

2015 GENERAL ELECTION EDGES ONTO THE RADAR IN PRIME CENTRAL LONDON

The UK general election is a year away and prime central London owners are beginning to consider how the market could be a different place after the summer, as Tom Bill explains.

Results for April 2014

Annual growth of 7.5% in April has remained unchanged for three months

Prices rose 0.8% between March and April, the 42nd consecutive monthly increase

Growth driven predominantly by the sub-£2 million market

Strongest growth was 15.7% in Marylebone and City & Fringe

More owners are considering selling before general election countdown begins in the autumn

Annual price growth in prime central London was 7.5% for the third consecutive month in April, a figure that has changed little over the last year.

Meanwhile, the number of consecutive monthly price rises reached 42.

With a general election scheduled for 7th of May next year, such consistency is unlikely to be repeated over the next 12 months.

Uncertainty is likely to intensify as the prospect of an election comes into sharper focus after the summer.

Activity typically slows in the run-up to a general election and this is likely to dampen price growth in prime central London.

Tax changes over recent years, which have been implemented or which are due for introduction – appear to have been priced in to some extent. However the prolonged period of consistent growth suggests the market is waiting for clarity from the political parties on their policies and their likely impact in central London.

Ahead of a rise in political campaigning in the autumn, more owners have started to explore a sale which, alongside the usual post-Easter seasonal rise, means more stock is likely to come to the market over the next few months.

Annual growth across prime central London of 7.5% compares to 11.4% two years ago and is largely being driven by the strength of the sub-£2 million market, where prices have risen about 13%. That compares to 6.3% for homes worth between £2 million and £5 million as growth slows in the higher price brackets where increases were stronger in the immediate aftermath of the financial crisis.

The Marylebone and City & Fringe districts registered the joint highest annual growth of 15.7% as buyers sought better value to the north of Hyde Park and further east (see figure 3 on page 2). Monthly growth across prime central London was 0.8% in April, the highest rate since March 2013.



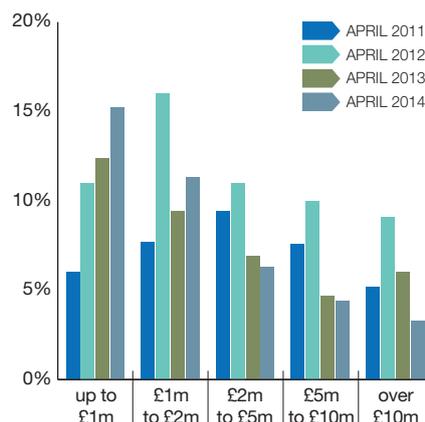
TOM BILL
Associate, Residential Research

“Ahead of a rise in political campaigning after the summer, more owners have started to explore a sale.”

Follow Tom at [@TomBill_KF](#)

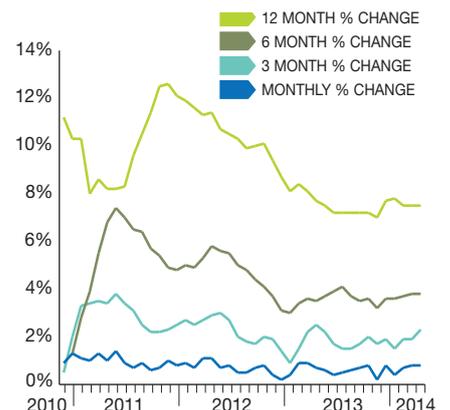
For the latest news, views and analysis on the world of prime property, visit [Global Briefing](#) or [@kfglobalbrief](#)

FIGURE 1
Annual growth by price bracket in prime central London



Source: Knight Frank Residential Research

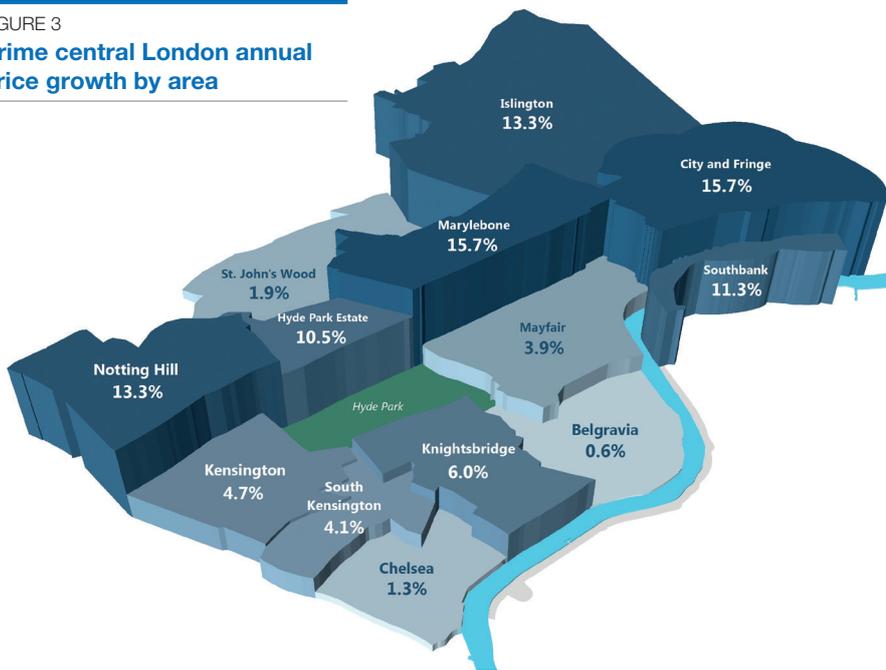
FIGURE 2
42 months of growth in prime central London



Source: Knight Frank Residential Research

PRIME CENTRAL LONDON SALES INDEX

FIGURE 3
Prime central London annual price growth by area



DATA DIGEST

The Knight Frank Prime Central London Index, established in 1976, is the longest running and most comprehensive index covering the prime central London residential marketplace. The index is based on a repeat valuation methodology that tracks capital values of prime central London residential property. 'Prime central London' is defined in the index as covering: Belgravia, Chelsea, Hyde Park, Islington, Kensington, Knightsbridge, Marylebone, Mayfair, Notting Hill, Regent's Park, St John's Wood, Riverside* the City and the City Fringe. 'Prime London' comprises all areas in prime central London, as well as Canary Wharf, Fulham, Hampstead, Richmond, Wandsworth, Wapping and Wimbledon.

* Riverside covers the Thames riverfront from Battersea Bridge in the west running east to include London's South Bank. The City Fringe encompasses the half-mile fringe surrounding most of the City including Clerkenwell and Farringdon in the west and Shoreditch and Whitechapel in the east.

Knight Frank Prime Central London Index

Rank	KF Prime Central London Index	12-month % change	6-month % change	3-month % change	Monthly % change
Apr-13	5,748.6	7.7%	3.5%	2.5%	0.7%
May-13	5,781.3	7.5%	3.7%	2.2%	0.6%
Jun-13	5,807.1	7.2%	3.9%	1.7%	0.4%
Jul-13	5,836.2	7.2%	4.1%	1.5%	0.5%
Aug-13	5,868.4	7.2%	3.7%	1.5%	0.6%
Sep-13	5,908.3	7.2%	3.5%	1.7%	0.7%
Oct-13	5,955.5	7.2%	3.6%	2.0%	0.8%
Nov-13	5,969.0	7.0%	3.2%	1.7%	0.2%
Dec-13	6,017.9	7.7%	3.6%	1.9%	0.8%
Jan-14	6,043.6	7.8%	3.6%	1.5%	0.4%
Feb-14	6,083.4	7.5%	3.7%	1.9%	0.7%
Mar-14	6,135.1	7.5%	3.8%	1.9%	0.8%
Apr-14	6,182.4	7.5%	3.8%	2.3%	0.8%

Source: Knight Frank Residential Research



GLOBAL BRIEFING

For the latest news, views and analysis on the world of prime property, visit KnightFrankblog.com/global-briefing

RESIDENTIAL RESEARCH

Tom Bill

Associate, Residential Research
+44 20 7861 1492
tom.bill@knightfrank.com

PRESS OFFICE

Daisy Ziegler

+44 20 7861 1031
daisy.ziegler@knightfrank.com

RECENT MARKET-LEADING RESEARCH PUBLICATIONS



The Wealth Report 2014



London Review Spring 2014



UK Residential Market Update March 2014



Prime Central London Rental Index Apr 2014



© Knight Frank LLP 2014 - This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.