

## CENTRAL LONDON MARKET UPDATE

Q2 2018

Having recovered somewhat from its drop in 2015, the central London market is now holding steady, with prices remaining mostly unaffected for the past 12 months, and only moderate changes showing throughout the year as the market experiences its seasonal fluctuations.

Following two strong periods for the market in Q4 2017 and Q1 2018, Q2 2018 took on a more subdued tone, as the investment market suffered and would-be movers continued to put a hold on their plans as they await a more assured political outlook.

Owner-occupiers moving as a necessity dominate market activity, as has been the case for a while now. However, increasing volumes of buy-to-let landlords are also returning to the sales market to cash in on their investments and avoid being hit by the tax hikes and new regulations brought into the lettings sector over the past few years.

On the whole, the central London market remains in a period of stability and those wishing to sell should be confident that, as long as its priced correctly, their property will sell.

### PRICES

High volumes of lower value transactions in Q2 have resulted in the average transactional property price being down 12.7% on the same quarter last year, with prices still significantly lower than their 2014 peak. Average price per square foot now sits at £1,194, a marginal increase on Q2 2017 but still sitting 16.9% below Q2 2014.

£1,194

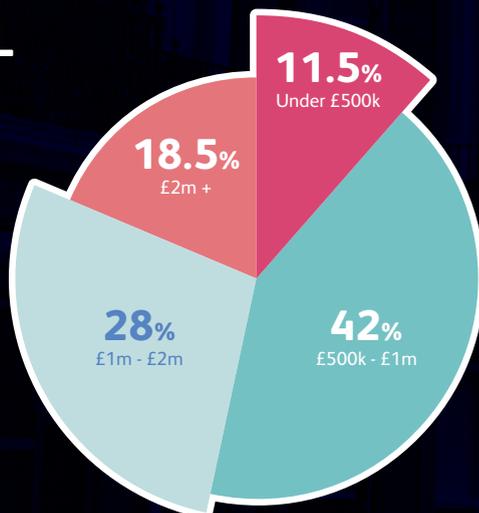
AVERAGE £/SQ FT

↓ -16.9%

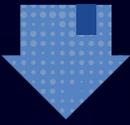
Q2 2018 v Q2 2014

### TRANSACTIONAL VALUES

- Under £500k
- £500k - £1m
- £1m - £2m
- £2m +



## VIEWINGS

25   13

AVERAGE VIEWINGS  
PER SALE Q2 18

% BELOW PEAK  
LEVELS OF Q2 14

Average number of viewings per sale during Q2 2018 remained static at 25, with no change from the previous quarter. This stands 13% below figures from Q2 2014, when the average number of viewings per sale was 29, perhaps reflecting a lower level of interest in moving compared with the 2014 peak.

## % ASKING PRICE ACHIEVED

The average percentage of asking price achieved has also remained fairly flat at 92.4%, compared with 92.6% achieved in Q1 2018, and up from 91.4% in Q2 2017. This still sits 7.7% below the 2014 peak, when central London Winkworth offices were achieving on average 99.5% of the asking price.

92.4%

% ASKING PRICE ACHIEVED  
FOR PRIME LONDON SELLERS

## TRANSACTIONS

Following two strong periods in the market in Q4 2017 and Q1 2018, transactions in Q2 2018 were slightly down on the last quarter by 4.4%. Transactions still remain well below their 2014 peak, down 37.7% from Q2 2014, but have improved by 7.5% on Q2 2017 when there was some caution surrounding the April 2017 general election.

 +7.5%  
Q2 2018 v Q2 2017

 -37.7%  
Q2 2018 v Q2 2014



### DOMINIC AGACE, CEO AT WINKWORTH COMMENTS:

"This year has seen what can only be described as an inverse market, with a busier than normal start to the year and an unusual lull through Q2 which is typically one of the busiest times of the year. Despite the 'inverse' market, activity has stabilised significantly from the past few years and is now coming to a plateau where it's still moving steadily, but far below the levels seen in the 2014 peak.

"With ongoing talk of the Brexit deal and political turbulence, it's likely that this subdued

central London market will continue this way, experiencing only minor fluctuations as we move through each quarter until we have a clearer idea of exactly what Brexit deal and Government changes will take place.

"That said, there is still strength in the market and it's quite possible that activity could pick up as we head further into summer. After all, those that are serious and realistic about moving are seeing transactions going ahead as usual and, with prices static, now is a good time to trade in the market and not miss out on a good deal."

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Winkworth

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