

The prime London sales indices are based on repeat valuations of existing stock and do not include new-build property, although units from completed developments are included over time.



knightsfrank.com/research

Prime London Sales Index

December 2019

PRIME CENTRAL LONDON	PRIME CENTRAL LONDON INDEX	ANNUAL CHANGE	QUARTERLY CHANGE	MONTHLY CHANGE
	5,535.9	-3.1%	-0.4%	-0.2%
PRIME OUTER LONDON	PRIME OUTER LONDON INDEX	ANNUAL CHANGE	QUARTERLY CHANGE	MONTHLY CHANGE
	265.5	-2.6%	-0.3%	0.0%

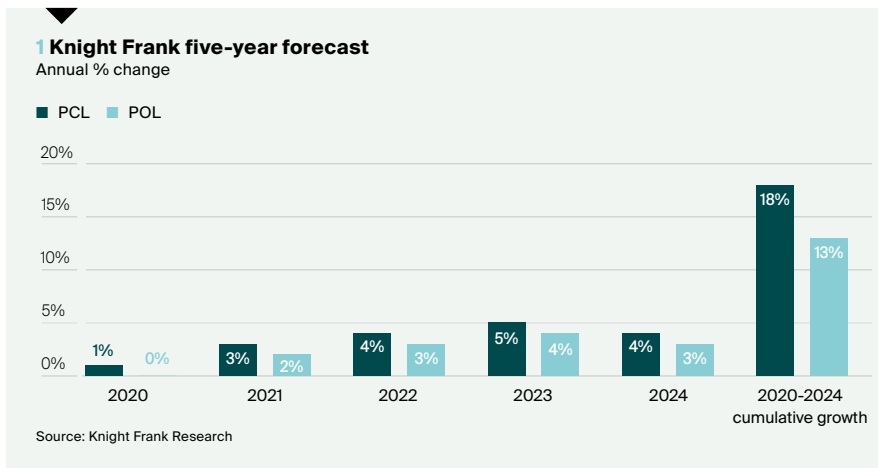


Figure 1 — Knight Frank forecasts that prices in PCL will rise by 18% over the next five years and by 13% in prime outer London. There will be more modest growth in the short-term as the threat of a no-deal Brexit persists, combined with the possibility of stamp duty changes, the erosion of the Sterling discount and the normalisation of interest rates. Price growth will then pick up before moderating in 2024, the year of the next election.

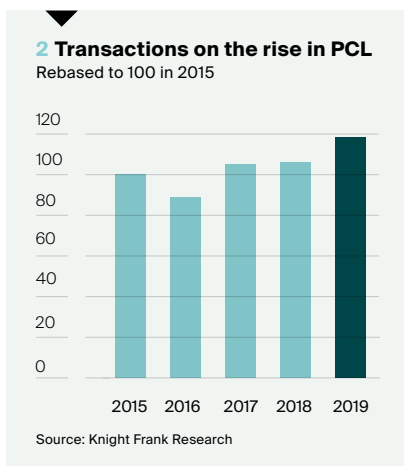


Figure 2 — There were 18% more exchanges in the first eleven months of 2019 in PCL than the equivalent period in 2015. Buyers have responded to the re-pricing that has taken place, the Sterling discount and ultra-low mortgage rates.

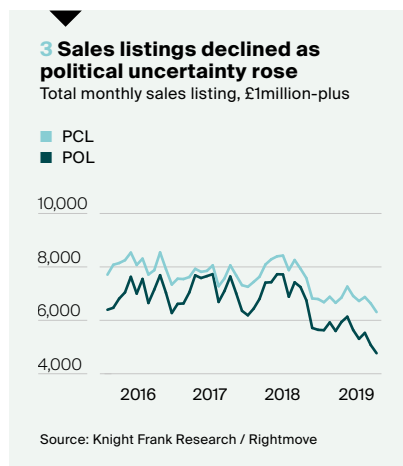


Figure 3 — Meanwhile, supply levels fell in the second half of 2019. The overall number of £1 million-plus listings in prime central London in November was 17% lower than it was in the same month last year. The number of active vendors fell in response to heightened political uncertainty, a trend likely to reverse following the election of a majority government.

MACRO DATA

4 Housing sentiment buoyed by prospect of a majority Conservative government

FTSE350 Household Goods and Home Construction Index

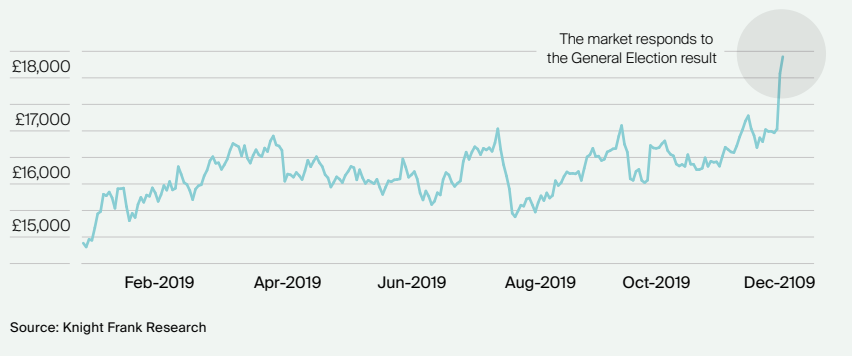


Figure 4 — Stock markets responded positively in the days following the General Election. Housebuilders were among the stocks that rose most sharply after the result became clear, underlining the anticipated positive impact on trading volumes in the property market from more political clarity. Shares in the Household Goods and Home Construction Index were 24% higher in mid-December than they were at the start of 2019.

PRIME CENTRAL LONDON PRICE GROWTH BY PRICE BAND, TIME PERIOD AND PROPERTY TYPE

	UP TO £1M	£1M TO £2M	£2M TO £5M	£5M TO £10M	OVER £10M	FLAT	HOUSE
1 MONTH	0.1%	-0.1%	0.1%	0.0%	0.0%	0.0%	0.1%
3 MONTHS	-0.2%	-0.3%	-0.2%	-0.4%	-0.4%	-0.3%	-0.1%
6 MONTHS	-0.4%	-0.5%	-0.7%	-0.9%	-1.2%	-0.6%	-0.7%
1 YEAR	-3.1%	-2.3%	-2.2%	-2.8%	-2.6%	-2.6%	-2.4%
YTD	-3.1%	-2.3%	-2.2%	-2.8%	-2.6%	-2.6%	-2.4%

PRIME OUTER LONDON PRICE GROWTH BY PRICE BAND, TIME PERIOD AND PROPERTY TYPE

	UP TO £1M	£1M - £2M	£2M - £3M	£3M - £4M	£4M - £5M	OVER £5M	FLAT	HOUSE
1 MONTH	-0.2%	0.0%	0.1%	0.7%	0.0%	0.0%	-0.2%	0.1%
3 MONTHS	-0.7%	-0.2%	0.1%	0.8%	1.1%	-0.4%	-0.6%	0.0%
6 MONTHS	-1.5%	-0.7%	-0.7%	0.4%	0.2%	-0.4%	-1.5%	-0.3%
1 YEAR	-2.7%	-1.8%	-1.6%	-0.7%	-1.2%	-1.3%	-3.1%	-1.0%
YTD	-2.7%	-1.8%	-1.6%	-0.7%	-1.2%	-1.3%	-3.1%	-1.0%

Please get in touch with us

If you are looking to buy, sell or would just like some property advice, we would love to hear from you.



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