



MAY 2019

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 | **5,586.7**

Annual change | **-5.0%**

Quarterly change | **-0.8%**

Monthly change | **-0.3%**

PRIME OUTER LONDON

Prime outer London index | **125.2**

Annual change | **-4.3%**

Quarterly change | **-0.2%**

Monthly change | **0.0%**

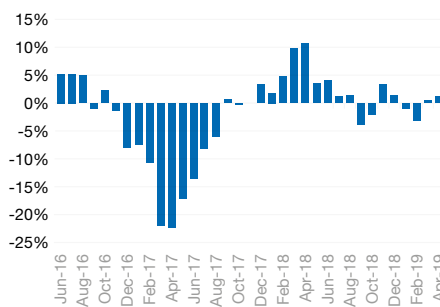
Figure 1 The number of exchanges above £2 million rose by 1% in the year to April compared to the previous 12-month period. There was a 9% decline across all price brackets, which underlines how pent-up demand in higher-value markets is being released to a greater extent following stamp duty-related price adjustments.

Figure 2 This same trend is borne out by the fact that transaction volumes across all price brackets are rising to a greater extent in higher-value areas of the capital. In central London neighbourhoods, exchanges rose by 7% in the year to April, while the increase was 17% in north London, according to Knight Frank data.

Figure 3 Viewings have risen for properties worth more than £2 million. There were 3% more viewings in the first quarter of this year than the same period last year, the first such increase since 2017.

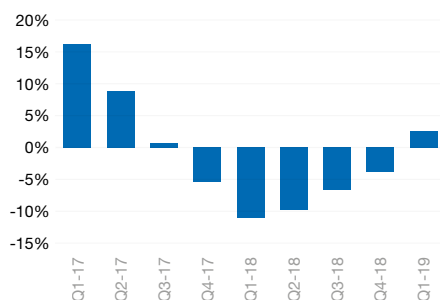
Figure 4 The number of offers made by buyers has risen by more than a quarter since the start of last year. Over the same period, the number of new properties listed for sale has fallen by over a third, underlining the relatively advantageous position for active vendors, particularly should the current political uncertainty recede.

FIGURE 1
£2m-plus exchanges increase
Annualised % change



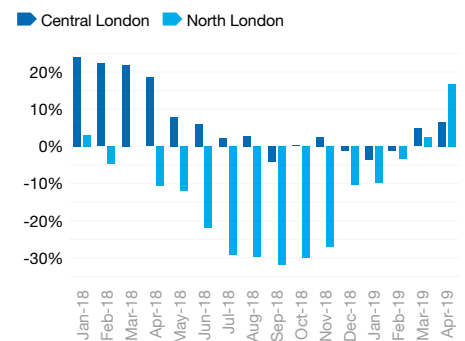
Source: Knight Frank Research

FIGURE 3
Viewings above £2 million increase
Annualised % change



Source: Knight Frank Research

FIGURE 2
Exchanges rise in higher-value markets
Annualised % change



Source: Knight Frank Research

FIGURE 4
Pent-up demand continues to build
Rebased to 100



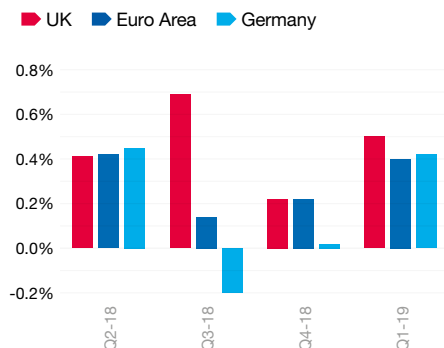
Source: Knight Frank Research / LonRes

ECONOMIC DATA

Figure 5 The UK economy appears to be largely shrugging off the effects of political uncertainty. GDP grew by 0.5% in the first quarter of 2019, which was stronger than Germany and the euro area. While Brexit-related stockpiling had an impact, there was a strong performance in the IT sector and healthy levels of business investment.

Figure 6 The pound has been volatile in recent weeks in response to Brexit-related uncertainty and speculation surrounding the identity of the next prime minister. During May, the pound eroded the gains it had made versus the dollar since January, making sterling-denominated assets more attractive.

FIGURE 5
UK economy shrugs off Brexit
GDP, quarterly growth



Source: Knight Frank Research

FIGURE 6
The rise and fall of Sterling
£ vs \$USD during 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	-0.2%	-0.3%	-0.3%	-0.2%	-0.1%	-0.3%	-0.1%
3 months	-1.1%	-0.7%	-0.5%	-1.0%	-0.4%	-0.8%	-0.7%
6 months	-3.0%	-2.2%	-1.7%	-1.6%	-1.9%	-2.4%	-1.8%
1 year	-6.3%	-5.0%	-4.9%	-3.8%	-2.6%	-5.6%	-3.5%
YTD	-2.3%	-1.5%	-1.4%	-1.4%	-1.4%	-1.8%	-1.4%

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	0.0%	0.0%	0.0%	0.3%	0.4%	0.0%	-0.1%	0.1%
3 months	-0.3%	-0.1%	0.0%	-0.1%	0.0%	0.2%	-0.4%	0.0%
6 months	-1.7%	-1.6%	-1.6%	-0.8%	-2.9%	-0.1%	-2.0%	-1.1%
1 year	-4.2%	-4.3%	-5.7%	-3.4%	-6.3%	-1.7%	-5.2%	-3.6%
YTD	-1.2%	-1.0%	-0.8%	-0.5%	-1.4%	0.0%	-1.4%	-0.5%

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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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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