+44 20 7881 7730



FIGURE 2

**Location of Super-Prime rental properties** Maximum asking rent per calendar month, 2017

Source: Knight Frank Research / Rightmove

**RESIDENTIAL RESEARCH****Oliver Knight**

Associate

+44 20 7861 5134

oliver.knight@knightfrank.com

**PRESS OFFICE****Leona Mehra**

+44 20 7167 2491

leona.mehra@knightfrank.com

**Harry Turner**

+44 20 3861 6974

harry.turner@knightfrank.com

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