



# SUPER PRIME HOME COUNTIES LETTINGS SUMMER | 2017

**Demand for Super Prime rental property across the Home Counties has been strong so far in 2017, but stock levels at the top end of the market have fallen.**

The prime rental market in the Home Counties tend 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.

Changes to stamp duty back in late 2014, for example, which increased purchase costs at the top end of the market, pushed demand and then stock into the rental sector as buyers became increasingly price sensitive and potential vendors moved their properties into the rental market.

However, the sales market started brightly in 2017, with Knight Frank figures showing a 33% pick-up in the number of £5 million-plus sales completed across the country in the first six months of 2017 compared with the same period last year.

The short-term impact has been to tempt those “accidental landlords” who had switched to the rental sector back into the sales market.

This is reflected by our analysis which shows a 21% reduction in the number of Super Prime properties available to rent across the Home Counties at the end of May compared with the same point of 2016. Stock levels were also 12% lower than at the start of the year.

However, against a backdrop of falling supply, leading indicators of demand remain strong.

Knight Frank figures show a 13% increase in prospective tenants registering with a budget of at least £15,000 pcm in the six months to May compared with the previous six month period, for example. The volume of viewings conducted above this level by Knight Frank offices has also more than doubled over the same time.

Jemma Scott, Partner in Knight Frank Home Counties, said: “Increasingly, tenants are renting in order to ‘try before they buy’, illustrated by an increase in tenancy agreements that include an option to purchase. This allows families to settle in the area before committing to a full time move.”

This imbalance between supply and demand means competition for best-in-class properties is robust.

Rising demand at the top end of the market is underpinned by the fact the Home Counties are often the first destination for individuals moving out of London. The presence of a number of private and international schools means the area also appeals to international tenants looking to relocate to the UK.

Recent Super Prime lets



Regents Walk, Ascot



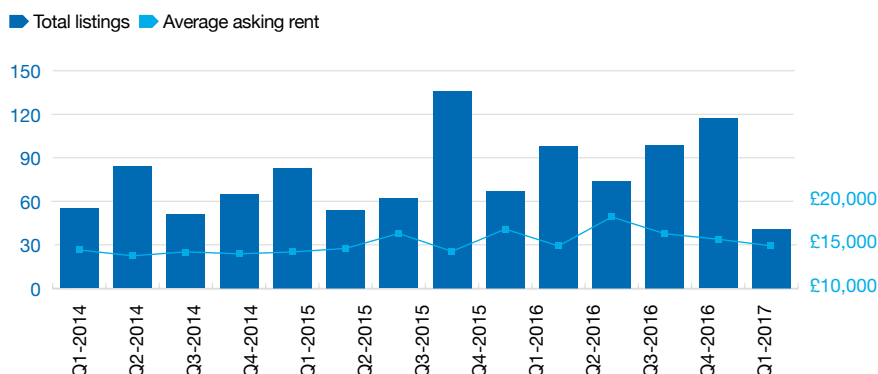
St George's Hill, Weybridge

## 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, Beaconsfield, Cobham, Esher, Guildford, Henley, Sunningdale, Virginia Water, Weybridge and the surrounding countryside, the team has over 140 years of collaborative lettings experience. Our most experienced negotiators work collaboratively 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)



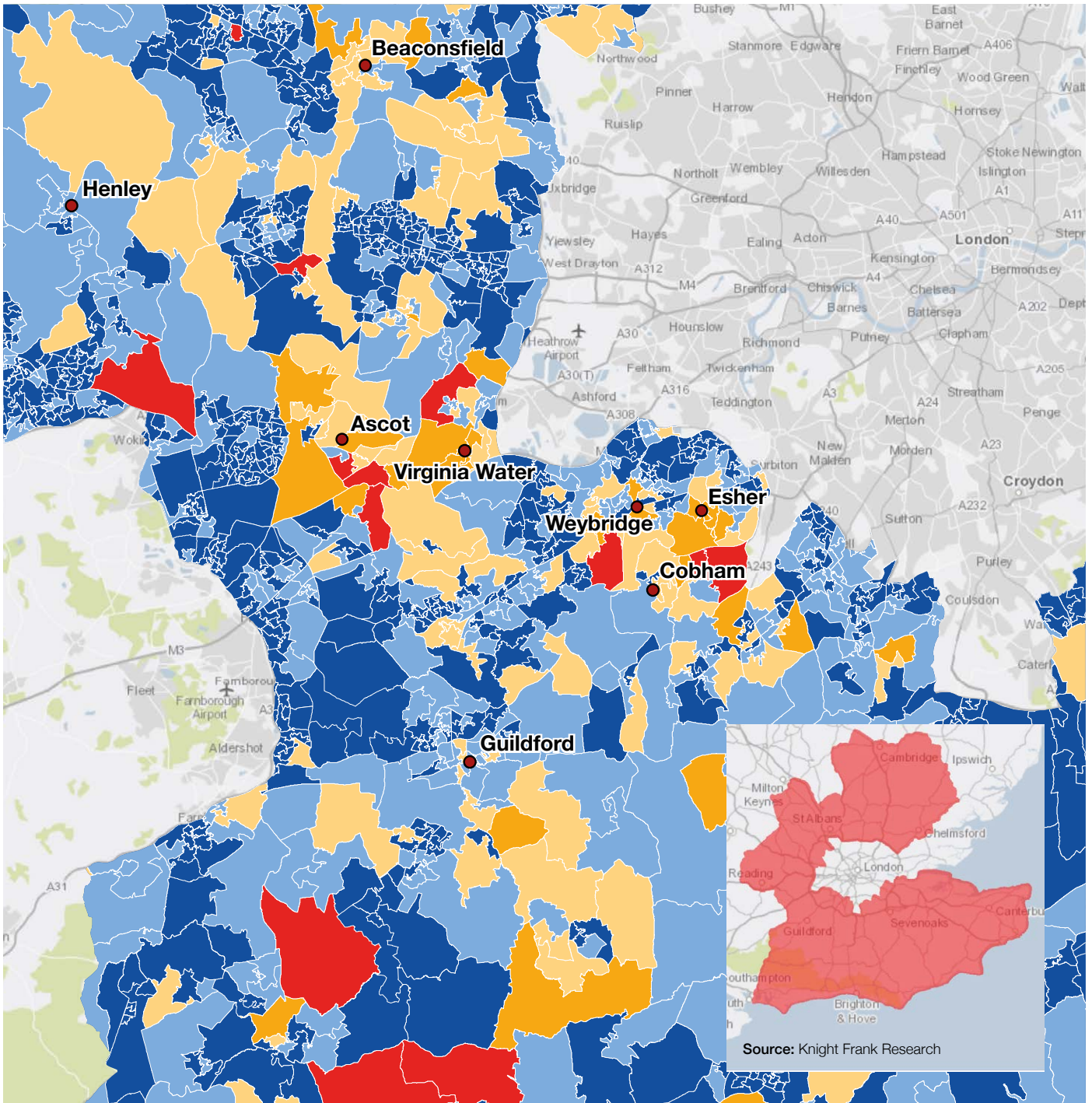
Source: Knight Frank Research



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FIGURE 2  
**Location of Super Prime rental properties** Maximum asking rent per calendar month, 2017



■ Sub £2,000   
 ■ £2,000 to £4,000   
 ■ £4,000 to £8,000   
 ■ £8,000 to £15,000   
 ■ £15,000-plus

Source: Knight Frank Research



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