

Summer 2023

JOWEBSTER

Viewpoint

As we celebrate our 20th year in business, we are proud that our personal service and our long-standing reputation continues to place us as market leaders in London's most prestigious developments. Our unrivalled knowledge and expertise of both the sales and lettings markets continues to ensure the best results for our clients.

20

YEAR ANNIVERSARY

Boiler House Square Battersea Power Station, Prices from £6,950,000



“



Over the past 20 years we have witnessed the ebb and flow of the ever-evolving Prime London property market. Jo Webster Properties has supported and guided hundreds of home buyers, investors and renters to find their perfect home. ”

Jo Webster

4.7%

Average annual price growth, sales past 20 years

Dataloft, LonRes

4.5%

Average annual increase, rental values past 5 years

Dataloft, LonRes

PRIME CENTRAL LONDON

20 years of the Sales and Rental market

The Prime London market in context

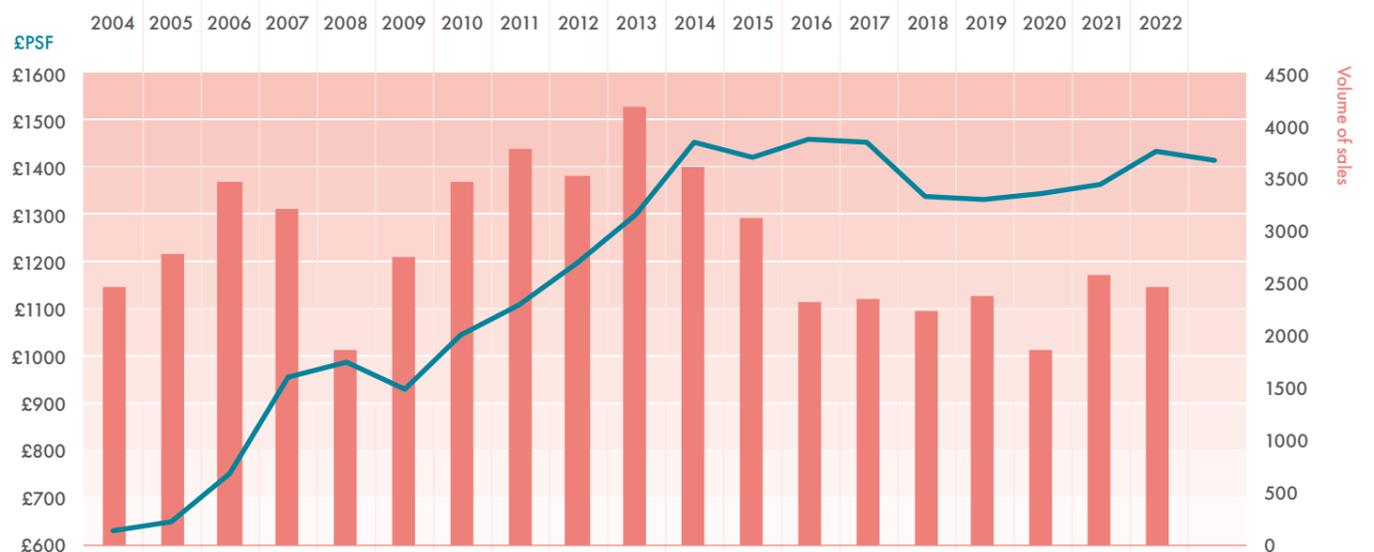


SALES

— AVERAGE SALES £PSF
■ VOLUME OF SALES

CHANGES TO PROPERTY TAXATION		
Pre 2011	4%	£500,000+
2011 Apr	5%	£1 million+
2012 Mar	7%	£2 million+
	15%	Corporate bodies
2014 Dec		Removal of slab system
	10%	£925,000–£1.5 million
	12%	£1.5 million+
	15%	Corporate bodies £500,000+
2016 Apr	+3%	Additional property levy
2020 Jul	0%	First £500,000, Stamp Duty Holiday
2021 Apr	+2%	Additional non-resident surcharge

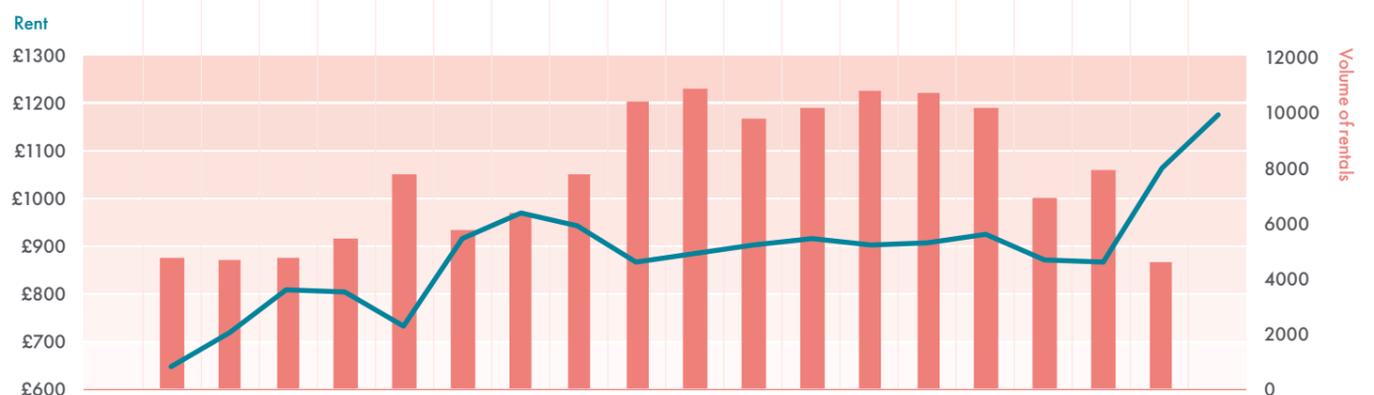
Dataloft, LonRes



RENTALS

— AVERAGE WEEKLY RENT
■ VOLUME OF RENTALS

Dataloft, LonRes, Average £psf



Then and now

The prime London property market has proved its resilience time and again throughout the economic, political and social shocks of the past two decades. It remains a destination of choice in which to live, work and invest. Two decades ago the average price of a prime London property was just over £600psf, today the figure is over £1,400, with an average annual growth rate during this period of 4.7%. In comparison,

back in 2004 the average weekly rental was just £584 for apartments and £1,387 for houses. Rental values to date in 2023 are averaging £1,048 and £2,374 respectively. Annual rental growth has averaged 2.9%.

Tables turned

Current average sales prices remain marginally lower than at the peak, while average rental values are over

25% higher. Increased demand, coupled with supply shortages and a significant number of rental renewals, have created the perfect conditions for rental price growth and indicative gross yields for investors have risen accordingly. With land supply for new development across much of prime London scarce, and a population continuing to rise, competition to buy and to rent properties will continue for both domestic and international investors.

The changing face of Prime Central London

A dynamic, fast-changing ecosystem at the core of London, one of the leading capitals of the world



Number of **1-person** households fell by **11%**

2001–2021

Dataloft, Census



Number of **2-person** households rose by **19%**

2001–2021

Dataloft, Census

4%
Increase in total number of PCL households

71%
Increase in households in PRS

2001–2021

Dataloft, Census

Public parks and green spaces in PCL **12%**

86

Public parks and gardens covering over **471 hectares**

12% of total land area

Dataloft, Census

7%
in Greater London

FOR ALL AGES

The most significant population change is that the percentage of 45-to 59-year-olds has increased in PCL by 35% and 60-to 64-year-olds by 24%. These far exceed the overall 10% growth in the PCL population during this time. This reflects the rise of amenities in PCL, creating a vibrant and engaging community which attracts empty nesters and embraces the '60 is the new 40' concept of living longer and healthier lives.

RISE IN RENTING

The key story here is the rise of the private rented sector (PRS). Between the 2001 and 2021 censuses, the total number of households only increased by 4%. In itself, this stat tells a story – that PCL has finite space and is a scarce commodity. However during this period, the number of households in the PRS increased by 71%. Renting provides convenience and flexibility, and continued demand makes it an attractive investment for landlords.

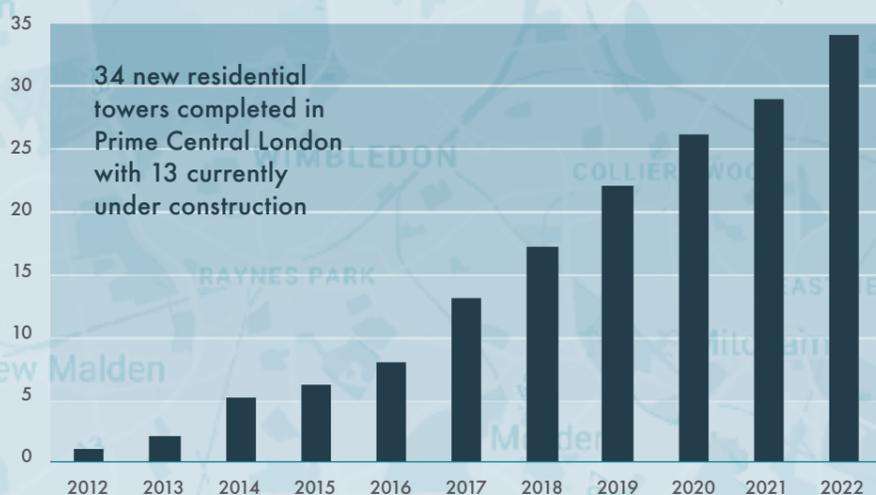
GOING GREEN

Prime Central London is the perfect location for those wanting a green, sustainable and well-connected lifestyle. It has the second highest achievable PTAL ranking (measure of transport accessibility) and with 1,614 public electric vehicle charging points, has more than double the number per household than Greater London. Green space is never far away. 86 public parks and gardens cover over 471 hectares. These comprise 12% of the total land area, compared to the Greater London average of 7%.

LIVING THE HIGH LIFE

The past ten years has witnessed a changing PCL skyline. 34 residential towers have been completed, providing modern living opportunities, and adding architectural diversity to the area. This desire to reach for the stars has in part fuelled the huge growth and popularity of rooftop bars and restaurants.

Cumulative total of new towers in PCL



34 new residential towers completed in Prime Central London with 13 currently under construction



34
New towers
20+ floors
since 2012

Dataloft, LonRes



1,614

Public Electric Vehicle charging points in PCL

more than double per household than for Greater London

Dataloft, Census



Q&A



Dataloft interviewed **Luka Merabishvili, Lettings Manager Jo Webster Properties** for an insider's view on the market.

What are the current trends?

Renewal levels are high, with continued stock shortages meaning more tenants are choosing to stay put. Landlords value the quality of the tenants we secure, and the current high Retail Price Index (RPI) means landlords are also benefitting as a result. Smaller apartments offering one or two equally sized bedrooms are highly sought after by both single occupants and professional couples. These currently account for 70% of properties let in our area, the highest proportion since 2018. One in four are renting for in excess of their asking price.

Whilst the number of searches requiring outside space has decreased compared to just after the pandemic, properties 1st floor and above, with light and airy interiors, are in high demand. We have seen an influx of renters from the US, Europe and Canada. Rent-before-you-buy is popular as people can gain an understanding of London, where they want to buy, and a feel for the market.

Where are the 'hot spots'?

Kensington, Holland Park, Chelsea and Notting Hill, remain highly sought after for families, thanks to proximity to the Royal Parks and quality schooling. Average weekly rents for houses here are around £2,500. New developments around Battersea such

as the Power Station have also brought an influx of High Net Worth renters to the area.

For those seeking apartments, demand is currently more concentrated in Central and West London. London ranks as the Best City in the World for Students¹ with over half a million students studying here in 2021/22. The number of overseas postgraduate students has risen by over 50% in the past five years² and over 40% live in rented accommodation.

What are your expectations for the rest of 2023?

Summer is traditionally the busiest time for the rental market. We expect demand in the corporate lettings market to continue, along with the traditional influx of families and students seeking to secure property prior to the start of the new school and university year. Although the availability of new rental properties has improved slightly, a continued shortage continues to constrain activity, with the number of new lets agreed down 26.2% in April year-on-year². Demand is increasing and 91% of letting agents are seeing an increase in the number of tenants looking for properties³. Prospective clients are advised to commence property searches sooner rather than later.

¹QS World Rankings 2023, ²LonRes, postcodes W8, W11, SW3, SW10, SW11, SW1 7 to 9, ³Goodlord

“

I rented a penthouse and later a house through Jo Webster Properties Limited at the Kensington Green Estate. Jo and her team exhibited unparalleled negotiating skills and tenacity in securing the perfect house before it came on the market. They are incredibly proactive in overcoming any challenge, however insurmountable it may be, with a steely determination to achieving a successful outcome both for the landlord and the tenant. I have dealt with many other letting agents over the years and none come even close to Jo Webster's superior professionalism and customer care. ”

Long-term client

A SELECTION OF PROPERTIES FOR SALE AND RENT Please call us for information on these or any of our other exciting instructions as shown on our website.

Kensington Green
W8 **£5,500,000**

3-bed penthouse

Kensington Green
W8 **£3,050,000**

2-bed apartment

Albion Riverside
SW11 **£4,200 pw**

4-bed penthouse

Montevetro
SW11 **£3,200,000**

4-bed apartment

King's Chelsea
SW10 **£2,750,000**

3-bed apartment

Kensington Green
W8 **£5,950 pw**

5-bed house

Jo Webster Properties Ltd

Worlds End Studios
132-134 Lots Road
Chelsea
London
SW10 ORJ

T: +44 (0)20 7349 7055

E: Sales@jowebster.com

E: lettings@jowebster.com

W: www.jowebster.com

Disclaimer: This report is produced for general information only. While every effort has been made to ensure the accuracy of this publication, Dataloft Ltd accepts no liability for any loss or damage of any nature arising from its use. At all times the content remains the property of Dataloft Ltd under copyright, and reproduction of all or part of it in any form is prohibited without written permission from Dataloft Ltd.

Date of publication: July 2023

Analysis, editorial, design, graphics and charts by Dataloft.
Photography cover: Jo Webster Properties

In association with

dataloft

A PriceHubble company

dataloft.co.uk