

# The London Barometer

## June 2015 / Sales

“Post-Election, the jury is out on sales – but we can conclude that estate agent hype was perhaps overzealous.

“According to recent figures and our own experience homeowners now spend c. three times longer in their properties than a decade ago and, with new buyer registrations up 10% between April and May alone, stock levels are declining steadily as vendors stay put.

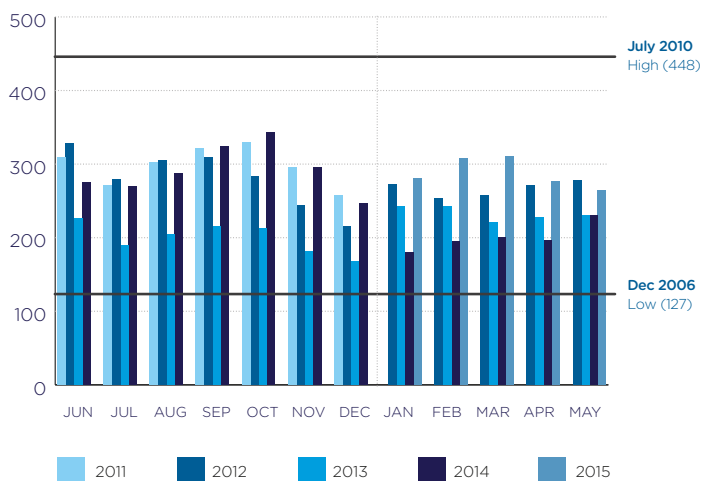
“Valuations are also down, which shouldn’t come as a surprise despite agents talking up the market, as many potential vendors are withholding their property in anticipation of a price increase.

“Ironically, procrastination is the enemy of the upgrader as price rises don’t increase in isolation. If a £500,000 apartment increases by 20% to £600,000, a £1,000,000 house increasing by the same amount would be valued at £1,200,000, which would see the upgrader lose £100,000.

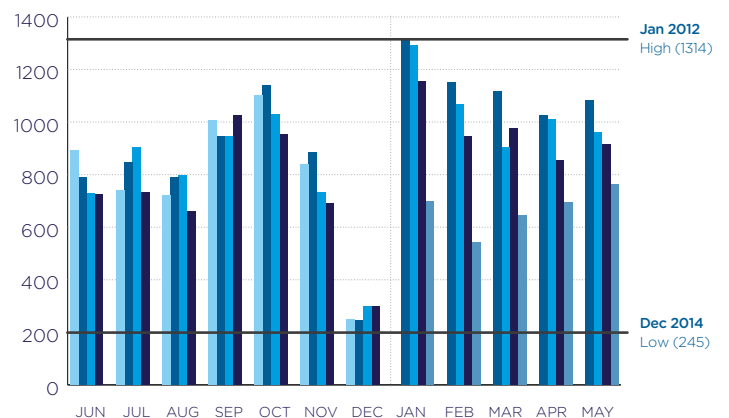
“For mere mortals under the £2million mark, it’s business as usual, with a market emancipated from external influences and driven instead by the traditional factors of supply and demand. It’s worth noting that Stamp Duty over £2million is extremely prohibitive and we anticipate a lag in the recovery of this sector. Prices will increase but only because the supply side will remain weak.”

George Franks, Sales Director

### Supply\*

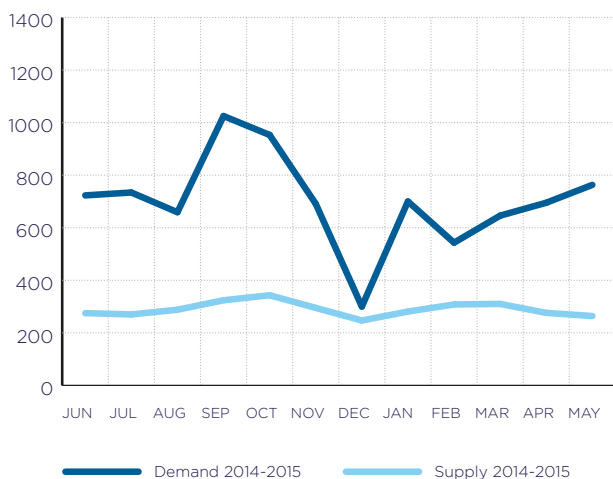


### Demand\*



\* Supply and demand is determined by instructions and new applicants (respectively) within a given month across Douglas & Gordon’s network of 14 sales offices in London

### Supply & Demand



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

	Q2 2014	Q3 2014	Q4 2014	Q1 2015
1 bed flat	£542,500	£544,583	£537,191	£542,025
2 bed flat	£843,750	£847,083	£835,120	£840,381
3 bed house	£1,787,500	£1,788,750	£1,758,722	£1,777,063
4 bed house	£2,631,250	£2,618,750	£2,557,237	£2,557,492

\*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

## June 2015 / Lettings

“Highlighting the health of the wider economy and a renewed confidence within the commercial sector we recorded a 30% increase in corporate relocation enquiries in May compared to a year ago - marking a 12 month peak.

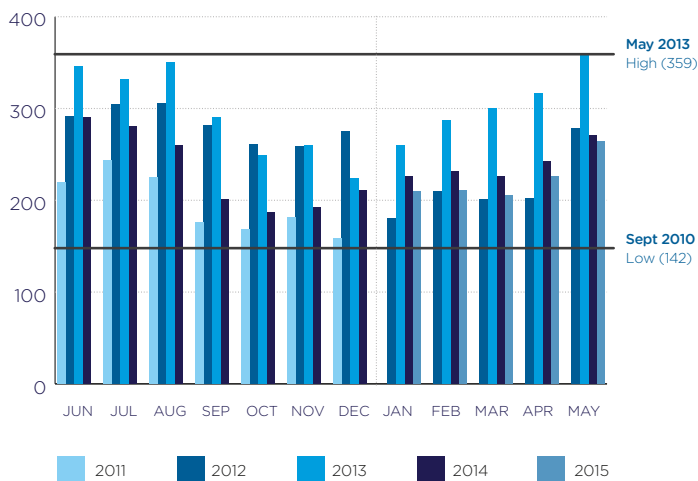
“The number of tenancies which ended in May was 20% lower compared to 12 months previously; in fact the percentage of tenants renewing their contracts in May was the highest it has ever been, suggesting that the rental market is proving to be particularly robust at the moment.

“Re-instructions are up, but some landlords are deciding to sell rather than re-let given their perception of the upward trajectory of the sales market post-Election. Fortunately, there are a number of buy to let investors looking to get into the market, which is sustaining our supply of rental properties.

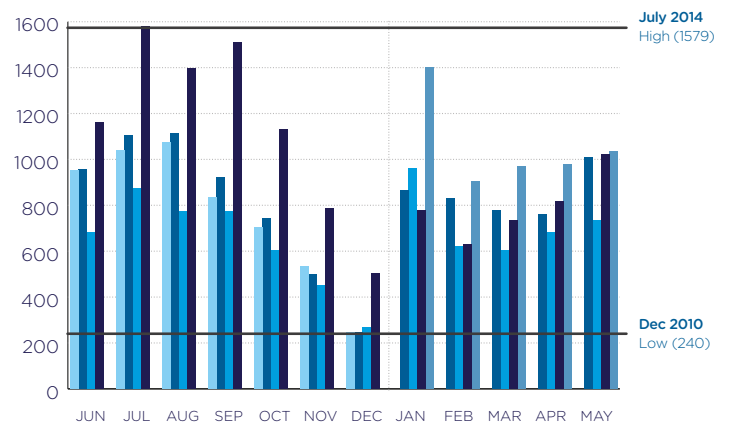
“A marginal increase in new applicants also signalled ongoing buoyancy ahead of what should be a very busy summer. We are also receiving enquiries now for tenancies to start in September which implies that tenants are planning ahead and looking to secure a property now for school starts.”

Virginia Skilbeck, Lettings Director

### Supply\*

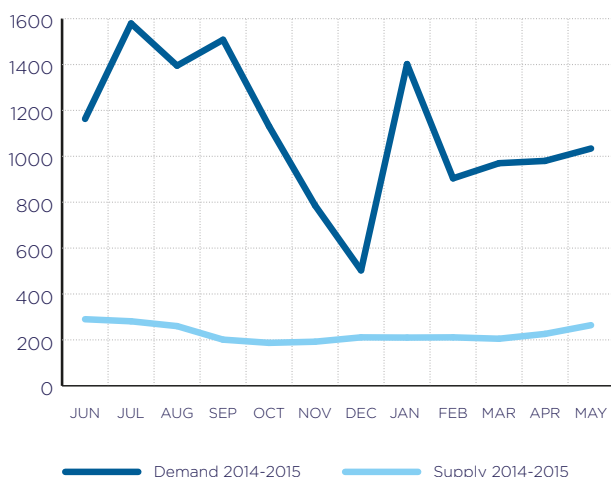


### Demand\*



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

### Supply & Demand



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

	Q2 2014	Q3 2014	Q4 2014	Q1 2015
1 bed flat	£390	£400	£403	£406
2 bed flat	£532	£541	£538	£544
3 bed house	£835	£858	£840	£843
4 bed house	£1,449	£1,468	£1,433	£1,443

\*The D&G Average London Rental 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