



## JULY 2018

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

### PRIME CENTRAL LONDON

Prime central London index | **5844.2**

Annual change | **-1.9%**

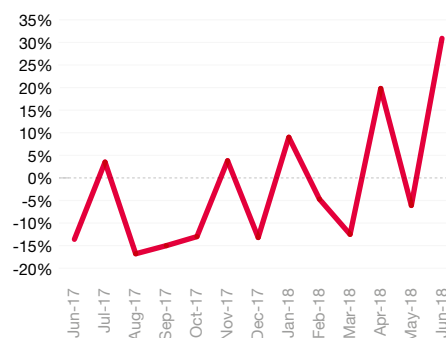
Quarterly change | **-0.8%**

Monthly change | **-0.2%**

**Figure 1** The number of new prospective buyers in prime central London was 31% higher in June than the same month last year. Despite a period of political uncertainty, the upwards trend highlights the strength of underlying demand as asking prices rebase.

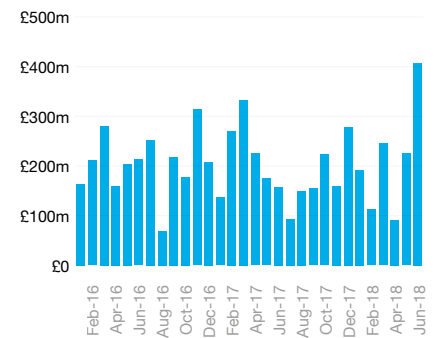
**Figure 2** The total value of £10 million-plus sales in June 2018 was £407 million, the highest monthly total since December 2014. It highlights the strength of underlying demand for prime central London property despite a period marked by political uncertainty.

FIGURE 1  
**New prospective buyers rise in June**  
Year-on-year % change



Source: Knight Frank Research

FIGURE 2  
**High-value deals hit three-and-a-half year high**  
Monthly value of £10 million-plus deals in London



Source: Knight Frank Research / LonRes / Land Registry

### PRIME OUTER LONDON

Prime outer London index | **277.8**

Annual change | **-4.0%**

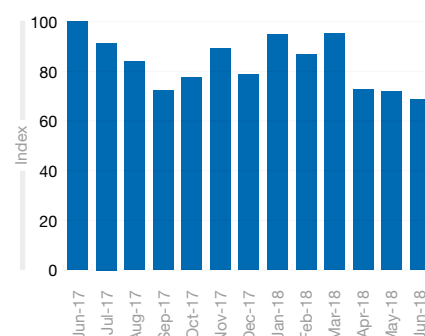
Quarterly change | **-1.2%**

Monthly change | **-0.5%**

**Figure 3** The number of properties withdrawn from sale declined 31% year-on-year in June. Properties are often withdrawn because buyers will not meet the asking price. The trend suggests asking prices now more fully reflect buyer expectations as higher rates of stamp duty are priced in.

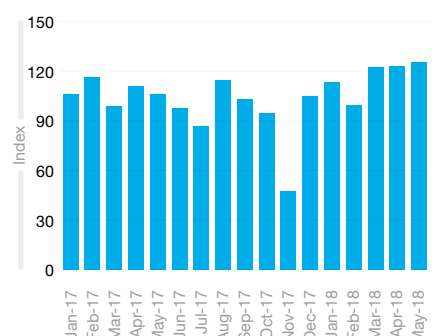
**Figure 4** The number of viewings per office in prime outer London was 18% higher in June than the same month last year. This reflects the resilience of underlying demand and also the fact that price-sensitive buyers are carrying out more viewings before making an offer.

FIGURE 3  
**Downwards trend for withdrawn properties**  
Rebased to 100 at June 2017, rolling quarterly average



Source: Knight Frank Research

FIGURE 4  
**Viewings per office on the rise**  
Rebased to 100 at January 2017



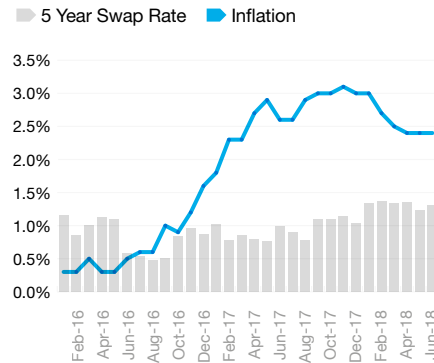
Source: Knight Frank Research

ECONOMIC DATA

**Figure 5** UK inflation remained at 2.4% in June as the effects of a weaker pound following the Brexit vote exerted less of an influence on the figures. The chances of a rate rise are finely balanced but the five-year swap rate has been on an upwards trajectory in anticipation the Bank of England will raise the base rate in August.

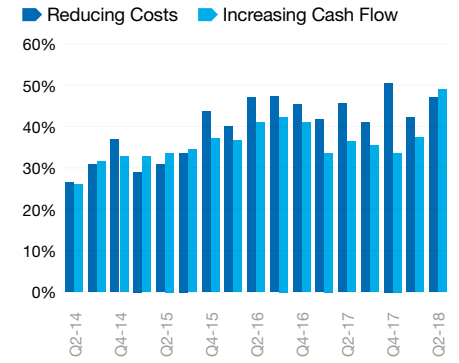
**Figure 6** The Deloitte CFO survey showed businesses adopting a more defensive approach in Q2 as uncertainty rises in relation to Brexit negotiations. The number who said increasing cash flow was a strong priority rose to an eight-year high while reducing costs remained a high priority.

**FIGURE 5**  
Market readies itself for an August rise  
UK inflation falls as five-year swap rate rises



Source: Knight Frank Research

**FIGURE 6**  
Businesses take defensive Brexit measures  
Survey responses showing 'high priority' for CFO's



Source: Knight Frank Research

**FIGURE 7**  
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	-0.3%	-0.3%	-0.2%	0.0%	0.0%	-0.3%	0.0%
3 months	-1.1%	-1.0%	-0.6%	-0.6%	-0.2%	-1.0%	-0.4%
6 months	-1.4%	-1.8%	-1.3%	-0.9%	-0.9%	-1.7%	-0.7%
1 year	-2.3%	-2.2%	-2.1%	-0.6%	-1.3%	-2.4%	-0.8%
YTD	-1.8%	-1.9%	-1.6%	-1.2%	-1.0%	-2.0%	-0.7%

**FIGURE 8**  
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	-0.4%	-0.3%	-1.1%	-0.3%	-0.3%	-0.7%	-0.5%	-0.5%
3 months	-1.1%	-1.0%	-1.5%	-1.9%	-0.4%	-1.2%	-1.4%	-1.0%
6 months	-1.8%	-1.7%	-2.3%	-2.9%	-1.7%	-2.0%	-2.3%	-1.7%
1 year	-4.4%	-4.0%	-4.8%	-5.6%	-1.9%	-4.3%	-4.9%	-3.8%
YTD	-2.2%	-2.5%	-2.6%	-3.6%	-2.1%	-2.9%	-2.9%	-2.3%

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: Aldgate & the City, Belgravia, Chelsea, Hyde Park, Islington, Kensington, Knightsbridge, Marylebone, Mayfair, Notting Hill, Riverside, South Kensington, St John's Wood, Tower Bridge and Victoria.

**Prime Outer London** comprises Barnes, Battersea, Belsize Park, Canary Wharf, Chiswick, Clapham, Dulwich, Fulham, Hampstead, Queen's Park, Richmond, Wandsworth, Wapping and Wimbledon.

**RESIDENTIAL RESEARCH**  
If you would like further insight into London residential markets please feel free to get in touch.



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