

inside/ *Kentish Town*

Review of the *Kentish Town* residential property market

Issue 1

**4% INCREASE
IN NW5 RENTS
BETWEEN JUNE
AND AUGUST**

**9% INCREASE
IN OFFERS ON
PROPERTIES
FOR SALE**

**25% INCREASE IN
VIEWINGS AND
27% INCREASE IN
OFFERS ON RENTAL
PROPERTIES**

CHESTERTONS

/ SALES MARKET OVERVIEW

Buyer interest has picked up in 2019, notably so from late summer, and Chestertons recorded a 9% increase in offers made on properties in the year to August. However, buyers have been frustrated by a shortage of buying opportunities and there was a 16%** drop in the number of available properties at the beginning of September compared to the same point in 2018. Vendors have been reluctant to market their properties against a backcloth of Brexit related uncertainty, especially if they are unable to achieve their price expectations.

Demand is predominantly from owner occupiers and is particularly strong for properties within the £700,000 - £1.1m price range. Families are attracted by prices which represent relative value for money compared to other comparable parts of London and the excellent reputation of local schools, such as Camden School for Girls and several primary schools. The area is also popular with French families as there are two French language schools nearby – the Collège Français Bilingue de Londres and La Petite Ecole

Bilingue. We have also seen good demand from owners looking to downsize.

The first time buyer market has slowed this year due to affordability issues which have not improved despite price falls, the availability of Help-to-Buy assistance and low mortgage interest rates. Without help from the Bank of Mum and Dad, raising a deposit is often a major stumbling block. Above £1.5m the market is also less active, although this is partly due to fewer properties being available to purchase at this end of the market.

Values in NW5 have fallen this year – by 6.6%** in the three months to August compared a year ago - and realistic pricing is essential if vendors wish to sell quickly. There was an average discount of 5.2%** on the initial asking price of sales recorded between June and August and at mid-September**, nearly half of all properties on the market had been reduced in price.

**Source: Lonres.



“I love the bustle and vibrancy of Kentish Town, the independent streak of Tufnell Park and the undiscovered cool of Holloway and Archway. The superb amenities and facilities, outstanding schools, amazing pubs and eateries, first rate transport links and proximity to some of London’s finest open spaces make this one of the best places to live and work in the Capital.”

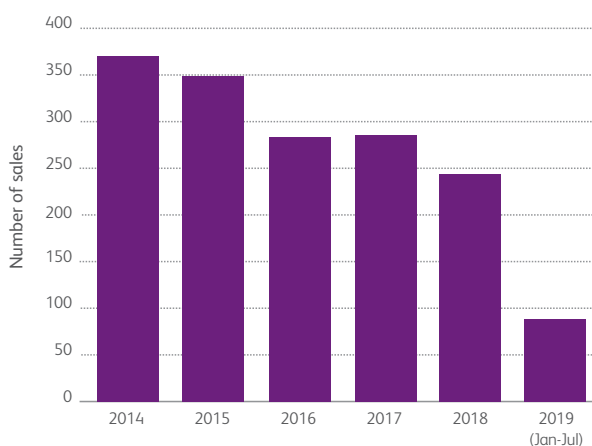
Andy Sewell, Kentish Town Sales Manager

/ SALE PRICES

Property type	Guideline sale values	
	From	To
One-bed apartment	£275,000	£600,000
Two-bed apartment	£450,000	£1,100,000
Three-bed apartment	£700,000	£1,400,000
Three-bed house	£1,000,000	£1,500,000
Four-bed house	£1,250,000+	

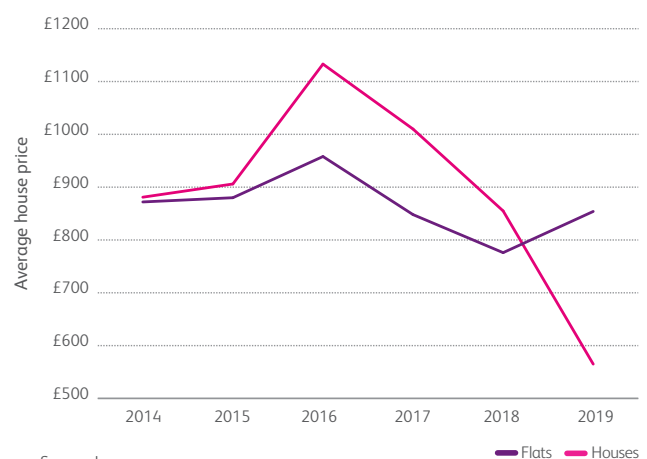


NW5: residential sales



Source: Land Registry

NW5: sold prices per sq ft (Jun – Aug each year)



Source: Lonres

Legend: Flats (purple line), Houses (pink line)

/ LETTINGS MARKET OVERVIEW

Lettings demand has also increased this year, with the traditional peak season from the beginning of summer until mid-autumn proving exceptionally busy. Chestertons recorded a 25% increase in viewings and a 27% increase in offers in the first eight months of the year. The number of lettings also rose but the increase was less dramatic due to a reduction in the supply of properties available to rent, especially for well-presented properties in good locations, in large part due to the impact of landlords selling properties.

Consequently, rents increased by 4%** across NW5 in the three months to August compared to the same period a year ago. Despite this, landlords need to ensure that their properties are in good condition to achieve the best rents. At mid-September, the initial asking rent on 17%** of properties available to rent in NW5 had been reduced.

The core demand is from professional singletons and couples looking for one and two bed flats and families looking for houses within reasonable proximity of good schools.

We have noticed more demand for shorter contract lengths (less than six months) this year which may reflect buyers waiting for the right opportunity and some Brexit related uncertainty, although this is more apparent in the sales market.

New development in neighbouring areas is accelerating the ongoing gentrification of Kentish Town which in turn is attracting more demand. Rents are lower than in neighbouring Camden and with the Thameslink upgrade now completed and supplementing the Northern Line connection, access to the major employment centres of the City and the West End has improved.

Investors have been quieter this year and most activity has come from overseas buyers taking advantage of the weak pound and targeting new developments. Yields have risen over the past 12 months and local investors may be tempted to step back into the market. Gross yields of 4%-plus are currently achievable on flats.

**Source: Lonres.



“Kentish Town has a strong lettings market, with renters attracted by the excellent transport links into the City. Kentish Town is affordable, yet close to Central London and with the re-generation happening in Kings Cross attracting more blue chip companies, a lot more corporate tenants are now renting in the area.”

Ashley Mitson, Kentish Town Lettings Manager

/ RENTAL VALUES

Property type	Guideline weekly rental values	
	From	To
One-bed apartment	£320	£450
Two-bed apartment	£450	£650
Three-bed apartment	£550	£800
Three-bed house	£800	£1,200
Four-bed house	£1,000	£1,500



/ OUTLOOK

We expect the supply of properties available for sale to remain low over the next 12 months as vendors wait to see which way the market turns. The uncertainty of the past three years has resulted in a considerable build-up of unsatisfied buyer demand which, when released, could quickly outpace supply and place upwards pressure on prices.

It is likely that smaller landlords with mortgage debt will sell properties over the next year while demand for rented accommodation is expected to follow its usual seasonal patterns. This suggests that there is potential for further rental growth.

/OUR SERVICES

Chestertons provides a range of services to homeowners, landlords and investors. With more than 30 offices across London, Chestertons has one of the largest networks in the capital, as well as a strong international presence.

Our services include:

- **Sales:** We will manage the entire sales process, from giving an accurate and realistic valuation of the property, through to advising on the most effective marketing strategy and managing the legal process once an offer has been accepted.
- **Lettings:** Our highly qualified teams ensure we find the best quality tenants and achieve the best possible rents and terms, protecting landlords' investment and their tenants' well-being through our professional customer service and stringent compliance processes.
- **Property management:** We offer a full suite of services ranging from securing tenants and rent collection, through to full management of individual properties and portfolios.
- **Leasehold services:** We specialise in helping clients with the valuation and negotiation process involved in lease extensions, freehold purchases and collective enfranchisement.
- **Mortgage finance:** We specialise in arranging finance for properties at the mid to top end of the market through our partner Springtide Capital.

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