

The London Barometer

July 2015 / Sales

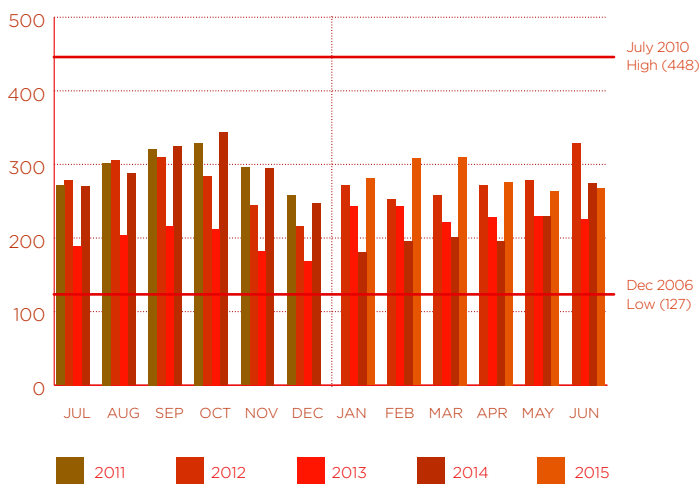
“June saw a year on year decrease of 33% in new instructions whilst in contrast new applicants increased by 50%, but they are clearly registering to prepare for the autumn market. The fact that stock levels remain the same shows that things are somewhat quieter and we have not seen the hoped for post-Election lift – yet.

“This lift presupposes sellers have made their minds up over what they want to do during the summer, but the buyers are ready.

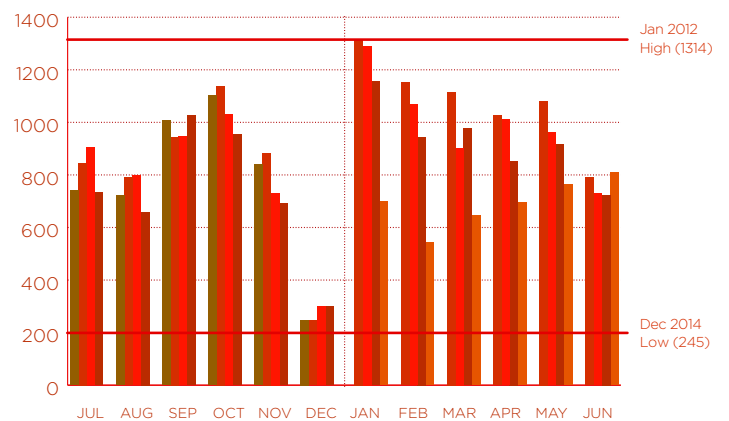
“Overall, house price rises remain predicated on a lack of stock and this pattern looks set to continue for the foreseeable future.

“Stamp duty increases in the higher price ranges, with Battersea Park a typical example as shown in our recent Emerging Prime Index, and some pre-Election uncertainty has caused larger family houses to stall with prices down c. 10% year on year. Loosening of mortgage finance could well see this change over the next few months+.”

Supply*

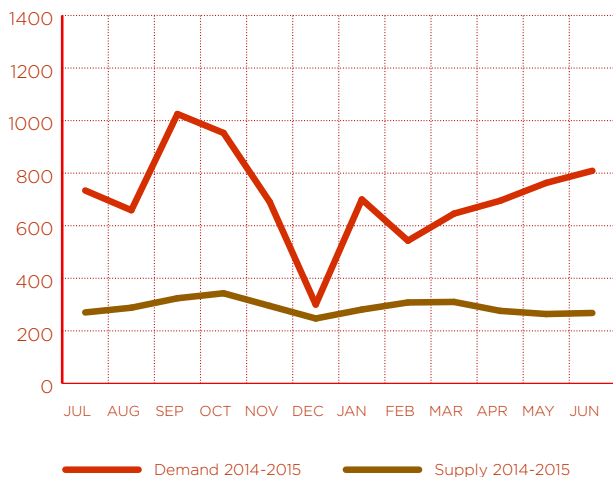


Demand*



* 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*

	Q3 2014	Q4 2014	Q1 2015	Q2 2015
1 bed flat	£544,583	£537,191	£542,025	£552,703
2 bed flat	£847,083	£835,120	£840,381	£852,314
3 bed house	£1,788,750	£1,758,722	£1,777,063	£1,800,698
4 bed house	£2,618,750	£2,557,237	£2,557,492	£2,582,555

*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

July 2015 / Lettings

"Whilst instructions are matching the numbers seen a year ago, the July 8th Budget has seen the prevailing uncertainty in the sales market transferred to the lettings market.

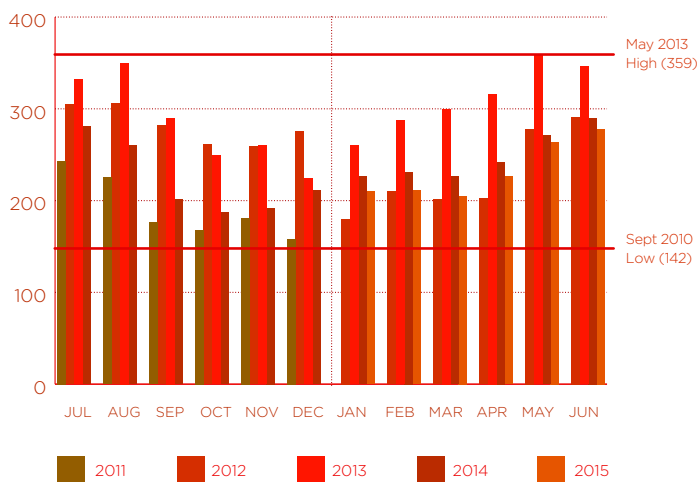
"Reduced tax relief coupled with an overhaul of the wear and tear allowance could spark rent rises as landlords attempt to recoup losses on already limited rental yields trapping tenants in the rental market as they struggle further to raise a house deposit.

"Landlords are also likely to have to refocus what they hope to achieve from investing with greater emphasis placed on house price growth and not income.

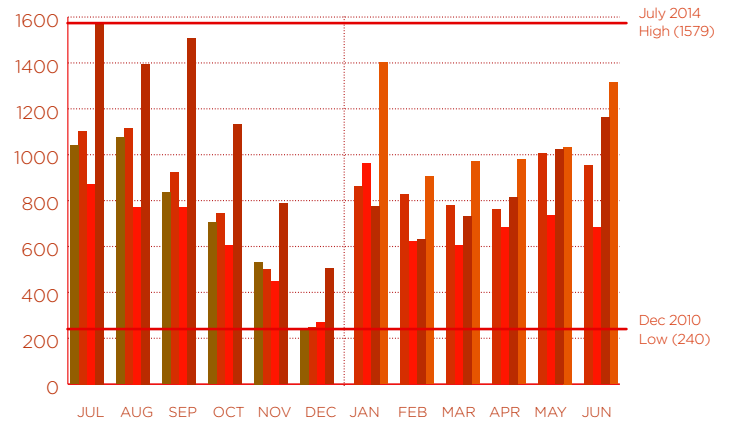
"Investors dislike uncertainty and anything that deters investment into the vital private rented sector has to be a concern. We would like to see the Government taking a much more holistic view of the whole market."

Virginia Skillbeck, Lettings Director

Supply*

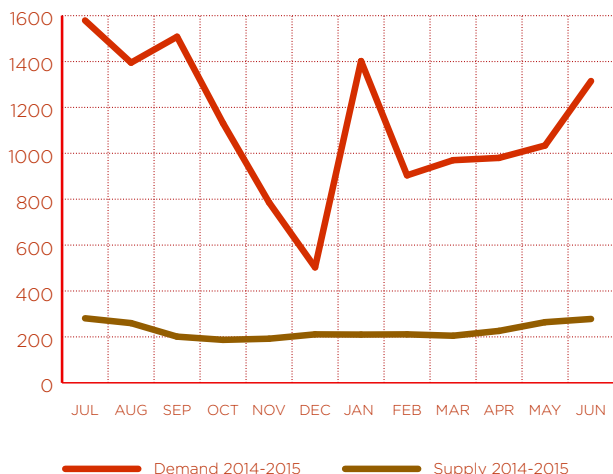


Demand*



* 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)

	Q3 2014	Q4 2014	Q1 2015	Q2 2015
1 bed flat	£400	£403	£406	£411
2 bed flat	£541	£538	£544	£552
3 bed house	£858	£840	£843	£859
4 bed house	£1,468	£1,433	£1,443	£1,469

*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