High demand for rental accommodation in North West London by John M. Alcorn

Article published on January 25th 2012 | Real Estate

Is there another rental boom brewing in London? Historically in the capital, rents demonstrate a distinct spatial pattern over time, rising initially in a cyclical upswing in prime central London, then wider London, starting with the outskirts of central London, before spreading out across the rest of the country. This is known as the ripple effect.

A glance at the market in London suggests that a mini boom is occurring. The latest HomeLet Rental Index reveals that average rents in London have increased by 13 per cent over the past year, led by growth in prime central London and its outskirts, most notably in St John's Wood and Primrose Hill.

A shortage of flats to rent in Primrose Hill in relation to demand has pushed property prices in the area significantly higher over the past year.

Primrose Hill, located on the north side of Regent's Park in North West London, is home to one of the most famous parks in Britain. The top of the hill in Primrose Hill offers a clear view of central London to the south east. It is one of the most exclusive and expensive residential areas in London.

"There is always strong demand for property within easy reach of London's parks," said Spencer Botchin, director at leading London-based estate agents Sandfords.

Nearby St John's Wood, located a short distance from London's West End, is another area proving extremely popular with tenants.

Strong demand for flats to rent in St John's Wood as well as houses to rent in St John's Wood has caused local rental values to soar in recent months, with prices expected to increase further over the next few months.

Adam Feather of Robert Anthony estate agents said: "St John's Wood is without doubt one of the most desirable places to live in London. Top bids are often required to secure the best homes to rent in the area, due to a real shortage of homes, which should force rental prices higher in the coming months."

The prospect of higher rental values is an attractive one for existing landlords.

Despite the fact that rents in London have soared in the past 12 months, thanks mainly to rising demand from young people who in the past would have been first-time buyers, rents are expected to increase even more in 2012.

Jones Lang LaSalle, a property consultancy, says typical UK rents will increase by another five per cent on average in 2012, led by growth in London.

London will see the biggest lettings boom. Jones Lang LaSalle projects that the capital's rents will rise by another seven per cent in 2012.

Jon Neale, research director at Jones Lang LaSalle, told the press: "London's employment market remains intense and there's still strong population movement into the capital. But the stock of rented property has hardly increased over the past few years.

Mr. Neale predicts that there will be 150,000 more London households renting than before the financial crisis. He also expects there to be more private tenants in London than people with mortgages by 2015, with areas such as Primrose Hill and St John's Wood expected to continue to command the greatest demand amongst tenants.

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John M. Alcorn - About Author:
John Alcorn reports that demand for a flats to rent in St Johns Wood and a houses to rent in St Johns Wood is soaring, while more people are also looking for flats to rent in Primrose Hill.

Article Keywords:
Flats To Rent in St Johns Wood, Flats To Rent in Primrose Hill, Houses To Rent in St Johns Wood

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