



News Release

Date: 2 November 2010

Knight Frank Prime Central London Residential Price Index, October 2010

- The latest results from the Knight Frank Prime Central London Index confirm that prices in central London fell in October by -0.23%.
- The October price fall means that prices have now fallen for four months in a row, and have now fallen by 1% since June.
- Despite the recent price falls the annual growth figure equates to 12% in the 12 months to the end of October due to strong growth over the first half of 2010.

Liam Bailey, head of Knight Frank Residential Research commented

"It is fairly clear where the short term direction of the London market is headed. Demand for property has fallen back over recent months and supply has risen - these broad trends have acted to push prices lower over recent months and it seem likely that this trend has some way to go. It would be wrong to be universally gloomy, London is a market that attracts demand from across the globe and for a variety of reasons.

"There is some indication of prices holding up in the locations where foreign demand is strongest, in particular in Kensington and Chelsea, both areas where prices began to rise again in October after small declines in the previous three months.

"While European demand has been subdued in recent months, with Eurozone buyer registrations down by 34% in October (compared to October 2009). Interest from Asia, Russia, the Middle East, Canada and Brazil was on the rise.

"The outlook for central London remains relatively positive compared to the rest of the UK market, due to the unusual confluence of circumstances which play out in this market - with foreign buyers joined by City Bonus money by the year end.



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"While bonuses are expected to be more varied this year compared to last year, there is very early evidence of bonus buyers coming into the market to look at available stock. Our expectation is that bonus buyers will not rush into the market in November and December, but that we will see a more delayed process with the market strengthening in January and February as these buyers wait to gauge the short term direction of the market."

	KF Prime Central London Index	12 month % change	6 month % change	three monthly % change	monthly % change
Nov-09	4,067.2	1.60%	9.2%	4.7%	1.2%
Dec-09	4,154.6	6.13%	9.6%	5.5%	2.1%
Jan-10	4,201.2	11.45%	9.2%	4.5%	1.1%
Feb-10	4,334.8	16.74%	11.5%	6.6%	3.2%
Mar-10	4,367.0	19.57%	10.9%	5.1%	0.7%
Apr-10	4,425.7	20.71%	10.1%	5.3%	1.3%
May-10	4,487.7	20.45%	10.3%	3.5%	1.4%
Jun-10	4,526.4	19.46%	9.0%	3.7%	0.9%
Jul-10	4,506.0	17.15%	7.3%	1.8%	-0.5%
Aug-10	4,503.9	15.89%	3.9%	0.4%	0.0%
Sep-10	4,496.1	14.18%	3.0%	-0.7%	-0.2%
Oct-10	4,485.7	11.59%	1.4%	-0.4%	-0.2%

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Notes to Editors

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Knight Frank area definitions:

Prime central London: Belgravia, Chelsea, Hyde Park, Kensington, Knightsbridge, Marylebone, Mayfair, Notting Hill, Regent's Park, Riverside* and St John's Wood.

Prime London: All areas in prime central London plus Canary Wharf, Fulham, Hampstead, Richmond, Wandsworth, Wapping and Wimbledon.

* Riverside covers the Thames riverfront from Battersea Bridge in the west running east to encompass London's South Bank

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