

KENSINGTON **INSIGHT**

SUMMER 2021



Hamptons
THE HOME EXPERTS

KENSINGTON MARKET METRICS

In the heart of West London, Kensington's mature mews' and quiet streets still set the standard for prime twenty-first century living. Home to the first millionaires' row, Kensington Gardens - the capital's most expensive street, has been reshaped for modern life. Meanwhile further south, the mansion blocks on the southern side of Kensington High Street were the first purpose built flats and remain among the most desirable. And it's the High Street's resurgence, which gave birth to the modern London department store, that has put Kensington back on the West End shopper's radar.

Kensington's draw is as international as it is domestic. Among the first London neighbourhood to attract overseas attention, buyers from outside the country are predominantly from established Western European markets, most notably France. But Kensington's domestic draw is just as strong, with W8 standing top of Notting Hill, Maida Vale and Battersea's mover wish lists. It also features heavily as a preferred destination for buyers from the Home Counties coming into the Capital.

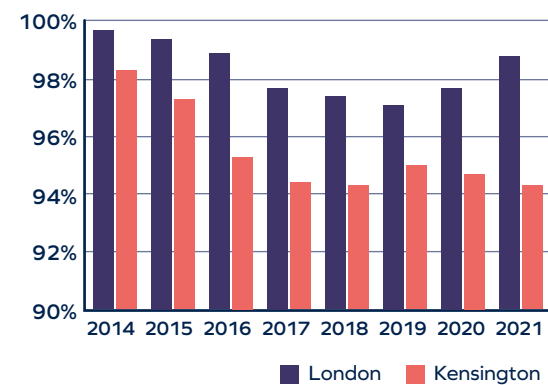
Over the medium to long term, price growth in Kensington has outpaced the London average by quite a margin. Prices in Kensington are more than double where they were on the eve of the last crash in 2007, compared to an 88% increase across Greater London. But since 2017, price growth in the capital has been driven by Outer London, further exacerbated by the pandemic induced space race. This has seen the gap between Inner and Outer London prices shrink from 50% to 30% over the last five years.

Like most prime central London markets, the average price of a home in Kensington today costs £100,000 less than at its peak in 2018, despite positive price growth in both 2019 and 2020. The average seller in Kensington this year achieved 94.3% of their asking price, while across the capital, Londoners have achieved 98.8%, the highest figure since 2016. This figure has been driven by the pace of the market in London's leafy outer Boroughs.

High house prices mean that time to sell in Kensington stands above the London average. The figure of 69 days is still however at the lowest level since 2015. Despite falls across the wider Capital, it still takes longer to sell a home in London than in any other region of the country. This has been driven by time to sell across much of the North and Midlands falling to a matter of weeks, rather than London's market showing signs of slowing.

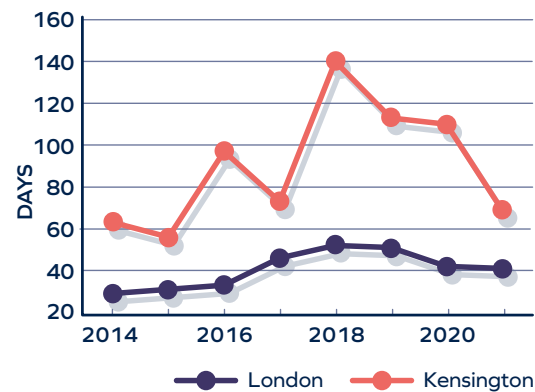
Asking to Achieved

Source: Hamptons



Time to Sell

Source: Hamptons



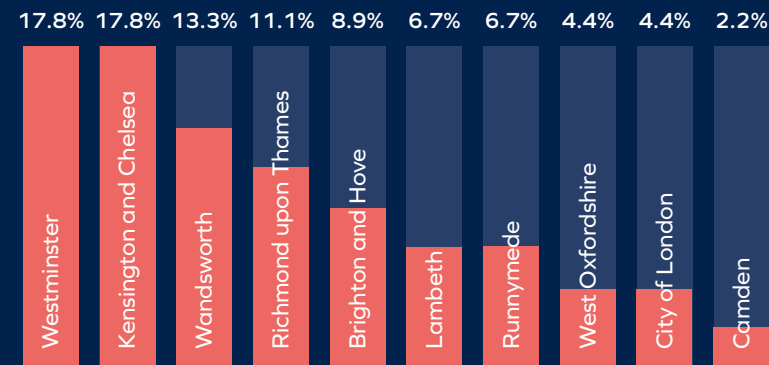
Price Growth

Source: Hamptons & Land Registry

	KENSINGTON	LONDON	ENGLAND & WALES
1 year	1%	1%	9%
2 year	4%	7%	17%
Since 2007 peak	101%	88%	45%

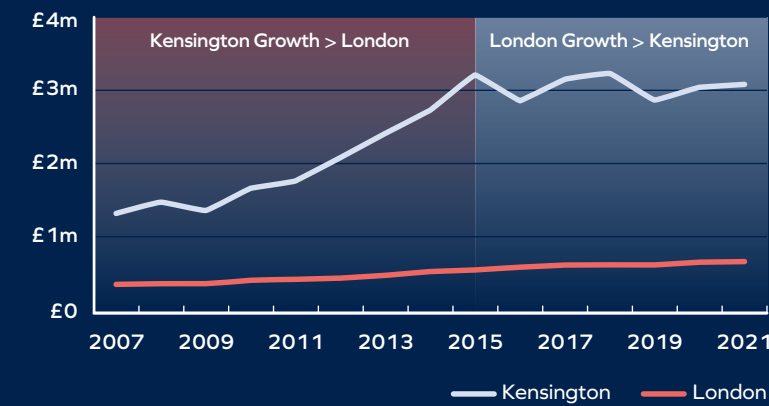
Where Domestic Buyers Come From

Source: Hamptons



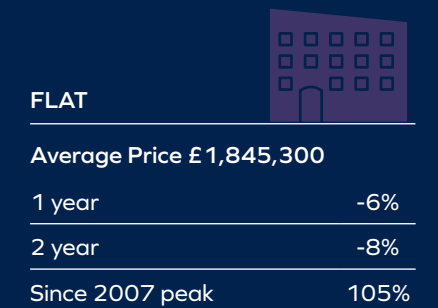
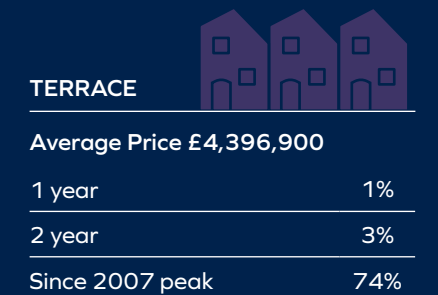
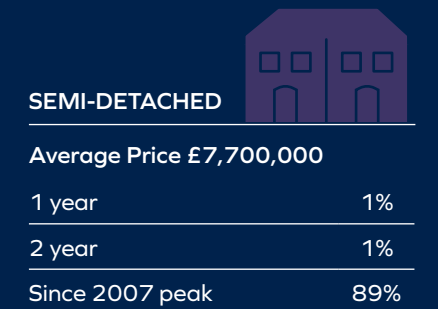
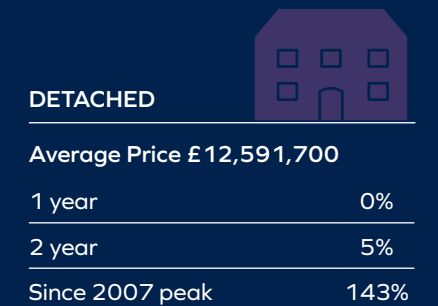
Average Prices

Source: Hamptons & Land Registry



Price Growth by Property Type

Source: Hamptons & Land Registry



RENTAL OUTLOOK



Overview

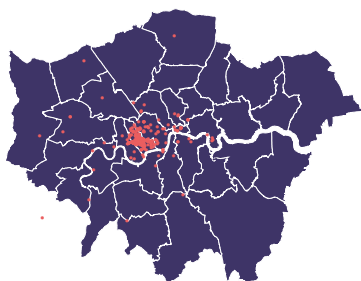
Rents in Kensington fell 6.5% over the last year, a smaller drop than in many other Inner London neighbourhoods. These falls have been driven in part by the lack of overseas travel, with limited numbers of tourists, students or business trips from abroad. Landlords catering for these markets have looked to secure long-term tenants, but at lower rents, than they had previously achieved.

While tenants come to Kensington from right across Central London, around 70% were living in the neighbourhood already. Typically these are people who are upsizing in an area they love or those who simply fancied a change of scenery. Falling rents over the last year have shrunk the differential between a one and a two-bed flat, making upsizing more affordable.

Inner London remains the only region of the country where rents are falling, although there are some signs this trend may be starting to reverse. Inner London rents stand 11% below where they were at the same time last year, a reduction from 20% earlier in the year. How close rents return to pre-pandemic levels is likely to be determined by the scale and pace with which office workers return to their desks and the unlocking of international borders. We expect Inner London rents to return to pre-pandemic levels by the middle of 2022.

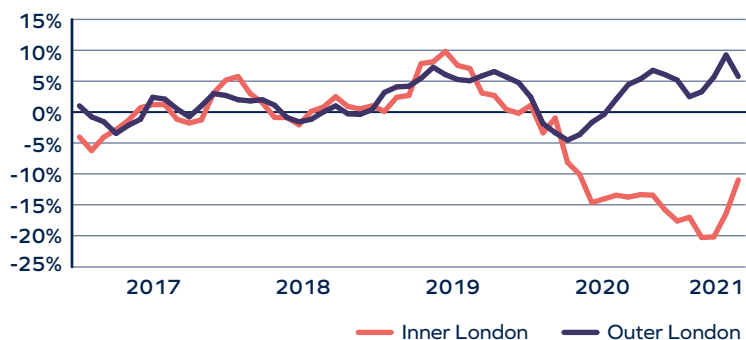
Where Tenants Come From ▶

Source:
Hamptons



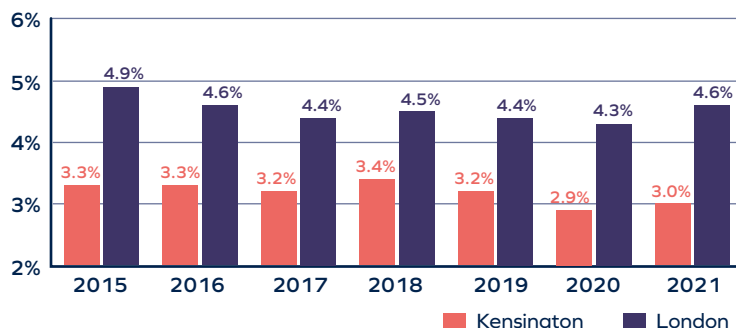
Annual Rental Growth ▼

Source: Hamptons



Average Gross Yield ▼

Source: Hamptons



Kensington Monthly Rent ▼

Source: Hamptons

	1-bed	2-bed	3-bed	4-bed	5-bed
Average monthly	£2,033	£3,162	£6,293	£7,585	£15,999
Annual change	-3.1%	-3.5%	-6.4%	-8.5%	-6.1%

If you are thinking of selling or letting, or just need some property advice, contact our Kensington experts today.

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