

SALES

Central London Market Review - March 2024

Last 3 months vs same period last year.



New Buyers

+16%

Viewings

+32%

Offer Numbers

+3.7%



Fortune Favours the Brave.

There is an expression in banking; "There is no such thing as a bad asset, just a bad price".

The PCL market has seen it all in the last 10 years. The key theme that has been intertwined with the success of our clients, is our ability to provide outstanding advice and adapting quickly to market conditions. In a rising market, extracting value is almost easier done than said as offers are readily volunteered by buyers and once a transaction is in the hands of the lawyers, momentum and desire mean that the probability of a successful transaction is high.

"Our average agreed price is +11.1% over the asking price".

Yet, there is no escaping the fact that the PCL market has a headwind. In these circumstances, it is critical that sellers have an agent they trust, to proactively provide outstanding advice which reflects market conditions and is progressive, getting out ahead of the market rather than being passive, behind market trends.

While there are always exceptions, the general theme of the market is such that sales take

time and when a buyer is found, without the leverage of competition, it is harder to persuade buyers to increase their offers substantially. In our core area of operation, data from lonres.com shows that 53% of properties have been on the market for over 6 months and 74% for over 3 months. Achieved sales prices are on average -10.7% below initial asking prices. Most properties sell after a price reduction. Traditional pricing strategies of "price high and negotiate" are mostly resulting in lengthy sales times and prices having to be reduced.

It is a common dynamic at present that an agent carries out many viewings at an initial asking price which could be described as optimistic or even in some cases realistic, yet buyers lean back, saying "nice place, but we'll keep looking". The good agents will understand the trajectory – that this is likely to continue, and buyers need to see value before committing. Letting an instruction "coast" will result in a weaker outcome. The experienced agent will advise an adjustment in price – very often, after a price reduction, there are multiple offers, often from buyers who have already seen the property. It is regularly the case that multiple offers then push the price up over the

asking price and in some cases, over the original asking price.

The validation of the quality of a property is key in the often-subconscious mind's eye of a buyer. People want what other people want and an offer on a property will often draw others out. In identifying this dynamic, and the strength of the results that can be achieved, this is something we have been discussing at great length with sellers where a bold pricing strategy is suitable. Using an incredibly positive pricing strategy – undercutting the market - is a strategy that takes bravery and divides opinion. But in a market where agents are having to work extremely hard to extract offers from the market, putting in place brave pricing strategies – aimed at generating multiple offers – is giving control of the sale back to sellers and often results in far better outcomes than traditional pricing strategies. This is working on the principle that a property is worth 100, we use an asking price of 90 and often achieve a sale at 110.

Testament to this are the sales that we have agreed in the last month at Maskells. Our average “agreed” price is 11.1% more than the asking price, with the average marketing time at 15 days from launch to offer being accepted after competing offers. A traditional pricing

strategy can often take months for the market to demonstrate where value sits and even then interest is piecemeal. With one buyer offering, the sale lacks momentum. Where there is apathy in the market, we seek to change the narrative and empower our clients; undercut the market and generate competition – buyers aren't afraid to compete. In fact, interest from multiple buyers can increase the desire to secure a property. This isn't the solution in every case – some properties are unique and require a search for the right buyer. But in more general terms; through competition, there is a greater probability that our clients will benefit. Sale prices are elevated and successful transactions more likely.

“we seek to change the narrative and empower our clients”.

While banking and the real estate advisory process are very different and there are a great many idiosyncrasies that we must consider, property value and property pricing are two separate matters.

We seek to put our clients in a position where they can achieve a sale on their terms. And often those vendors that see the best fortune, are those that are brave.

In the Spotlight



Maskells has been instructed as Sole Agent on the sale of this wonderful house on Lennox Gardens Mews – arguably one of the finest mews addresses in London.

The house offers excellent proportions and the opportunity for an incoming purchaser to create a home to their own exacting standards. The house is asking £4,750,000 and offers over 2,100 sq ft of accommodation as well as off street parking.

Click here to read more about selling with Maskells.

Click here to download the latest Lonres market report.