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"LACK OF MOBILITY IN THE MARKET, TOGETHER WITH THE PICK UP IN THE SALES MARKET AND POSSIBLE CHANGES TO CGT, IS LIMITING THE SUPPLY AND ELEVATING RENTS."

Louisa Woodbridge, Head of Knight Frank Mayfair Lettings, gives us the low-down on the local housing market, the potential impacts of recent developments, as well as a few handy hints and tips along the way.

Rents have been gradually increasing, will the trend continue throughout the rest of the year?

We expect this to be the case. With available stock still well below normal levels, tenants who secured a good deal 12 months ago are succumbing to RPI increases on their existing rental property rather than exploring more expensive alternatives. This lack of mobility in the market, together with the pick up in the sales market and possible changes to CGT, is limiting the supply and elevating rents.

What's the most interesting let you and your team have been involved in recently?

We continue to let a number of 'Blue Plaque' properties, including the former home of Beau Brummell, without whom the modern man may still be wearing breeches. The most exciting deal for us recently has been the introduction of the tenants to Mayfair's finest Park Lane penthouse, interior-designed by Nicky Haslam. This deal was a real showcase of Knight Frank's global team effort involving four different departments working together to ensure a very happy client moved into their new home. Great team work!

What question do tenants always ask?

What rent does the landlord want? Our answer: The price they are asking! It is our aim to secure you the best possible price. Within the last 3 months we have been achieving, on average, within 5% of the quoting rent. This is a very encouraging scene and whilst rent levels are not racing back up, the market has turned positively in the landlord's direction.

Best viewing smell: freshly baked bread or fresh coffee?

Neither. The aroma of fresh paint and/or cleaning fluids is the most effective selling tool. On viewing, the tenant has an immediate perception that the landlord cares about their property and that the property will be maintained to a good standard throughout their tenancy. It goes back to the agent's broken record about presentation being essential to securing a deal.

Aside from letting houses, what else does Knight Frank Mayfair like to do?

Other than sampling some of Mayfair's finest eateries and drinking houses, the Knight Frank Mayfair team has an aspiring Zara Phillips, a budding Paula Radcliffe, the next winner of X Factor and the 2010 European Thai Boxing Champion. A tough team to beat!

Mayfair lettings market at a glance

Table 1
Market activity
Last 3 months, year-on-year change

Tenancies agreed		11%
New property available		-55%
New prospective tenants		-2%
Change in rents, last 3 months		3.9%

Figure 1
What do our applicants want to spend?
New applicants, last 12 months

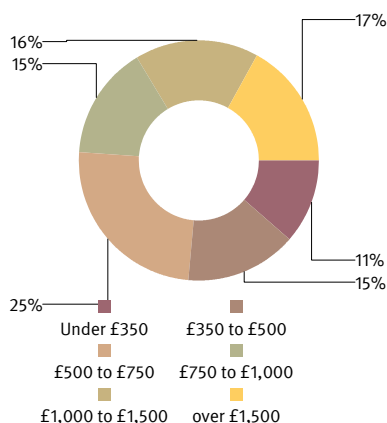
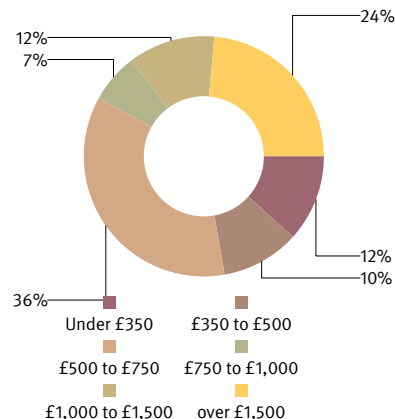


Figure 2
But what is coming to the market?
New instructions, last 12 months



SUMMER 2010 MAYFAIR LETTINGS INSIGHT

Knight Frank



Charting the market

Table 2

Nationality of Knight Frank tenants
Prime Lettings, last 12 months

World region	Tenants
Africa	2.0%
Asia	4.9%
Australasia	3.6%
Europe	26.5%
India	1.4%
Middle East	2.9%
North America	10.7%
Russia & CIS	2.1%
South America	0.6%
UK	45.3%

Figure 3

Prime residential rents, indexed
Quarterly, last 5 years (Dec 2004 = 100)

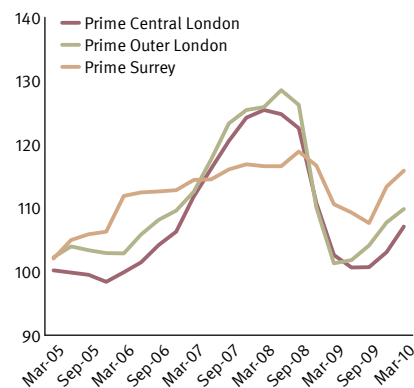
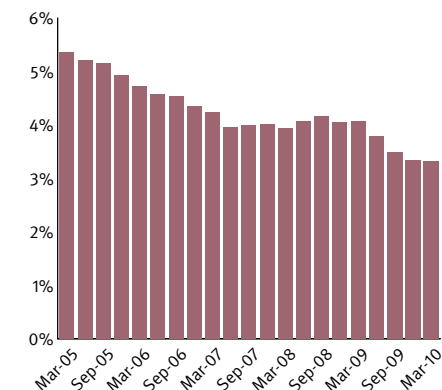


Figure 4

Prime London residential gross yields
Quarterly, last 5 years



Your properties, our people

Lateral apartment in central Mayfair

LET

3 bed

Asking rent:

£1,950pw

Charles Street,
Mayfair W1



Exclusive designer apartment

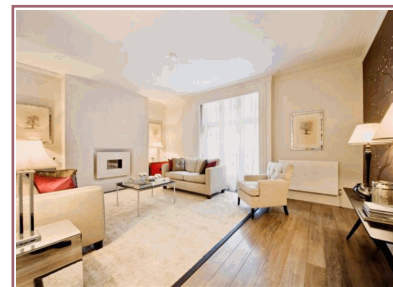
LET

3 bed

Asking rent:

£2,500pw

Dunraven Street,
Mayfair W1



Stunning townhouse full of history

LET

5 bed

Asking rent:

£3,500pw

Chesterfield
Street, Mayfair W1



Beautiful one bedroom duplex

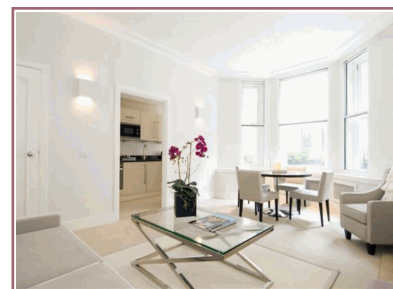
LET

1 bed

Asking rent:

£700pw

Park Street,
Mayfair W1



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