



News Release

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London prices fall further, but activity rises sharply

Knight Frank Prime Central London Index - key findings for March 2009

- **Prices for prime residential properties in central London fell by a further 1.6% in March**
- **The peak to trough price fall has now reached -23.9%**
- **The rate of price falls has slowed sharply in recent months, with prices down only 6.7% in the first quarter of 2009 compared to 9.4% in the final quarter of 2008**
- **The number of prime London properties exchanging during March was 13% higher than Feb and 26% higher than March 2008**
- **Viewing levels have increased by 38% in March on a year-on-year basis**
- **The number of new properties coming to the market in March fell by 42% on a year-on-year basis**

Liam Bailey, head of residential research, Knight Frank, commented:

“Prices are still falling across central London – however the evidence is mounting that not only is the rate of decline slowing appreciably, from monthly falls approaching 4% before Christmas to 1.5% and 1.6% in February and March, but also activity in the market has increased noticeably in the last two months.

“The number of properties in the central London markets which exchanged rose by 26% on a year-on-year basis, and 13% on a month-on-month basis. Both February and March recorded more sales activity than the same period a year ago.

“On the supply side the number of new properties coming to the market has fallen appreciably, with 42% fewer properties coming to the market in March this year compared to the same month a year earlier. The pipeline of new properties which we expect to see coming to the market in April is down 60% over the same period.



“The key issue to hit the prime London market at the current time is the growing shortage of stock in key market areas. The stock of available properties to buy in the market is almost 30% below the level seen last March.

“The strongest local market in central London at the current time is Mayfair, where prices appear to have bottomed out in January – prices fell a marginal -0.3% here in March. Mayfair has been a particular beneficiary of the weakness of Sterling, with foreign buyers comprising almost 60% of the market. Viewing levels in Mayfair rose 94% in Mayfair in March on a year-on-year basis – the strongest performance across the London market – reflecting improved conditions in this market.”

Richard Cutt, head of Knight Frank Mayfair, commented:

“Mayfair has a reputation far greater than its geographic size and therefore it is often the case that demand outstrips supply. Over recent years the area has moved back to the forefront of the London market and is now seen as a very a sophisticated and fashionable district.

“The super prime London markets are supply driven and this is particularly the case in Mayfair. This has meant that good quality properties in the area have faired well in the recent financial storm and we are now seeing similar levels being achieved on successive sales demonstrating that we are at or very close to the bottom.”

Knight Frank Prime Central London Index results

Month	KF Prime Central	12 month % change	6 month % change	3 month % change	monthly % change
Mar-08	4,796.6	20.4%	3.3%	1.8%	0.1%
Apr-08	4,739.7	15.8%	1.8%	-0.5%	-1.2%
May-08	4,660.2	11.2%	-0.1%	-2.8%	-1.7%
Jun-08	4,577.3	5.8%	-2.8%	-4.6%	-1.8%
Jul-08	4,491.4	-0.1%	-5.7%	-5.2%	-1.9%
Aug-08	4,414.5	-3.8%	-7.9%	-5.3%	-1.7%
Sep-08	4,321.3	-7.0%	-9.9%	-5.6%	-2.1%
Oct-08	4,152.6	-10.8%	-12.4%	-7.5%	-3.9%
Nov-08	4,003.2	-14.1%	-14.1%	-9.3%	-3.6%
Dec-08	3,914.6	-16.9%	-14.5%	-9.4%	-2.2%
Jan-09	3,769.5	-20.9%	-16.1%	-9.2%	-3.7%
Feb-09	3,713.3	-22.52%	-15.9%	-7.2%	-1.5%
Mar-09	3,652.2	-23.86%	-15.5%	-6.7%	-1.6%

Source: Knight Frank Residential Research



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Notes to Editors

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Knight Frank area definitions

Prime central London is taken to include: Mayfair, Marylebone, St John's Wood, Regent's Park, Kensington, Notting Hill, Chelsea, Knightsbridge, Belgravia and the South Bank (from Westminster Bridge to Tower Bridge/Shad Thames)

Prime London is taken to include all the above plus: Canary Wharf, Hampstead, Fulham, Richmond, Wandsworth, Wapping and Wimbledon.