## SUMMER 2010 CANARY WHARF LETTINGS INSIGHT Knight Frank





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"AS LONG AS LANDLORDS CONTINUE TO LISTEN TO OUR ADVICE ON MARKETING PRICE LEVELS WE WILL CONTINUE TO SEE VERY SHORT VOID PERIODS."

#### Vanessa Evett, Head of Knight Frank Canary Wharf Lettings gives us the low down on the local housing market, the potential impacts of recent developments, as well as a few handy hints and tips along the way.

#### What do you think a hung parliament means for the housing market?

Despite the hung parliament, it is predicted that the housing market will continue to improve over the next 12 months. As Canary Wharf continues to expand with more financial houses moving into the area, there will always be a need for properties within close proximity of work. Once the Coalition Government settles, and due to the potential rise in Capital Gain Tax we may see an increase in supply to the rental market as Investment Landlords become more inclined to continue to rent.

# Rents have been gradually increasing, will the trend continue throughout the rest of the year?

Since the turn of the year we have seen a gradual increase in rents from new lets and renewing tenancies, although Canary Wharf does still not reach the dizzy heights in terms of rental prices as some parts of London.

#### Have you seen more market activity since the General Election?

The market has now resumed normality. Since the results, we have seen the number of new applicants registering increase and these applicants have been making quick decisions on the available stock. Hopefully, the Football World Cup won't bring a halt to the rental market for the middle of June/July.

#### What question do tenants always ask?

The most commonly asked questions that we come across are "Does this development have a gym and swimming pool?" or "Does this development have 24hr Concierge?". Once an offer is agreed, we tend to hear "Why do we have to pay Stamp Duty Land Tax?" and "Where is our Deposit held?".

#### How is the market in your area at the moment?

We are half way through the 2nd quarter of the year and we continue to be very active. While we experienced a quiet period around the General Election, we have certainly seen an increase in the number of tenants looking to secure a property. Rents continue to rise on new lets agreed and renewals. As long as Landlords continue to listen to our advice on marketing price levels, and do not get swept away with the current "improving market euphoria", we will continue to see very short void periods, if any at all, from when a property is placed on the market to when a tenant moves in.

## Canary Wharf lettings market at a glance

Table 1 Market activity Last 3 months, year-on-year change

 
 New property available
 Image: Constraint of the second s

Change in rents, last 3 months

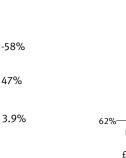
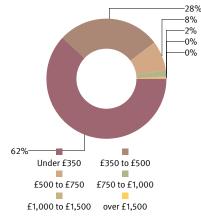


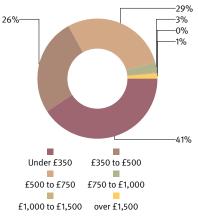
Figure 1



What do our applicants want to spend?

New applicants, last 12 months

Figure 2 But what is coming to the market? New instructions, last 12 months



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## Charting the market

#### Table 2

Nationality of Knight Frank tenants Prime Lettings, last 12 months

World region Africa Asia Australasia Europe India Middle East North America Russia & CIS South America	<b>Tenants</b> 2.0% 4.9% 3.6% 26.5% 1.4% 2.9% 10.7% 2.1% 0.6%
South America UK	0.6% 45.3%

#### Figure 3 Prime residential rents, indexed Quarterly, last 5 years (Dec 2004 = 100)

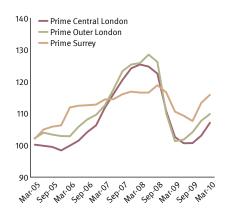
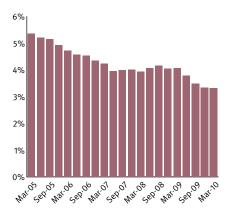


Figure 4 Prime London residential gross yields Quarterly, last 5 years



## Your properties, our people

Simply amazing views

**AVAILABLE** 

2 bed

Asking rent: £440pw

New Providence Wharf, E14

Brand new three bedroom apartment

## AVAILABLE

3 bed

Asking rent: £430pw

The Forge, E14



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Vanessa Evett Head of Canary Wharf Lettings



Three bedroom apartment in Limehouse

Two bedroom apartment in Greenwich

## AVAILABLE

**AVAILABLE** 

Asking rent:

Farnsworth Court.

Greenwich, SE10

£450pw

2 bed

3 bed Asking rent:

£550pw

Dundee Wharf, Canary Wharf, E14



**Michael Woda** Senior Lettings Negotiator



**Tom Peel** Senior Lettings Negotiator

If you have any queries or would like to obtain additional information on the UK or international housing markets please contact: Liam Bailey, Head of Residential Research, +44 (0)20 78615133, liam.bailey@knightfrank.com @ Knight Frank LP 2009 - This report is published for general information only. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no legal responsibility can be accepted by Knight Frank Residential Research or Knight Frank LLP for any loss or damage resultant from the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is allowed with proper reference to Knight Frank Residential Research. Knight Frank LLP is a limited liability partnership registered in England with registered number 0C305934. Registered office: 55 Baker Street, London, W1U BAN