

SPRING 2010 HYDE PARK MARKET INSIGHT



Knight Frank



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"WE EXPECT TO SEE AN INCREASE IN DEMAND FROM BOTH INVESTORS AND DEVELOPERS AND ARE LOOKING FORWARD TO INTRODUCING OUR MANY INTERNATIONAL BUYERS TO THE HYDE PARK AREA"

Sarah Harding, head of Knight Frank's Hyde Park sales office, discusses the local property market and what the next few months might have in store.

How has the market performed so far in 2010?

The central London market has enjoyed boom-like conditions in recent months. This growth has not been evenly spread, and it has been the low to mid end of the market, especially sub-£2.5m, which has seen the strongest growth (c23%). The more expensive price brackets have lagged (c17% for the £5m+ sector), reflecting the fact that the recovery in pricing started later in this sector. Focusing in on the Hyde Park Estate this area has followed the wider market along with Marylebone & Mayfair with prices rising by around 13%

What about the lettings market?

The lettings market has experienced a dramatic change since 2008 and 2009, when stock levels were extremely high. The current market now favours the landlord with rents increasing by 3.95% in the first quarter of 2010. Tenant demand is high and we have many applicants actively looking in the area for properties which are well presented and in prime locations. The increase in lettings demand is being driven by the improvement of the London job market. We have strong links with relocation companies who are highly active in our area, looking for quality properties for their corporate and private clients. Our website attracts a high volume of applicant enquiries and we are actively looking to increase our property portfolio to cater for this increasing demand.

Tell us a bit more about your team in Hyde Park.

Knight Frank recently won the instruction to look after the Hyde Park Estate - our client being the Church Commissioners. Historically Knight Frank have always looked after this area from our Kensington, Notting Hill and Marylebone offices, however there is demand for a dedicated team on the patch, which I am excited to be leading. We have over 30 years experience selling and letting property in London and are the only truly international agents with a real focus on the area.

How do you see the Hyde Park property market performing over the remainder of 2010?

There is a significant market expectation that the Hyde Park Estate and Bayswater area is set to outperform the wider central London market during the next market cycle. Historically the area has achieved lower rental and capital values compared to our neighbours further west and south. Assisted with the legacy of attractive buildings, streetscapes and surrounded by convenient transport links we expect to see an increase in demand from both investors and developers and are looking forward to introducing our many international buyers to the Hyde Park area.

Hyde Park at a glance

Table 1
Market activity
Last 3 months, year-on-year change

Sales		113%
New prospective buyers		-32%
Viewings		1%
Total property for sale		23%
Newly available property for sale		-7%

Figure 1
Location of our buyers
Hyde Park, last 12 months

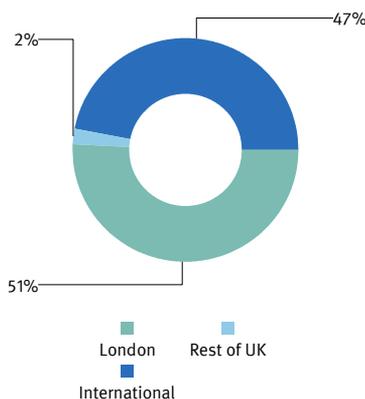
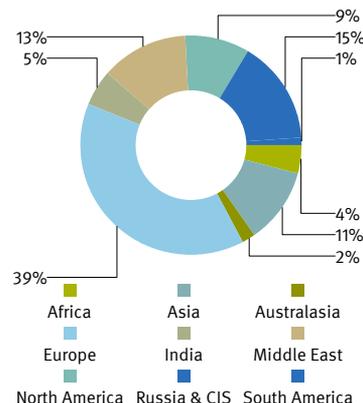


Figure 2
Nationality of KF international buyers
UK prime London property, last 12 months





Charting the market

Figure 2
Sales by price band
Prime London, last 12 months (%)

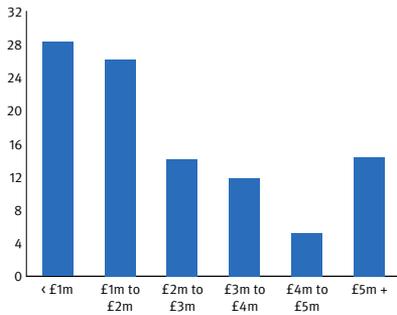


Figure 3
Price change by price band
Prime London, last 3 months (%)

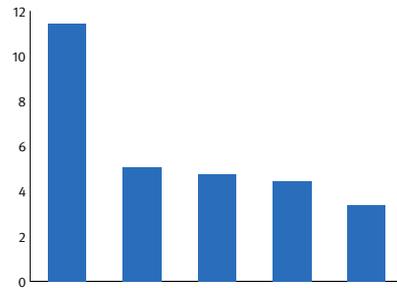
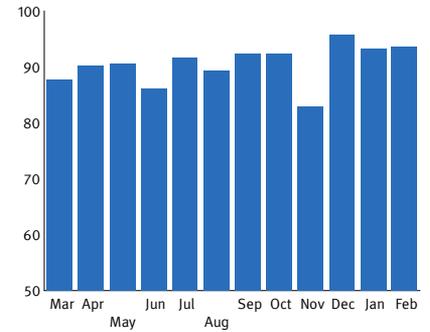


Figure 4
Average % of guide price achieved
Prime London, last 12 months (%)



Your properties, our people

Unmodernised flat in pretty converted building

UNDER OFFER

2 bed

Guide price:
£595,000

Sussex Gardens, London,
W2



Large two bed maisonette with terrace

LET IN APRIL

2 bed

Asking rent:
£500pw

Connaught Street,
London, W2



Contemporary living on edge of Hyde Park

SOLD IN FEBRUARY

3 bed

Guide price:
£2,950,000

Connaught Place, London,
W2



Spacious flat overlooking gardens

UNDER OFFER

2 bed

Asking rent:
£450pw

Connaught Square,
London, W2



Sarah Harding
Office Head, Hyde Park



Sarah Williams
Lettings Manager,
Hyde Park



Stephen Fairfax
Senior Negotiator,
Hyde Park



Tim Wright
Regional London Head



Christian Lock-Necreus
Office Head,
Marylebone



Caroline Foord
Office Head, Notting
Hill