

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

October 2019



PRIME CENTRAL LONDON

PRIME CENTRAL LONDON INDEX

5,547.1

ANNUAL CHANGE

-3.4%

QUARTERLY CHANGE

-0.3%

MONTHLY CHANGE

-0.1%



PRIME OUTER LONDON

PRIME OUTER LONDON INDEX

266.2

ANNUAL CHANGE

-3.0%

QUARTERLY CHANGE

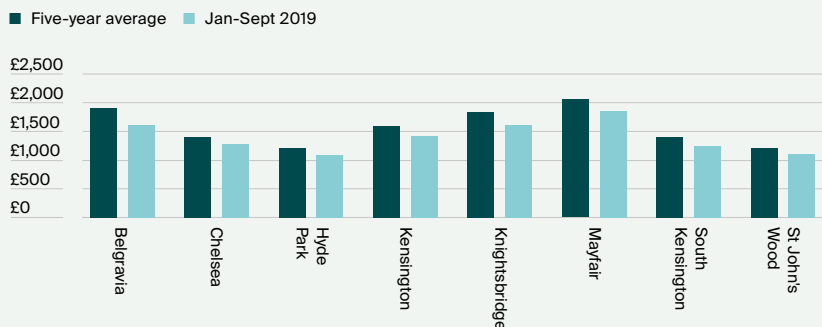
-0.5%

MONTHLY CHANGE

0.0%

1 Buyers find value in prime central London

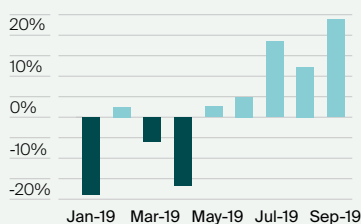
Comparison of £psf values in various central London markets, existing homes only



Source: Knight Frank Research / LonRes

2 Exchanges rise as buyers see value

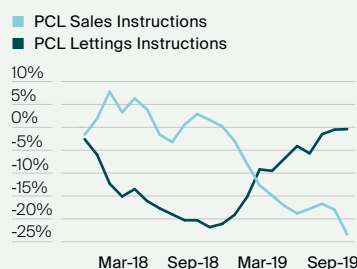
Year-on-year % change in the number of exchanges



Source: Knight Frank Research / LonRes

3 More owners let their properties due to political uncertainty

Annualised % change



Source: Knight Frank Research

Figure 1 — Prices have adjusted in PCL in recent years in response to higher rates of stamp duty and political uncertainty. As a result, average £psf figures for existing homes in a range of markets are below their five year average. In the so-called “golden postcodes” of Mayfair, Knightsbridge and Belgravia, prices are more than £200psf below the average over the last five years. However, it should be noted that prices in some new-build developments have risen over that time.

Figure 2 — In addition to the weakness of Sterling, the release of pent-up demand among needs-based buyers and ultra-low mortgage rates, this re-pricing has driven demand. There were 24% more exchanges in PCL in September this year than the same month last year, LonRes data shows.

Figure 3 — Downwards pressure on supply has resulted in the moderation of price declines. While the annual price decline narrowed to 3.4% in PCL in October, the 3% fall registered in POL was the smallest decline since February 2018. As vendors hesitate due to political uncertainty, more owners have decided to let their property.

MACRO DATA

4 New-build sales rise in central London

Number of quarterly sales, developments of 20+ private units



Source: Knight Frank Research / Molior

Figure 4 — The same demand drivers for owner occupiers and landlords in the existing homes market in prime central London produced an increase in activity for new home sales in Q3 2019, Molior data shows. There were 1,438 sales in zone 1 in the period, which was third highest such figure in ten years.

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%	-0.1%	-0.4%	-0.1%	-0.1%
3 MONTHS	-0.4%	-0.1%	-0.4%	-0.4%	-0.6%	-0.2%	-0.4%
6 MONTHS	-0.9%	-0.7%	-1.1%	-1.4%	-1.3%	-0.9%	-1.1%
1 YEAR	-4.2%	-3.1%	-3.2%	-3.0%	-3.1%	-3.4%	-3.2%
YTD	-3.0%	-1.9%	-2.1%	-2.5%	-2.6%	-2.3%	-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	-0.1%	0.1%	-0.1%	-0.1%	1.1%	-0.1%	-0.1%	0.1%
3 MONTHS	-0.7%	-0.3%	-0.6%	-0.5%	0.2%	-0.2%	-0.7%	-0.3%
6 MONTHS	-1.0%	-0.5%	-0.9%	-0.8%	0.5%	-1.0%	-1.3%	-0.4%
1 YEAR	-3.3%	-2.8%	-3.7%	-2.2%	-2.8%	-1.2%	-3.9%	-2.2%
YTD	-2.1%	-1.5%	-1.7%	-1.6%	-1.2%	-0.9%	-2.6%	-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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