



Stuart Bailey, Head of Knight Frank Belgravia, discusses the trends in the current market, how the market is likely to perform in the coming months and gives advice for homeowners thinking about selling.

How has your market been performing?

The Belgravia sales market continues to perform well, with the best properties achieving record prices. Demand remains strong, on average up 15% over the last year, although the £5m+ segment has seen a rise of 26%. We have sold 55 properties through our Belgravia office during the last year, compared to 47 for the year before. Prices are now higher by 11.6% over the last 12 months, and 8.9% above the previous peak of March 2008. The market in our area is performing well and is a relatively mature, stable market with further room for growth.

Have any particular trends emerged recently in your sales market?

The influx of international buyers has created a divergence within the Belgravia market. Premiums are being paid for newly refurbished 'turn key' or 'first hand' properties, whilst those that are not tend to be slower to sell. A particular trend has been the increased popularity of Belgravia town houses, sales of which are a staggering 60% up on last year. The smaller flats and houses in Belgravia have maintained their popularity, providing a safe haven investment and relatively affordable entry into some of the worlds finest and most sought after addresses.

What advice would you give to a homeowner thinking about selling?

Accurate pricing and a clear, determined strategy for delivery to market is crucial to a successful sale. Buyers pick up on uncertainty and a lack of confidence in marketing. It is very important to instruct the agent that you can easily communicate with and appreciates your needs and requirements. Don't be seduced by the highest price and the lowest fee. Once a deal is agreed, make sure your solicitor is ready to be able to act quickly. The period between accepting an offer and exchanging contracts is full of risk, so do what you can to be fully prepared in advance.

“WE PREDICT PRIME CENTRAL LONDON PRICES WILL RISE BY 5% IN 2012, IT IS LIKELY BELGRAVIA WILL DOUBLE THIS.”

Where are the 'hidden gems'?

These are the exceptional properties that I consider to be 'collectors items', for the most discerning buyers who really appreciate what they are looking at. Think the low, wide, distinctive houses on Lowndes Place, the white stucco fronted houses set back from the street on the south side of Gerald Road, the mid terrace houses on the west side of South Eaton Place with fabulous gardens (or a double garden if you are lucky) and any house in Chester Square that starts with the number 5... These are the best of the best.

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

The Belgravia market will fare very well. Continued international and domestic demand coupled with a shortage of quality property ensure this. The best properties will far out perform those that do not tick all the right boxes. There will continue to be record breaking prices achieved, but only for the best of the best. There is a flight to quality and secondary properties will lag behind. We predict Prime Central London prices will rise by 5% in 2012, it is likely Belgravia will double this.



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Belgravia sales market at a glance

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



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





Charting the Belgravia sales market

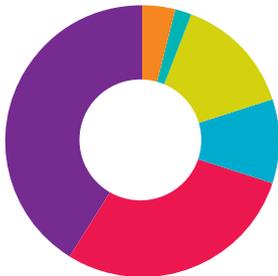


Figure 3
Sales by price band
 Exchanges, past 12 months

under £750k	4%
£750k to £1.5m	2%
£1.5m to £2.5m	14%
£2.5m to £3.5m	10%
£3.5m to £5m	29%
over £5m	41%

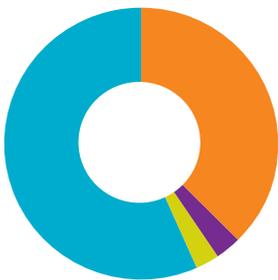


Figure 4
Where do our buyers come from?
 Buyers, past 12 months

London	38%
South East	3%
Rest of UK	3%
International	56%

Figure 5
Return on investment
 Prime London residential gross yields, past 5 Years

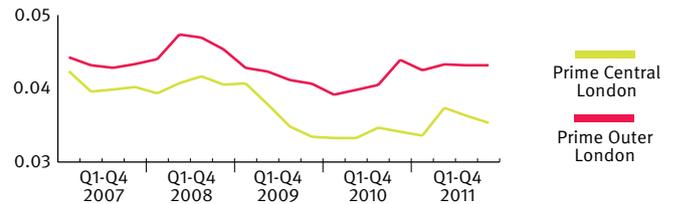
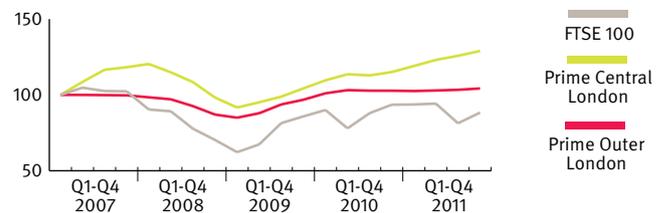


Figure 6
Wider market performance
 Prime London (sale prices) vs FTSE 100, past 5 Years



Belgravia properties and the Knight Frank team

FOR SALE
Superb two bedroom apartment
 EATON SQUARE
 2
 £1.595m

SOLD
Perfect pied a terre
 EATON PLACE
 2
 £2.15m

FOR SALE
Elegant family home
 SOUTH EATON PLACE
 4
 £4.65m

SOLD
Beautiful house with garden
 EBURY STREET
 5
 £6.25m

FOR SALE
Exceptional town house
 WILTON PLACE
 3
 £9.85m

SOLD
Immaculate Belgravia town house
 LYALL STREET
 6
 £15m

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