

The London Barometer/ Sales: December 2012

Market Comment

“Having correctly called the market last year, we are sticking our neck out again this year. Despite the general consensus that there will be little growth in London in 2013, we are of the opinion that the lack of supply and continued demand for property from abroad and at home are even more pronounced, so 8% growth in Central and South West London should be realised.”

“However, we foresee lower growth in prime central areas, but this will be balanced by stronger growth in family markets like Southfields and Hammersmith where prices can be expected to rise by as much as 10%.”

Ed Mead, Director

Supply*

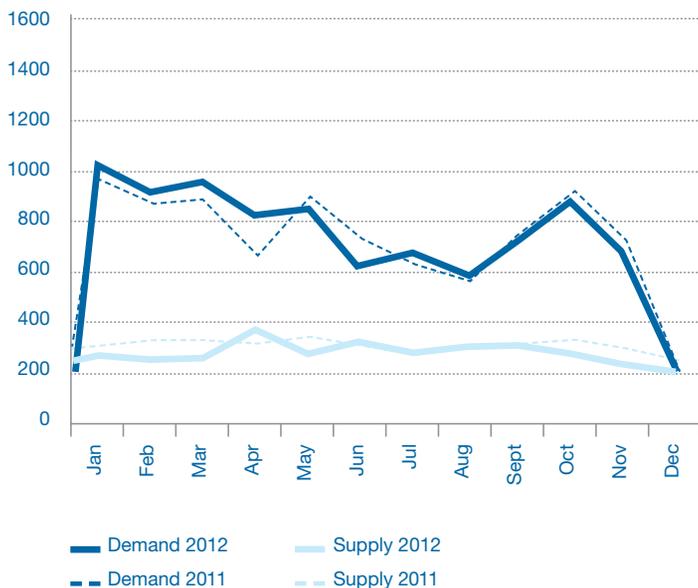


Demand*



*Supply and demand is determined by instructions and new applicants (respectively) within a given month across Douglas & Gordon's network of 14 sales offices in London

2012 Supply & Demand



Douglas & Gordon Average London Sales Price Index*

	Q4 2011	Q1 2012	Q2 2012	Q3 2012
1 bed flat	£ 387,500	£ 404,167	£ 408,333	£ 410,833
2 bed flat	£ 579,583	£ 608,333	£ 620,833	£ 634,167
3 bed house	£ 1,277,083	£ 1,340,000	£ 1,367,917	£ 1,369,167
4 bed house	£ 1,933,333	£ 2,006,250	£ 2,025,000	£ 2,110,833

*The D&G Average London Sales Index is based on a periodic re-valuation of each property type from every D&G office across London with the increase or decrease in their values averaged

The London Barometer/ Lettings: December 2012

Market Comment

“With the seasonally quiet month of December behind us, demand is expected to increase significantly as we head towards the busy spring market. Supply is up by 75% compared to this time last year, so it is logical to presume that there will be pressure on rental prices this year and landlords should not be over optimistic.”

“Rents have fallen in Central London due to tenants seeking more affordable property further out, which is helping with the evaporation process from the once overheated market, and we expect prime rents to continue to be constrained by increased supply.”

Virginia Skilbeck, Lettings Director

Supply*



Demand*



*Supply and demand is determined by instructions and applicants (respectively) within a given month across Douglas & Gordon's network of 12 lettings offices in London

2012 Supply & Demand



Douglas & Gordon Average London Rent Index* (per week)

	Q4 2011	Q1 2012	Q2 2012	Q3 2012
1 bed flat	£ 394	£ 387	£ 386	£ 388
2 bed flat	£ 531	£ 533	£ 527	£ 527
3 bed house	£ 912	£ 925	£ 907	£ 885
4 bed house	£ 1,556	£ 1,462	£ 1,513	£ 1,463

*The D&G Average London Rent Index is based on a periodic re-valuation of each property type from every D&G office across London with the increase or decrease in their values averaged