



# LCP MARKET REVIEW

LONDON CENTRAL PORTFOLIO  
REAL ESTATE INVESTMENT ADVISORY

## PRICE GROWTH & VOLUME OF SALES IN PRIME CENTRAL LONDON BY PROPERTY TYPE

HOUSES		MONTHLY CHANGE	QUARTERLY CHANGE	ANNUAL CHANGE
AVERAGE PRICE	£3,871,112	0.4%	1.1%	5.0%
12-MONTH VOL. OF SALES (MAY-22)	667	-4.3%	-15.9%	-2.8%
FLATS		MONTHLY CHANGE	QUARTERLY CHANGE	ANNUAL CHANGE
AVERAGE PRICE	£1,155,103	0.3%	0.7%	3.0%
12-MONTH VOL. OF SALES (MAY-22)	2,778	-3.3%	-15.2%	-3.1%

### ANDREW WEIR, CEO OF LCP, COMMENTS ON PRIME CENTRAL LONDON

#### SOARING TEMPERATURES BUT COOLING VOLUME OF SALES

House values in Prime Central London (PCL) stand at a modest 1.7% below their 2015 peak at £3,871,112, having been the main beneficiary of the trend for larger properties during the pandemic. With the current supply and demand imbalance, buyers have been paying over the asking price to outbid the competition resulting in price growth of 5% over the last 12 months. The latest available data shows the softening of transaction volumes by 4.3% in the month, partly due to lack of available houses. There is still significant demand for houses in the best PCL addresses and many would be buyers are hoping for a revitalised supply this autumn.



In contrast, apartments in PCL are yet to see the same level of recovery, with current values standing 9% below the 2015 peak at around £1,155,103. Volume of sales have been steadily decreasing since the end of the Stamp Duty holiday in June 2021. Whilst LCP's lettings data shows a strong recovery in recent months, significantly discounted prices in the sales market coupled with high levels of investment returns are yet to be reflected in investor demand. As long as further global events do not deter investors, this market segment looks set to spring back soon and could usher in a long-awaited recovery within the PCL apartment market.



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In addition to softer pricing post 2015/16 in PCL, there is what could be considered a 'second' discount for buyers who are US dollar denominated, as sterling has weakened. There is now an effective 12% discount based on exchange rate movements since January 2021. There may be buyers who look back over their shoulder with the benefit of hindsight and wish they had taken advantage of this market.

## PRICE GROWTH IN KEY PRIME CENTRAL LONDON VILLAGES BY PROPERTY TYPE

KEY VILLAGES	HOUSES			FLATS		
	AVERAGE PRICE	% CHANGE (12 MONTH)	% CHANGE (2015 PEAK)	AVERAGE PRICE	% CHANGE (12 MONTH)	% CHANGE (2015 PEAK)
Belgravia	£5,202,578	▲ 5.1%	▼ -3.4%	£3,097,879	▲ 5.2%	▼ -8.9%
Chelsea	£4,560,489	▲ 5.6%	▼ -2.4%	£1,433,182	▲ 4.2%	▼ -9.5%
South Kensington	£4,113,763	▲ 5.6%	▼ -3.0%	£1,715,409	▲ 4.2%	▼ -10.7%
Mayfair	£7,279,443	▲ 4.3%	▼ -7.1%	£3,753,455	▲ 4.7%	▼ -12.1%
Marylebone	£3,067,779	▲ 5.8%	▼ -6.0%	£1,580,394	▲ 3.9%	▼ -12.9%
Bayswater	£3,093,662	▲ 3.2%	▼ -1.4%	£863,816	▲ 1.6%	▼ -7.9%
Kensington	£4,933,459	▲ 5.4%	▼ -2.5%	£1,596,666	▲ 3.5%	▼ -10.5%
Knightsbridge	£4,784,423	▲ 5.2%	▼ -3.3%	£3,026,881	▲ 4.7%	▼ -9.7%
Notting Hill/Holland Park	£4,447,684	▲ 3.8%	▼ -0.8%	£889,582	▲ 3.0%	▼ -5.5%
Pimlico	£2,181,139	▲ 6.6%	▼ -3.5%	£712,198	▲ 3.7%	▼ -10.1%
St James/Westminster	£3,565,853	▲ 5.8%	▼ -3.5%	£1,080,436	▲ 4.1%	▼ -9.4%

The above data shows a clear picture of price growth across all PCL villages however all are still below their historic peak. Prestigious and highly sought after areas of Mayfair and Belgravia continue to command the highest average values for both houses and apartments. Mayfair and Marylebone, popular amongst overseas buyers, offer the greatest discounts from peak for both flats and houses. For opportunistic investors, when compared with their smarter neighbours, Bayswater and Pimlico show relative good value with apartment prices averaging around £863,000 and £712,000 respectively and 7.9% and 10.1% below the 2015 peak respectively. The strongest house price growth has taken place within Pimlico over the last 12 months.