

SALES

Central London Market Review - Q1 2023

Q1 2023 vs Q1 2022:

New Buyers

-13%

Viewings

+17%

Offer Numbers

+55%

PCL £ / SQ FT

-2.8%

In times of uncertainty, we remember the quote by Warren Buffet: “price is what you pay, value is what you get”.

As we moved through Q1 2023, it became clear that the landscape was evolving. Concerns over inflation, while present, have given way to fears of deeper financial worry, riding on the back of SVB and Credit Suisse. Contrary to this, our sales teams have seen continued and robust demand for the best, and accurately priced properties. While global uncertainty increases, the fact of the matter is that there is always uncertainty and we have learned to live with this - life goes on. The status of London on the global stage remains strong and the attraction of owning

a property here remains. Testament to this is the fact that the number of offers we have received in Q1 is significantly above that of last year. As is the number of viewings we have carried out. New buyer registration is down which shows that there is a focus amongst buyers - there are fewer buyers, but those in the market are more focused.

“there is always uncertainty and we have learned to live with it”.

Accurate pricing is fundamental to achieving a sale. Stock levels have been lower than we are traditionally used to which results in some agents seeking to grab market

share. The easiest way to do this is through over-pricing only for the property to require a price reduction and the sale time to be extended. Leading data analyst [LonRes.com](https://www.lonres.com) tells us that the average discount from asking price in PCL has risen from -4.7% in July last year, to -8.4% in February this year. This is in part due to some agents inflating asking prices, but a significant contributor is the need for vendors to negotiate more on price. There is a present and widening gap between sellers’ expectations and prices that buyers are paying.

Further research from LonRes shows that the longer a property is on the market, the greater the discount from the asking

price required to achieve a sale. In September last year, those properties that sold within the first 3 months achieved within 1.7% of the asking price. Those that took 6-12 months to sell, required a discount of -7.3 from the asking price. The key therefore is accurate advice from the outset.

At Maskells, we saw a slower start to the year in January and February, with the number of properties we had under offer down on usual levels. This all changed in March. The increase in offer numbers we have experienced has resulted in more sales being agreed. March saw a resurgence and our pipeline of sales agreed is looking very healthy indeed. 75% of the properties that we have under offer are to cash buyers. A number of these properties had been

represented by other agents at higher prices, to no avail. Maskells was introduced; advising accurately and putting in place the correct strategy has been the factor to make the difference.

“Accurate pricing is fundamental to achieving a sale”.

Looking forwards, we expect there to be a great deal of speculation surrounding falls in prices - Prime London has seen the average £/sq ft achieved fall by 2.8% in the last year. But this must surely be balanced with the fact that when there is global uncertainty, there is often a “flight to safety” - and London real estate is often seen as such.

Our feeling at Maskells is that Warren Buffet is right.

All agents have a price for our services. However the degree of value added by each agent varies considerably. There are some who will seek to win the business with the oldest trick in the book - promising a figure that the market is unlikely to support, and wait for the phone to ring. Those agents that add the most value are those that will be brave, and give the right advice, ensuring that the interests of the client are put first. And once they have been trusted with a sale, work tirelessly until the best possible result is achieved - being prepared to commit the time and resources to the sale, as they believe in the advice provided and strategy advised. Maskells is an agent that adds every bit of value, to ensure that we are worth the price.

Click here to read more about selling with Maskells...

CONTACT US

If you would like to sell, buy or rent a property, or if you would just like some impartial advice, we would be delighted to help.



Jamie Hope

Director of Sales

020 7581 2216

jhope@maskells.com



Gareth Jones

Director of Sales

020 7887 2532

gjones@maskells.com



Peter Hermon - Taylor

Director of Lettings

020 7581 2216

peterHT@maskells.com

