



Winter 2017

# LONDON RESIDENTIAL MARKET BULLETIN

## Highlights in prime Central London

- Average residential prices in prime Central London stood at approximately £2.9 million at the end of Q3.
- Despite the 1% price correction across prime Central London as a whole during Q3, the performance of the market has been varied. Regent's Park, Marylebone and Westminster for instance, all registered no change in values during the three months to September.
- Transactional activity has declined by 29% across prime Central London over the last two years (Land Registry).
- Average rents across prime Central London stood at £1,387 at the end of Q3; down 0.9% over the previous quarter.
- In addition to oversupply challenges in the lettings market, declining relocation budgets, stemming from cost containment measures by many businesses are also taking a toll on the market's performance.

### Prime Central London

# £1.94m

Average price for a 2 bed flat

Source: Cluttons

## Highlights in core Central London

- Core Central London locations recorded its slowest pace of growth so far this year, with average residential prices declining by 0.3% in the three months to the end of September, reversing the 0.5% growth registered during Q2.
- Some of the key submarkets have had a strong rise in the number of construction starts recently, with supply appearing to edge ahead of demand, adding further downward pressure on prices.
- In the lettings market, while overall rents for the region declined this quarter, a few submarkets did manage to buck the trend with strong demand underpinned by the intensification of expansionary activity in the technology-media-telecoms (TMT) sectors.

### Core Central London

# £984k

Average price for a 2 bed flat

Source: Cluttons

PRIME CENTRAL LONDON IN NUMBERS (Q3 2017)



Source: Cluttons

Area	Annual change		Calculated Rental yield
	Rental values	Capital Values	
Belgravia	-0.2%	-9.0%	2.9%
Chelsea	-1.5%	-1.5%	2.5%
Covent Garden/Soho	-1.4%	-0.7%	2.1%
Holland Park	-2.4%	-4.9%	2.5%
Hyde Park	-3.5%	-3.2%	2.3%
Kensington	-6.2%	-4.9%	2.5%
Knightsbridge	-1.6%	-0.9%	2.8%
Marylebone	-3.2%	-4.6%	2.7%
Mayfair	0.0%	-2.4%	2.2%
Notting Hill	-6.6%	-5.3%	2.3%
Regent's Park	-2.9%	0.0%	2.1%
South Kensington	-3.6%	1.9%	2.2%
St. John's Wood	-10.5%	-2.2%	2.5%
St. James's	-1.0%	0.0%	2.0%
Westminster	3.2%	0.0%	2.6%
<b>Prime Central London average</b>	<b>-2.7%</b>	<b>-2.6%</b>	<b>2.4%</b>

Source: Cluttons

Prime Central London residential market

£2.98 m

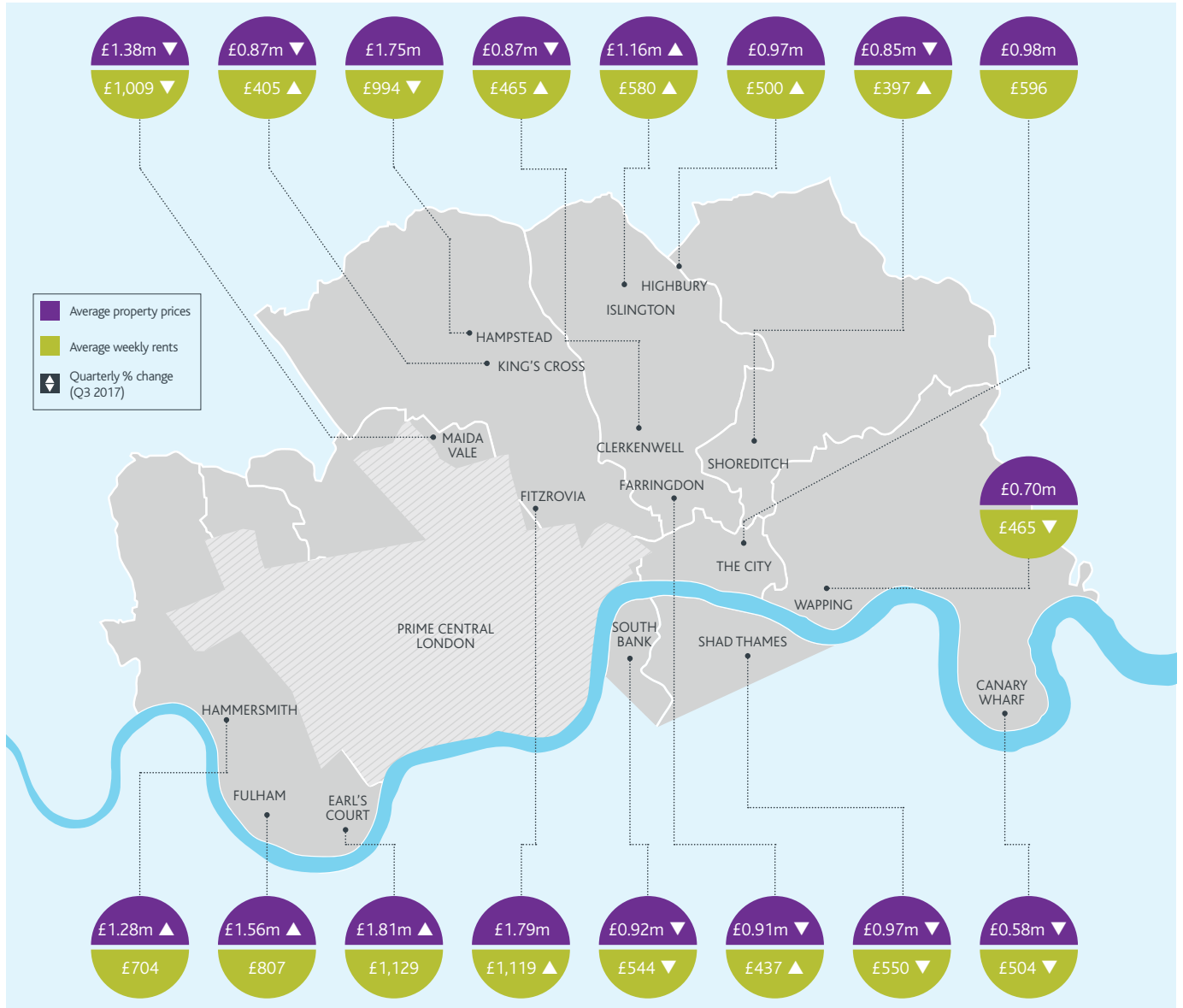
Average property price in Q3 2017

£1,387

Average weekly rental value in Q3 2017

Source: Cluttons

CORE CENTRAL LONDON IN NUMBERS (Q3 2017)



Source: Cluttons

Area	Annual change		Calculated Rental yield
	Rental values	Capital Values	
Canary Wharf	-2.1%	-3.2%	4.5%
Clerkenwell	-0.2%	-2.5%	2.8%
Earls Court	-1.1%	-3.4%	3.2%
Farringdon	0.0%	-2.6%	2.5%
Fitzrovia	-3.0%	0.2%	3.2%
Fulham	-2.8%	4.0%	2.7%
Hammersmith	0.0%	10.4%	2.9%
Hampstead	-1.6%	0.0%	2.9%
Highbury	-1.4%	-4.6%	2.7%
Islington	-0.1%	-4.1%	2.6%
King's Cross	0.0%	-3.7%	2.4%
Maida Vale	-8.7%	-1.5%	3.8%
Shad Thames	-2.0%	-0.4%	3.0%
Shoreditch	-0.6%	-3.9%	2.4%
South Bank	-2.0%	-0.5%	3.1%
The City	-1.6%	0.8%	3.2%
Wapping	-5.5%	-1.1%	3.5%
<b>Core Central London average</b>	<b>-2.4%</b>	<b>-0.4%</b>	<b>3.0%</b>

Source: Cluttons

Core Central London residential market

£1.2m

Average property price in Q3 2017

£704

Average weekly rental value in Q3 2017

Source: Cluttons

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