



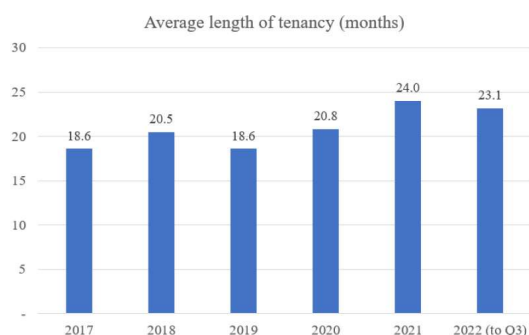
## LONDON CENTRAL PORTFOLIO

REAL ESTATE INVESTMENT ADVISORY

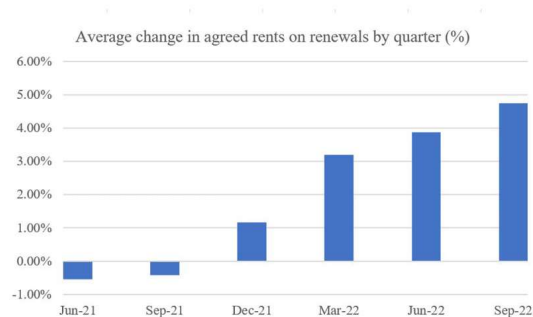
### PRIME LONDON Q3 2022 LETTINGS REPORT

*London Central Portfolio (LCP), London's leading residential buying and investment agency, issues its Q3 2022 lettings report highlighting a highly buoyant prime London rental market.*

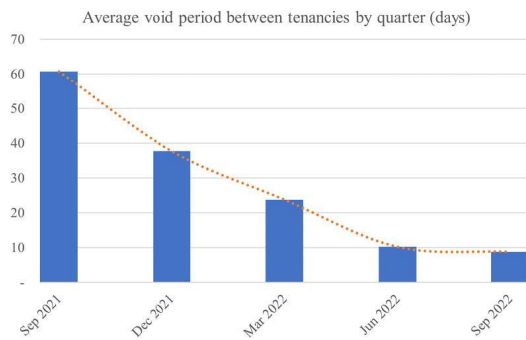
|           | PRIME LONDON RENTAL VALUE CHANGES |               | AVERAGE VOID PERIOD |
|-----------|-----------------------------------|---------------|---------------------|
|           | RENEWALS                          | RE-LETS       | DAYS                |
| QUARTERLY | <b>4.91%</b>                      | <b>17.57%</b> | <b>8.8</b>          |
| ANNUAL    | <b>4.29%</b>                      | <b>13.08%</b> | <b>21.2</b>         |



Average length of tenancies reached 23.1 months in Q3 2022. Competitive rental market conditions have led to tenants extending their current tenancies and postponing their next move. Length of tenancies remain high and have exceeded the previous averages seen between 2017 and 2020.



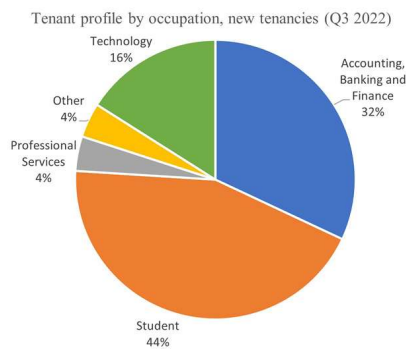
As tenants extend their existing tenancies, landlords have been able to negotiate renewal increases of nearly 5% in Q3 2022. With a shortage of stock and increased competition, tenants have chosen to renew rather than relocate. This in turn has exacerbated the already constrained supply for new applicants.



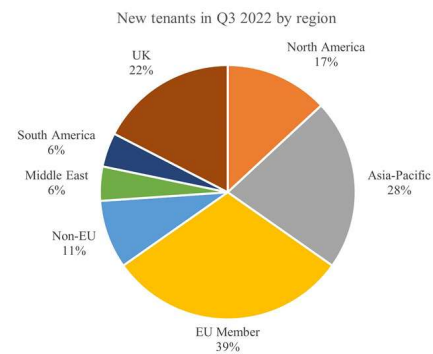
Shortage of rental stock and significant levels of demand continued to reduce vacant periods at unprecedented levels. The average number of days a property stood vacant in Q3 2022 was just 8.8 days compared with a long term average of 31.8 days. This has been welcome news for landlords following the extensive voids during the pandemic.



Agreed rents on re-lets rose by nearly 18% in Q3 2022. Shortage of stock and a surge in demand as overseas tenants return to London has led to bidding wars resulting in properties renting over the asking price. The significant rent increases are in contrast to the softer pricing achieved during the pandemic.



Students represented the most new move-ins at 44% in Q3 2022 as they returned to London for the start of the new academic year. Tenants from the finance sector continue to represent a large proportion of new move-ins at 32%. This continues to highlight London's position as a global financial hub.



The tenant mix has become primarily international within PCL, with over 60% of tenants coming from outside the EU and UK. New tenants from the Asia-Pacific region have increased from 13% in Q2 2022 to nearly 30% in Q3 2022 as a result of relaxing restrictions.

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#### **Andrew Weir, CEO of London Central Portfolio, comments on the market**

Unquestionably this is another strong quarter for rental activity across Prime Central London. As the economic outlook looks uncertain, the number of tenants returning to London and opting to carry on renting has increased. Despite the number of external factors affecting the sales market, the rental market is proving to be more buoyant. Q3 saw rents for both renewals and re-lets reach nearly 5% and

18% respectively. The trend for longer tenancies continues with tenancies now running to 23.1 months and void periods an almost non-existent 8 days. These longer tenancies are contributing to the shortage of available stock which in turn adds to price inflation. PCL's international tenant base may well be amplified by the start of the new academic year and many overseas students returning to London for the first time since lockdown.

Landlords are taking advantage of record rents being achieved within PCL. Prospective investors should now capitalise on historically low sales prices of small apartments and the unprecedented yields that can be achieved.

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**For more information on how LCP can help you source, let and manage your buy to let investment, please contact:**

Andrew Weir, Chief Executive by email: [andrew@londoncentralportfolio.com](mailto:andrew@londoncentralportfolio.com)

#### **About London Central Portfolio (LCP)**

Established in 1990, LCP is one of London's foremost buying and investment agencies representing buyers looking to purchase a buy to let investment or home in Prime Central London. Using a sophisticated financial model, LCP identify the best real estate opportunities. LCP's in-house interior designers and architects create stylish interiors – everything from minor upgrades to full-scale renovations, for investment properties to magnificent town houses. For investors, LCP's in-house letting and property management team secures the best tenants and ensures smooth running tenancies.

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Data: London Central Portfolio Limited conducts regular audits of all assets under management. This data has been used to produce the information contained in this report. Disclaimer: This report is published for general information and should not be relied upon in any way. No responsibility can be accepted by London Central Portfolio Limited for any loss or damage resulting from any use of the contents of this report. Any forward-looking statement involves known and unknown risks, which could differ materially from those expressed or implied.

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