

The London Barometer

October 2014 / Sales

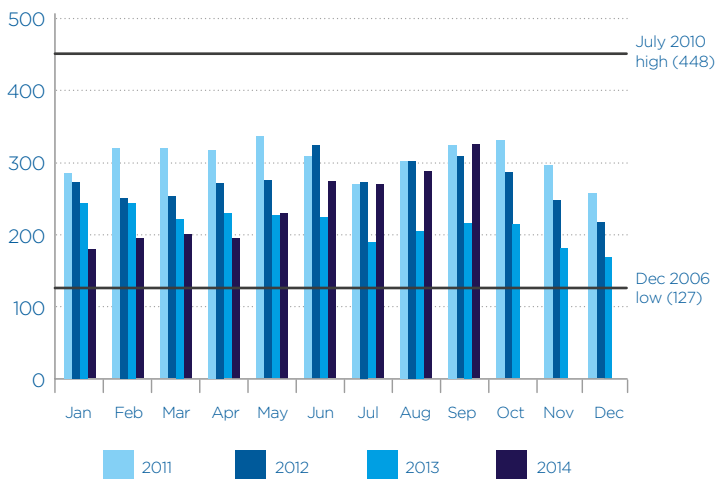
"After 5 years of continuous growth, the rate of house price growth is starting to decline in London which is reflected in Douglas & Gordon's recent Investor View research reports where prices grew by 6.5% in Q1, 2.1% in Q2 and slowed to 0.1% in Q3. In some areas and for some larger individual houses, the growth may well be negative.

"Properties below £2m are selling well but sales above this price have stalled. Despite a busy sales market, persuading a buyer to spend rather than just look is proving more difficult than it has for at least 5 years.

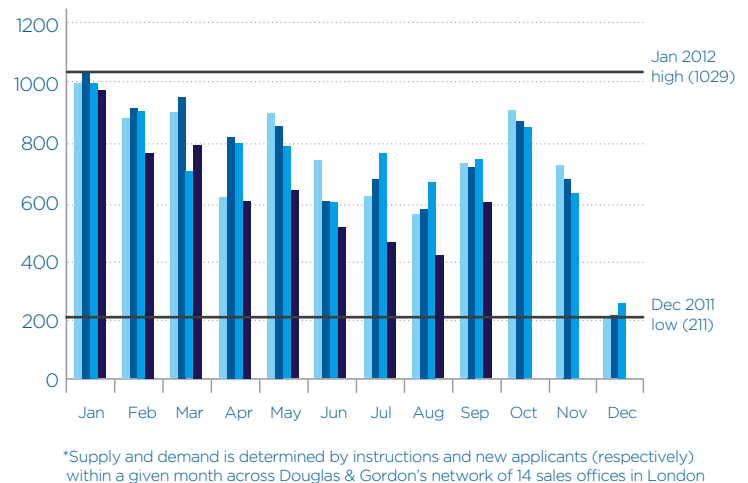
"With the Liberal Democrats starting to move away from talk of a Mansion Tax we may not have to wait until the General Election to see an increase in the number of properties over £2m being sold."

George Franks, Sales Director

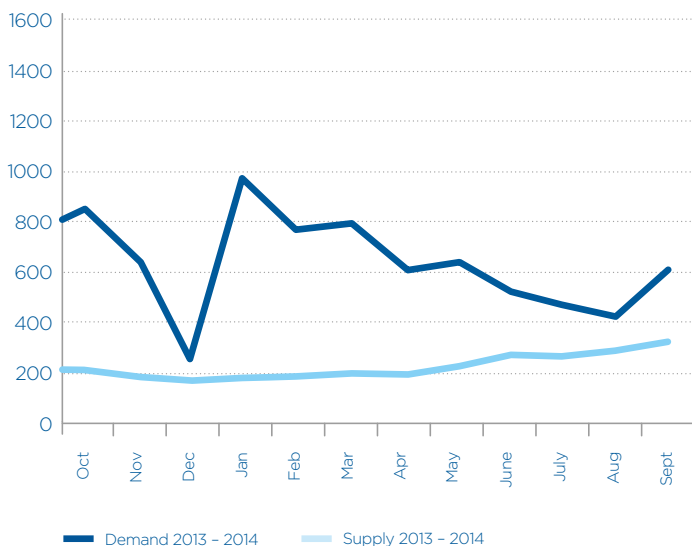
Supply*



Demand*



Supply & Demand



Douglas & Gordon Average London Sales Price Index*

	Q4 2013	Q1 2014	Q2 2014	Q3 2014
1 bed flat	£489,583	£535,116	£542,500	£544,583
2 bed flat	£765,833	£819,583	£843,750	£847,083
3 bed house	£1,645,833	£1,745,417	£1,787,500	£1,788,750
4 bed house	£2,458,333	£2,604,167	£2,631,250	£2,618,750

*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

October 2014 / Lettings

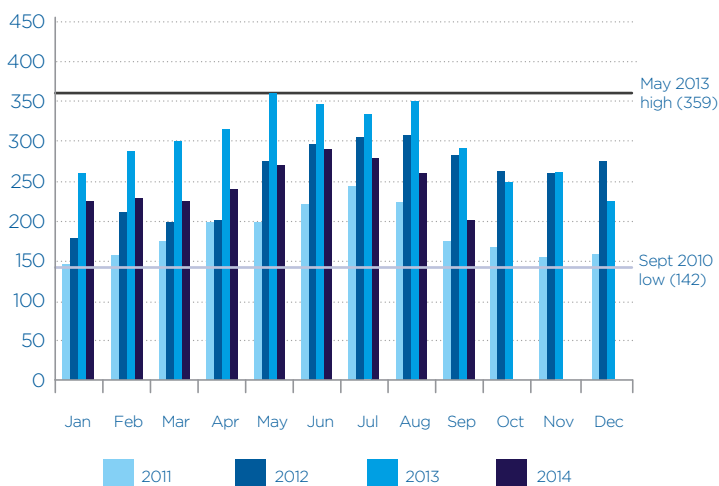
“The number of new prospective tenants registering in September remained high, measuring a 60% increase year on year, whereas the number of properties available was 30% down compared to the same time last year – this was the third month in a row that the level of supply fell. London’s workforce stands at 5.6m people, almost 1m higher than 2004; looking forward statisticians predict that the working population will continue to rise. As supply continues to decrease and the number of jobs in London increases, we are anticipating rental prices to increase throughout the course of the next 12 months.

“With property featuring heavily in most people’s pension and investment strategy, stricter lender compliance regulations appear to be tightening up on the buy-to-let mortgage market.

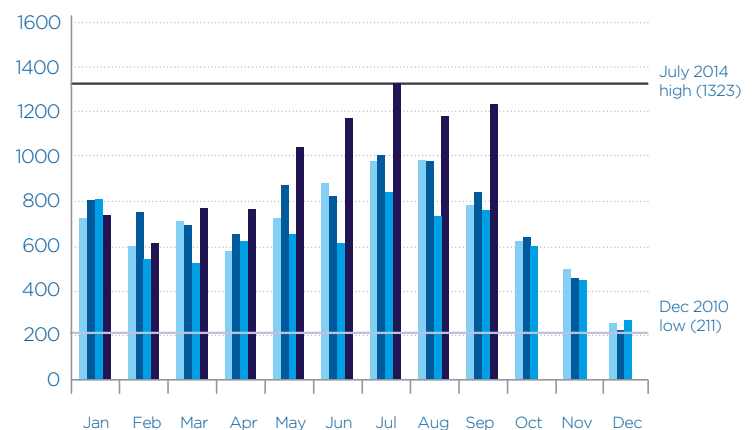
“It looks likely that the Mansion Tax will be replaced by new higher council tax bands for properties at the top end. However in the context of property which is rented out it is misleading to call it council tax as obviously the tenant pays the council tax whereas it is clearly the Government’s intention that any new tax aimed at high value property is borne by the property owner, not the tenant.”

Virginia Skillbeck, Lettings Director

Supply*

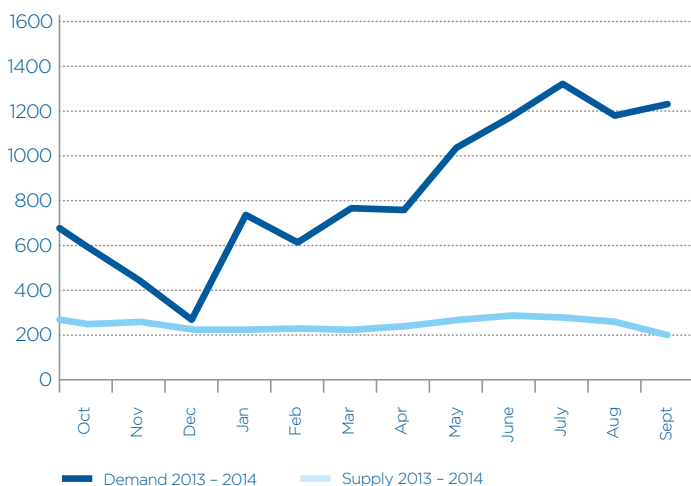


Demand*



*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 Price Index* (per week)

	Q4 2013	Q1 2014	Q2 2014	Q3 2014
1 bed flat	£378	£384	£390	£403
2 bed flat	£509	£525	£532	£544
3 bed house	£826	£835	£835	£873
4 bed house	£1,380	£1,409	£1,449	£1,508

*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