



Savills Kensington Home Truths

Thursday 2 July 2020

Welcome and thank you for joining.

You are on mute for the duration of
the webinar.

We will begin shortly.

savills

Welcome

savills



Phillipa Dalby-Welsh
**Co-Head of Prime Central
London Residential**

pdwelsh@savills.com

07870 999 117



Lucian Cook
**Head of Residential
Research**

lcook@savills.com

07967 555 418



Pete Bevan
**Head of Kensington
Sales**

peter.bevan@savills.com

07770 017 076



Louise Good
**Head of Kensington
Lettings**

lgood@savills.com

07807 999 581

Q&A/Panel Discussion

savills



Lucian Cook

**Head of Residential
Research**

lcook@savills.com

07967 555 418



Pete Bevan

**Head of Kensington
Sales**

peter.bevan@savills.com

07770 017 076



Louise Good

**Head of Kensington
Lettings**

lgood@savills.com

07807 999 581



Jonathan Hewlett

**Head of London
Residential**

jhewlett@savills.com

07967 555 626



Ed Lewis

**Head of London
Res Dev Sales**

elewis@savills.com

07967 555 627

Lucian Cook, Head of UK Residential Research, Savills

2nd July 2020

The position pre-Covid

Central London values were 20% below 2014 levels

Values of prime **houses** in Kensington were 14% below peak

Values of prime **flats** in Kensington were 26% below peak

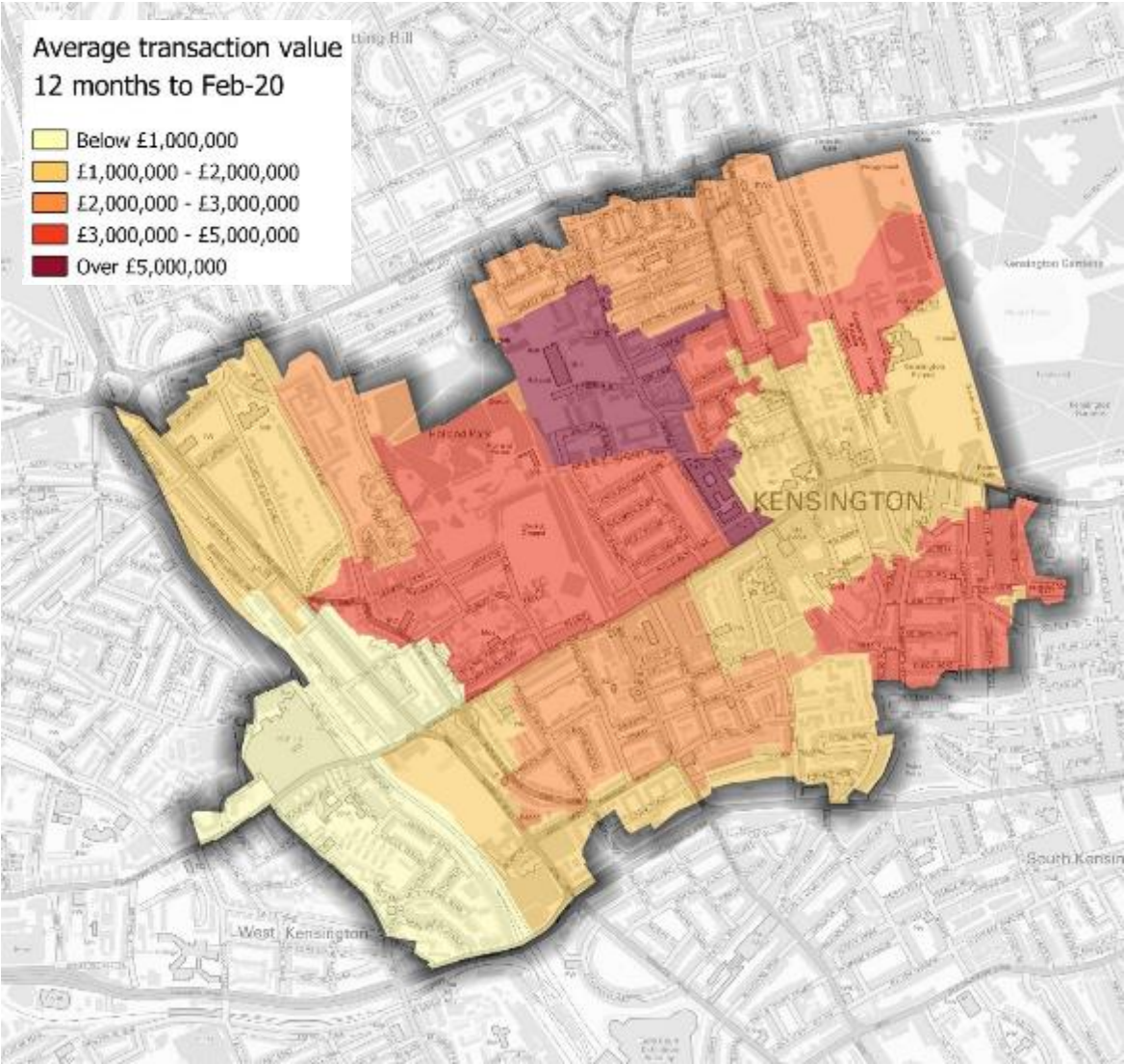
Total buy, sell & hold costs were competitive despite high SDLT

There was a strong currency play for US\$ based buyers

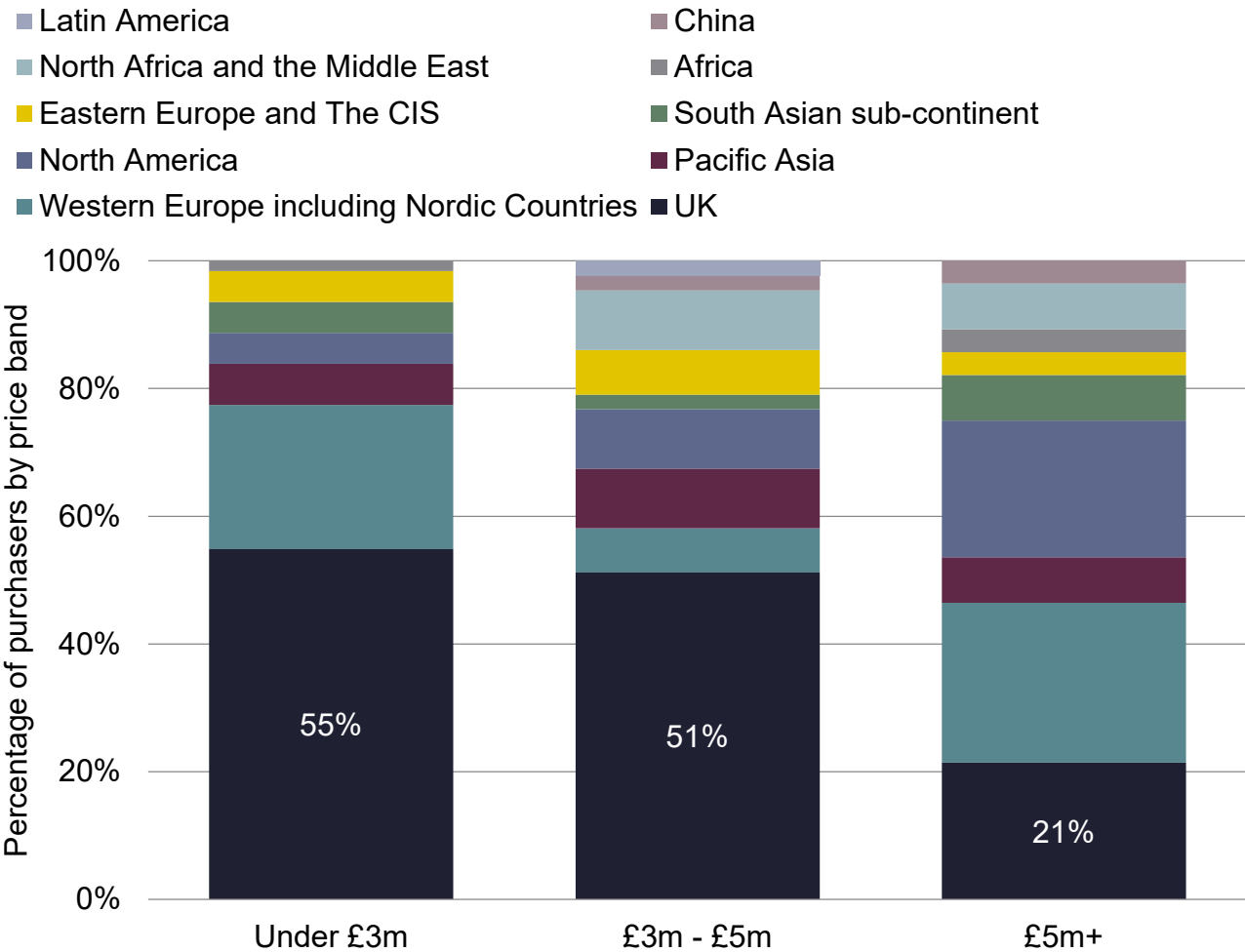
The market was “overdue” a recovery

The position since-Covid

Market Profile



Buyer Nationality – Kensington & Notting Hill



The practical implications of lockdown



Meanwhile in the prime rental market

Prime Central London Rents

-2.8%

in the quarter

-2.2%

year on year

Prime Kensington Rents

-1.5%

in the quarter

-1.2%

year on year

Continued demand from needs based tenants but....

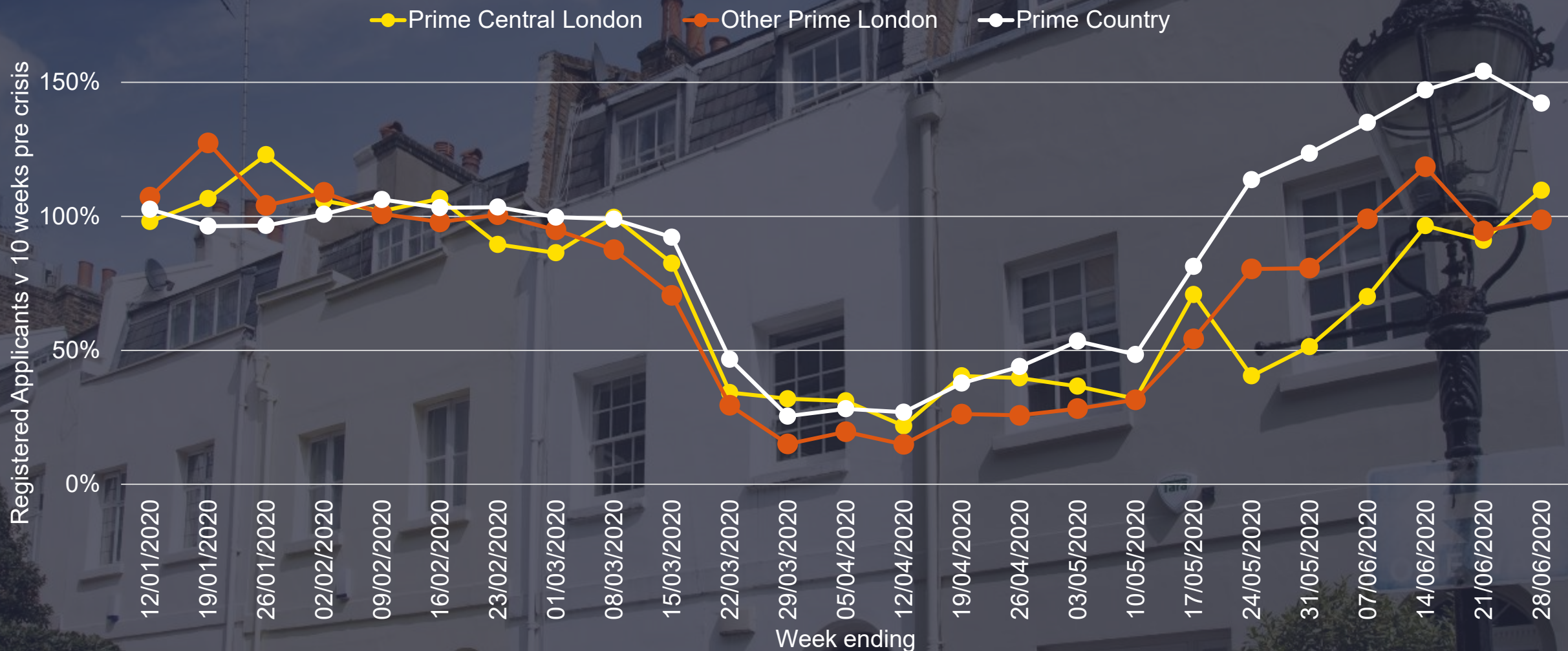
Significant influx of stock from the short term letting market

Low levels of corporate and student demand especially from overseas

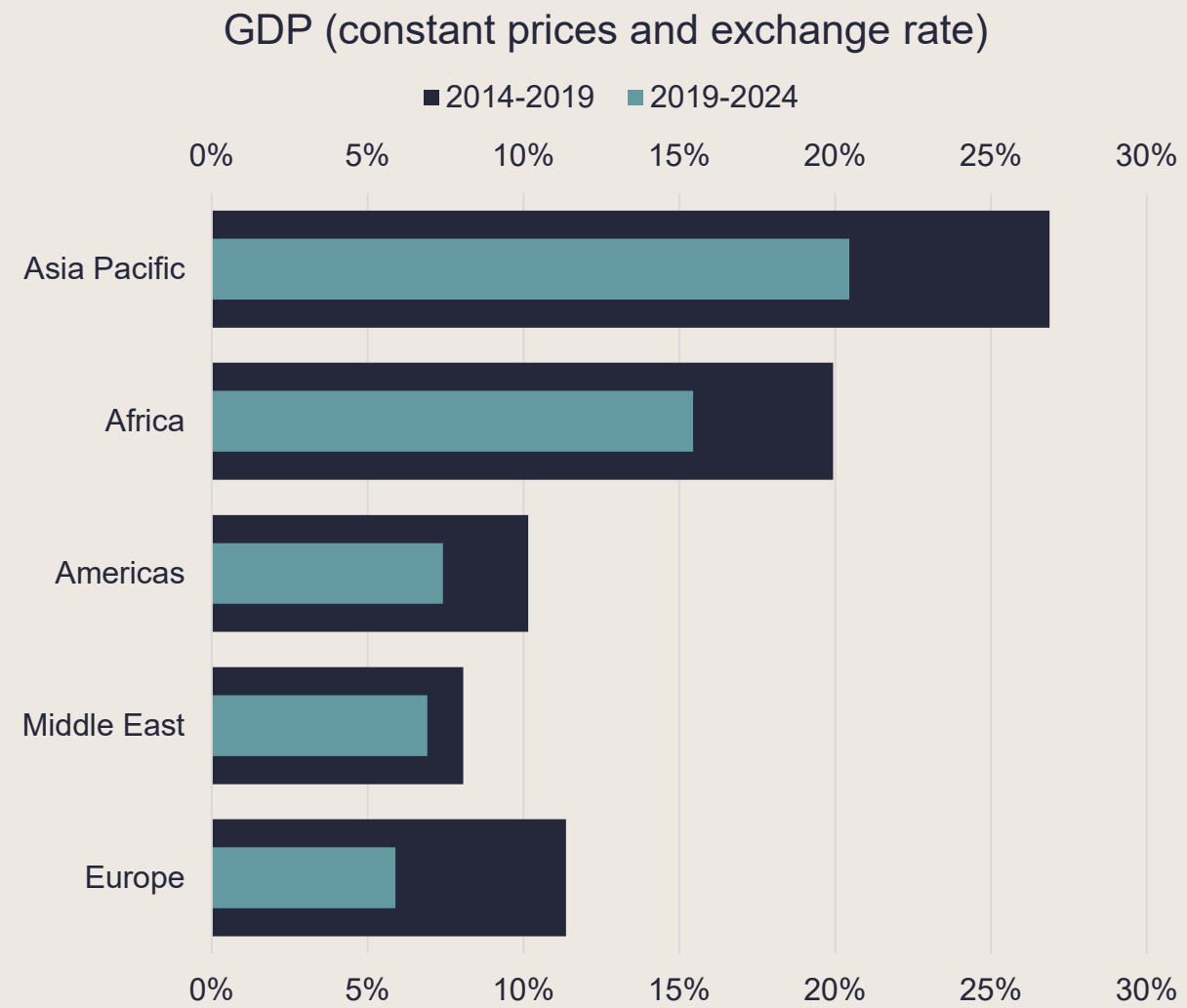
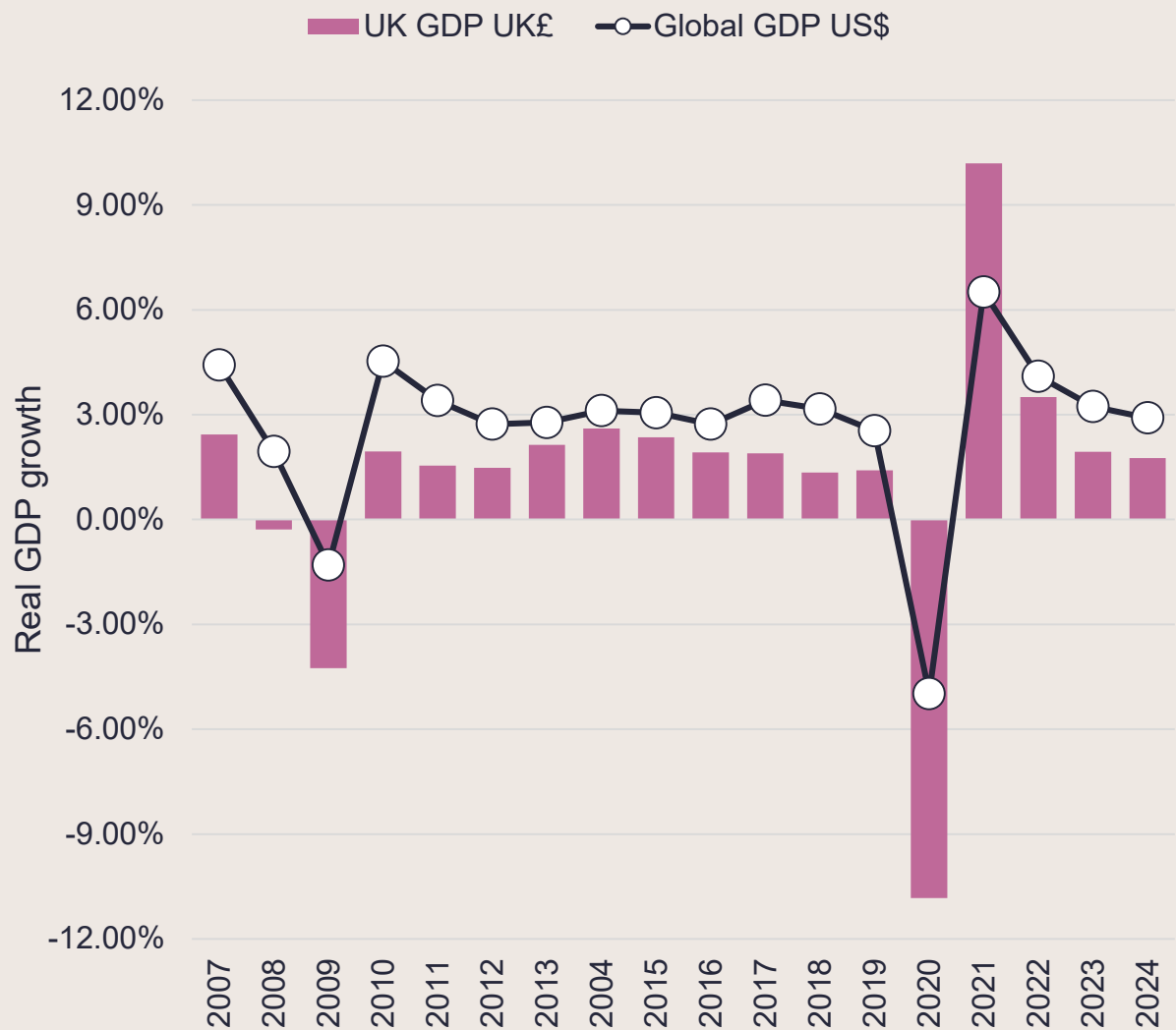
With additional new build supply in some locations

The outlook






New applicant levels are building













UK v Global Economic Forecasts



Prime Central London Outlook

| | 2020 | 2021 | 2022 | 2023 | 2024 | 5 year |
|--------|--|--|--|--|--|--------|
| Nov-19 |  +3.0% |  +6.0% |  +4.0% |  +4.0% |  +2.0% | +20.5% |

Prime Central London Outlook

| | 2020 | 2021 | 2022 | 2023 | 2024 | 5 year |
|---------|--|--|--|--|--|--------|
| Nov-19 |  +3.0% |  +6.0% |  +4.0% |  +4.0% |  +2.0% | +20.5% |
| June-20 |  -2.0% |  +4.0% |  +7.0% |  +4.0% |  +2.0% | +15.7% |

The Savills logo, consisting of the word "savills" in a red, lowercase, sans-serif font, is centered within a solid yellow square. The background of the entire slide is a photograph of a row of red brick townhouses with white window frames and balconies, dimmed to allow the logo to stand out.

savills

Thank you



Savills Kensington Residential Local Update

Pete Bevan – Head of Sales

Louise Good – Head of Lettings

Setting the scene – the start of 2020



Post election
bounce



New buyer
registrations
5x



Number of
offers
6x



Viewing
volumes
38%



Properties
available
-2.3%

Case Study: Pre-lockdown

savills



Campden Hill Square

- Guide £8.25 million
- 3,431 sq ft
- Communal Gardens



Post lockdown: June 20 vs June 2019



Volume of new buyer registrations (+252%)



Number of available properties (-3.9%)



Number of offers received (6x higher)



Volume of viewings (+14%)



Prices YOY (-0.7% flats / +1.1% houses)

Anecdotal trends:

- More activity on newly launched stock
- Attempted price chips from those u/o [generally rebuffed by sellers]
- Competition on 'best of the best' and competitively priced properties
- Busiest activity has been in sub £3m market
- £3m plus market waking up but limited by travel restrictions
- Buyers and sellers splitting budgets for country requirements

Case Studies: Post-lockdown



Arlie Gardens

- Guide £3.25 million
- 2,672 sq ft
- 4 en suite bedrooms



Pembroke Villas

- Guide £4.5 million
- 2,972 sq ft
- Sealed bids 1st July

Two most significant influences on super prime...

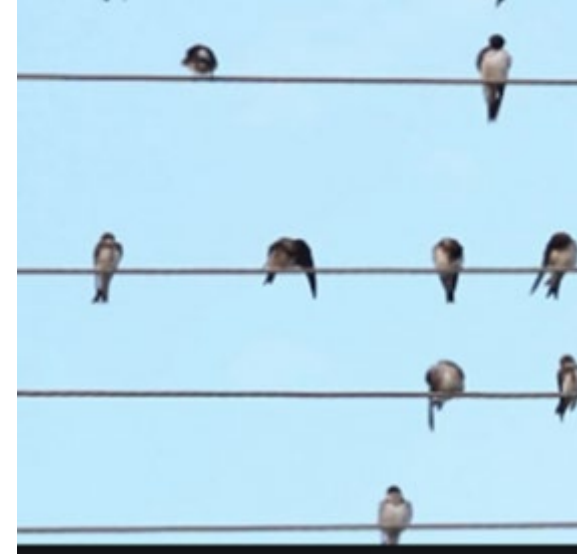
Discretion

- Best in class (location/architecture/finish)
- 'Right' price
- Few, if any, compromises
- Finished product as opposed to a project

- **58%** of £5m+ purchasers were international in 2019

Travel

What's 'hot'



Kensington Lettings

The market as lockdown eased...

Rent Levels



Stock Levels



Activity Levels



Family House Market



Corporate Services



What Do Tenants Want



Campden Street

- £3,750 per week
- 5 Bedrooms
- 4 Bathrooms
- 2 Reception Rooms
- Garden
- Indoor Pool

savills



Holland Park Villas

- £6,000 per week
- 4 Bedrooms
- 4 Bathrooms
- Reception Room
- Sought after development
- Swimming pool and other facilities



savills



Savills Interior Services



Health and safety





Thank you