

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.



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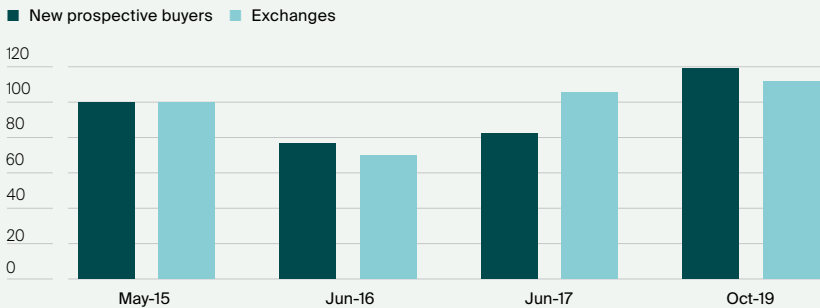
# Prime London Sales Index

November 2019

<b>PRIME CENTRAL LONDON</b>	PRIME CENTRAL LONDON INDEX	ANNUAL CHANGE	QUARTERLY CHANGE	MONTHLY CHANGE
	<b>5,534.2</b>	<b>-3.1%</b>	<b>-0.4%</b>	<b>-0.2%</b>
<b>PRIME OUTER LONDON</b>	PRIME OUTER LONDON INDEX	ANNUAL CHANGE	QUARTERLY CHANGE	MONTHLY CHANGE
	<b>265.5</b>	<b>-2.6%</b>	<b>-0.4%</b>	<b>-0.2%</b>

## 1 Resilience grows in face of political uncertainty

Three month average before general elections, EU referendum, rebased to 100 in May 2015

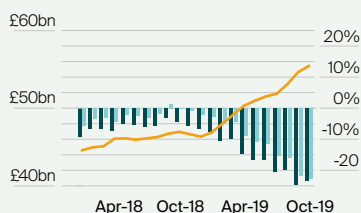


Source: Knight Frank Research

**Figure 1** — Activity has been more resilient in the run-up to the December 2019 general election than the previous two elections and the EU referendum. This suggests some buyers have become more resistant to political uncertainty, underpinned by high levels of pent-up demand, a weaker pound, low mortgage rates and price adjustments.

## 2 Firepower builds as supply declines

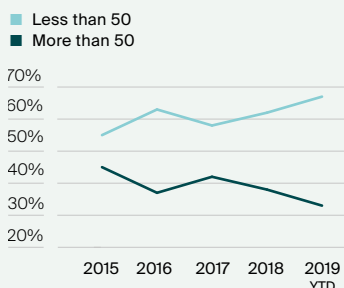
■ PCL new listings, annualised % change  
■ POL new listings, annualised % change  
■ Total potential spend



Source: Knight Frank Research

## 3 Buyers get younger in prime London

% of buyers in PCL and POL by age



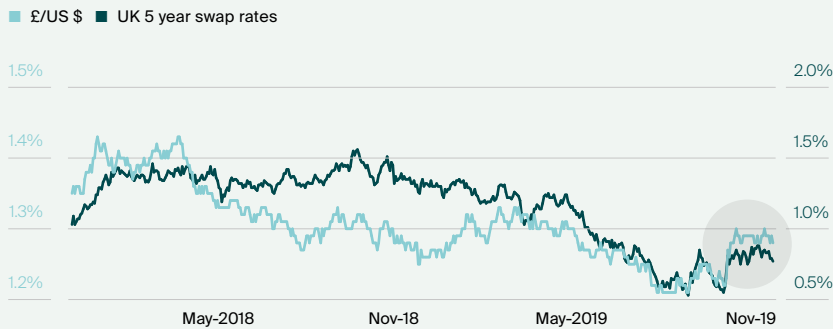
Source: Knight Frank Research

**Figure 2** — However, supply has fallen in prime London markets as some sellers hesitate due to the political uncertainty, which may act as a brake on trading volumes should it persist. Meanwhile, the total potential spend of buyers registered with Knight Frank in London topped £55 billion in October, the highest figure in ten years, indicating the scale of pent-up demand, some of which will be released should the uncertainty recede.

**Figure 3** — Buyers are getting younger in prime London markets, a trend driven by the fact there are more buyers from a tech background than in previous years. A third of all buyers were above the age of 50 between January and October 2019, which compares to a figure of 45% in 2015.

## MACRO DATA

### 4 The window of opportunity appears to be closing



Source: Knight Frank Research

**Figure 4** — The discount for overseas buyers has narrowed in recent months as the pound strengthened in response to the government reaching a withdrawal agreement with the EU. The five-year swap rate has also climbed, suggesting the trend for ultra-low mortgage rates may be bottoming out. Should political uncertainty recede further in coming weeks, both indicators may climb further.

#### 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%	-0.3%	-0.2%	-0.3%	0.0%	-0.3%	-0.1%
3 MONTHS	-0.3%	-0.4%	-0.3%	-0.5%	-0.6%	-0.4%	-0.3%
6 MONTHS	-0.9%	-0.8%	-0.9%	-1.5%	-1.2%	-0.9%	-1.1%
1 YEAR	-3.8%	-3.0%	-2.6%	-3.1%	-3.1%	-3.2%	-2.8%
YTD	-3.2%	-2.3%	-2.3%	-2.9%	-2.6%	-2.6%	-2.5%

#### 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	-0.4%	-0.3%	0.0%	0.2%	0.0%	-0.3%	-0.4%	-0.1%
3 MONTHS	-0.7%	-0.3%	-0.1%	-0.3%	1.1%	-0.5%	-0.7%	-0.1%
6 MONTHS	-1.4%	-0.8%	-0.9%	-0.9%	0.2%	-1.3%	-1.6%	-0.6%
1 YEAR	-3.1%	-2.4%	-2.5%	-1.7%	-2.8%	-1.4%	-3.6%	-1.7%
YTD	-2.5%	-1.8%	-1.7%	-1.4%	-1.2%	-1.3%	-3.0%	-1.1%

### 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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