



Kate Townrow, Head of Knight Frank's Mayfair Lettings office, discusses price rises, strong demand, and the influx of international applicants.

How has your market been performing?

Rents in the area rose by around 5% during 2011 owing to strong demand outstripping supply. We have seen great demand for refurbished or 'best in class' properties as well as new developments. International applicants are predominantly looking for 'turnkey' properties they can lock up and leave. There has also been a noticeable increase in enquiries and market appraisals in anticipation of increased demand for short lets over the summer.

What advice can you give to landlords?

The best advice we can offer is to be realistic with asking prices to minimise void periods, and to heed professional feedback on the marketing and presentation of your property. A high-quality finish increases rental potential dramatically and is essential in a prime central London market such as Mayfair, where applicants are highly discerning and private landlords face direct competition from new developments offering concierge-style services.

What stands Mayfair apart from other prime areas in London?

Nestled in the heart of central London, Mayfair is universally renowned for being synonymous with exclusivity and luxury. The exceptional grace of the period architecture heightens its desirability, as does its small area marked by clearly defined boundaries such as Piccadilly and Park Lane, which happen to be some of the most exclusive thoroughfares in the world.

How do you expect your market to perform over the coming months?

Due to demand outweighing supply, we expect rents to remain stable throughout 2012. Our Residential Research department predicts prime central London rents will rise in the region of 4.5% over the course of the year. There are fewer applicants in the higher price ranges as those without a pressing need to move are choosing to renew until the global economic position stabilises. The number of properties available at this higher price level remains healthy, which is a positive sign for the months ahead.

What else is driving this strong demand?

As well as there being a significant shortage of good quality houses, we have registered an influx of international applicants, particularly from Russia, CIS countries, the Middle East and Asia. Global economic instability is encouraging many to rent while they ride out this period of uncertainty. Mayfair is known as a long-established centre for luxury and prosperity, and it will therefore remain one of the most desirable places to live in the capital.



Kate Townrow
Associate

+44 (0)20 7499 1012
kate.townrow@knightfrank.com

Mayfair lettings market at a glance

Figure 1
Nationality of our tenants
Tenants, past 12 months

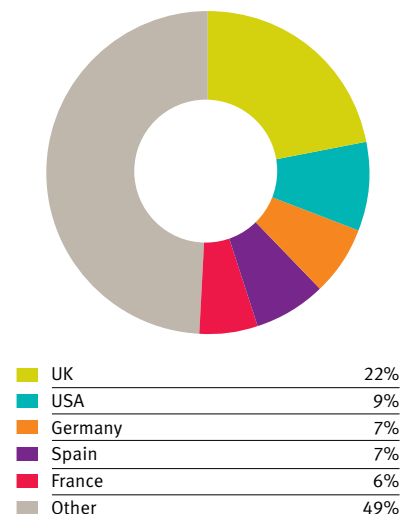
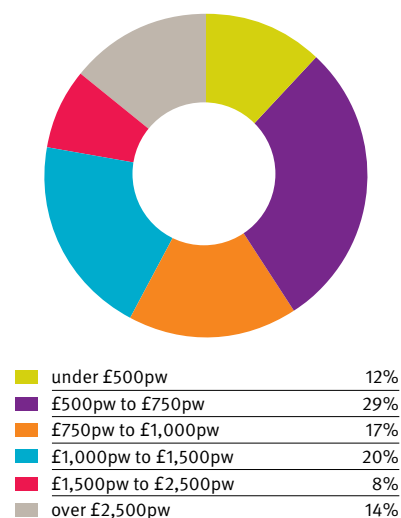


Figure 2
What do our applicants want to spend?
New applicants, past 12 months





Charting the Mayfair market



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

under £500pw	15%
£500pw to £750pw	22%
£750pw to £1,000pw	18%
£1,000pw to £1,500pw	16%
£1,500pw to £2,500pw	14%
over £2,500pw	15%



Figure 4
Tenancies by price band
 Tenancies agreed, past 12 months

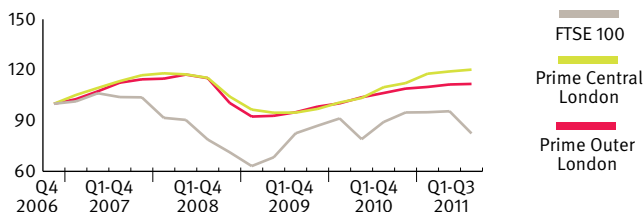
under £500pw	16%
£500pw to £750pw	33%
£750pw to £1,000pw	13%
£1,000pw to £1,500pw	13%
£1,500pw to £2,500pw	16%
over £2,500pw	9%



Figure 5
Age of our buyers
 Tenants, past 12 months

under 20	3%
20s	21%
30s	26%
40s	16%
50s	19%
60s	3%
over 70	12%

Figure 6
Wider market performance
 Prime London (rental prices) vs FTSE 100, past 5 Years



Mayfair rental properties

LET

Contemporary elegance

MOUNT STREET, W1K

3
 £2,950pw



TO LET

Sought-after roof terrace

DUNRAVEN STREET, W1K

3
 £2,400pw



LET

Soho chic

SHERWOOD STREET, W1F

3
 £1,100pw



TO LET

Immaculate interiors, garden views

PARK STREET, W1K

3
 £2,500pw



LET

Perfect pied à terre

HILL STREET, W1K

1
 £625pw



TO LET

Spectacular West End situation

KEAN STREET, WC2B

1
 £800pw



Knight Frank Mayfair Lettings

+44 (0)20 7499 1012

mayfairlettings@knightfrank.com

120a Mount Street

London W1K 3NN

knightfrank.co.uk/lettings



Kate Townrow
 Associate



Andrew Green
 Negotiator



Rahim Najak
 Negotiator