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"OVER THE LAST YEAR WE HAVE SUCCESSFULLY RENTED TO CORPORATE CEOs, STUDENTS, ENTREPRENEURS AND ROYALTY."

Who rents in Mayfair? Will rents keep rising? How can you let your property quickly and at the best rent possible? Kate Townrow, head of Knight Frank Mayfair lettings answers the important questions on the spring market.

Have rents continued to increase in 2011?

Despite a quiet winter in Mayfair with low applicant levels, the shortage of good quality properties has pushed rents higher across the market. However, landlords should still be mindful that asking price or close to asking price lets are only being achieved on newly finished stock. Typically, we see offers within 5% of the asking price on property such as this. In general, landlords should be flexible, particularly with unmodernised properties. The typical Mayfair tenant profile is international and predominantly corporate, with expectations to match.

What can Landlords do to ensure their property is let as quickly as possible?

Landlords need to be realistic in their expectations and listen to their agent, who has the market knowledge of the area so is well placed to advise on all aspects of the rental process, from initial market appraisal to offer to subsequent completion of the let. Landlords need to ensure that a property appeals across as broad a spectrum as possible. Neutral décor and furnishings always appeal and let quickly, as do amenities such as parking and security that go with the property. Mayfair applicants in general are attracted by light and bright properties finished to a high standard, which can be anything from a £400 per week pied à terre to a £15,000 per week penthouse.

How long does it usually take you to let a property?

We find in general that new developments let quickly, within around one week of marketing. For obvious reasons applicants prefer modern finishes and as this is atypical of the Mayfair market these flats go quickly. The more traditional finish still attracts interest, but landlords must be careful not to price too high and suffer a long void period unnecessarily.

Why should a Landlord consider using Knight Frank over the competition?

Knight Frank is the leading independent global property consultancy with 209 offices across 47 countries. With this coverage, we can attract applicants the world over. Additionally, our associated offices and global network means we have unprecedented international reach and many of our clients are referred to us from internal departments and international companies. Finally, our in-house Corporate Services team work with blue chip companies looking to relocate their staff both nationally and internationally, placing over 80% in central London locations.

Where do your tenants tend to come from?

Tenants in Mayfair are a varied mix! Over the last year we have successfully rented to corporate CEOs, students, entrepreneurs and royalty. We pride ourselves on our quality of service at any level, from £300 per week to £40,000 per week.

How do you think the market will fare in the coming months?

I believe we will continue to see steady growth in rents, driven by lack of stock. Asian investors are buying large tranches of off-plan stock, but much of this has not yet hit the market. Financing issues for buy-to-let landlords means we will not see dramatic rises in stock levels until the mid next year. Many people are choosing to rent as sales stock is limited and funding is still difficult.

Mayfair lettings market at a glance

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

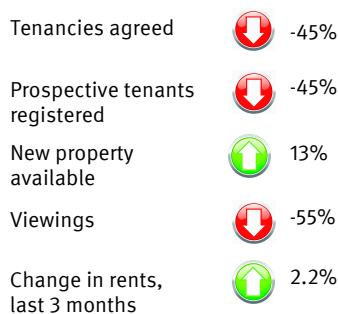


Figure 2
What do our applicants want to spend?
New applicants, last 12 months

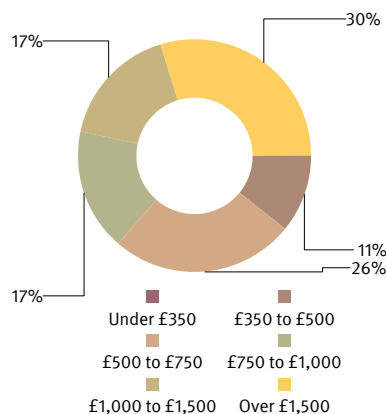
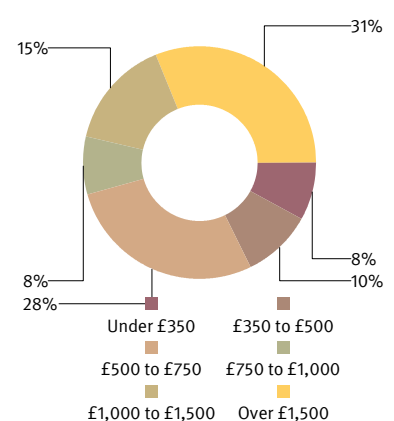


Figure 3
What is coming to the market?
New instructions, last 12 months



SPRING 2011 MAYFAIR LETTINGS INSIGHT

Knight Frank



Charting the market

Figure 4
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 5
Prime residential rents, indexed
Quarterly, last 5 years (Dec 2005 = 100)

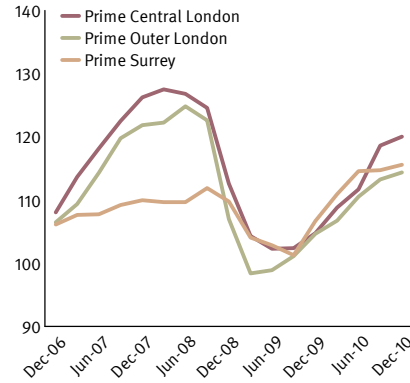
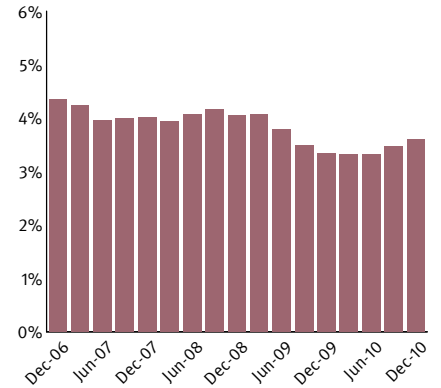


Figure 6
Prime London residential gross yields
Quarterly, last 5 years



Mayfair properties and the Knight Frank team

Refurbished pied à terre

LET

1 bed

Asking rent: £525pw

1, 52 Maddox Street



Contemporary St James's apartment

TO LET

1 bed

Asking rent: £550pw

Rose and Crown Yard



Modern duplex apartment

LET

2 bed

Asking rent: £1,700pw

2, 27 St George Street



Fashionably located

TO LET

2 bed

Asking rent: £795pw

South Molton Street



Impressive Mayfair townhouse

LET

6 bed

Asking rent: £5,000pw

South Street



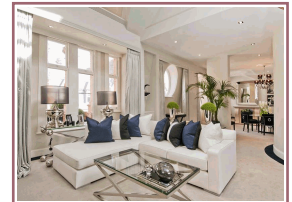
Stunning penthouse with terrace

TO LET

3 bed

Asking rent: £3,500pw

Mount Street



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