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PRESS RELEASE

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London market comment from The Buying Solution

Key points:

- Prime London property prices have risen around 10-12%¹ since March 2009 due to supply/demand imbalances with overseas buyers a prominent feature
- The early 2010 property market is likely to be quiet in the run up to the general election
- There is around 25-50% less rental property on the market compared to one year ago forcing prices up and leaving less room for negotiation

Cliff Gardiner, Partner in The Buying Solution's London office, says: "At the beginning of this year, nobody would have predicted that prices would rise as much as 10-12% in prime London. As such, predicting 2010 is going to be equally as difficult. Will the influx of foreign money continue and the limited supply of new properties coming on to the market create another 'mini bubble'?"

"The spring 2010 market is likely to be delayed due to the forthcoming election. My advice to those who want to purchase property ahead of the election is to be particularly careful about what you buy, especially if buying for the short term. Property is not as liquid an asset as it once was and buyers should take considered advice to ensure that they are purchasing in the best area and paying a sensible price. UK buyers who do not want to compete against international money are best off looking outside the traditional hotspots for international buyers - Mayfair and Knightsbridge - and opting for Kensington, Notting Hill and Bayswater, for example."

Jemma Scott, head of rental search at The Buying Solution, comments: "The rental market in London has changed significantly again in the last three months, with estate agents reporting 25-50% less property on the market, forcing prices to harden. A year ago, rental prices were around 20% off their peak, now it's more like 5%. However, tenants are still expecting to be able to negotiate hard. This is no longer feasible and tenants have to act quickly in order to secure the property they desire. Rental yields are at an all time low – around 3.5% - so landlords are less willing to negotiate. There



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continues to be demand for family rental properties in prime London, so with stock levels lower than usual, prices are likely to plateau next year.”

For further information, please contact The Buying Solution's London office on telephone: 020 7591 2640 or visit the website: www.thebuyingsolution.co.uk

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Editors notes:

The Buying Solution is the independent buying consultancy of Knight Frank LLP, and is the UK's leading property buying consultancy, dedicated to helping its clients find and buy exceptional homes. The Company operates on a completely independent basis with access to all agents and vendors, offering impartial advice in the market place. The team has over 150 years of collective experience in the property market. Clients include high-net-worth British buyers, as well as wealthy international buyers.

The Buying Solution has six teams covering:

- High value country housing, estates and land
- Prime London
- Home Counties (Berkshire, Buckinghamshire, Surrey, South Oxfordshire, West Sussex)
- Southern (Somerset, Wiltshire, Berkshire, Hampshire, Dorset)
- Central (Gloucestershire, Oxfordshire, Warwickshire, Northants, Herefordshire, Worcestershire)
- Rental search in London and Surrey

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¹ According to Knight Frank Prime Central London index

