

The London Barometer

June 2013 / Sales

Market Comment

"May was one of D&G's best months with many sellers agreeing sales when their expectations, and sometimes prices, were lowered. The fall through rate was a third of what it was this time last year proving there are plenty of motivated, but still picky, buyers.

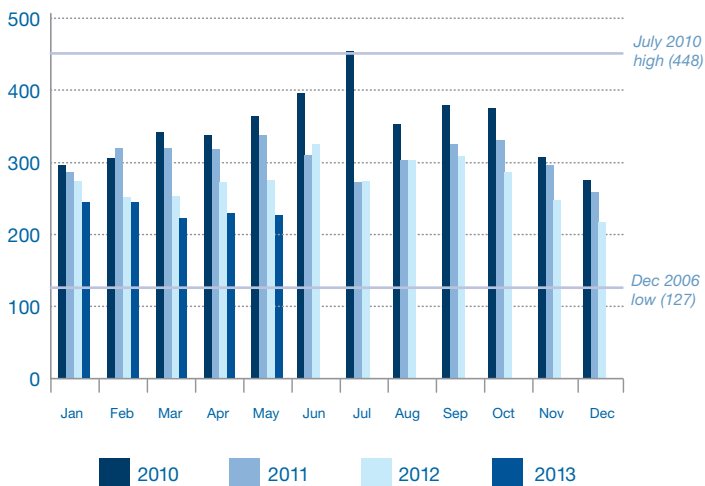
"Lack of stock remains a problem with 20% fewer properties available than May last year. However with average house prices in D&G land continuing to increase in Q1 and Q2, vendor and buyer confidence appears to be the highest it has been for some time.

"The gap between London and the country market continues to entice but if country agents thought that current DFLs (Down from London buyers) were demanding, just wait until some of the long-term homeowners in Holland Park and Notting Hill with big budgets start looking!

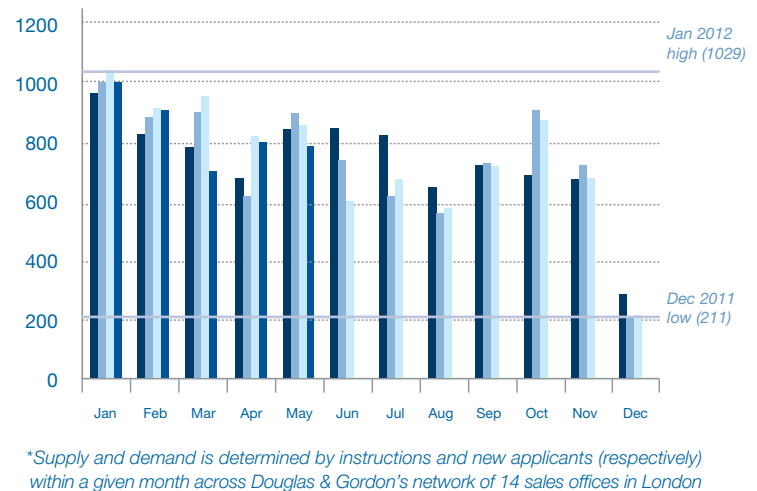
"Interestingly, enquiries through property portals were down in May as some buyers are losing confidence in them and are fed up with so many agents leaving sold stock online. This has increased the number of buyers calling our offices direct and visiting our website."

Ed Mead, Director

Supply*

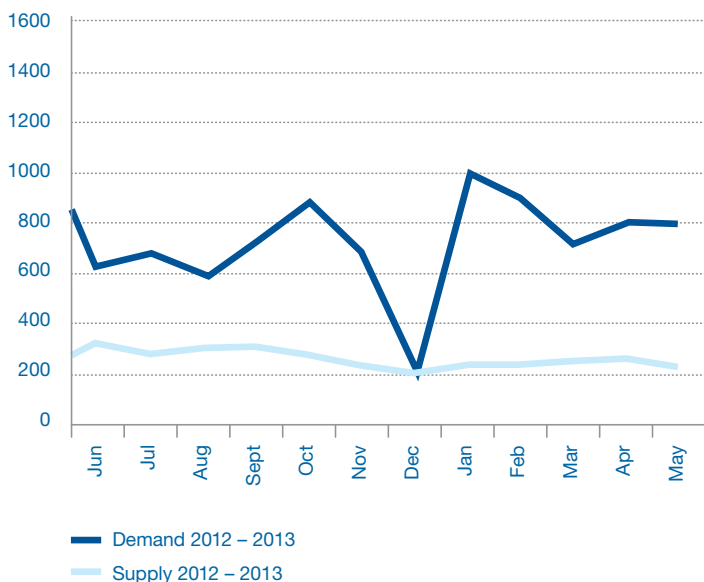


Demand*



*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

Supply & Demand



Douglas & Gordon Average London Sales Price Index*

	Q2 2012	Q3 2012	Q4 2012	Q1 2013
1 bed flat	£ 408,333	£ 410,833	£ 417,917	£431,250
2 bed flat	£ 620,833	£ 634,167	£ 644,167	£669,583
3 bed house	£ 1,367,917	£ 1,369,167	£ 1,409,167	£1,467,083
4 bed house	£ 2,025,000	£ 2,110,833	£ 2,199,167	£2,250,000

*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

June 2013 / Lettings

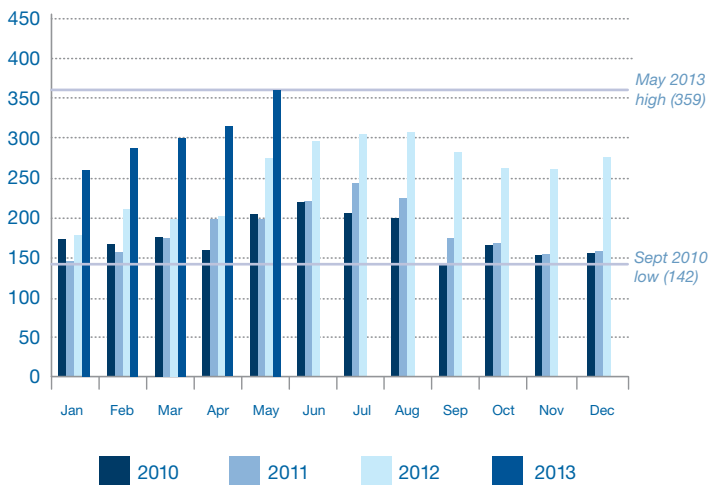
Market Comment

“There is a lot more choice for tenants with almost 30% more properties available to let compared to May last year. Whereas previously many ‘in-situ’ tenants simply opted to renew their current tenancy and were prepared to pay an annual rent increase, tenants are now aware of the increased competition landlords are currently faced with and are looking at their options and ensuring that they get the best deal. As far as new rental searches are concerned, tenants can afford to be particularly choosy and are much less willing to compromise on their ‘wish list’. Some tenants are now rejecting properties altogether if they are clearly ‘second hand’ and are only wishing to view those which are presented as ‘box fresh’, i.e. not showing any signs at all of anyone having actually lived in the property before.

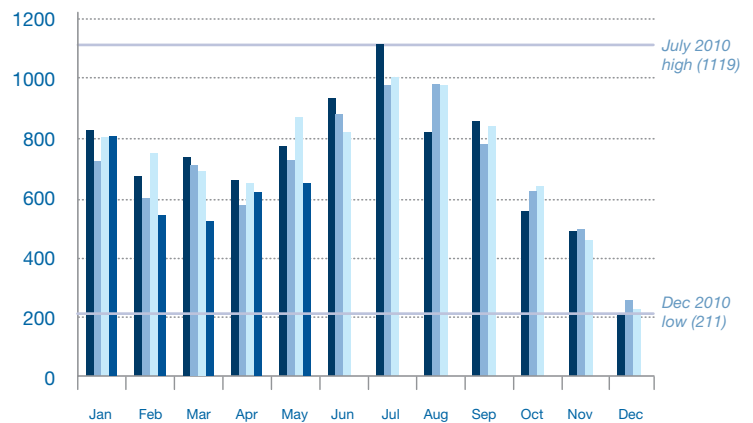
“One of the biggest changes we are seeing in the London lettings market is the reduced demand in Prime Central London as tenants are forced to move further out to save money. Traditionally, corporate tenants have housed themselves in the best (and most expensive) parts of Central London, however we are seeing much greater demand from corporate tenants in the peripheral areas as many companies will have reduced accommodation allowances. There has been a fall in rental values in PCL as a result and this trend will likely continue unless landlords in PCL understand this dynamic and price accordingly.”

Virginia Skilbeck, Lettings Director

Supply*

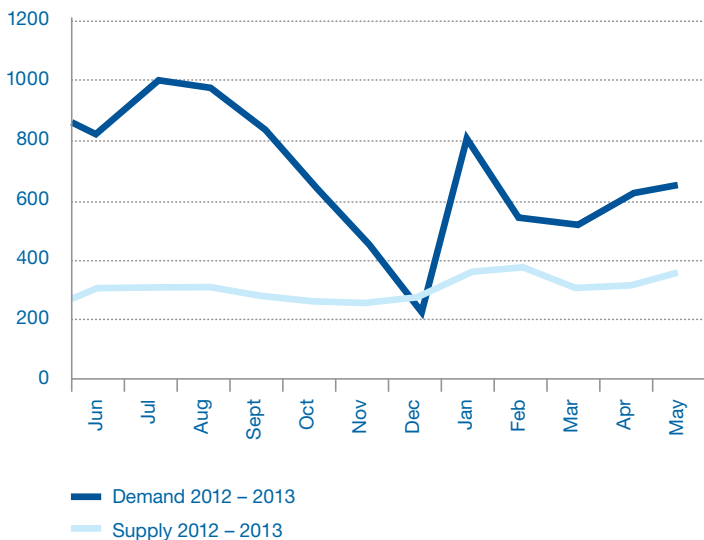


Demand*



*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

Supply & Demand



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

	Q2 2012	Q3 2012	Q4 2012	Q1 2013
1 bed flat	£ 386	£ 388	£ 387	£380
2 bed flat	£ 527	£ 527	£ 520	£509
3 bed house	£ 907	£ 885	£ 850	£831
4 bed house	£ 1,513	£ 1,463	£ 1,425	£1,368

*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