



MARCH 2019

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

PRIME CENTRAL LONDON

Prime central London index | **5,609.4**

Annual change | **-5.1%**

Quarterly change | **-1.3%**

Monthly change | **-0.4%**

PRIME OUTER LONDON

Prime outer London index | **268.3**

Annual change | **-4.6%**

Quarterly change | **-1.0%**

Monthly change | **-0.2%**

Figure 1 The number of new prospective buyers registering in PCL and POL increased 6.3% in the year to February 2019. Though activity levels have fallen due to political uncertainty, underlying demand has strengthened as potential buyers respond to price adjustments.

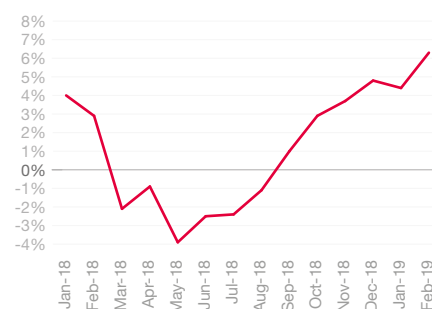
Figure 2 The number of new properties listed for sale in PCL and POL has declined in recent months as a result of Brexit-related political uncertainty. The imbalance between the current strength of demand versus supply indicates the potential for upwards pressure on prices and activity once political uncertainty recedes.

Figure 3 Though there are fewer properties on the market, the number of offers being submitted is increasing as pent-up demand builds. The number of offers made in PCL and POL rose 7.5% in the year to February 2019.

Figure 4 Despite stronger underlying demand, weaker overall economic sentiment means some buyers and sellers remain hesitant. The number of exchanges in prime central London declined 14% in the year to February 2019, LonRes data shows.

FIGURE 1

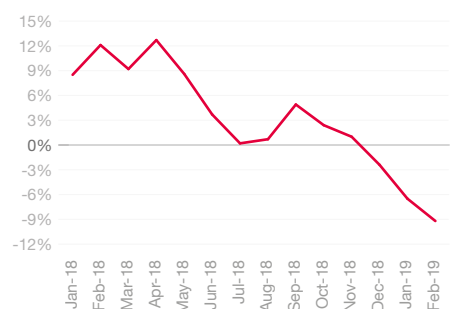
New buyers register in greater numbers
Annualised % change in new buyer registrations, PCL and POL



Source: Knight Frank Research

FIGURE 2

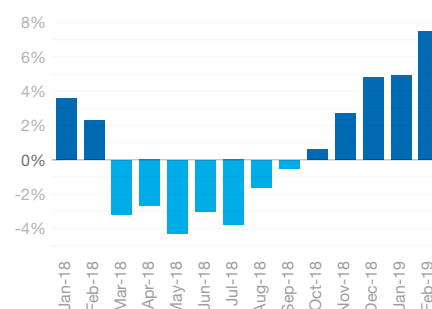
Vendors hesitate amid political uncertainty
Annualised % in new instructions, PCL and POL



Source: Knight Frank Research

FIGURE 3

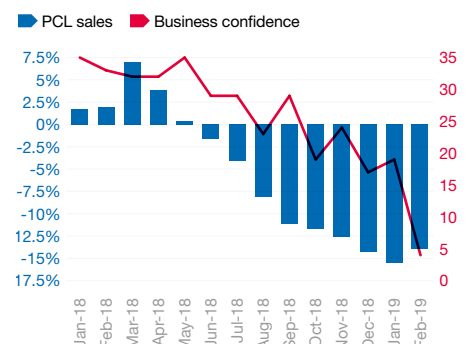
More offers made on fewer properties
Annualised % change



Source: Knight Frank Research

FIGURE 4

Transactions and economic sentiment decline
Transactions: annualised % change



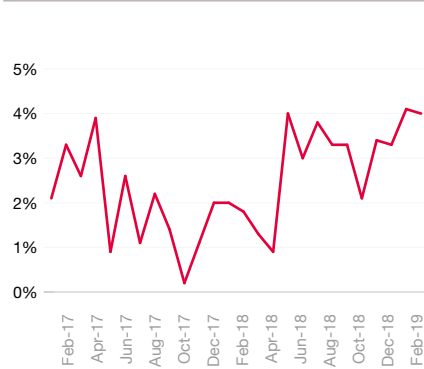
Source: Knight Frank Research / LonRes / Lloyds Bank

ECONOMIC DATA

Figure 5 Retail sales grew by an annual 4% in February, despite the political uncertainty. Falling inflation, low rates of unemployment and rising wages have boosted consumer spending over the last year. Mortgage demand has been underpinned by low interest rates and a competitive lending environment.

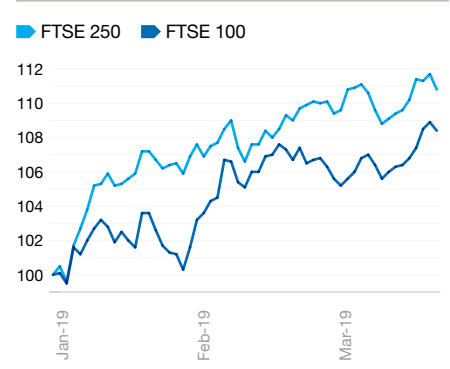
Figure 6 The UK-focused FTSE 250 stock market index has outperformed the FTSE 100 index since the start of the year. Despite the political backdrop, UK shares have benefitted as the risk of a disorderly Brexit fades. As Sterling has strengthened, the more internationally-focused FTSE100 has underperformed.

FIGURE 5
UK retail spending rises
Annual % change



Source: Knight Frank Research

FIGURE 6
UK-focused stocks outperform in 2019
Rebased to 100 at January 2019



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	-0.6%	-0.3%	-0.2%	-0.7%	-0.1%	-0.4%	-0.4%
3 months	-1.9%	-1.1%	-1.1%	-1.1%	-1.1%	-1.3%	-1.1%
6 months	-3.9%	-2.6%	-3.1%	-2.1%	-1.8%	-3.2%	-2.3%
1 year	-6.5%	-5.1%	-5.0%	-3.8%	-2.5%	-5.8%	-3.5%
YTD	-1.9%	-1.1%	-1.1%	-1.1%	-1.1%	-1.3%	-1.1%

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	-0.3%	-0.1%	-0.2%	-0.2%	0.0%	0.0%	-0.2%	-0.1%
3 months	-1.1%	-1.0%	-1.0%	-0.6%	-1.3%	-0.2%	-1.3%	-0.7%
6 months	-2.7%	-2.7%	-4.0%	-1.7%	-3.8%	-0.8%	-3.2%	-2.3%
1 year	-4.4%	-4.7%	-5.8%	-4.3%	-6.5%	-1.8%	-5.6%	-3.9%
YTD	-1.1%	-1.0%	-1.0%	-0.6%	-1.3%	-0.2%	-1.3%	-0.7%

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



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



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