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"SUMMER IS TRADITIONALLY OUR BUSIEST TIME AND WE ARE LOOKING FORWARD TO THE MONTHS AHEAD"

**Laura Selley, Head of Knight Frank Kensington 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.**

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

Yes, it is looking that way, however the market isn't yet where it was at the peak a couple of years ago. Stock levels are down due to many of the forced landlords from last year going back over to the sales side, coupled with many tenants renewing instead of leaving, so rents are creeping up. We are finding that we are achieving within 4%-5% of asking prices and our renewals department are agreeing many rent increases. Over May and June the average increase for Kensington renewals was over 5%.

**Have you seen more market activity since the General Election and how is the market in your area at the moment?**

We did have a couple of applicants tell us that they had been advised by their accountants to wait until the election had taken place before putting in any offers, however for most people life goes on and if they need to move due to the arrival of a new baby or their landlord selling their current property then they have to move. There was a slight lull in the run up to the election and we did find it hard to get some applicants to commit but since then we have been busier, with enquiries and offers from both relocation agents looking on behalf of people relocating to London through work and private individuals moving for various reasons. Summer is traditionally our busiest time and we are looking forward to the months ahead.

**What question do tenants always ask?**

"Will the landlord take an offer?" We would say is the most common question. There are still a few people who are looking for a 'bargain' but with the shortage of stock and rents going up we are trying to let all our applicants know about what is happening in the market so they can make educated decisions and put in the right offer. Other common questions are "When was the property last refurbished?" and "Is the property managed by Knight Frank?" Newly refurbished and professionally managed properties are always in demand and let quickly.

**Kensington lettings market at a glance**

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

New property available		-29%
New prospective tenants		-5%
Change in rents, last 3 months		3.9%

Figure 1  
 What do our applicants want to spend?  
 New applicants, last 12 months

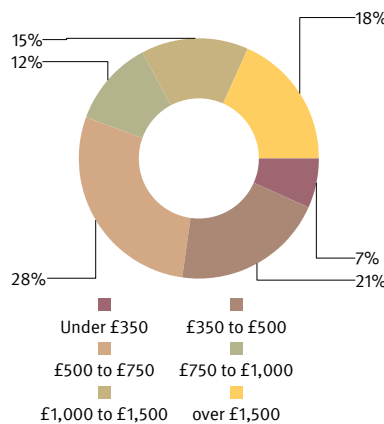
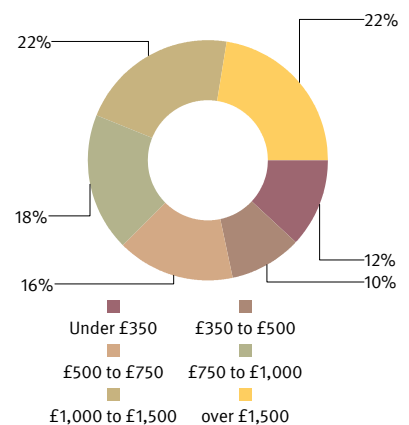


Figure 2  
 But what is coming to the market?  
 New instructions, last 12 months



# SUMMER 2010 KENSINGTON LETTINGS INSIGHT



## Charting the market

Table 2  
Nationality of Knight Frank tenants  
Prime Lettings, last 12 months

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

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

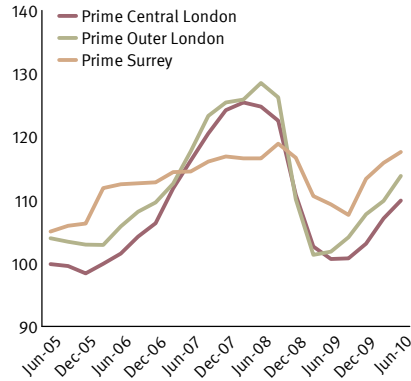
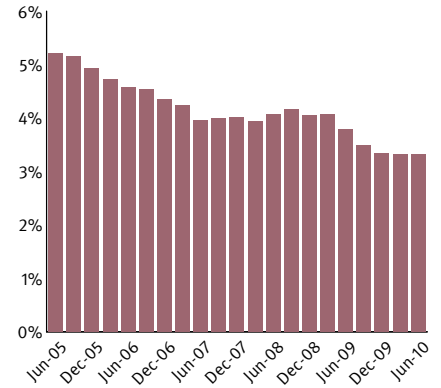


Figure 4  
Prime London residential gross yields  
Quarterly, last 5 years



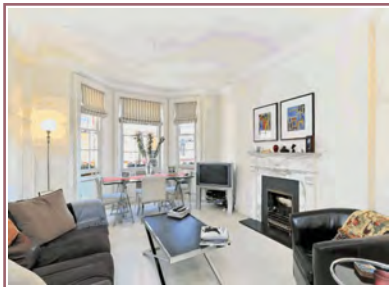
## Your properties, our people

LET

2 bed

Asking rent:  
£695pw

Bullingham  
Mansions,



LET

3 bed

Asking rent:  
£750pw

Somerset Square,  
Holland Park W14



LET

3 bed

Asking rent:  
£1,250pw

Petersham Place,  
South Kensington



LET

3 bed

Asking rent:  
£1,350pw

Campden Hill  
Court, Kensington



Laura Selley  
Lettings Manager



Claire Ferris  
Associate



Katy-Miranda Hinds  
Negotiator



Nathalie Baillie  
Lettings Administrator

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