

RESIDENTIAL RESEARCH HYDE PARK LETTINGS

Knight Frank



Erin van Tuil, Head of Knight Frank's Hyde Park Lettings team, discusses where tenants tend to come from, the benefit of using Knight Frank, and how the market is likely to perform in the coming months.

What can landlords do to ensure their property is let as quickly as possible?

We always recommend that landlords are realistic when it comes to price. We base our recommendations on thorough research into previous rents and the state of the market. Recently we have been stressing the importance of flexibility when it comes to furniture demands from tenants, as this really can make or break a deal.

How long does it usually take you to let a property?

Typically we expect to find a tenant within six to eight weeks, but this is very much dependent on market conditions at the time. The number of applicants registered with us increased by 20% over the past 12 months, which is great news for landlords looking for tenants in the current market.

Why should landlords consider using Knight Frank over other agents?

We are constantly innovating and our iPhone and iPad app is a perfect example of this. The app is far superior to those of our competitors and guarantees that your property is viewed by as wide an audience as possible, complemented by the fact that our website is now available in eight different languages. We have been encouraging landlords to download the app for free. Aside from being easy to navigate it has great special features such as our research library, where you can download our latest reports, store them in your own personal library, and sign up to be alerted when new ones are published. Landlords who choose to use Knight Frank also benefit from the fact that we have a dedicated corporate relocation department that sources executive tenants moving for work reasons.

Where do your tenants tend to come from?

We continue to source a variety of tenants from around the world. Over the past few months

most of our new tenants have come from North America and Europe. The majority tend to work in the finance and banking sectors.

Which price band is most active?

The majority, around 60%, of our agreed tenancies recently have cost between £320 and £1,000 per week.

How do you think the market will fare in the coming months?

We expect increased interest for short lets in Hyde Park over the summer given the exciting events taking place in London. Knight Frank's Residential Research department pinpointed the area as one of London's future 'hotspots' due to various redevelopments and the introduction of the Crossrail network, so we expect the area's desirability to improve even further in future years.

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Hyde Park lettings market at a glance

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



| | |
|----------------------|-----|
| under £500pw | 19% |
| £500pw to £750pw | 32% |
| £750pw to £1,000pw | 30% |
| £1,000pw to £1,500pw | 9% |
| £1,500pw to £2,500pw | 4% |
| over £2,500pw | 6% |

Figure 2
What is coming to market?
New instructions, past 12 months



| | |
|----------------------|-----|
| under £500pw | 15% |
| £500pw to £750pw | 36% |
| £750pw to £1,000pw | 20% |
| £1,000pw to £1,500pw | 13% |
| £1,500pw to £2,500pw | 7% |
| over £2,500pw | 9% |

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Charting the Hyde Park Lettings market



Figure 3
Tenancies by price band
 Tenancies agreed, past 12 months

| | |
|----------------------|-----|
| under £500pw | 8% |
| £500pw to £750pw | 28% |
| £750pw to £1,000pw | 24% |
| £1,000pw to £1,500pw | 8% |
| £1,500pw to £2,500pw | 20% |
| over £2,500pw | 12% |



Figure 4
Source of our tenants
 Tenants, past 12 months

| | |
|--------------------|-----|
| Web | 56% |
| Referral | 20% |
| Corporate services | 8% |
| Relocation | 4% |
| Board | 4% |
| Internal | 4% |
| Other | 4% |

Figure 5
Return on investment
 Prime London residential gross yields, past 5 Years

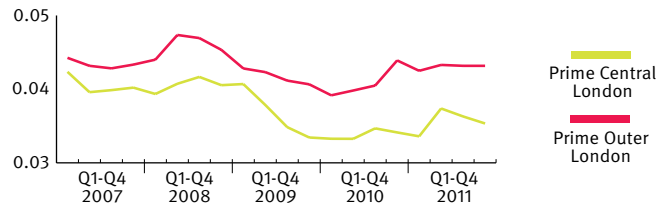
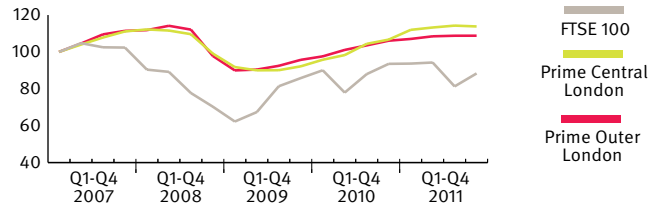


Figure 6
Wider market performance
 Prime London (rental prices) vs FTSE 100, past 5 Years



Hyde Park properties and the Knight Frank team

TO LET
Stucco-fronted period conversion
 GLOUCESTER TERRACE
 1
 £495pw



TO LET
Modernised mansion block apartment
 ALBION GATE
 3
 £1,250pw



TO LET
Delightful apartment with parquet floors
 STRATHEARN PLACE
 2
 £695pw



TO LET
Fabulous mews house
 LEINSTER MEWS
 3
 £2,250pw



TO LET
Newly refurbished with period features
 WESTBOURNE TERRACE
 3
 £850pw



TO LET
Grand recently renovated house
 CONNAUGHT STREET
 4
 £3,000pw



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