

# The London Barometer

## March 2013 / Sales

### Market Comment

"After a two year decline, the lack of available stock on the London sales market has reached a critical level, causing prices to rise further and the house market to stall as homeowners struggle to find properties to move to.

"The market is made up of homeowners who can't afford to move and those who can't afford not to move as house prices for the best quality homes continue to increase.

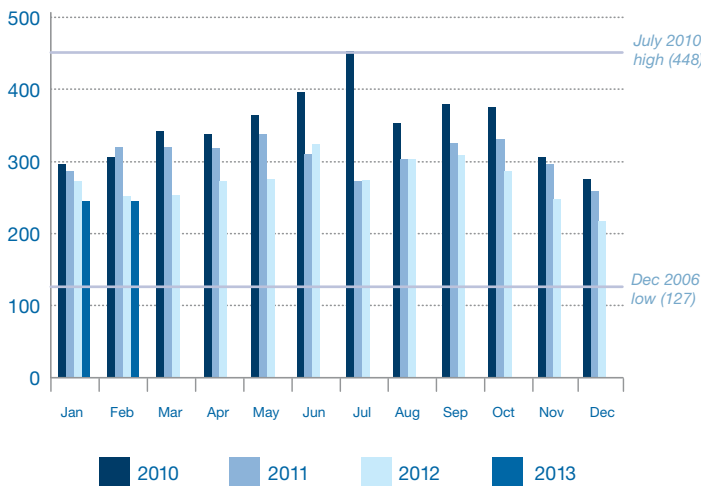
"Nearly 40% of all our sales in February resulted from multiple offers. Buyers are having to readjust to the new market conditions in order to secure a property and accept that currently it is a very strong seller's market. Properties achieving over the asking price and going to sealed bids is now commonplace.

"As prices continue to increase, there will come a time when it will be cheaper to rent than to buy which might have an effect on demand.

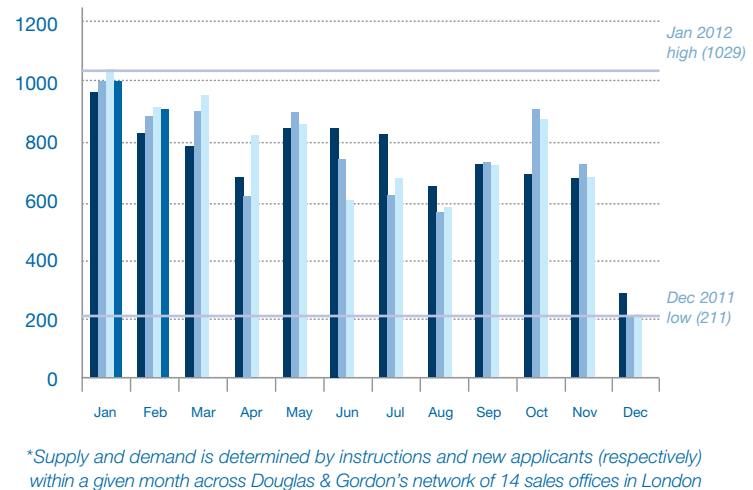
"In February demand continued to increase for properties in areas outside of Prime Central London (PCL) with twice as many applicants to each available property compared with the PCL property market."

*George Franks, Sales Director*

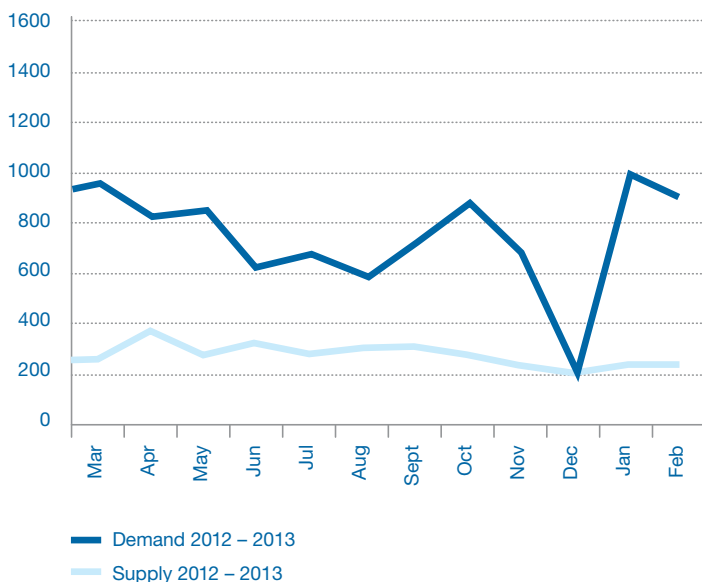
### Supply\*



### Demand\*



### Supply & Demand



### Douglas & Gordon Average London Sales Price Index\*

	Q1 2012	Q2 2012	Q3 2012	Q4 2012
1 bed flat	£ 404,167	£ 408,333	£ 410,833	£ 417,917
2 bed flat	£ 608,333	£ 620,833	£ 634,167	£ 644,167
3 bed house	£ 1,340,000	£ 1,367,917	£ 1,369,167	£ 1,409,167
4 bed house	£ 2,006,250	£ 2,025,000	£ 2,110,833	£ 2,199,167

\*The D&G Average London Sales Index is based on a periodic re-valuation of each property type from every D&G office across London with the increase or decrease in their values averaged

# The London Barometer

## March 2013 / Lettings

### Market Comment

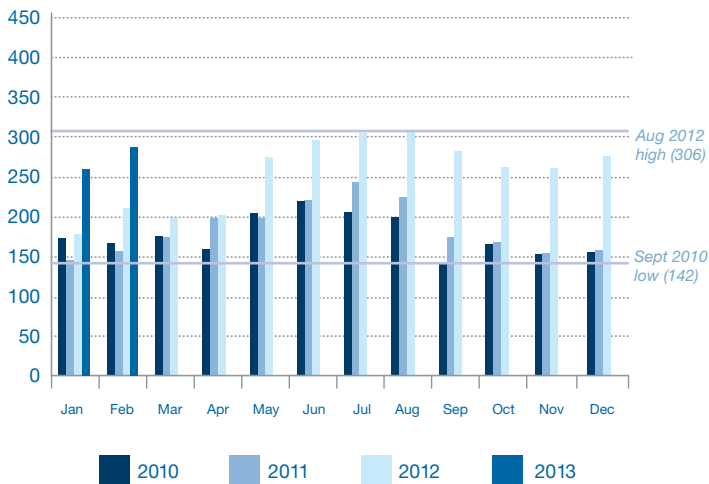
"Overall in February, there were just over 25% fewer tenants registering with just over 35% more properties available to let, compared to this time last year. This indicates that tenants are opting to stay in their current rental property rather than move in the current market.

"However, much like the sales market, there is a disconnect between the lettings markets in PCL and areas outside of PCL. For example, outside of PCL there are fewer available properties and high demand which is keeping rental prices stable. Whereas PCL is experiencing higher than normal stock levels with fewer tenants which is applying downward pressure on the rental prices.

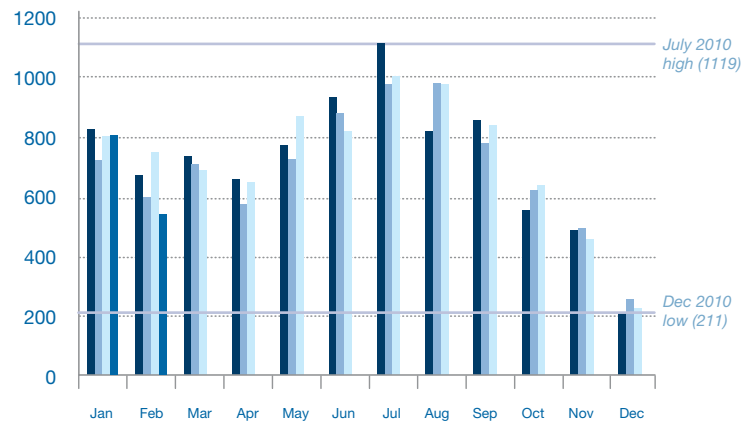
"Historically, rents have steadily increased in non PCL areas, whereas over the last three quarters they have plateaued in these areas and decreased in PCL, resulting in a narrowing price gap, so that it is now almost the same price to rent a one or two bed flat in Battersea as in some parts of Notting Hill. Like sales, there is double the number of applicants to each available rental property in non PCL compared to PCL, proving that there is currently greater demand for both rental and sales properties there."

*Virginia Skilbeck, Lettings Director*

### Supply\*

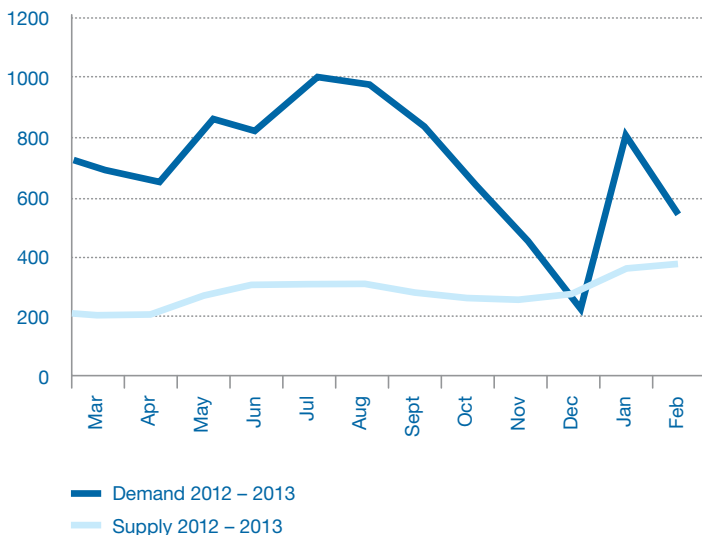


### Demand\*



\*Supply and demand is determined by instructions and applicants (respectively) within a given month across Douglas & Gordon's network of 12 lettings offices in London

### Supply & Demand



### Douglas & Gordon Average London Rent Index\* (per week)

	Q1 2012	Q2 2012	Q3 2012	Q4 2012
1 bed flat	£ 387	£ 386	£ 388	£ 387
2 bed flat	£ 533	£ 527	£ 527	£ 520
3 bed house	£ 925	£ 907	£ 885	£ 850
4 bed house	£ 1,462	£ 1,513	£ 1,463	£ 1,425

\*The D&G Average London Rent Index is based on a periodic re-valuation of each property type from every D&G office across London with the increase or decrease in their values averaged