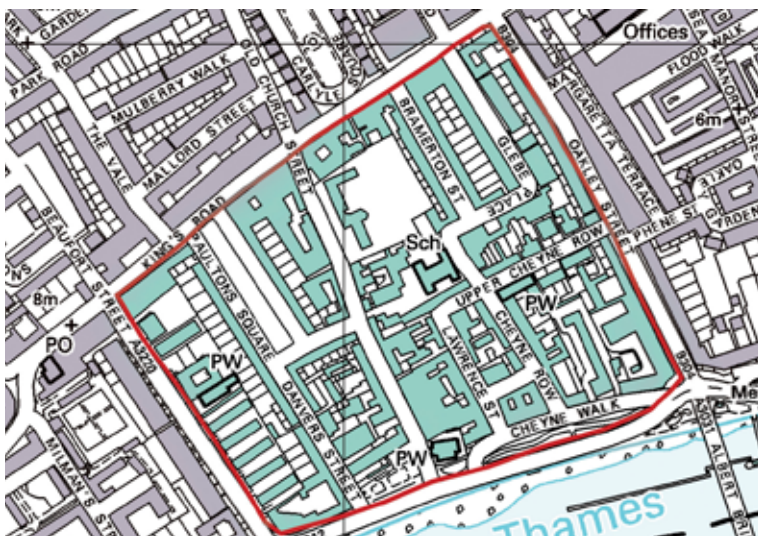


CHELSEA – OLD CHELSEA

Knight Frank



This area is where the village of Chelsea once lay and is generally recognised as the area between Oakley Street in the east, Beaufort Street in the west, King's Road in the north, and the river to the south.

While the first recording of Chelsea as a settlement pre-dates the Domesday book, it was established as a residential address by Thomas More and Henry VIII, who both had palaces there in the 16th century. Since then, the area has become synonymous with the arts as home to many artists, painters and poets. In the 1960s, the King's Road was the centre of 'Swinging London' and has evolved to become one of the most fashionable shopping districts in the capital. The area is widely regarded as one of the most popular and historic areas to live, particularly with buyers and tenants from the UK, 'Old Europe' and the US.

OLD CHELSEA

SALES MARKET

How has your market performed this year?

The market in Chelsea has gone from strength to strength this year. Currently prices are more than 12% up on the previous year. There is a shortage of good quality stock available at all levels of the market with demand growing from home grown buyers as well as a widening number of nations abroad.

What nationalities are buying in your area?

We have seen a broad range of nationalities so far this year. We are seeing more buyers from South East Asia, Singapore and Malaysia particularly. We have also seen Russians, Austrians, British and French. Given what has happened with presidential elections in France we will be seeing many more French buyers shortly. We have also seen a huge spike from people in France searching on our website for properties in London.

What's the most interesting sale you and your team have been involved in recently?

We have been involved in a number of great sales in Old Chelsea recently but the stand out sale must be a house on Justice Walk. It was a very well presented 4/5 bedroom architecturally designed house with a lovely south facing patio garden. The house was on the market for less than two weeks and contracts were exchanged at the asking price 24 hours after terms were agreed.

Do you think the stamp duty increase will affect your market?

It is fair to say that there is some impact on properties priced just over the new £2m threshold with buyers negotiating aggressively to avoid the new 7% rate. However, the further away one gets from £2m the less the impact we are seeing. When compared to some of the other major cities of the world the cost of buying a prime property in the UK is still relatively low.

What property types are most in demand?

We are seeing a great deal of demand for good family houses and flats, and smaller flats for investment purposes as well as for those working their way up the property ladder.

Contact: John Waters. Associate

Charting the Chelsea sales market



Figure 1
What is coming to market?
New instructions, past 12 months

under £750k	17%
£750k to £1.5m	31%
£1.5m to £2.5m	17%
£2.5m to £3.5m	8%
£3.5m to £5m	12%
over £5m	14%



Figure 2
Sales by price band
Exchanges, past 12 months

under £750k	18%
£750k to £1.5m	24%
£1.5m to £2.5m	16%
£2.5m to £3.5m	16%
£3.5m to £5m	9%
over £5m	18%

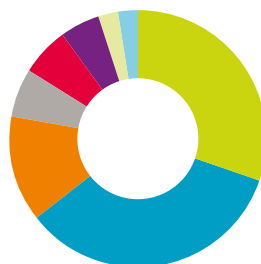


Figure 3
Nationality of our buyers
Buyers, past 12 months

English	25%
Other	28%
Russian	11%
Italian	5%
French	5%
South African	4%
Bermudan	2%
Spanish	2%

*%s may not add up to 100% due to rounding



LETTINGS MARKET

How has the lettings market performed so far this year?

The healthy lettings market continues with a historically limited number of quality properties available to rent. Whilst accurate pricing is critical, the best properties are attracting quality tenants as soon as they come to the market, in some cases we are able to place the property with no marketing whatsoever due to our extensive contact lists. Over the last four months we have experienced a slight increase in the numbers of new properties coming to the market, but we feel rents will remain strong throughout 2012. We continue to register applicants looking specifically at living within this leafy part of Chelsea and the area continues to offer a highly-sought after prospect for many.

What type of property is in high demand?

There is always a high demand for the well-presented family houses this area is known for. Presentation is key, both the internal specification and the exterior of a property will be valued by the best tenants. The family house market in SW3/SW10 has been particularly buoyant over the last 3 months with more family houses securing tenants than in the preceding 6 months combined. Landlords should address all decorative issues and consider updating kitchens and bathrooms that appear dated. Clean, comfortable modern spaces are greatly appreciated and present a strong marketing image to a potential tenant.

What type of tenants are attracted to the area?

This part of prime central London has a strong synergy with tenants from mainland Europe, North America and from the UK. The typical profile is an upwardly mobile couple or family who enjoy the café culture and fantastic schooling all within walking distance, often working in the financial, legal or media sectors in London.

Contact: David Mumby, Partner

Old Chelsea properties

FOR SALE

House with parking and porter

OLD CHURCH STREET

3 bedrooms

£3,100,000



SOLD

Stunning low built family house

JUSTICE WALK

5 bedrooms

£4,950,000



TO LET

Family home in the heart of Chelsea

CHEYNE ROW

3 bedrooms

£2,750 pw



LET

Charming terraced family home

PAULTONS STREET

3 bedrooms

£1,295 pw



Figure 4
What is coming to market?
New instructions, past 12 months

under £500	10%
£500 to £750	37%
£750 to £1,000	11%
£1,000 to £1,500	10%
£1,500 to £2,500	11%
£2,500+	21%



Figure 5
Tenancies by price band
Exchanges, past 12 months

under £500	26%
£500 to £750	34%
£750 to £1,000	16%
£1,000 to £1,500	8%
£1,500 to £2,500	9%
£2,500+	8%

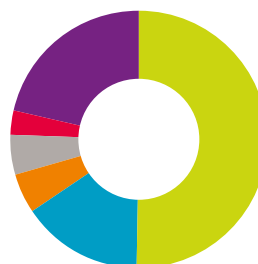


Figure 6
Nationality of our tenants
Tenants, past 12 months

United Kingdom	50%
United States	15%
France	5%
Russian Federation	5%
Germany	3%
Others	21%

*%s may not add up to 100% due to rounding

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LONDON LIVING

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