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Prime London update

Marcus Dixon – 20 April 2021

This is when things start to look a little strange....



April 2020



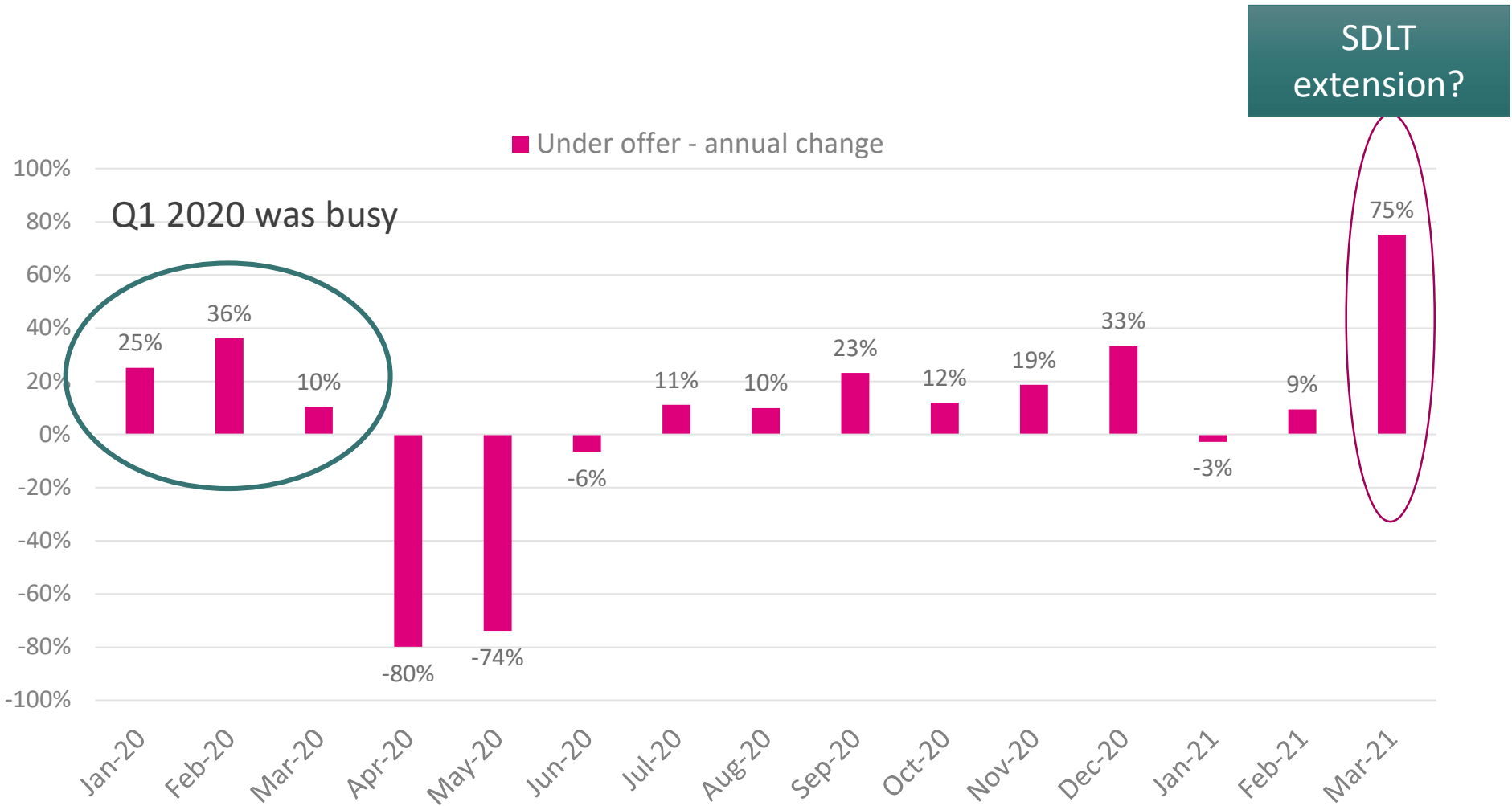
April 2021



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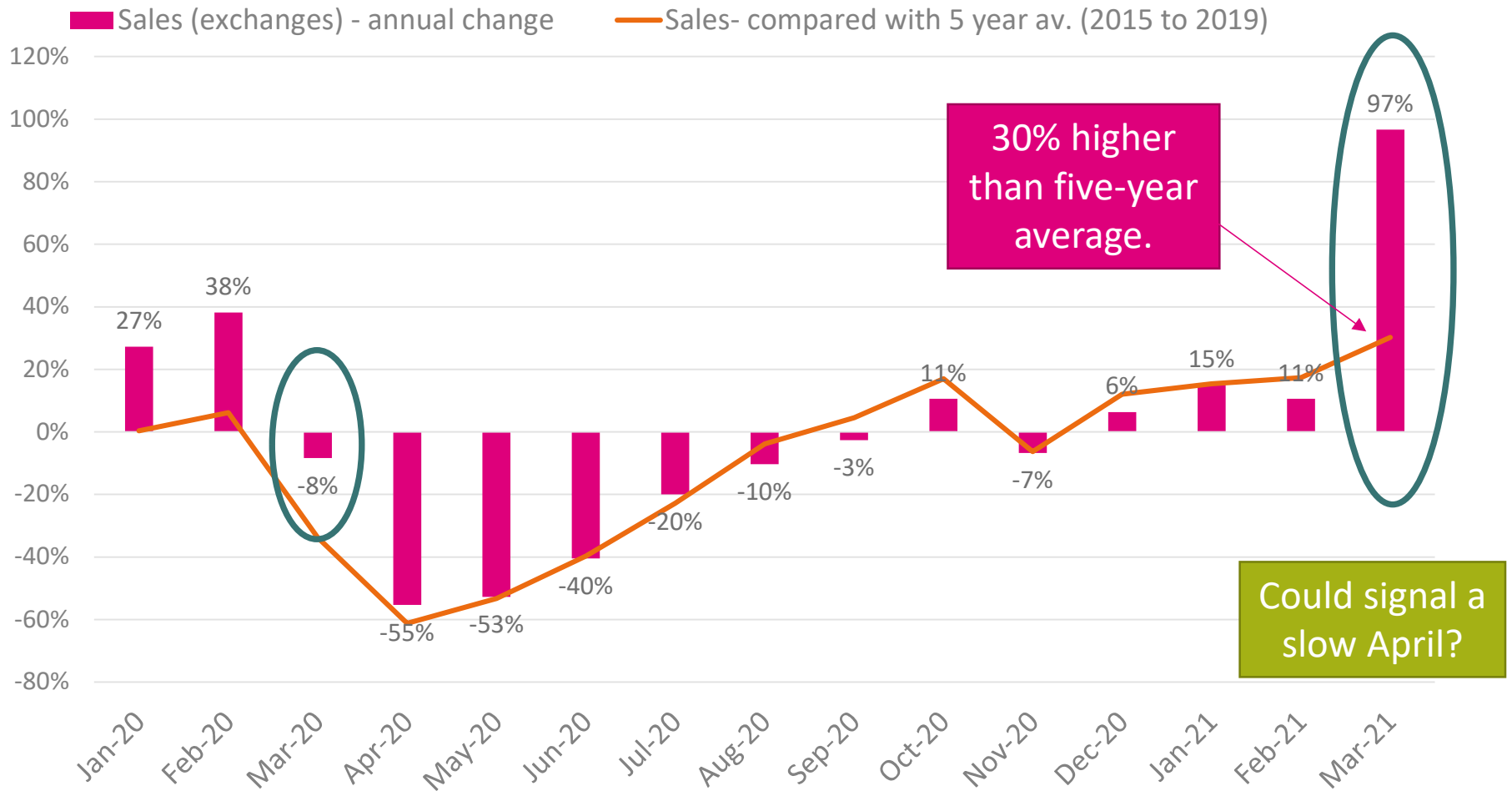
Sales

Under offers – a bumper March

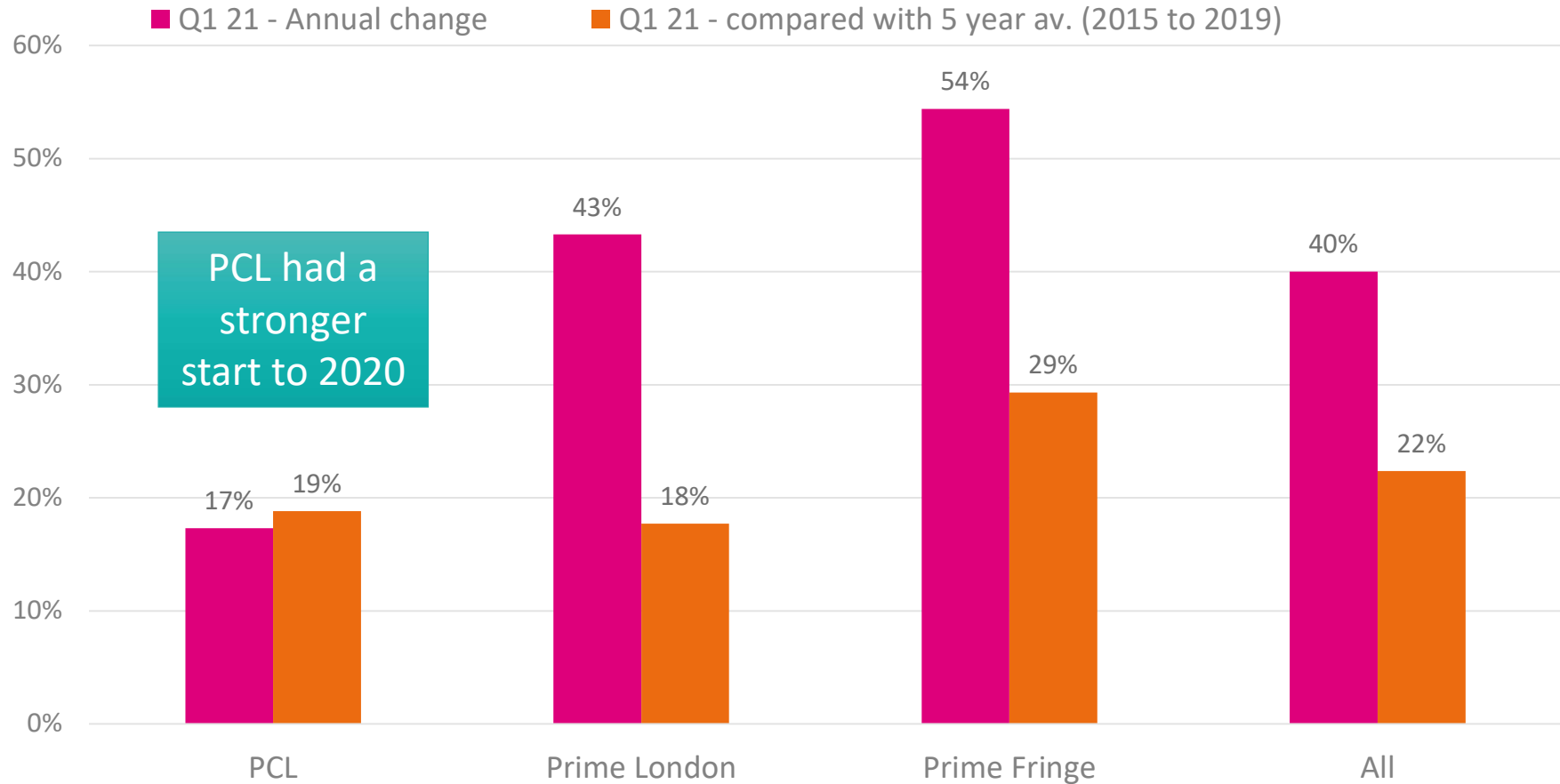


Overall Q1 21 up 26% on 2020 and 27% on five-year average

Exchanges rising particularly in March pre- original SDLT deadline

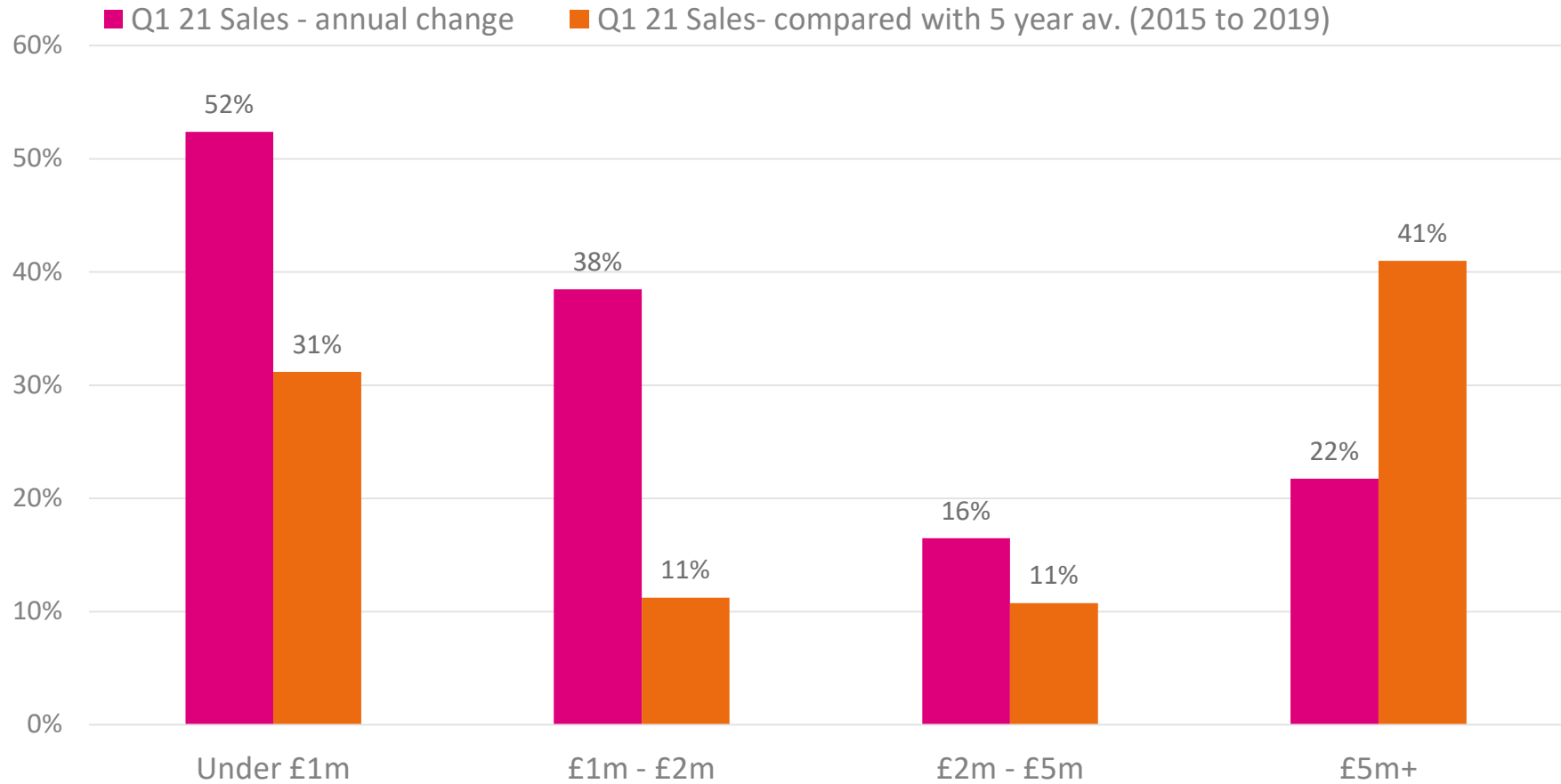


All areas busy but Prime London and Prime Fringe busiest



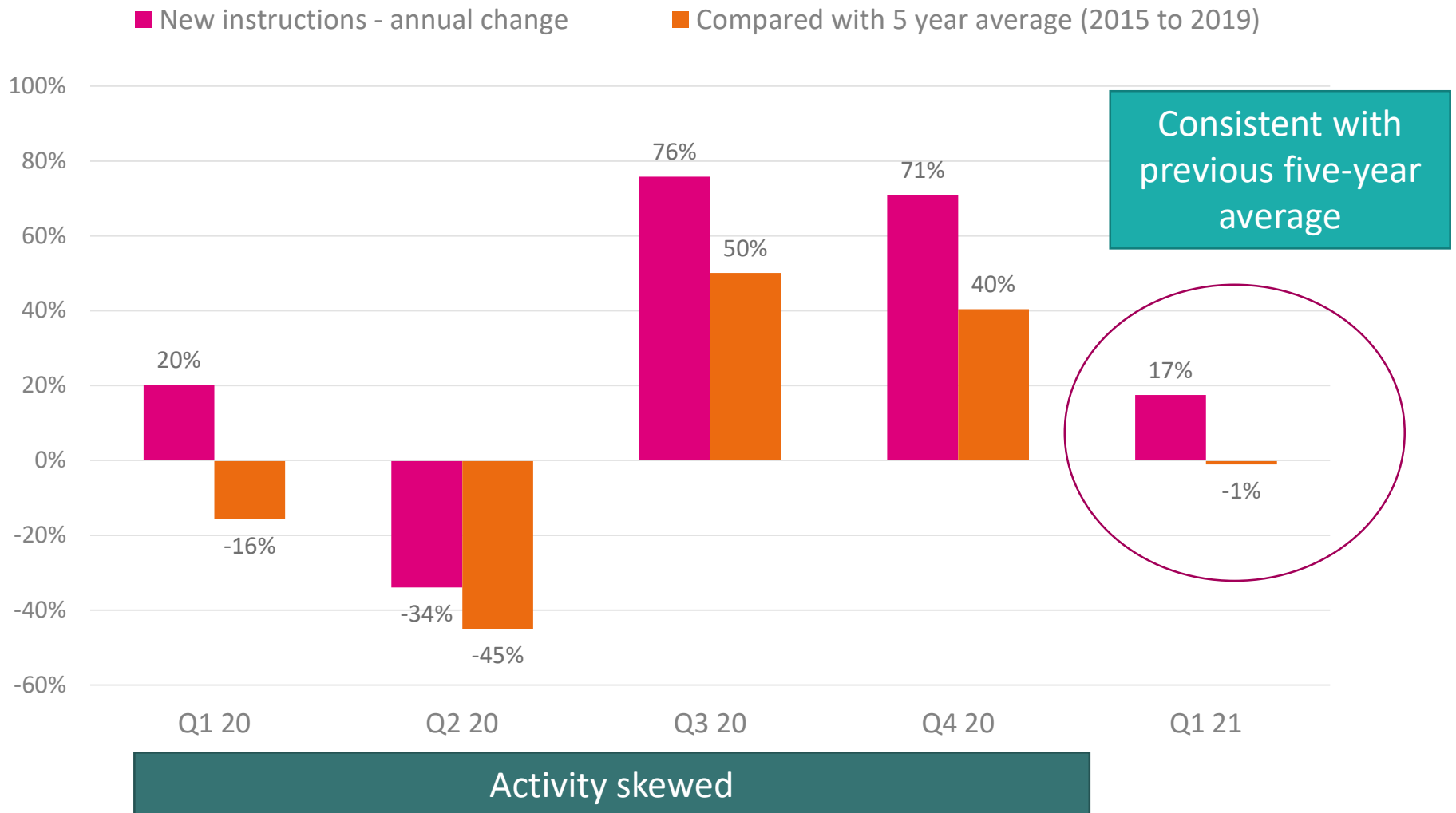
This has a bearing on achieved prices, but I'll come on to that later...

And increased activity across all price brackets in Q1



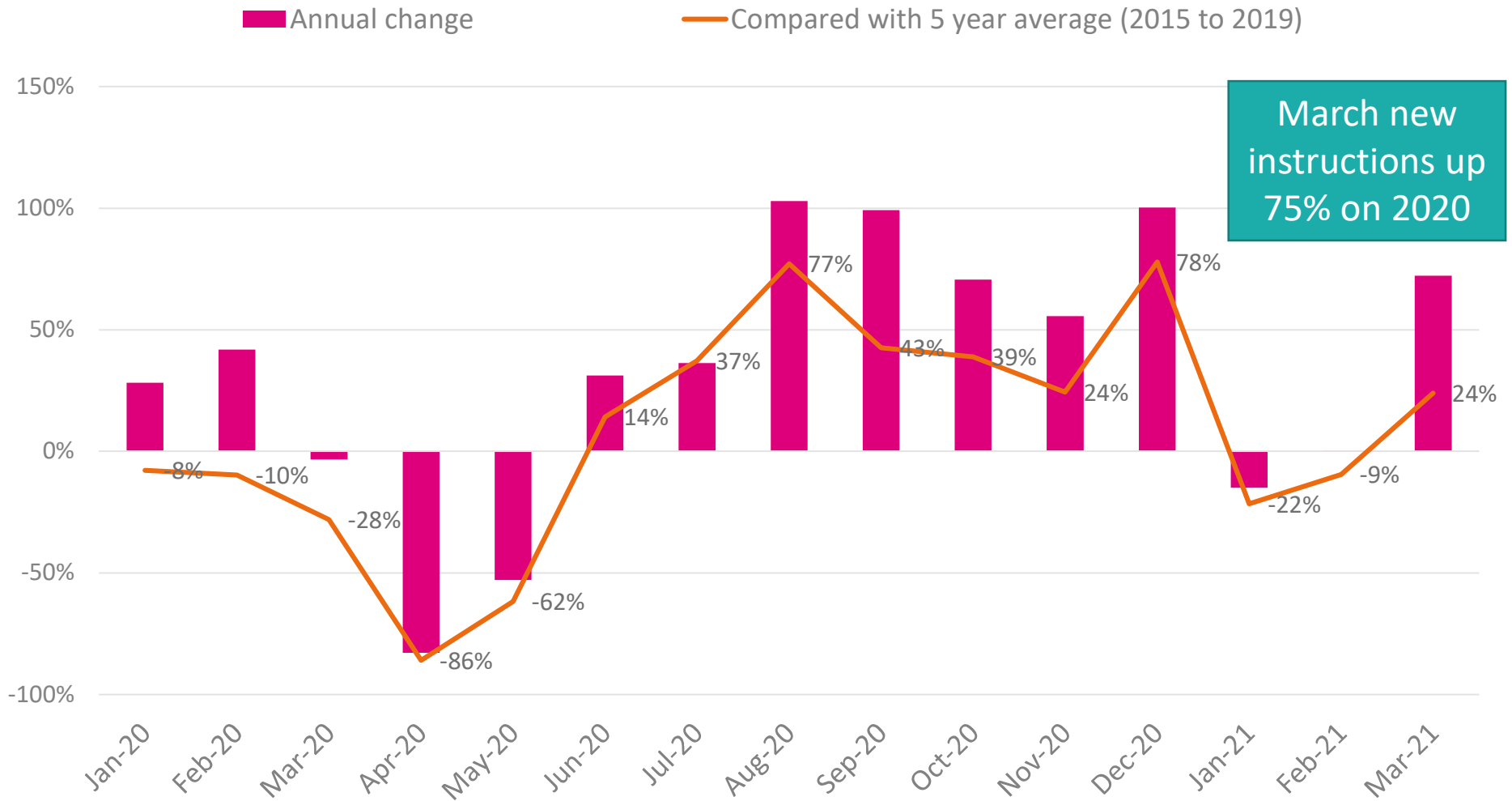
SDLT impact at lower end but all price bands record an increase

New instructions match long run average in Q1



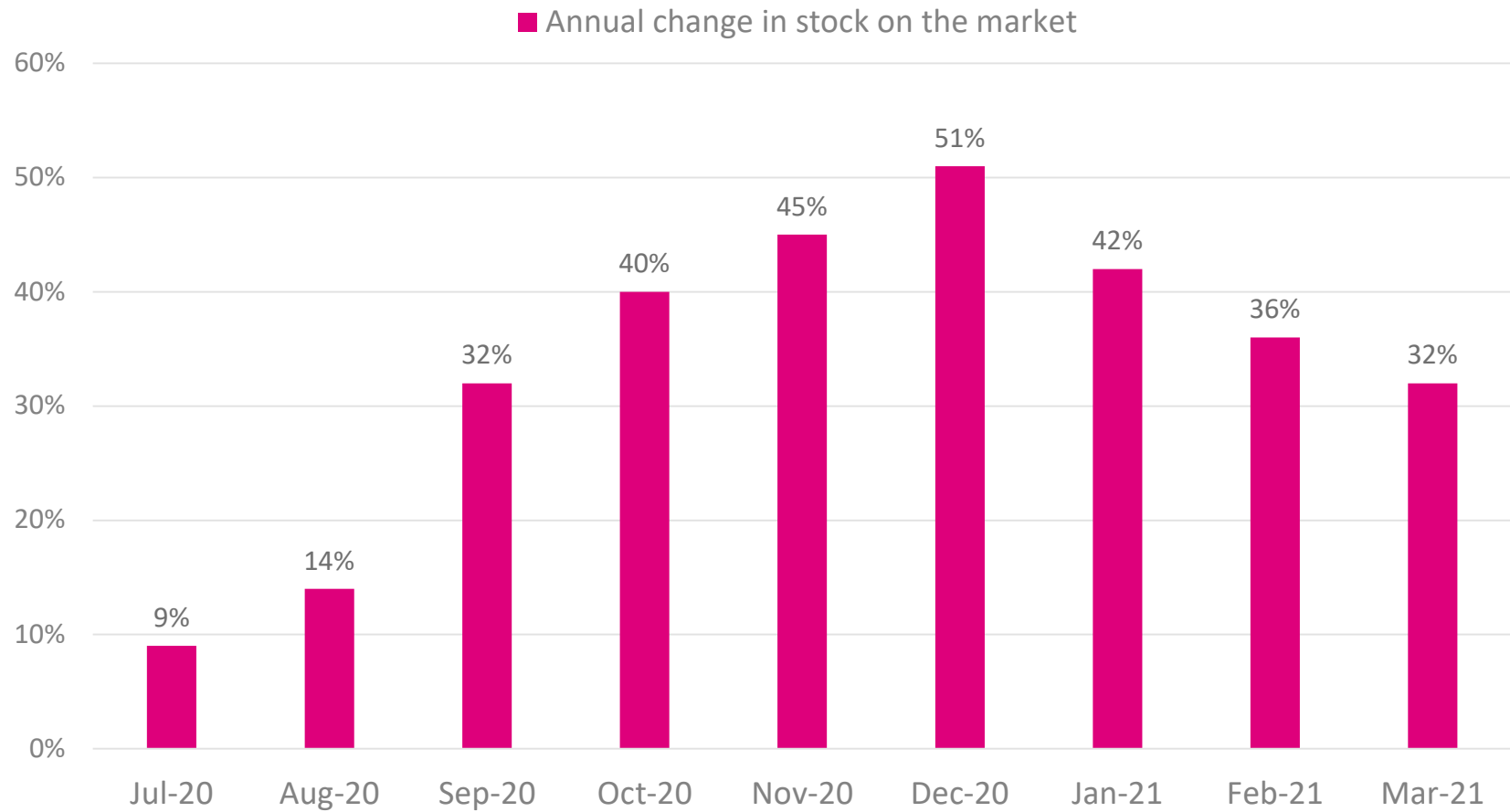
Source: LonRes

But it was all down to March activity post SDLT extension

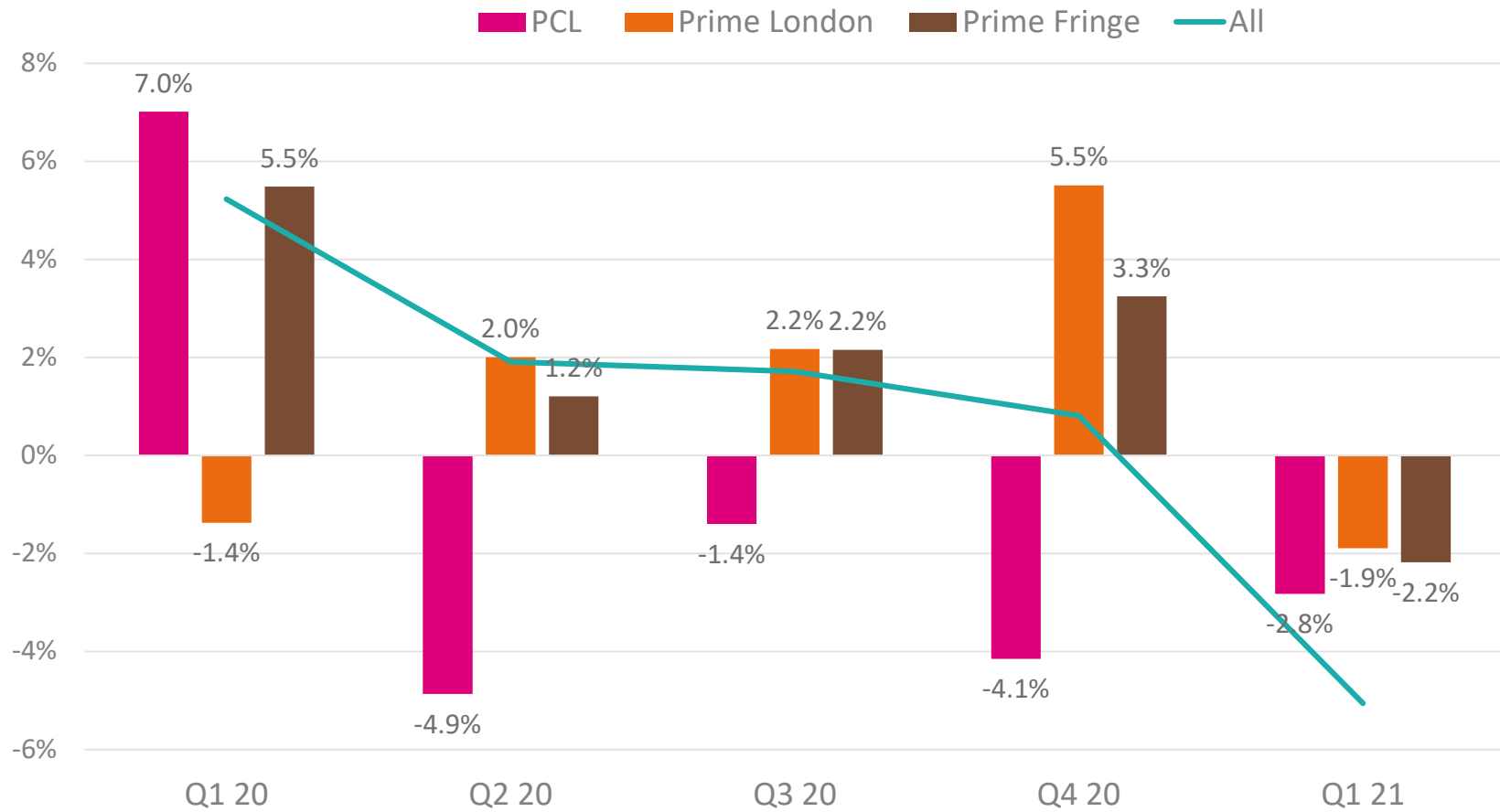


Source: LonRes

Which has impacted on stock levels



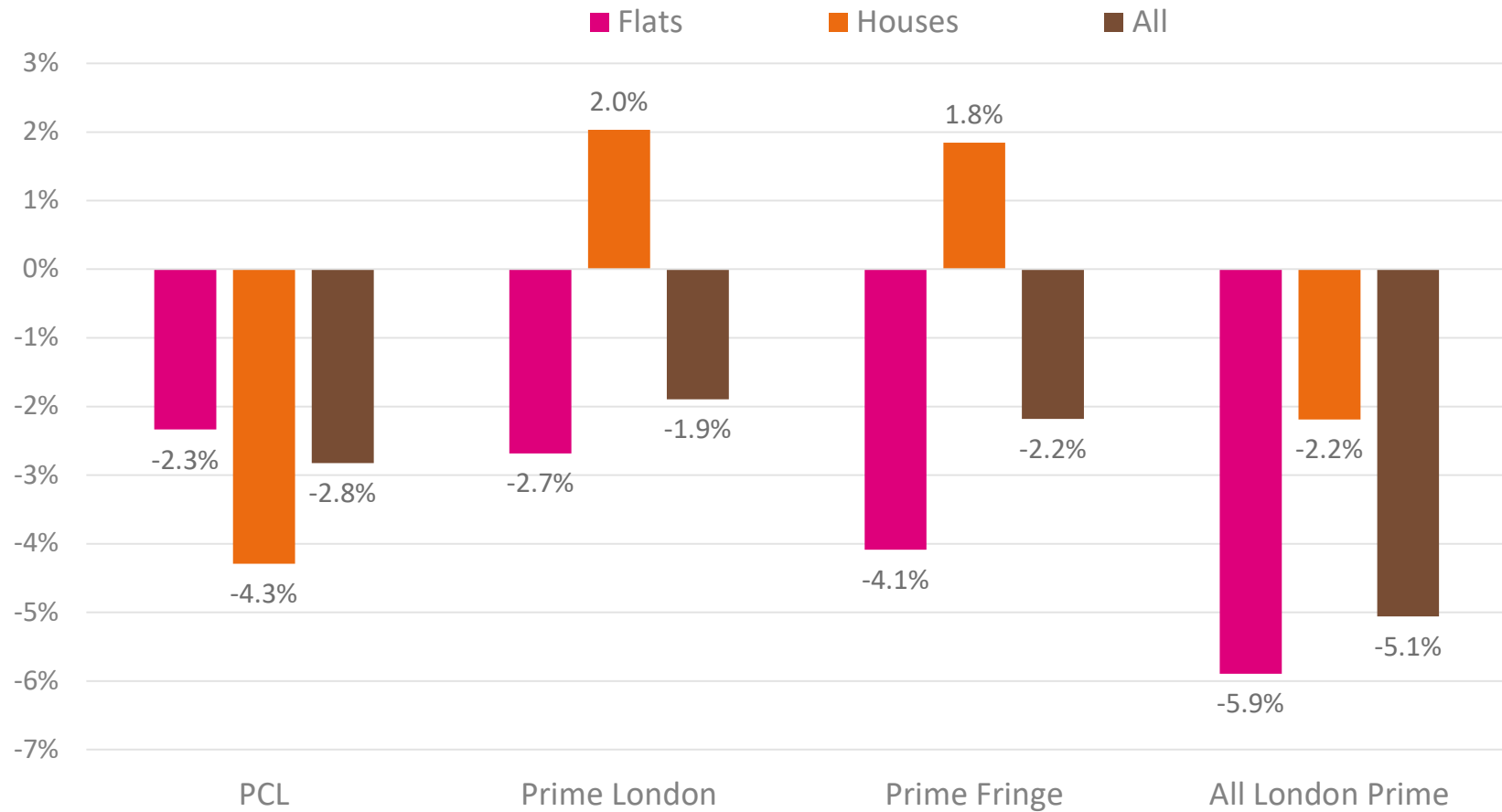
Price falls across all markets – but off a strong Q1 20



Less activity in PCL this quarter skews overall price change (-5.1%)

Source: LonRes (Annual change in achieved prices)

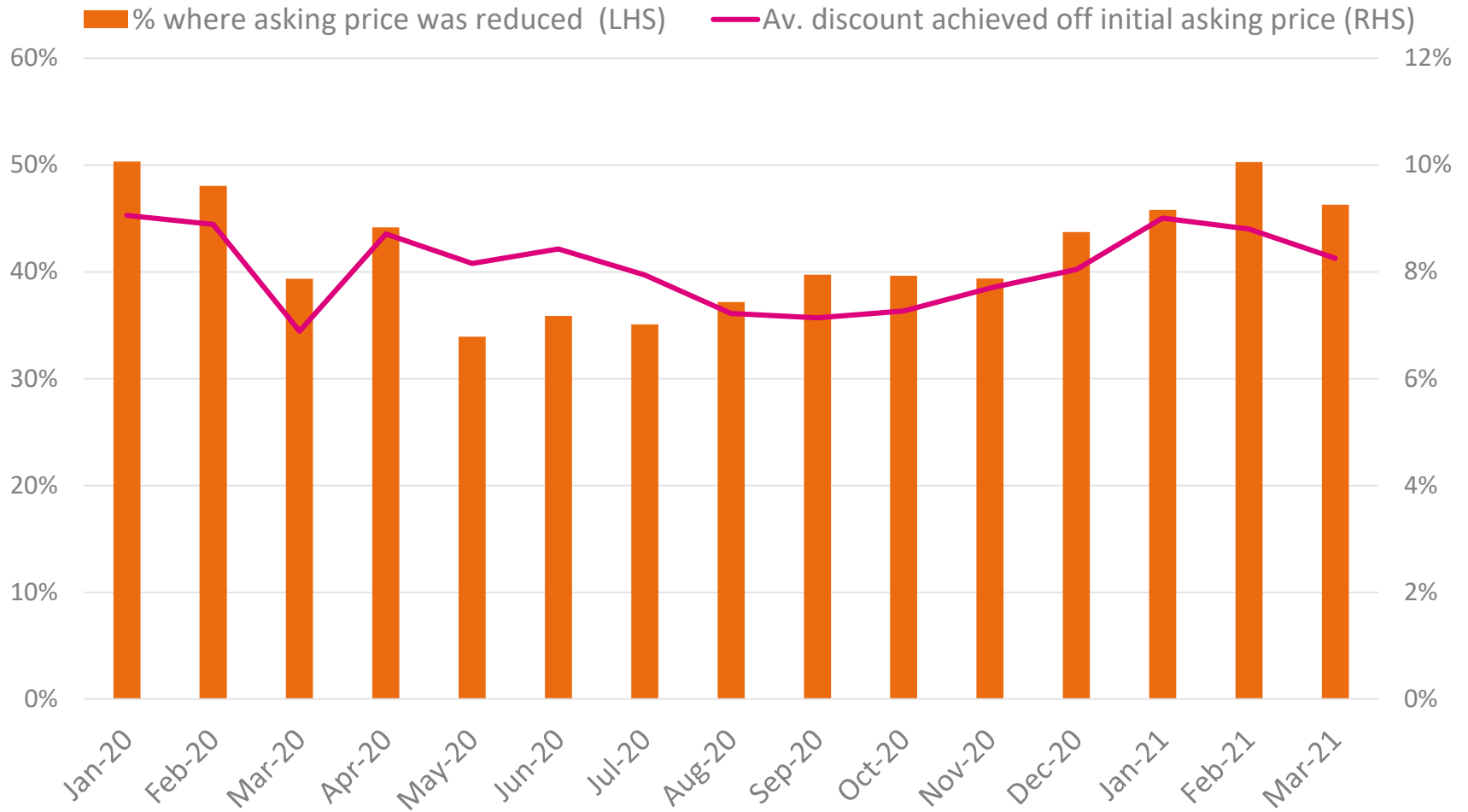
Houses still outperforming flats in all but PCL



Less activity in PCL this quarter skews overall price change (-5.1%)

Source: LonRes (Annual change in achieved prices)

Price reductions increase to Feb but fall back in March

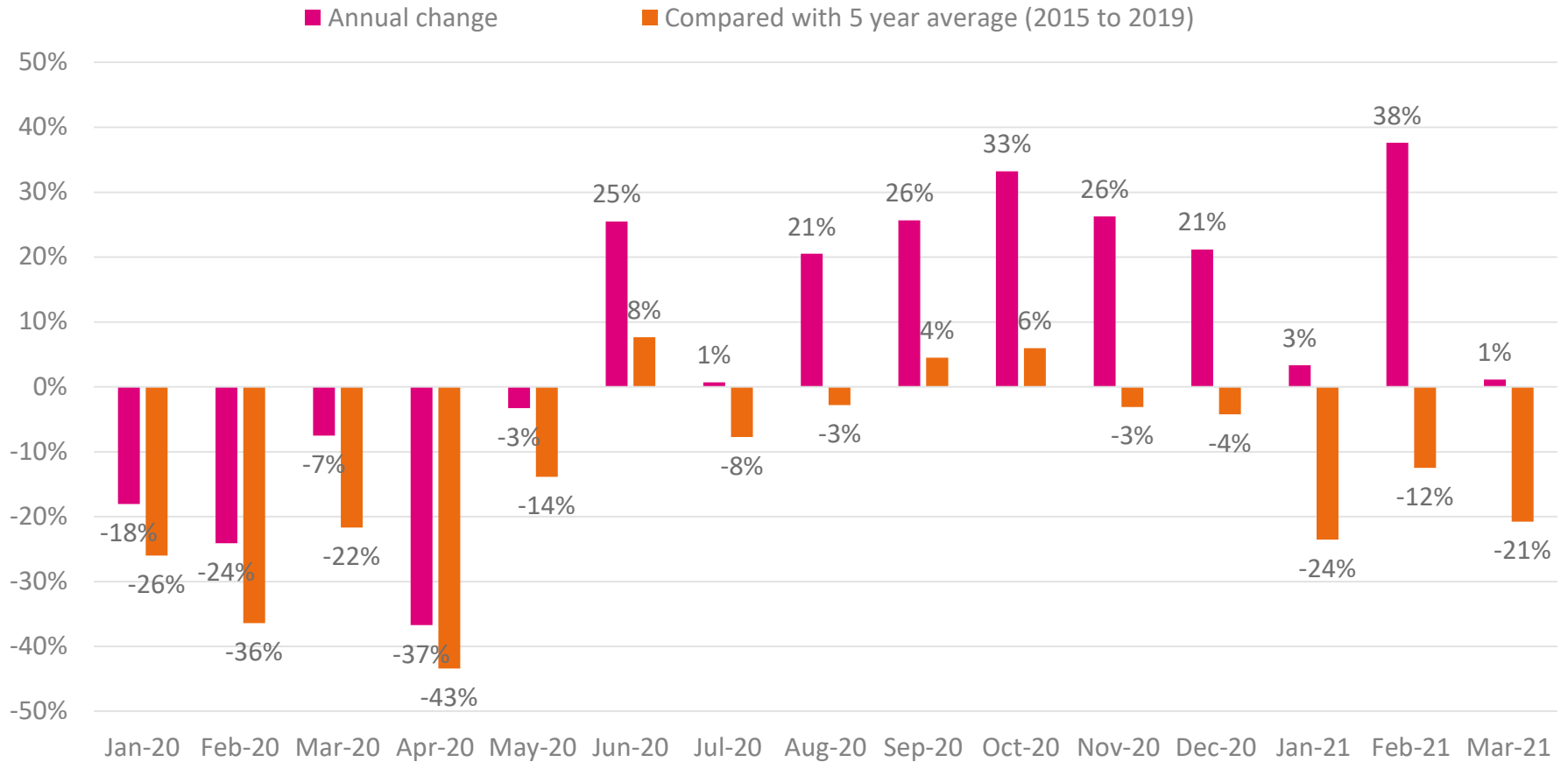




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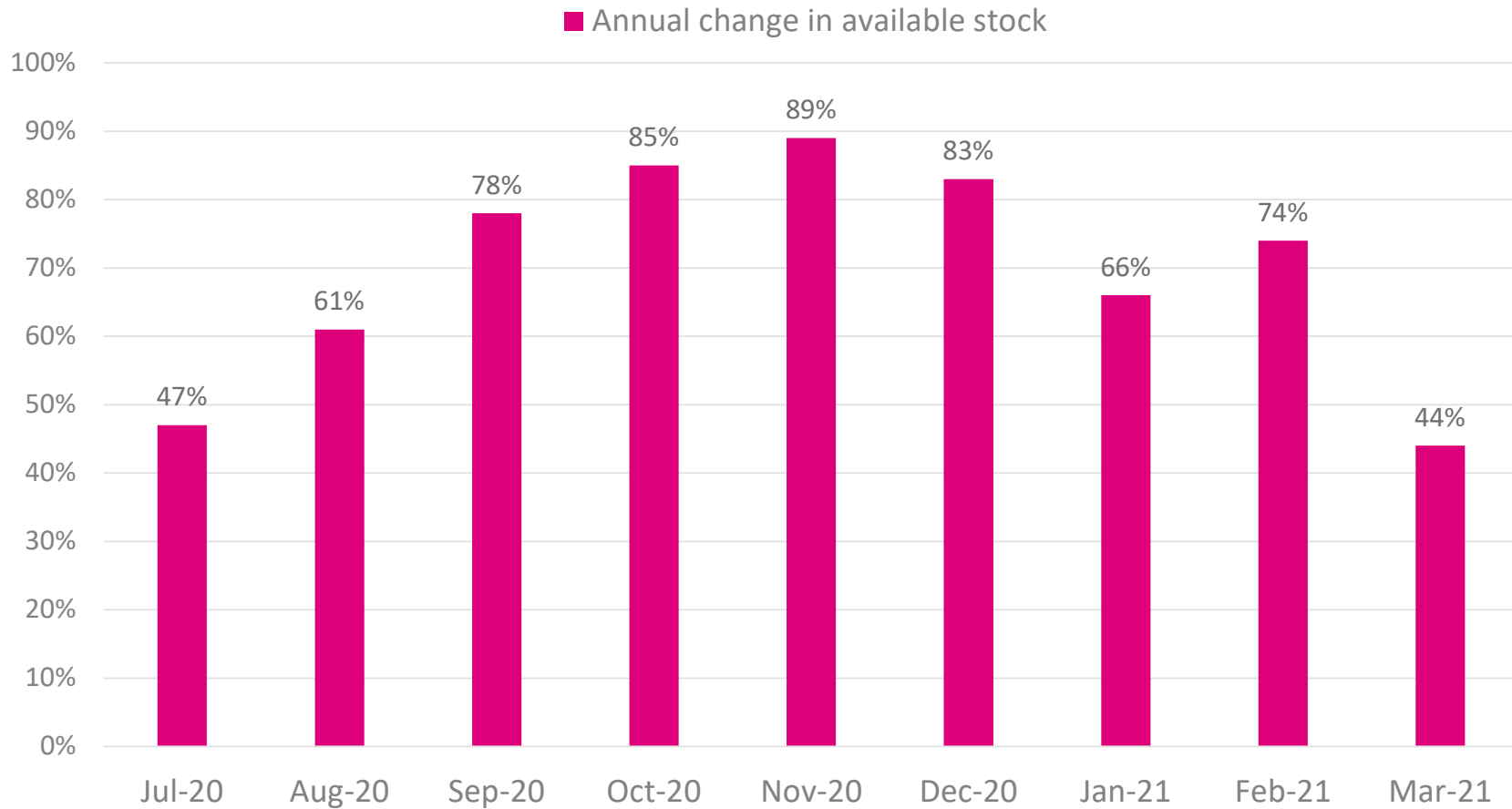
Lettings

New instructions higher than last year but lower than long run average

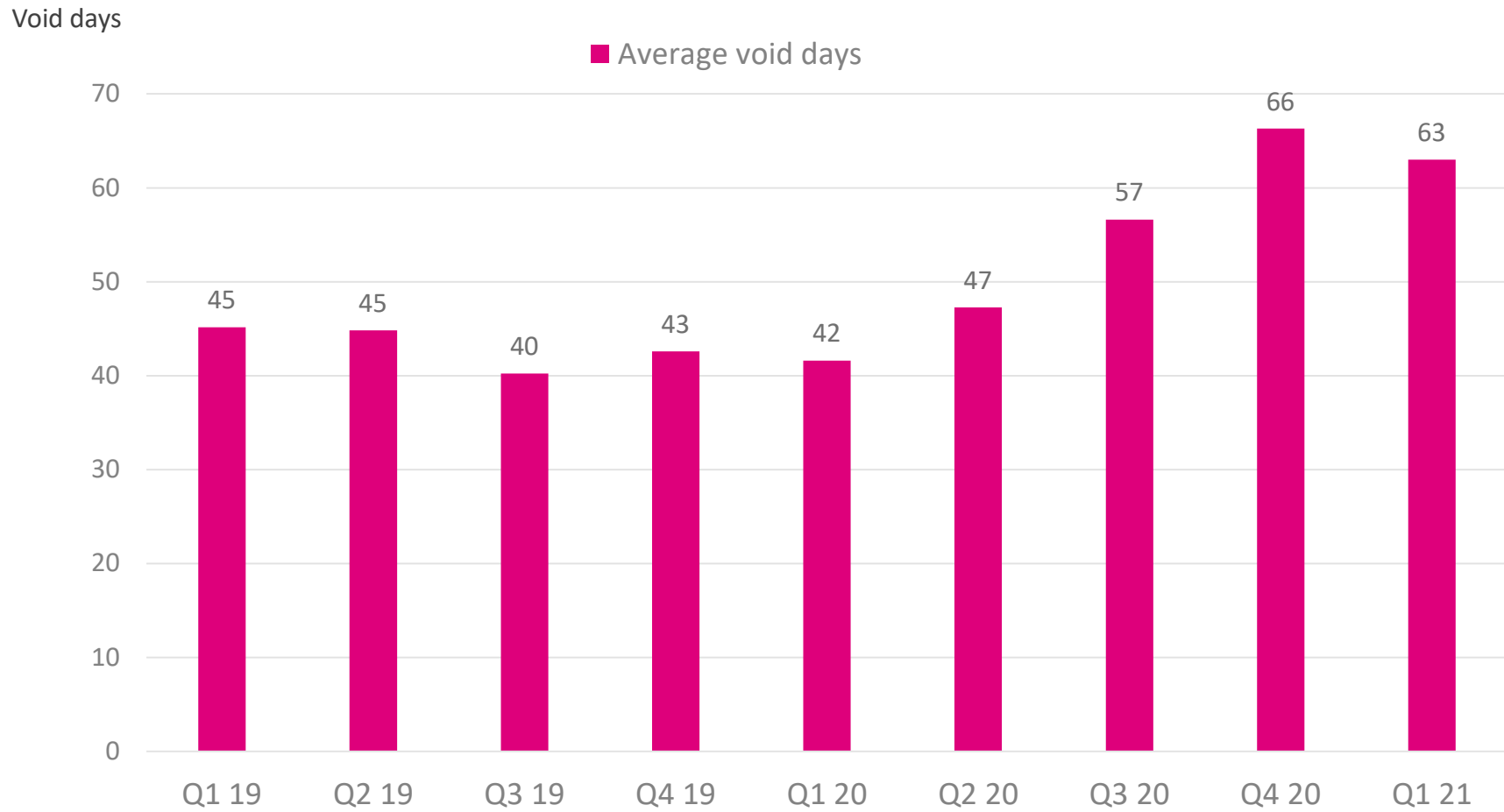


New instructions in Q1 21 up 12% on Q1 20 and 19% down on five-year average

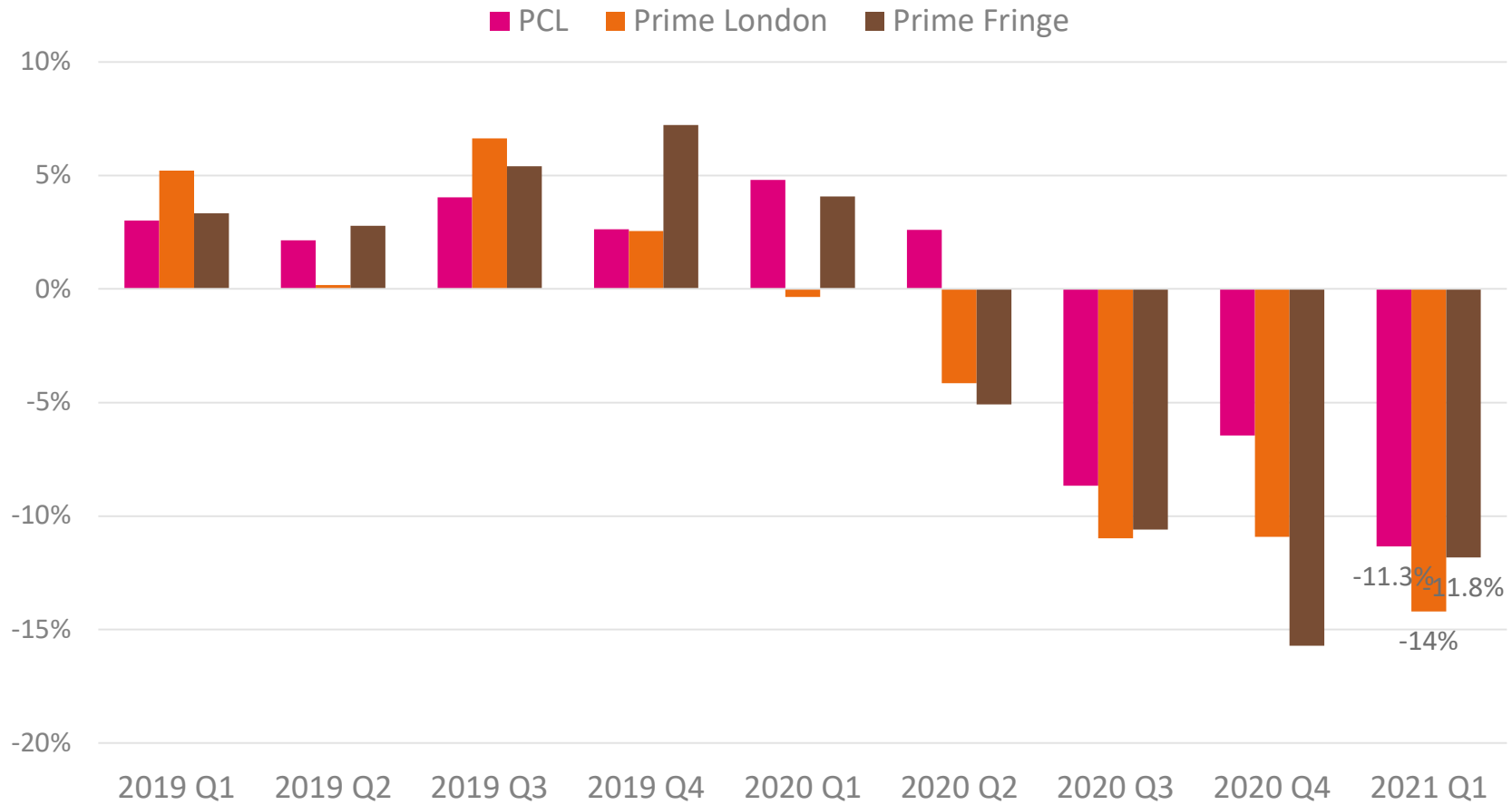
Which means stock levels are falling back from November peak



Voids still high but lower than Q4 20



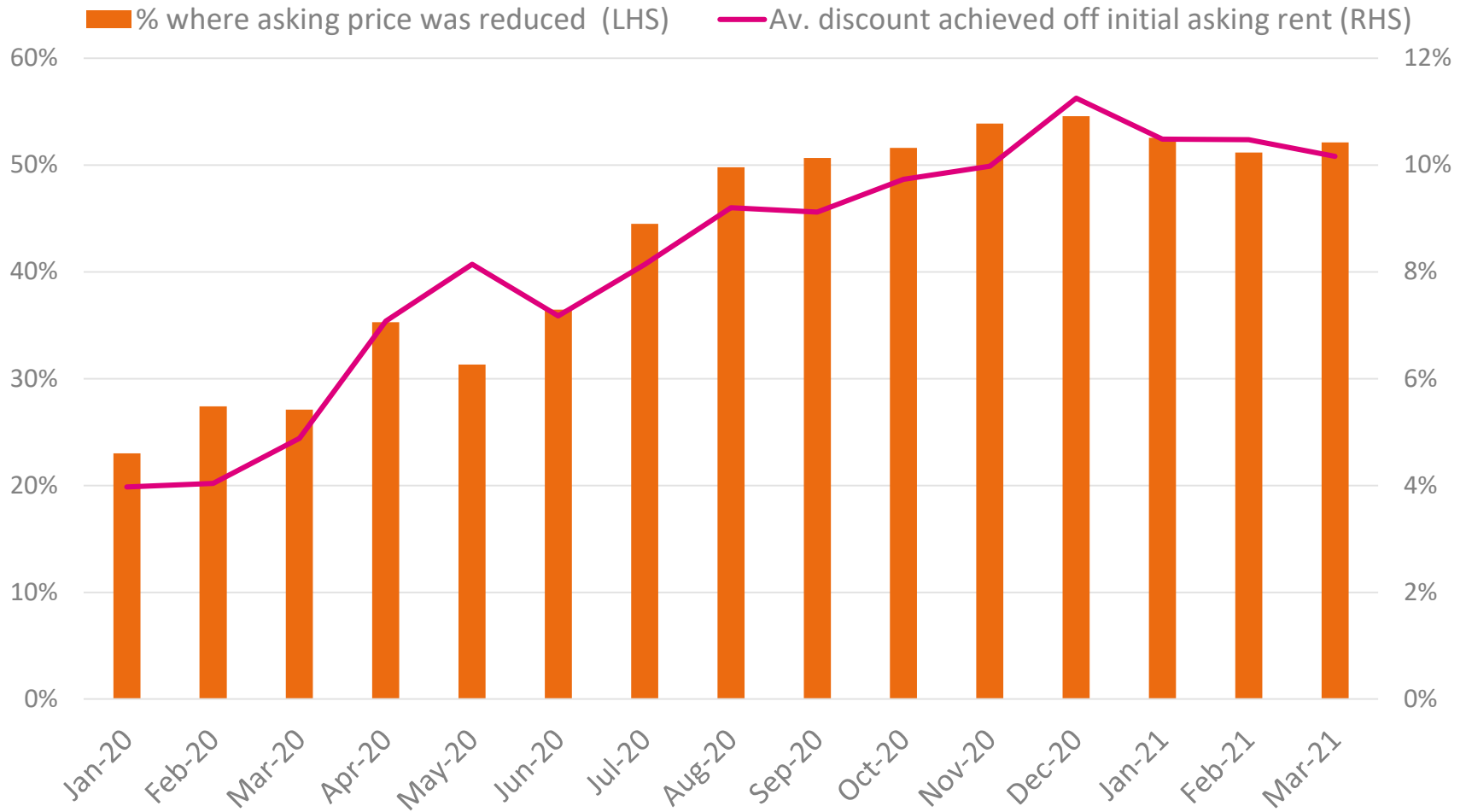
Achieved rents fall in all markets



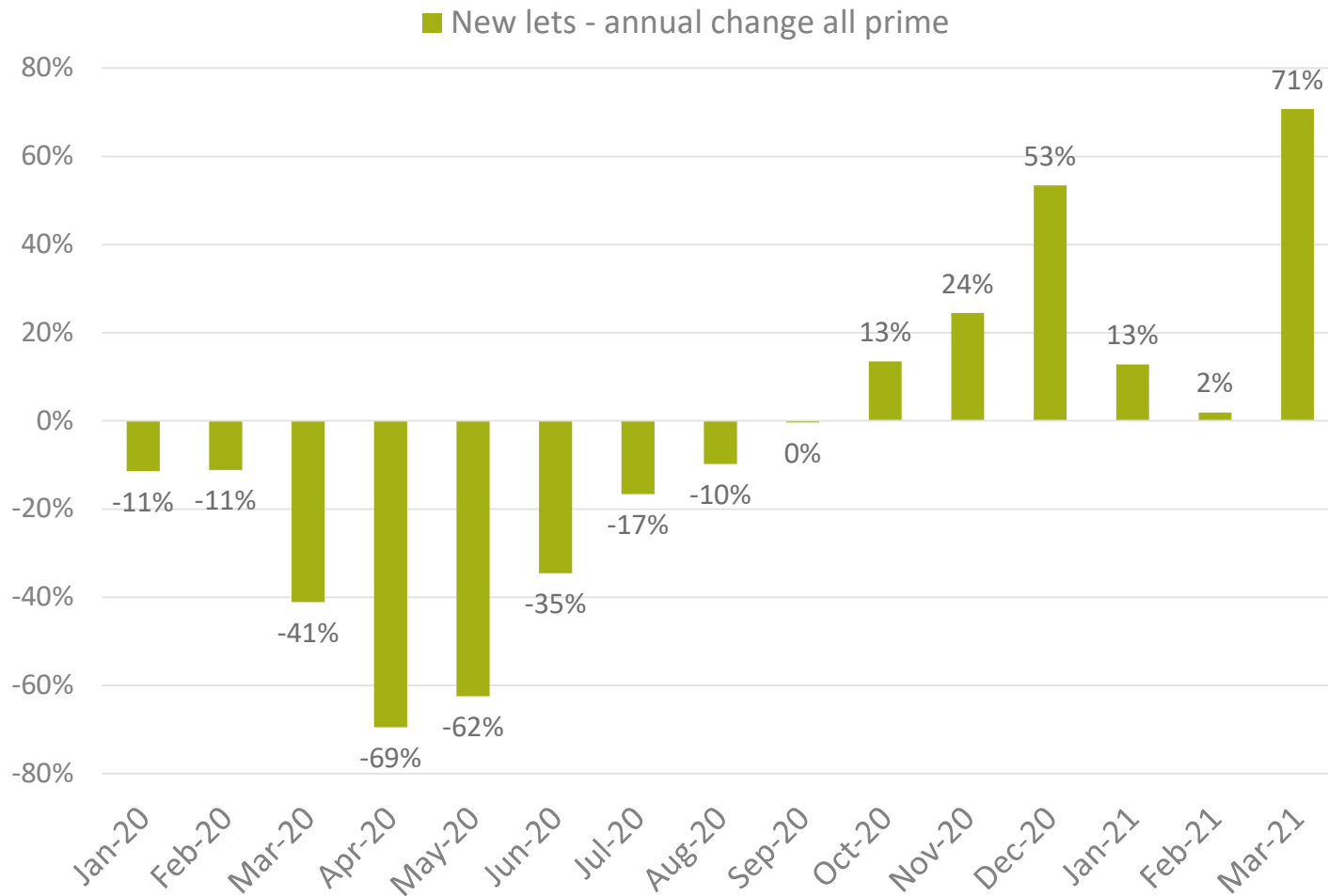
Source: LonRes

Rents agreed in March 2021 down 13.2% on March 2020

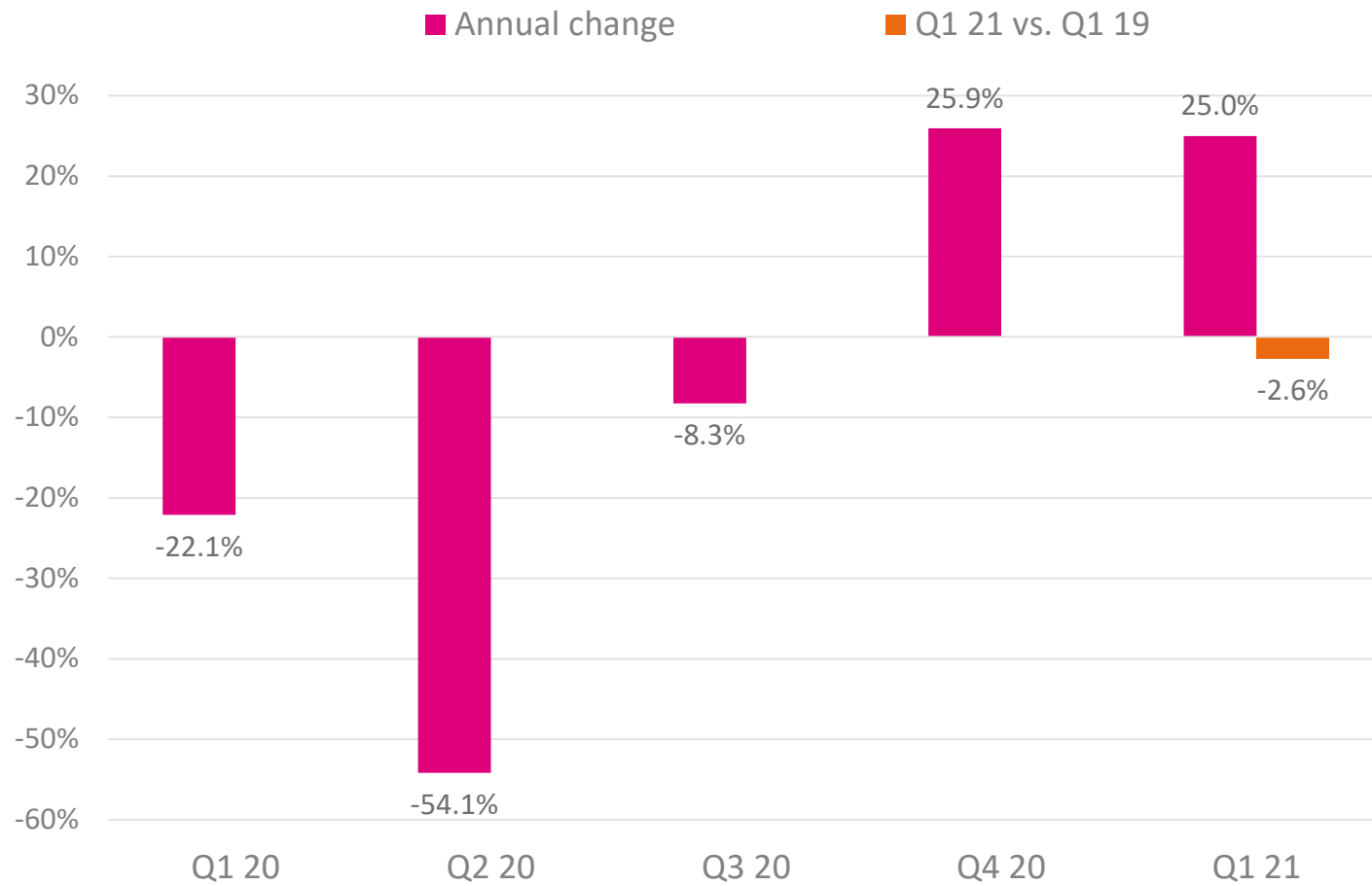
competition means more price reductions but is dropping back from peak in late 2020



New lets on the rise (watch March figures though)



Quarterly new lets in line with 2019... which is a good sign

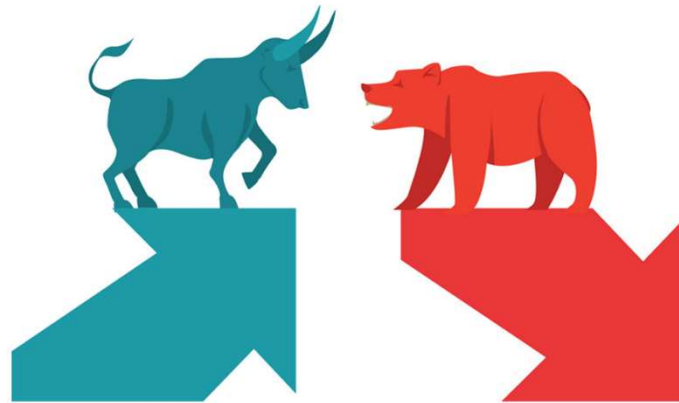




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What's next?

Bullish?



Bearish?

A resilient market- buyers saw value in Q1 20 and are still seeing it now

People want to move – especially with SDLT extension

UHNW buying spree – ‘roaring 20s’? – Forbes reporting a record number of billionaires globally

Will people return to London?

Stock levels vs. demand still an issue particularly for lettings

Can domestic demand last until travel corridors open?



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Over to you