



Mark Howell, Head of Riverside Lettings, discusses who's renting in Riverside, how rents are likely to perform, and the best investment opportunities.

How has your market been performing?

London's lettings market has seen an extremely strong year all round. Demand has grown significantly and supply is failing to match it. This surge in demand stems from poor mortgage availability, coupled with the continued influx of people moving to the UK for work reasons.

Where do your tenants tend to come from?

Around 56% of our Riverside applicants come from overseas. Riverside property appeals to tenants moving from abroad largely because the properties tend to be in new luxury developments that benefit from security entry phone systems, concierge teams and CCTV. Properties at these developments also enable them to go home regularly with the peace of mind that their property will be safe and secure while they are away.

What types of tenants are attracted to the area and why?

We primarily deal with young professionals and corporate tenants. Our developments are modern, have high-spec features, and are conveniently located for those working in the City.

What advice can you give to landlords?

To maintain strong demand and rent your property out quickly it is important to keep prices realistic. Those landlords that have been a little ambitious on price have seen their properties stand empty, despite the current demand.

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

The winter is always a slightly slower time in the rental market. We expect the first quarter of 2012 to be extremely busy due to a large number of corporate tenancies coming forward and an influx of applicants who put their searches on hold over the festive period. We predict that this demand will remain strong and rental prices will grow by between 4.5% and 5% throughout the year.

What do you think will happen to rents?

Though prime central London rents fell by 0.1% in October, they had been rising strongly, by 27% in two years, and this slight fall does not herald a downturn in the market. We have certainly seen more applicants prepared to pay the asking price compared to previous years. I believe rents will continue to rise, just not as strongly as they did throughout 2010 and 2011.

“AROUND 56% OF OUR RIVERSIDE APPLICANTS COME FROM OVERSEAS.”

What makes your local market special?

Our office handles property in areas along the river, from Putney Bridge in the west to Blackfriars in the east. We therefore get to see a wide range of properties, spanning an even wider range of prices. Perhaps the most special characteristic of our area is that the majority of these properties benefit from views over some of London's most iconic landmarks, including the Houses of Parliament, the London Eye, Tower Bridge, Tate galleries and Battersea Power Station, as well as the River Thames.

What are the best investment opportunities in the area?

The largest proportion of demand comes from single applicants looking for a London base. The best rental investments therefore tend to be one- and two-bedroom apartments with river views. This is classed as our core market and 66% of our properties fall into this category.



Mark Howell
 Head of Riverside Lettings
 +44 (0)20 7590 2450
 mark.howell@knightfrank.com

Riverside lettings market at a glance

Figure 1
What do our applicants want to spend?
 New applicants, past 12 months, £ per week

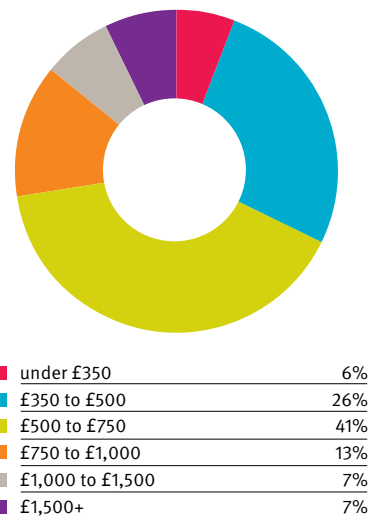
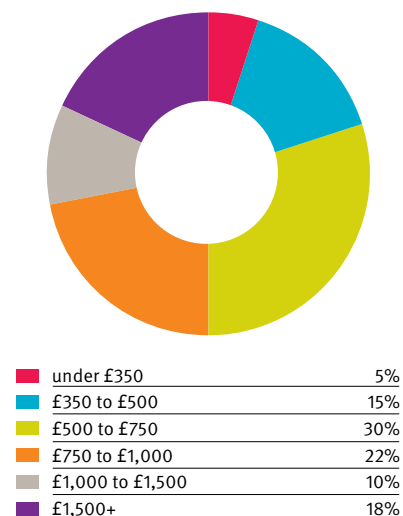


Figure 2
What is coming to market?
 New instructions, past 12 months, £ per week





Charting the Riverside lettings market



Figure 3
Tenancies by price band
 Tenancies agreed, past 12 months, £ per week

| | |
|------------------|-----|
| under £350 | 6% |
| £350 to £500 | 21% |
| £500 to £750 | 39% |
| £750 to £1,000 | 18% |
| £1,000 to £1,500 | 8% |
| £1,500+ | 8% |

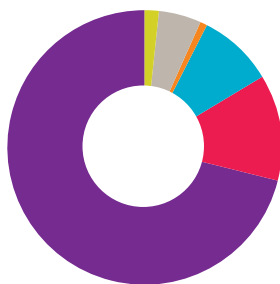


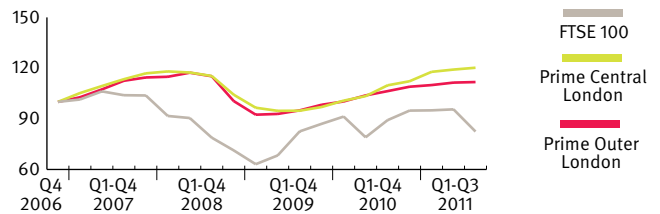
Figure 4
Source of our tenants
 Tenants, past 12 months

| | |
|-----------------------|-----|
| Internal | 2% |
| KF corporate services | 5% |
| Office walk-in | 1% |
| Recommendation | 9% |
| Relocation agents | 13% |
| Web | 70% |

Figure 5
Market activity
 Last three months, year-on-year change

| | | |
|------------------|---|------|
| Exchanges | ↑ | 8% |
| New applicants | ↑ | 34% |
| New Instructions | ↓ | -3% |
| Viewings | ↓ | -36% |
| Prices | ↑ | 3.1% |

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



Riverside properties and the Knight Frank team

TO LET
Stunning apartment
 DOLPHIN HOUSE
 2
 £725pw

LET
Brand new apartment
 CARO POINT
 1
 £550pw

TO LET
Direct river views
 HAMILTON HOUSE
 3
 £1,100pw

LET
Bay-fronted river views
 MARINA POINT
 3
 £1,595pw

TO LET
Dock-facing apartment
 HEPWORTH COURT
 3
 £1,150pw

LET
Exclusive riverside development
 THE BELVEDERE
 3
 £2,700pw

Knight Frank Riverside Lettings
 +44 (0)20 7590 2450
 riversidelettings@knightfrank.com
 60 Sloane Avenue,
 London SW3 3DD
knightfrank.co.uk/riverside

Mark Howell
 Associate

Katie Myers
 Associate

Gemma Hutton
 Senior Negotiator

Pippa Nichols
 Administrator

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 LLP 2011. 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 OC305934. Registered office: 55 Baker Street, London, W1U 8AN