

The prime London sales indices are based on repeat valuations of existing stock and do not include new-build property, although units from completed developments are included over time.



Prime London Sales Index

knightfrank.com/research

January 2020

Location	Index	Annual Change	Quarterly Change	Monthly Change
PRIME CENTRAL LONDON	PRIME CENTRAL LONDON INDEX 5,536.2	-2.1%	-0.2%	0.0%
PRIME OUTER LONDON	PRIME OUTER LONDON INDEX 265.6	-1.6%	-0.2%	0.1%

1 The post-election spike in demand

New prospective buyers, PCL and POL, weekly total, rebased to 100 at January 2015

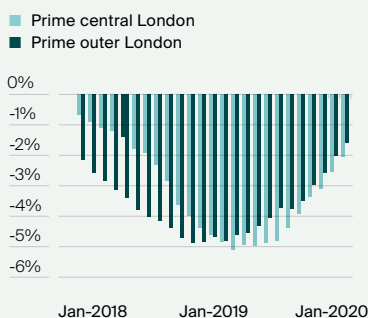


Source: Knight Frank Research

Figure 1 — The number of new prospective buyers registering with Knight Frank in London rose to its highest weekly total in more than 15 years in the second week of January as buyers looked to capitalise on the relative certainty produced by December’s general election result. The figure was 92% higher than the equivalent week last year and 95% up on 2018.

2 Prices are still declining

Average annual % price change

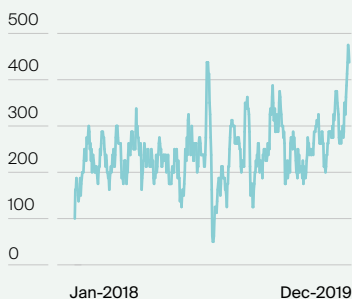


Source: Knight Frank Research

Figure 2 — Although demand has surged in the weeks following the election result, this trend is unlikely to produce any material impact on prices in the near-term. Uncertainty remains in relation to a possible stamp duty hike for overseas buyers as well as continuing Brexit-related ambiguity. Average prices declined 2.1% in PCL in the year to January.

3 Post-election jump in exchanges

10-day rolling total, rebased to 100 at January 2018



Source: Knight Frank Research

Figure 3 — In the ten working days following the election, Knight Frank carried out more sales in PCL than any equivalent ten-day period since December 2016. Overall, the number of exchanges in prime London markets was 14% higher last year than in 2018 and the highest annual total since 2014.

MACRO DATA

4 Business confidence picks up following the election

Deloitte CFO survey of business prospects compared to three months ago



Source: Knight Frank Research

Figure 4 — Some 45% of chief financial officers said the financial prospects for their company had improved compared to three months ago, according to a survey by accountant Deloitte. This was the highest proportion in more than a decade and echoes the renewed sense of optimism that is driving activity levels, if not prices, in London's prime residential markets. The Purchasing Managers Index showed business activity at a 16-month high, in a further boost for the UK economy.

PRIME CENTRAL LONDON PRICE GROWTH BY PRICE BAND, TIME PERIOD AND PROPERTY TYPE

	UP TO £1M	£1M TO £2M	£2M TO £5M	£5M TO £10M	OVER £10M	FLAT	HOUSE
1 MONTH	0.2%	0.0%	-0.1%	-0.1%	0.0%	0.1%	-0.1%
3 MONTHS	0.1%	-0.4%	-0.1%	-0.4%	0.0%	-0.2%	-0.1%
6 MONTHS	-0.3%	-0.5%	-0.5%	-0.8%	-0.7%	-0.4%	-0.6%
1 YEAR	-2.4%	-1.9%	-1.7%	-2.6%	-2.0%	-2.0%	-2.2%
YTD	0.2%	0.0%	-0.1%	-0.1%	0.0%	0.1%	-0.1%

PRIME OUTER LONDON PRICE GROWTH BY PRICE BAND, TIME PERIOD AND PROPERTY TYPE

	UP TO £1M	£1M - £2M	£2M - £3M	£3M - £4M	£4M - £5M	OVER £5M	FLAT	HOUSE
1 MONTH	-0.1%	0.0%	0.1%	0.7%	1.4%	0.2%	-0.1%	0.2%
3 MONTHS	-0.7%	-0.3%	0.2%	1.6%	1.4%	-0.2%	-0.7%	0.2%
6 MONTHS	-1.3%	-0.7%	-0.4%	1.1%	1.6%	-0.4%	-1.4%	-0.1%
1 YEAR	-2.5%	-1.5%	-1.1%	0.2%	1.6%	-0.9%	-2.9%	-0.5%
YTD	-0.1%	0.0%	0.1%	0.7%	1.4%	0.2%	-0.1%	0.2%

Please get in touch with us

If you are looking to buy, sell or would just like some property advice, we would love to hear from you.



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