

The London Barometer/ Sales: December 2011

Market Comment

"Despite the economic and political turmoil December was a surprisingly busy month for sales at D&G and remarkably one of the best of the year.

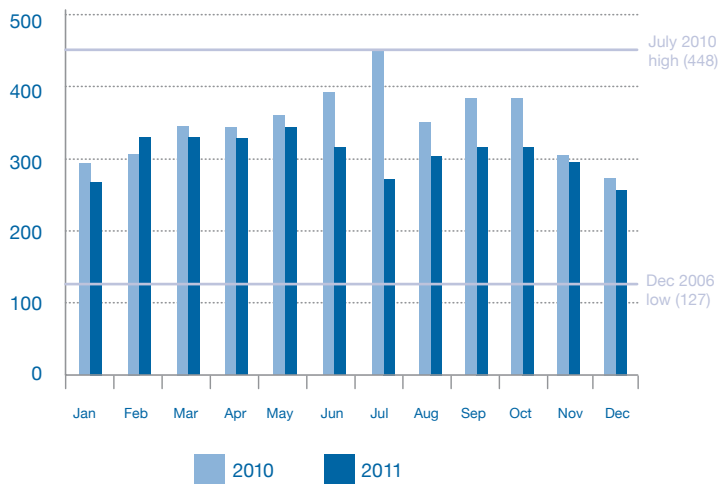
"Looking back at 2011, pundits predicted modest falls worrying about the wider economy. The first half included The Royal Wedding and started slowly, but overall the year surprised everyone with a 10% rise in house prices across D&G land.

"Transactional levels have remained the same as 2010 and could have bottomed out but are still much lower than those seen in the heady days of 2007.

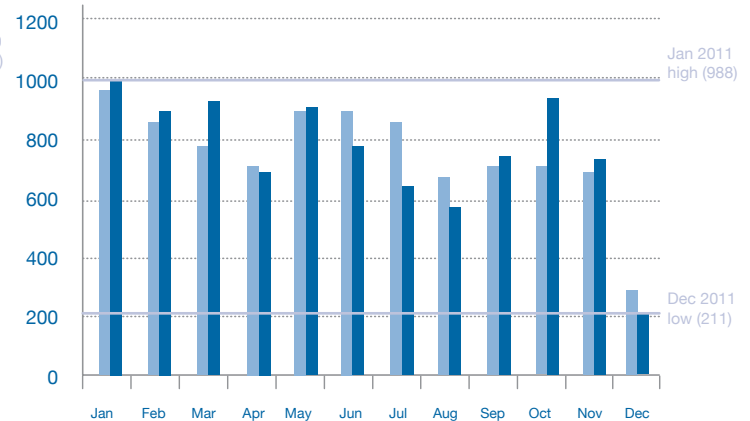
"With the Olympics and the Jubilee this year, London is once again in the international spotlight and we're expecting demand for property to stay steady, but with supply limited we expect to see price rise by 8% in 2012."

Ed Mead, Director

Supply*

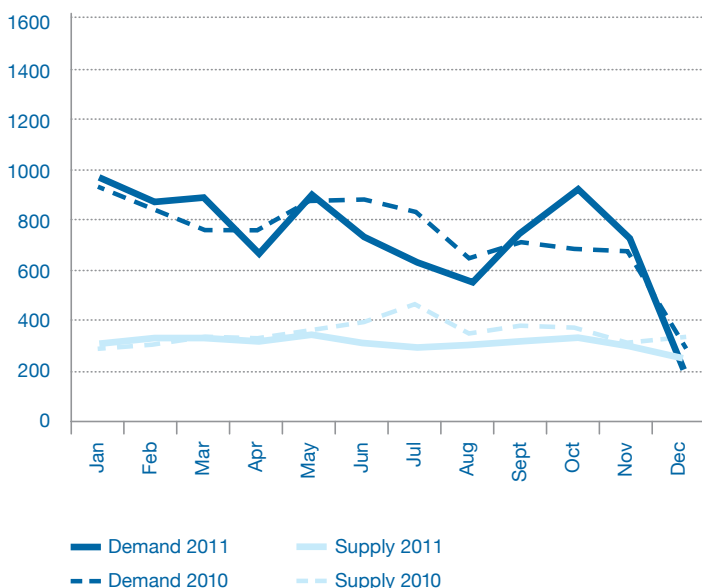


Demand*



*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

2011 Supply & Demand



Douglas & Gordon Average London Sales Price Index*

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
1 bed flat	£ 368,333	£ 374,167	£ 383,750	£ 383,500
2 bed flat	£ 543,333	£ 557,083	£ 570,083	£ 579,583
3 bed house	£ 1,174,167	£ 1,209,583	£ 1,257,500	£ 1,277,083
4 bed house	£ 1,780,833	£ 1,905,833	£ 1,905,000	£ 1,933,333

*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 2011

Market Comment

"The December figures reaffirm that the rental market is continuing to stabilise and after two extraordinarily good years, the combination of rental increases and low interest rates has resulted in the market losing its heat in the last quarter of 2011.

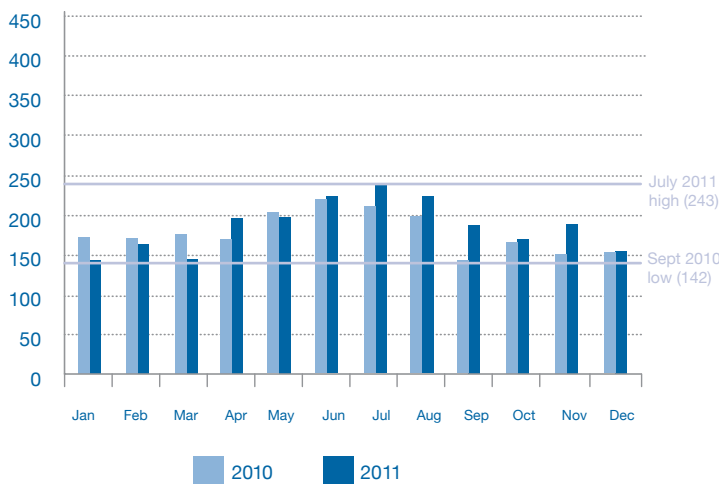
"Over 2011 rental prices increased by at least 8% in D&G land which compared with a 10% increase in house prices, it is not surprising to see why many landlords have opted to sell up and take advantage of the market.

"Whilst some tenants are being tempted to buy, a number have been forced out of properties as a result of landlords deciding to sell and we finished 2011 with the lowest stock levels for December since 2008.

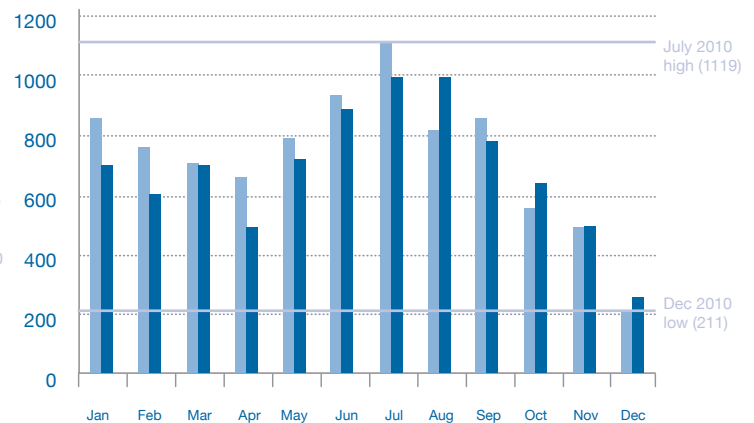
"We're expecting an increasing number of rental properties to come to the market in 2012 and for the balance between supply and demand to be restored. Rents are expected to rise by 4% throughout 2012 and set against the economic backdrop, we're anticipating a turbulent year for corporate lets."

Virginia Skillbeck, Director

Supply*

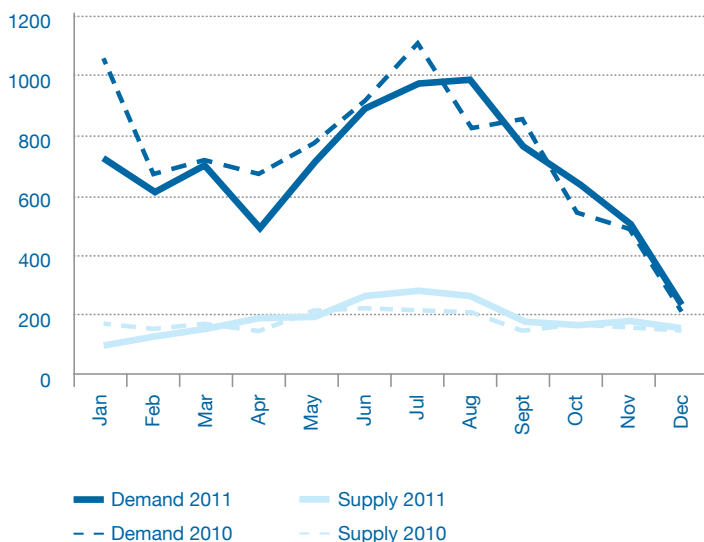


Demand*



*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

2011 Supply & Demand



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

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
1 bed flat	£ 381	£ 394	£ 399	£ 394
2 bed flat	£ 503	£ 527	£ 537	£ 531
3 bed house	£ 860	£ 922	£ 927	£ 912
4 bed house	£ 1,530	£ 1,661	£ 1,641	£ 1,556

*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