



# News Release

Date: **Embargoed for 0001 1 August 2011**

## Prime central London sales and lettings both reach all time high

### Prime Central London sales and lettings indices, July 2011, results

- Prime London property prices have risen by 9.6% over the last 12 months and are now 35% higher than the post-credit crunch trough in March 2009
- Prime London property prices rose by 0.7% in July, taking values to a record high
- Prime London rents rose by 0.3% in July, taking the increase in the three months to July to 1%
- Rents are 1% higher than their previous peak in March 2008

**Gráinne Gilmore, Head of UK Residential Research at Knight Frank, comments:** “The latest results from the Knight Frank Prime Central London Index highlight the difference between the central London market and that in the rest of the UK. While owners of properties in central London have seen the value of their home rise by nearly 10% since July last year, average values in the wider UK market have fallen by over 1% during the same period.

“Sales activity in the prime central London market has been strong in recent months, with a rise in new properties coming to the market, and a subsequent rise in the number of exchanges.

“The rising level of supply has gone some way to addressing pent-up demand in the market, but the desire for prime properties in the capital looks set to continue, signalling a further rise in prices throughout the rest of the year, albeit at a more modest pace.

“The strongest sales markets are in Chelsea and Mayfair where values have risen by 7.7% and 7.2% respectively over the last six months. The Belgravia lettings market is leading the way with a 1.8% rise in values over the last three months and the highest levels of demand.”



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**Noel Flint, Head of London Residential at Knight Frank, comments:** “Once again the main reasons for the level of demand in the prime central London market can be attributed to the increase presence of overseas purchasers and low stock levels. In the last month our offices have seen more interest from buyers from continental Europe, possibly due to the ongoing Euro-zone crisis as well as London providing a more cosmopolitan lifestyle. Middle eastern buyers have, as always, been key to the market, but with an early Ramadan their time spent in London has been shortened, however we expect to see a second window in early September as they continue their search for a London property while enjoying the cooler climate.”

**Tim Hyatt, Head of Residential Lettings at Knight Frank, and President of ARLA, comments:** “Rental demand continued to rise in July but stock levels are still constrained in certain areas. Rents have been boosted by the high levels of activity in the market as many families look to secure newer property before the start of the new school year in September. Like for like deals on this time last year are showing positive growth and we anticipate as ever the summer months being very busy for the London and Home Counties lettings offices.”

## **Knight Frank Prime Central London Sales Index**

Month	Index	Annual % change	Six month % change	3 month % change	Monthly change
Jul-09	3,846.5	-14.4%	2.0%	4.9%	1.5%
Aug-09	3,886.3	-12.0%	4.7%	4.3%	1.0%
Sep-09	3,937.7	-8.9%	7.8%	3.9%	1.3%
Oct-09	4,020.0	-3.2%	9.6%	4.5%	2.1%
Nov-09	4,067.2	1.6%	9.2%	4.7%	1.2%
Dec-09	4,154.6	6.1%	9.6%	5.5%	2.1%
Jan-10	4,201.2	11.5%	9.2%	4.5%	1.1%
Feb-10	4,334.8	16.7%	11.5%	6.6%	3.2%
Mar-10	4,367.0	19.6%	10.9%	5.1%	0.7%
Apr-10	4,425.7	20.7%	10.1%	5.3%	1.3%
May-10	4,487.7	20.4%	10.3%	3.5%	1.4%
Jun-10	4,526.4	19.5%	9.0%	3.7%	0.9%
Jul-10	4,506.0	17.1%	7.3%	1.8%	-0.5%
Aug-10	4,503.9	15.9%	3.9%	0.4%	-0.05%
Sep-10	4,496.1	14.2%	3.0%	-0.7%	-0.2%
Oct-10	4,485.7	11.6%	1.4%	-0.4%	-0.2%
Nov-10	4,524.3	11.2%	0.8%	0.5%	0.9%
Dec-10	4,583.9	10.3%	1.3%	2.0%	1.3%
Jan-11	4,633.7	10.3%	2.8%	3.3%	1.1%
Feb-11	4,679.7	8.0%	3.9%	3.4%	1.0%



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Mar-11	4,742.5	8.6%	5.5%	3.5%	1.3%
Apr-11	4,790.8	8.2%	6.8%	3.4%	1.0%
May-11	4,856.9	8.2%	7.4%	3.8%	1.4%
Jun-11	4,902.7	8.3%	7.0%	3.4%	0.9%
Jul-11	4,937.0	9.6%	6.5%	3.1%	0.7%

Source – Knight Frank Research

## **Knight Frank Prime Central London Rental Index**

Month	Index	Annual change	Six Month Change	3 month % change	Monthly % change
Jun-09	140.8	-19.33%	-9.15%	-1.91%	
Sep-09	140.9	-17.82%	-1.84%	0.08%	
Dec-09	144.2	-6.97%	2.40%	2.32%	
Mar-10	149.8	4.34%	6.29%	3.88%	
Jun-10	153.7	9.19%	6.63%	2.64%	
Sep-10	163.2	15.86%	9.00%	6.20%	
Dec-10	166.8	15.73%	8.53%	2.20%	
Mar-11	175.1	16.92%	7.26%	4.95%	
Apr-11	175.7				0.4%
May-11	176.6				0.5%
Jun-11	177.1	15.19%	6.13%	1.12%	0.3%
Jul-11	177.5			1.00%	0.3%

Source – Knight Frank Research

### **For further information, please contact:**

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### **Notes to Editors**

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No: 11pr221