

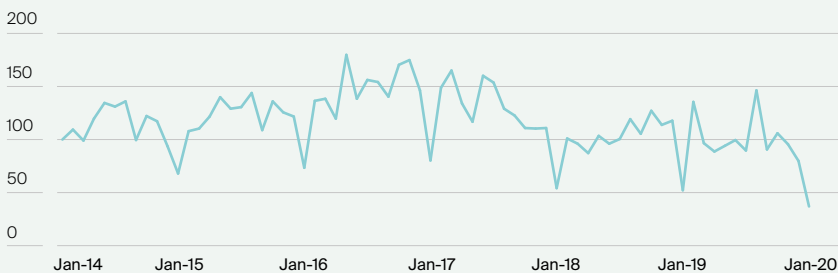
Prime London Lettings Index

January 2020

PRIME CENTRAL LONDON	PRIME CENTRAL LONDON INDEX	ANNUAL CHANGE	QUARTERLY CHANGE	MONTHLY CHANGE
	165.8	0.8%	0.1%	0.1%
PRIME OUTER LONDON	PRIME OUTER LONDON INDEX	ANNUAL CHANGE	QUARTERLY CHANGE	MONTHLY CHANGE
	171.6	0.6%	0.1%	0.2%

1 Number of lettings properties valued for listing falls to eight-year low

Monthly total, PCL and POL, rebased to 100 at January 2014

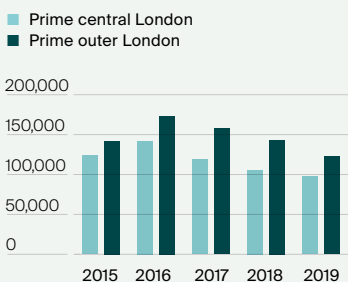


Source: Knight Frank Research

Figure 1 — The number of properties in London valued by Knight Frank for prospective listing on the lettings market reached its lowest monthly total in more than eight years in December. Demand in the sales market has picked up following the general election and the figure suggests more owners may attempt to sell, putting further upwards pressure on rental values.

2 New lettings listings in decline

Total annual number of new lettings listings, all price brackets

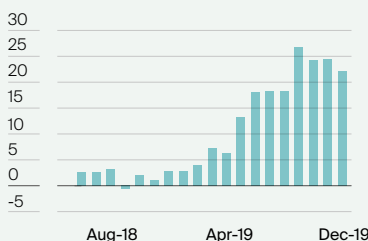


Source: Knight Frank Research / Rightmove

Figure 2 — The number of new lettings listings in prime central London declined 7.7% in PCL in 2019 compared to 2018, while the decrease was 14.4% in POL. Supply levels have declined in response to tax changes, which may be accelerated by rising activity in the sales market.

3 New prospective tenants rise for higher-value properties

Annualised % change



Source: Knight Frank Research

Figure 3 — The number of new prospective tenants for properties valued between £1,000 and £4,000 per week increased 22% in 2019. Demand in this section of the market typically comes from senior executives and the uptick suggests growing confidence among businesses despite lingering Brexit-related uncertainty.

MACRO DATA

4 Business confidence picks up following the election

Deloitte CFO survey of business prospects compared to three months ago



Source: Knight Frank Research

Figure 4 — Some 45% of chief financial officers said the financial prospects for their company had improved compared to three months ago, according to a survey by accountant Deloitte. This was the highest proportion in more than a decade and echoes the renewed sense of optimism that is driving activity levels, if not prices, in London's prime residential markets. The Purchasing Managers Index showed business activity at a 16-month high, in a further boost for the UK economy.

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	0.1%	0.1%	-0.1%	0.2%	0.1%	0.2%	0.0%	0.2%
3 MONTHS	1.4%	0.9%	-0.5%	-0.4%	-0.5%	0.2%	0.1%	0.0%
6 MONTHS	2.4%	2.0%	-0.2%	0.2%	-0.7%	0.1%	0.6%	0.3%
1 YEAR	4.1%	3.1%	0.0%	0.3%	-1.7%	0.1%	1.1%	0.2%
YTD	0.1%	0.1%	-0.1%	0.2%	0.1%	0.2%	0.0%	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	0.2%	0.1%	0.5%	-0.1%	0.2%	0.4%	0.3%	0.2%
3 MONTHS	0.4%	0.2%	0.5%	-0.4%	0.1%	-0.5%	0.3%	-0.1%
6 MONTHS	0.7%	0.4%	0.8%	-0.8%	0.2%	-0.2%	0.6%	-0.3%
1 YEAR	1.7%	0.2%	0.8%	-0.4%	-0.4%	0.9%	0.9%	0.3%
YTD	0.2%	0.1%	0.5%	-0.1%	0.2%	0.4%	0.3%	0.2%

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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