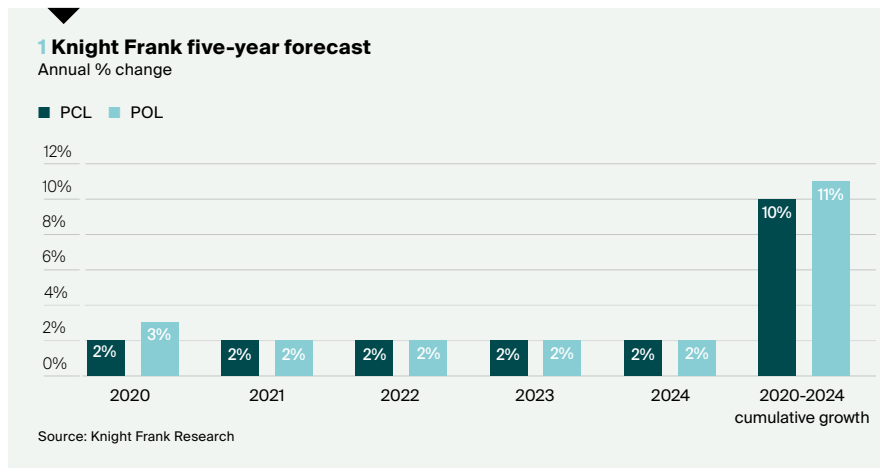


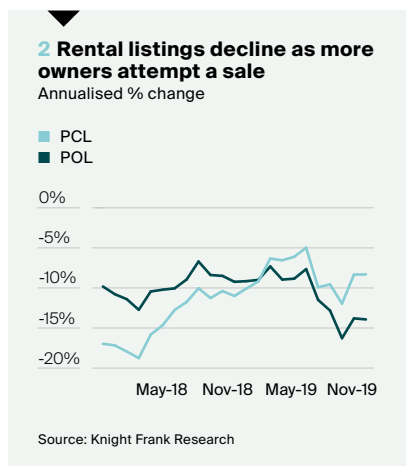
# Prime London Lettings Index

December 2019

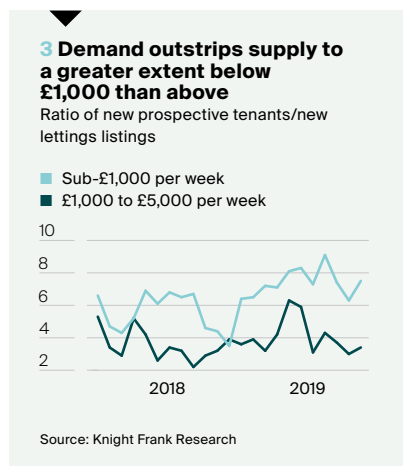
Location	Index	Annual Change	Quarterly Change	Monthly Change
<b>PRIME CENTRAL LONDON</b>	<b>PRIME CENTRAL LONDON INDEX</b> <b>165.6</b>	<b>0.7%</b>	<b>0.2%</b>	<b>-0.1%</b>
<b>PRIME OUTER LONDON</b>	<b>PRIME OUTER LONDON INDEX</b> <b>171.2</b>	<b>0.4%</b>	<b>-0.2%</b>	<b>-0.1%</b>



**Figure 1** — Knight Frank forecasts cumulative rental value growth of 11% in prime outer London and 10% in PCL over the next five years. Increased private investment and public spending are likely to stimulate tenant demand as the economy strengthens but there will also be downwards pressure on supply as more meaningful house price inflation returns to the sales market, prompting more owners to sell. We expect this lack of supply to have a more marked impact in lower-value lettings markets.



**Figure 2** — The number of new rental listings in prime central London declined 8% in the year to November compared to the previous 12 months. The decline in prime outer London was 14% over the same period. We would expect this trend to accelerate in 2020 in response to an anticipated bounce in the sales market.

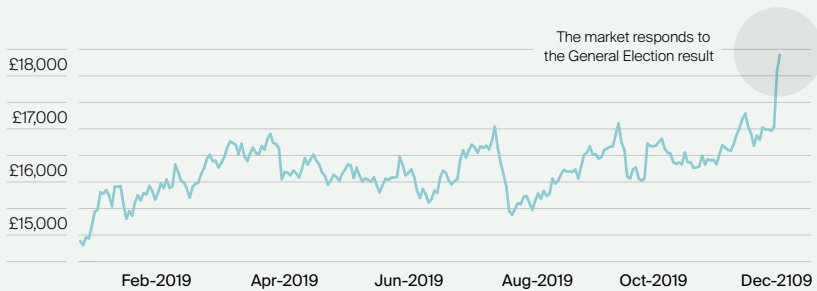


**Figure 3** — The number of new prospective tenants per new rental listing was 7.5 in November for properties valued at less than £1,000 per week in PCL and POL, which is greater than a figure of 3.4 for properties valued between £1,000 and £4,000 per week, suggesting greater upwards pressure on rental values.

## MACRO DATA

### 4 Housing sentiment buoyed by prospect of a majority Conservative government

FTSE350 Household Goods and Home Construction Index



Source: Knight Frank Research

**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

	£250 - £500 PW	£500 - £750 PW	£750 - £1,000 PW	£1,000 - £1,500 PW	£1,500 - £2,000 PW	£2,000 + PW	FLAT	HOUSE
1 MONTH	0.4%	0.3%	-0.2%	-0.2%	-0.6%	-0.2%	0.0%	-0.3%
3 MONTHS	1.7%	1.2%	-0.2%	-0.3%	-0.7%	0.0%	0.2%	0.0%
6 MONTHS	2.7%	2.5%	0.0%	0.2%	-0.7%	0.3%	0.8%	0.5%
1 YEAR	4.2%	3.2%	0.2%	-0.5%	-2.3%	0.1%	1.1%	-0.2%
YTD	4.2%	3.2%	0.2%	-0.5%	-2.3%	0.1%	1.1%	-0.2%

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

	£250 - £500 PW	£500 - £750 PW	£750 - £1,000 PW	£1,000 - £1,500 PW	£1,500 - £2,000 PW	£2,000 + PW	FLAT	HOUSE
1 MONTH	0.0%	0.0%	0.1%	-0.2%	-0.1%	-0.7%	0.0%	-0.2%
3 MONTHS	0.0%	0.2%	0.0%	-0.6%	-0.1%	-0.8%	0.1%	-0.5%
6 MONTHS	0.6%	0.3%	0.4%	-0.7%	0.0%	-0.4%	0.4%	-0.3%
1 YEAR	1.5%	0.0%	0.4%	-0.5%	-0.6%	0.7%	0.6%	0.1%
YTD	1.5%	0.0%	0.4%	-0.5%	-0.6%	0.7%	0.6%	0.1%

### Please get in touch with us

If you are a landlord or a tenant and would like some help or information, we would love to hear from you.

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