



News Release

Date: 1 September 2009

Prime London prices rise for fifth month leading to sales volume boom

Knight Frank Prime Central London Residential Index – August 2009 results

Key highlights:

- **Residential prices in prime central London rose by 1%, the fifth monthly rise**
- **Sales volumes up 90% compared to January 2008**
- **Houses continue to out perform flats**
- **Chelsea, Kensington and St John's Wood are leading the way**

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

"Prices for residential property in central London rose for the fifth consecutive month by 1% in August. This latest price rise means that prices are now 6.4% higher than they were in March (the low point in the recent market cycle).

"The combination of rising prices and increasing confidence in the central London market has had a dramatic impact on the number of sales which have taken place. Sales volumes are up 90% since January 2008 and represent an incredible 234% increase in sales volumes compared to August last year.

"Price growth has been driven by the significant bounce in prices in Chelsea, Kensington and St John's Wood - where prices have risen by 5% in the last three months alone.

"Since the market improvement in April - it has been the lower end of the market which has led the recovery. Prices in the £1m to £2.5m market have risen more than 5% in the last three months, compared to only 2.4% for the £10m+ market. Houses continue to outperform flats - with three-month price growth up by 4.6% and 3.6% respectively."



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James Pace, partner and head of Knight Frank Chelsea, commented:

“Over the last two months, we have seen multiple bids on almost every sale we have agreed. Gazumping is back and in some isolated cases, peak prices are being achieved again. For example, we recently sold a property in Redcliffe Road for a record price, a similar property on the same street sold in December 2008 for 15% lower. This price growth has been focused on quality. Property that is well-presented, in a good location and priced correctly will continue to do well. Property that is compromised will lag behind.”

“Whilst sales volumes during the last three months are up by 65% year on year, we have very limited stock. Our stock levels are 50% lower than what I would expect to have at this time of year. For would-be vendors who have been watching the market, I hope that the buoyant autumn market will motivate them to sell as the demand is there.”

Ends

Knight Frank Prime Central London Index

	KF Prime Central London Index	12 month % change	6 month % change	3 month % change	monthly % change
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	-22.5%	-15.9%	-7.2%	-1.5%
Mar-09	3,652.2	-23.9%	-15.5%	-6.7%	-1.6%
Apr-09	3,666.3	-22.7%	-11.7%	-2.7%	0.4%
May-09	3,725.9	-20.1%	-6.9%	0.3%	1.6%
Jun-09	3,789.0	-17.2%	-3.2%	3.7%	1.7%
Jul-09	3,846.5	-14.4%	2.0%	4.9%	1.5%
Aug-09	3,886.3	-11.96%	4.7%	4.3%	1.0%

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.

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