



CHIMNEY COURT, WAPPING, LONDON E1W

Summer 2018

# LONDON RESIDENTIAL MARKET BULLETIN

## Highlights in prime Central London

- Capital values across prime Central London declined by 2% during Q1, marking the eighth consecutive quarter of negative growth and the largest drop since Q3 2016.
- Prices now stand 4.5% down on this time last year, or at roughly £2.89 million; a five-year low.
- Of the 15 submarkets that fall under our definition of prime Central London, only three have recorded no change in the three months to the end of March: Regent's Park, St. James's and Westminster.
- In the five years to the end of 2022, cumulative capital value growth is forecast to touch 4.7%.
- In contrast to the residential sales market, rental values across prime Central London have held steady for two consecutive quarters, suggesting that a period of stability may be starting to bed in.

### Prime Central London

# £1.9m

Average price for a 2 bedroom flat

Source: Cluttons

## Highlights in core Central London

- Average capital values declined by 0.1% during Q1, or 1.9% on an annual basis, taking them to £1.8 million.
- The decline has been far more modest than that observed across prime Central London, which is in part linked to the relatively more affordable stock in these locations, which appeals to domestic budgets.
- Rents in Core Central London locations mirrored the performance of rents in prime Central London, with average weekly rents remaining at £1,370, unchanged on the end of last year.
- Away from the tenant market, institutional residential investors continue to remain very active in the capital, with some 1,750 Build-to-Rent units commencing construction in London during Q1 2018, all of which are in outer London locations.

### Core Central London

# £980k

Average price for a 2 bedroom flat

Source: Cluttons

PRIME CENTRAL LONDON IN NUMBERS (Q1 2018)



Source: Cluttons

Area	Annual change		Calculated Rental yield
	Rental values	Capital Values	
Belgravia	-0.7%	-8.1%	2.9%
Chelsea	-1.4%	-1.1%	2.6%
Covent Garden/Soho	0.0%	-5.3%	2.2%
Holland Park	-1.7%	-8.4%	2.7%
Hyde Park	-2.0%	-5.6%	2.4%
Kensington	-4.9%	-9.5%	2.7%
Knightsbridge	-0.1%	-2.7%	2.8%
Marylebone	-1.8%	-6.0%	2.8%
Mayfair	-0.2%	-5.1%	2.3%
Notting Hill	-6.1%	-8.1%	2.4%
Regent's Park	-3.4%	0.0%	2.1%
South Kensington	-0.7%	-1.3%	2.3%
St. John's Wood	-3.5%	-7.3%	2.6%
St. James's	0.0%	0.0%	2.0%
Westminster	0.0%	0.0%	2.6%
<b>Prime Central London average</b>	<b>-1.7%</b>	<b>-4.5%</b>	<b>2.5%</b>

Source: Cluttons

Prime Central London residential market

**£2.89m**

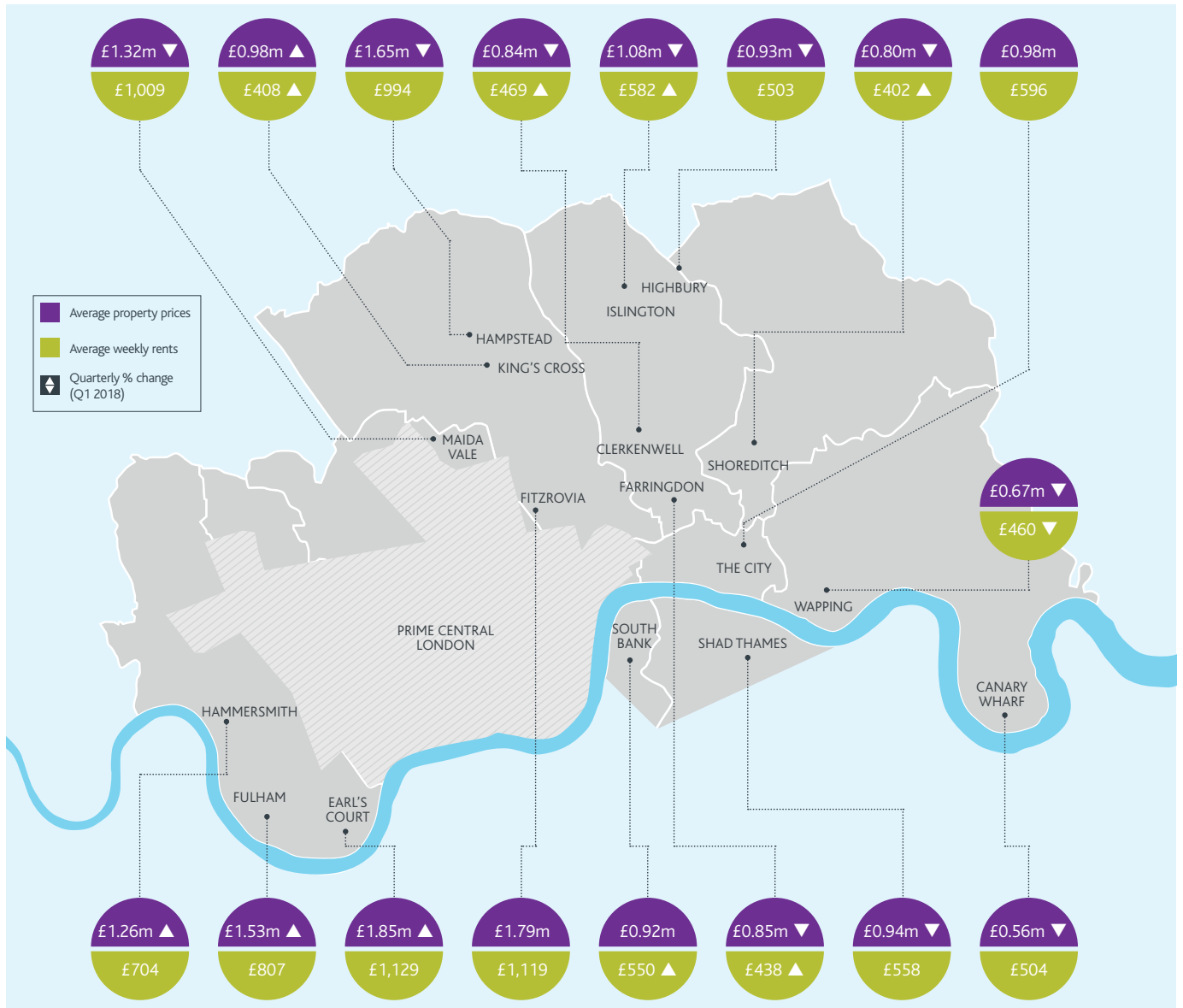
Average property price in Q1 2018

**£1,387**

Average weekly rental value in Q1 2018

Source: Cluttons

CORE CENTRAL LONDON IN NUMBERS (Q1 2018)



Source: Cluttons

Area	Annual change		Calculated Rental yield
	Rental values	Capital Values	
Canary Wharf	-1.2%	-2.3%	4.7%
Clerkenwell	2.2%	-2.2%	2.9%
Earls Court	-0.1%	4.7%	3.2%
Farringdon	1.2%	-3.7%	2.7%
Fitzrovia	-2.3%	0.0%	3.2%
Fulham	0.0%	2.4%	2.7%
Hammersmith	0.0%	3.0%	2.9%
Hampstead	-1.3%	-2.7%	3.1%
Highbury	1.0%	-1.3%	2.8%
Islington	3.0%	-4.0%	2.8%
King's Cross	1.7%	12.6%	2.2%
Maida Vale	-3.1%	-3.9%	4.0%
Shad Thames	-0.7%	-2.0%	3.1%
Shoreditch	2.1%	-4.0%	2.6%
South Bank	-0.9%	-0.7%	3.1%
The City	0.0%	0.0%	3.2%
Wapping	-3.4%	-2.5%	3.6%
<b>Core Central London average</b>	<b>-0.6%</b>	<b>-0.1%</b>	<b>3.1%</b>

Source: Cluttons

Core Central London residential market

£1.18m

Average property price in Q1 2018

£706

Average weekly rental value in Q1 2018

Source: Cluttons

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