



Giles Barrett, Head of Knight Frank Kensington Lettings gives us his opinion on why people are drawn to Kensington and Chelsea, the impact of the Olympic summer and the outlook for the market over the next six months.

### Why Kensington?

Tenants are attracted to Kensington for a huge variety of reasons. The first that spring to mind are the green spaces of Hyde Park and Holland Park, excellent shopping, top-class schools and the ease of travelling in and out of London, via Heathrow if needs be. Drivers especially like the wide-reaching K&C parking permit on offer to residents. Perhaps above all, the balance between old and new in Kensington attracts people from all walks of life and is home to a friendly and stylish cosmopolitan community.

### Did the Olympics and Paralympics have an impact on your market?

Landlords and tenants were concerned that it was going to have a huge impact but the reality was that while there were some short-term lets for visitors, the wider rental market continued as normal. It was two very different markets working alongside each other.

### What is your concern for the market?

On-going City troubles will undoubtedly have an impact on affordability in the mid-range and could force tenants to move slightly further afield to get the size/quality they are looking for. The best thing to happen for the market would be for mortgage lending for investor landlords to ease.

### The most exciting new hotspot is...

The new De Vere development is very exciting which is currently under construction. It looks like at least a quarter of this will be rental stock. Some other very good quality stock is coming to the market with new records being set for £/sqft/week.

65% OF OUR  
 TENANTS ARE  
 INTERNATIONAL,  
 RELOCATING  
 FOR WORK OR  
 STUDY  
 OPPORTUNITIES.

### Which types of properties are most popular?

The most popular properties tend to be studios or apartments priced at £400 to £1,000 per week. The popularity of this end of the market isn't anything new, it has just been highlighted by a temporary decline of activity in the mid-high range mirroring the downturn in employment in the financial sector in the City.

### The market outlook...

The outlook for the next six months is cautious, particularly as we approach the seasonally quieter time of Christmas and The New Year. Landlords should seek honest advice - the public are tightening their belts across the board so do not expect rocketing rents. Instead, focus on the presentation, price and marketing of your property to make it stand out from the crowd, as there is a real incentive for tenants to shop around at the moment. On a positive note, tenancy lengths are at an all-time high of 19 months (Source: ARLA), in line with what we anticipate will be a turning point in 2013/14.



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### Kensington Lettings at a glance

Figure 1  
**What do our applicants want to spend?**  
 2012/2013



under £400	4%
£400 to £750	48%
£750 to £1000	15%
£1000 to £1500	11%
£1500 to £2500	13%
£2500+	9%

Figure 2  
**Where does the money come from?**  
 2012/2013



City/Finance	28%
Property	11%
Professional	19%
Law	9%
Student	9%
Other	24%

# SNAPSHOT AUTUMN 2012

## KENSINGTON LETTINGS

### MARKET INSIGHT

#### Knight Frank



## Charting the Kensington Lettings market

Figure 3  
**Lettings by price band**  
Tenancies, past 12 months

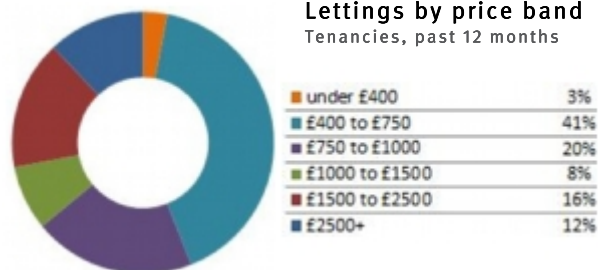


Figure 4  
**What is coming to market?**  
New instructions, past 12 months

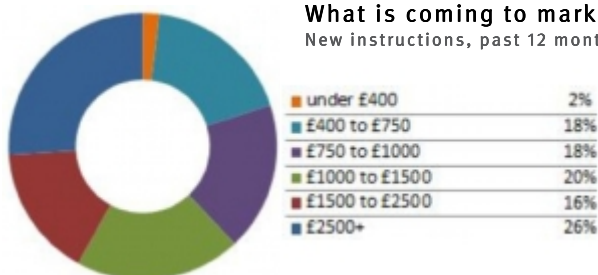


Figure 5  
**Market performance**  
Prime London (rental prices) vs FTSE

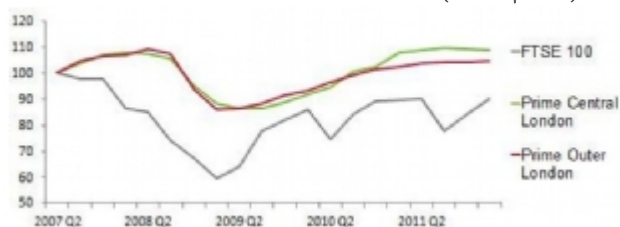
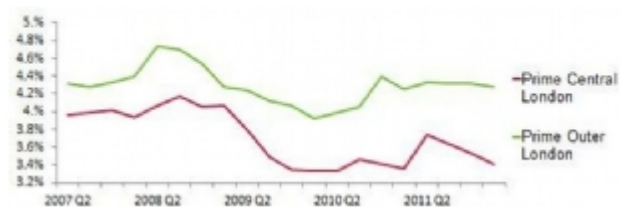


Figure 6  
**Return on investment**  
Prime London residential gross yields



## Your properties, our people

**LET**  
Stunning apartment  
**ACADEMY GARDENS**  
3  
£3,500 per week



**LET**  
Spacious apartment  
**KENSINGTON CHURCH COURT**  
2  
£795 per week



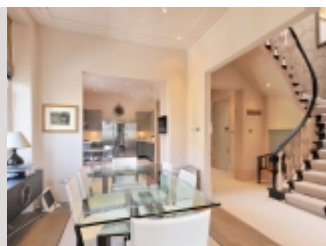
**LET**  
Bright apartment  
**LEXHAM GARDENS**  
2  
£750 per week



**LET**  
Ideally located apartment  
**KENSINGTON SQUARE**  
1  
£525 per week



**LET**  
Stunning duplex apartment  
**PHILLIMORE GARDENS**  
3  
£1,950 per week



**LET**  
Contemporary living  
**ADDISON ROAD**  
4  
£3,100 per week



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