



# News Release

**Embargo – 00:01am, Wednesday 21<sup>st</sup> March 2012**

## London property prices undampened by budget speculation on mansion and wealth taxes

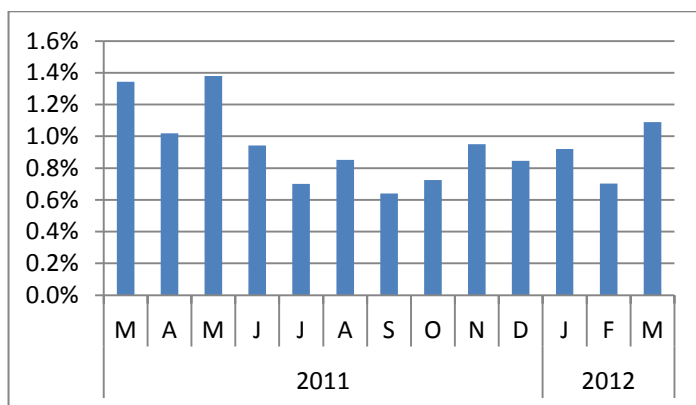
### Headlines for March 2012 results

- Prime Central London property prices increased by a further 1.1% in March
- Prices have now risen by 11.3% over the past 12 months, and by 2.7% in Q1 2012
- Sales subject to contract in the £5m+ bracket are up 93% in Q1 2012 compared to the same period in 2011, and by 42% across the whole of Prime Central London
- Supply is failing to keep pace, with new instructions up by just 12%, and down by 11% in the £5m+ sector

**Liam Bailey, Head of Residential Research at Knight Frank:** “Prices for Prime [London property](#) have been rising strongly for three years on the back of foreign demand and London’s position as a safe haven for investors. Once again our research highlights the status of London property as a unique global asset class, which has gained the confidence of investors looking for strong returns.

“The rising level of speculation over a potential mansion tax or new wealth taxes appears to have failed to dampen demand for prime London property, with prices rising at 1.1% in March this year, the fastest rate since last May.

“In fact evidence from market activity confirms the market has so far shrugged off the impact of calls for new taxes on the sector. New applicant volumes rose 26% in the three months to March this year, compared to the same period in 2011, and sales being agreed rose by a strong 42% over the same period.



Prime Central London average monthly price change

Source – Knight Frank Residential Research



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Knight Frank Prime Central London Index					
	KF Prime Central London Index	12 month % change	6 month % change	three monthly % change	monthly % change
Mar-10	4,367.0	19.60%	10.90%	5.10%	0.70%
Apr-10	4,425.7	20.70%	10.10%	5.30%	1.30%
May-10	4,487.7	20.40%	10.30%	3.50%	1.40%
Jun-10	4,526.4	19.50%	9.00%	3.70%	0.90%
Jul-10	4,506.0	17.10%	7.30%	1.80%	-0.50%
Aug-10	4,503.9	15.90%	3.90%	0.40%	0.00%
Sep-10	4,496.1	14.20%	3.00%	-0.70%	-0.20%
Oct-10	4,485.7	11.60%	1.40%	-0.40%	-0.20%
Nov-10	4,524.3	11.20%	0.80%	0.50%	0.90%
Dec-10	4,583.9	10.30%	1.30%	2.00%	1.30%
Jan-11	4,633.7	10.30%	2.80%	3.30%	1.10%
Feb-11	4,679.7	8.00%	3.90%	3.40%	1.00%
Mar-11	4,742.5	8.60%	5.50%	3.50%	1.30%
Apr-11	4,790.8	8.20%	6.80%	3.40%	1.00%
May-11	4,856.9	8.20%	7.40%	3.80%	1.40%
Jun-11	4,902.7	8.30%	7.00%	3.40%	0.90%
Jul-11	4,937.0	9.60%	6.50%	3.10%	0.70%
Aug-11	4,979.1	10.50%	6.40%	2.50%	0.90%
Sep-11	5,010.9	11.40%	5.70%	2.20%	0.60%
Oct-11	5,047.2	12.50%	5.40%	2.20%	0.70%
Nov-11	5,095.2	12.60%	4.90%	2.30%	1.00%
Dec-11	5,138.3	12.10%	4.80%	2.50%	0.80%
Jan-12	5,185.5	11.90%	5.00%	2.70%	0.90%
Feb-12	5,222.0	11.60%	4.90%	2.50%	0.70%
Mar-12	5,278.9	11.30%	5.30%	2.70%	1.10%

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## Notes to Editors

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The Knight Frank Prime Central London Index, established in 1976, is the longest running and most comprehensive index covering the prime central London residential marketplace. The index is based on a repeat valuation methodology that tracks capital values of prime central London residential property. 'Prime central London' is defined in the index as covering: Belgravia, Chelsea, Hyde Park, Kensington, Knightsbridge, Marylebone, Mayfair, Notting Hill, Hyde Park, Riverside\*, The City and Fringe and St John's Wood. 'Prime London' comprises all areas in prime central London, and in addition Canary Wharf, Fulham, Hampstead, Richmond, Wandsworth, Wapping and Wimbledon. \* Riverside covers the Thames riverfront from Battersea Bridge in the west running east to encompass London's South Bank

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