RESIDENTIAL RESEARCH
RIVERSIDE LETTINGS
Knight Frank

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

How has your market performed so far this year?

We have been extremely busy to date. Demand has been very high and the number of properties available to rent continues to fall, despite us being instructed to let more and more properties, as this has been outweighed by the growing number of new applicants registering with us (see our market activity arrows overleaf). I anticipate that rental demand will remain strong this year and prices should therefore continue to rise.

How has the market's recent performance affected yields?

Rents are on the up, as are yields. The performance of the sales market will obviously have a bearing on yields going forward. But if demand for rental properties continues as it is, I believe yields will increase further, in line with tenants' willingness to pay more to secure the right property.

> CORPORATE RELOCATION ACCOUNTS FOR A SIGNIFICANT PROPORTION OF OUR LETS.

Who's renting in your local market?

The fact that we cover a wide range of areas means we attract a similarly wide range of applicants. In SE1, for example, a large proportion of our tenants are high-spending students and city workers, owing to its central location. Pimlico and Chelsea, on the other hand, tend to attract families as well as city workers. Corporate relocation accounts for a significant proportion of our lets.

Where do your tenants tend to come from and how do they find you?

The majority of our tenants (56%) are from overseas, and around 10% are international students with large budgets. The properties we rent out generally attract time-pressed city workers flat-hunting from their desks, meaning our award-winning website attracts a lot of interest, as does our iphone app. The majority of our enquiries come from internet advertising. Many of our tenants come back to us time and time again.

How does your local market differ from the prime London market as a whole?

Our market differs hugely as most of the properties we deal with are either new or recently built apartments, in developments with a concierge service and other amenities such as a gym, swimming pool and restaurant.

What advice do you have for landlords?

Although demand and rents have been rising, setting your asking rental price at an appealing level remains of the utmost importance. If a property is priced above what is perceived to be the market rate it will not receive the initial interest necessary to encourage competitive offers. Presentation is also key – tenants will not compromise on condition, even during a supply shortage. The standard in today's lettings market is so high that applicants expect their needs to be met. Fresh paint and modern furniture make all the difference.

## Is there anything in the pipeline that may boost demand?

There is speculation that there will be heavy demand for short-term rentals in the run-up to the 2012 Olympic Games, and that prices will therefore shoot up. We are yet to see this demand, but I'm sure we will in the near future.

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Riverside lettings market at a glance

Figure 1
What do our applicants want to spend?
New applicants, past 12 months, cost per week
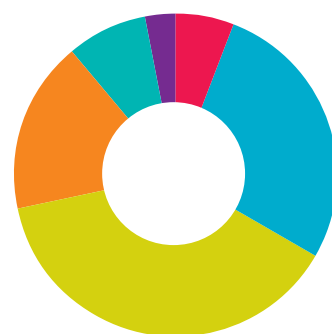
under £350pw	6%
£350pw to £500pw	27%
£500pw to £750pw	38%
£750pw to £1,000pw	17%
£1,000pw to £1,500pw	8%
over £1,500pw	4%

Figure 2
What is coming to market?
New instructions, past 12 months, cost per week

under £350pw	6%
£350pw to £500pw	18%
£500pw to £750pw	33%
£750pw to £1,000pw	24%
£1,000pw to £1,500pw	10%
over £1,500pw	9%

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Charting the market
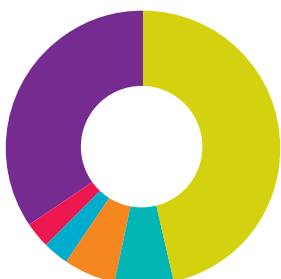
Figure 3
Nationality of our tenants
Tenants, past 12 months

UK	46%
USA	7%
Italy	6%
Greece	3%
Japan	3%
Others	34%
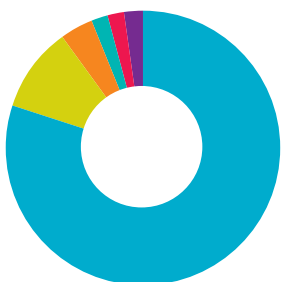
Figure 4
Source of our tenants
Tenants, past 12 months

Web	80%
Referral	10%
Corporate services	4%
Local	2%
Internal	2%
Other	2%

Figure 5
Market activity
Year-on-year change (three months to May 2011)

Tenancies	↑	90%
New applicants	↑	55%
New instructions	↑	40%
Viewings	↑	40%
Prices	↑	7.3%

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

- FTSE 100
- Prime Central London
- Prime Outer London
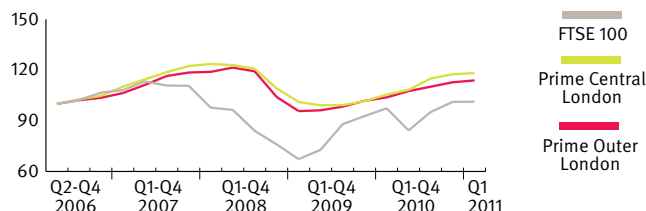
Riverside properties and the Knight Frank team

TO LET
Ideal city living

OCTAVIA HOUSE
🛏 1
£425pw

TO LET
Fantastic river views

ALBION RIVERSIDE
🛏 2
£900pw

TO LET
Stunning dock views

BRAMAH HOUSE
🛏 2
£850pw

TO LET
Designer apartment

NEO BANKSIDE
🛏 2
£1,950pw

TO LET
Amazing lateral space

HOWARD BUILDING
🛏 2
£995pw

TO LET
Breathtaking river views

DOLPHIN HOUSE
🛏 3
£2,000pw

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