



Residential Sales Report for 39 Fitzjohn's Avenue, London NW3

Presented by Goldschmidt & Howland

April 2020

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125
Years

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Contents Page

1. Introduction
2. The Development
 - Site location
 - Site description
3. The Hampstead Market
4. Goldschmidt & Howland
5. Pricing
6. Important Note



Introduction

This residential agency proposal has been prepared for 39 Fitzjohns Avenue Limited regarding the development at 39 Fitzjohn's Avenue by Goldschmidt & Howland, setting out our understanding of the project, the marketplace, demand and sales value.

The Development

Site Location

Situated on the corner of Fitzjohn's Avenue and Maresfield Gardens, just South of Hampstead Village and a moment's walk from the numerous cafes, shops and restaurants of Hampstead High Street. Hampstead is one of the most popular and affluent suburbs of North West London and is particularly renowned for its numerous and high quality schools. Taking the above into account, property prices have always remained high in the area and there is rarely a shortage of purchase for the right product.

Site Description

The site currently consists of one large residential dwelling totalling in excess of 22,000 Square Feet. The dwelling sits on 0.37 hectares.

Overview – The Hampstead Market

The values of prime properties in NW3 have remained broadly neutral over the last 12 months. Values in certain segments, notably new build, have fallen whilst "best in class" second-hand properties have seen modest increases in value.

Many buyers, who had adopted a wait and see approach, have committed to transactions in recent months enticed by good value and exceptionally low borrowing costs.

There has been a substantial increase in new buyer registrations in this period across price and type segments has resulted in a considerable pent up demand. Goldschmidt & Howland Hampstead Office report a 56% increase against the same period the previous year.

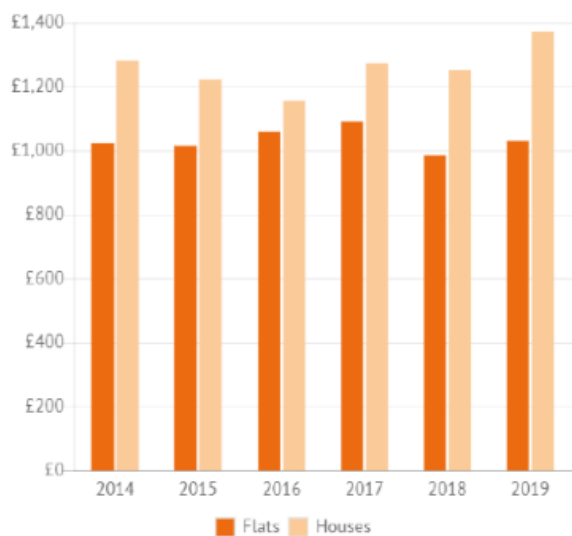
Transaction levels have increased materially since Q4 2019, Goldschmidt & Howland report an increase of 61% in transaction volumes against the same period the previous year (flat sales in NW3), with significant confidence returning to the market following the General Election and the UK entering the final stages of Brexit. House prices started to increase, albeit very modestly, as supply had not kept up with the pent up demand as well as availability of cheap debt.

The trend in Q1 2020 is very positive but clearly the full extent of the impact of Covid -19 is unknown at this stage. Recent market activity demonstrates the continued appeal of London property at the right price but buyer sentiment will remain fragile until the crisis is under control and some sense of normality is restored to the market and both the local and global economies.



Achieved Prices by Year

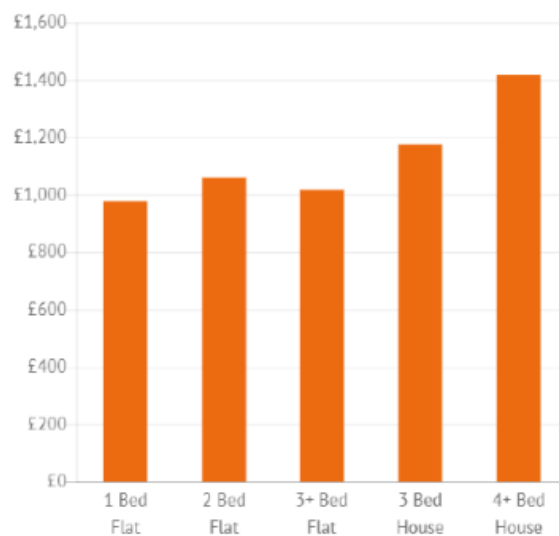
(£ per square foot)



Source: LonRes - Aug-Oct

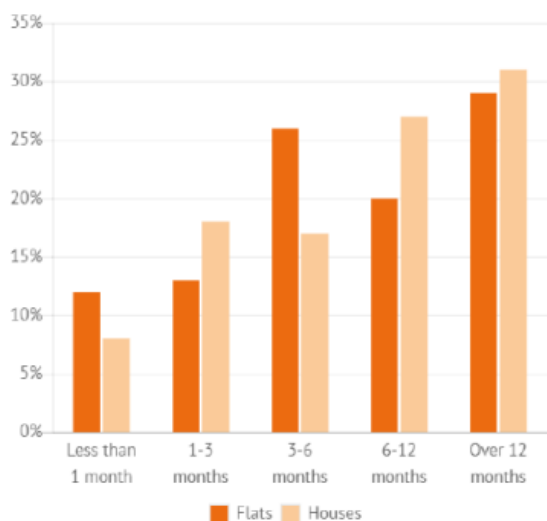
Achieved Prices by Property Type

(£ per square foot)



Source: LonRes - Aug-Oct 2019

Time on the Market



Source: LonRes - As at Nov 25th 2019

Properties on the Market by Price Band



Source: LonRes - As at Nov 25th 2019

- 32.5% of properties on the market are priced over £2m.
- 49.2% of properties currently available have been on market for over 6 months.
- Lonres shows an increase in achieved price (1.9%+) with transaction volumes down (-17.6%).
- Average £1098/sqft

Source: Lonres Hampstead Report Aug-Oct 2019

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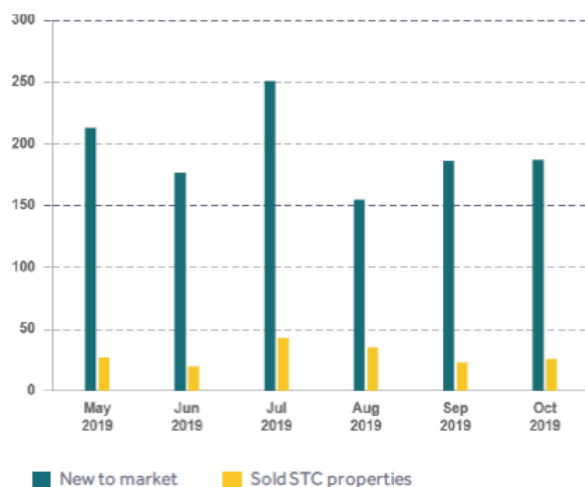
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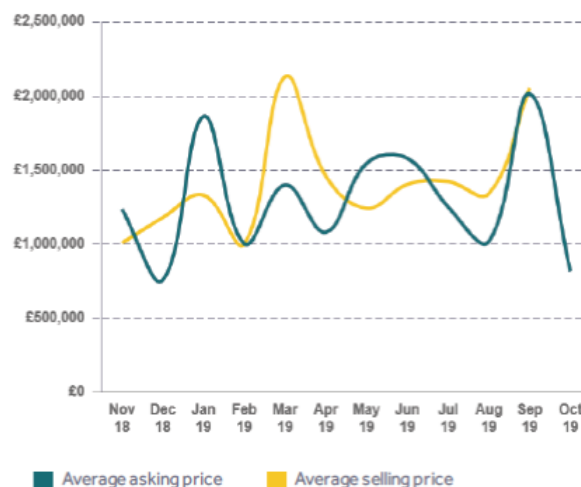


Market Information



New vs. sold subject to contract (STC) properties within 1 mile of NW3 2AQ

This graph shows the number of newly listed and sold subject to contract (STC) properties listed by all agents, over the last 6 months on Rightmove. It's a good indicator of the recent supply and demand levels for properties like this.



Average prices of properties within 1 mile of NW3 2AQ

This graph shows the average asking price and final selling price of properties like this, listed by all agents, over the last 12 months on Rightmove. The Land Registry sold price data is usually only available 2-3 months after a sale is completed.

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Goldschmidt & Howland

Founded in Hampstead in 1888, Goldschmidt & Howland is one of London's longest established premier residential estate agency brands. Still occupying our original Hampstead premises, we are one of only two businesses that have remained continuously in operation in Hampstead Village over the past century, the other being Barclays Bank. As a result of our heritage, the G&H brand and the values we represent are widely known and trusted in North, North West and West London. Through our current network of six interlinked offices, we dominate our markets and provide the full spectrum of residential sales, residential lettings, investments and property management businesses.

No other local estate agency brand is as well recognised within our core footprint or markets.

We are the leading agent in each of the areas in which we operate. Our strong market position is underpinned by our leading brand and deep-rooted relationships across the full spectrum of prospective property buyers, search agents and vendors as well as our unique approach to doing business.

Our brand values and organisational culture is founded on the principle of providing an outstanding standard of service that consistently exceeds customer expectations. Professionalism and integrity is at the core of everything we do, ensured through a number of strictly enforced internal policies at all stages of the transaction process.

We currently employ 72 people with an unrivalled combination of industry and local expertise and a long successful record of staff retention. The average length of employment with G&H is six years for all staff and 12 years for senior staff. This allows us to sustain a strong and distinctive culture.

We have an outstanding team who produce results, leading to relationships with some of the most recognised developers in London. Our current housebuilder client portfolio is extensive including national housebuilders as well as niche developers. Our current development list consists of over 900 units, worth in excess of £1.4 billion deliverable over the next two years.

We provide a range of on-going advice and consultancy on all aspects of the sales and marketing of developments.

- Design & Specification
- Pricing
- Competition & Market conditions
- Target market
- Timing of sale
- Marketing strategy

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Pricing - 35 Apartment Scheme

| Apr-20 | | | | | | | |
|----------------------|-------------|-------------|---------------|---------------|--------------------|------------------|------------------|
| | | | | | | | |
| Basement | Unit | Beds | Sqm | Sqft | Cap Value | £(sqft) | RENTAL PW |
| | BL01 | 3 | 92.0 | 990 | £985,000 | £995 | £750PW |
| | BL02 | 2 | 73.0 | 786 | £835,000 | £1,063 | £625PW |
| | BL03 | 3 | 103.0 | 1,109 | £1,135,000 | £1,024 | £825PW |
| Total | 3 | | 268.0 | 2,885 | £2,955,000 | £1,024 | |
| Garden | Unit | Beds | Sqm | Sqft | Cap Value | £(sqft) | |
| | LG01 | 3 | 85.0 | 915 | £955,000 | £1,044 | £750PW |
| | LG02 | 2 | 71.0 | 764 | £805,000 | £1,053 | £650PW |
| | LG03 | 2 | 68.0 | 732 | £790,000 | £1,079 | £650PW |
| | LG04 | 0 | 39.0 | 420 | £370,000 | £881 | £350PW |
| | LG05 | 1 | 56.0 | 603 | £550,000 | £912 | £500PW |
| | LG06 | 2 | 66.0 | 710 | £665,000 | £936 | £625PW |
| | LG07 | 1 | 50.0 | 538 | £490,000 | £910 | £475PW |
| | LG08 | 2 | 63.0 | 678 | £625,000 | £922 | £475PW |
| Total | 8 | | 498.0 | 5,360 | £5,250,000 | £979.39 | |
| Raised Ground | Unit | Beds | Sqm | Sqft | Cap Value | £(sqft) | |
| | GF01 | 2 | 63.0 | 678 | £895,000 | £1,320 | £575PW |
| | GF02 | 1 | 50.0 | 538 | £670,000 | £1,245 | £500PW |
| | GF03 | 1 | 50.0 | 538 | £670,000 | £1,245 | £500PW |
| | GF04 | 1 | 50.0 | 538 | £670,000 | £1,245 | £500PW |
| | GF05 | 0 | 38.0 | 409 | £445,000 | £1,088 | £350PW |
| | GF06 | 2 | 73.0 | 786 | £970,000 | £1,234 | £650PW |
| | GF07 | 1 | 51.0 | 549 | £645,000 | £1,175 | £500PW |
| | GF08 | 2 | 82.0 | 883 | £1,010,000 | £1,144 | £600PW |
| | GF09 | 2 | 63.0 | 678 | £820,000 | £1,209 | £575PW |
| Total | 9 | | 520.0 | 5,597 | £6,795,000 | £1,213.98 | |
| First | Unit | Beds | Sqm | Sqft | Cap Value | £(sqft) | |
| | FF01 | 2 | 64.0 | 689 | £885,000 | £1,285 | £595PW |
| | FF02 | 2 | 73.0 | 786 | £985,000 | £1,254 | £650PW |
| | FF03 | 2 | 80.0 | 861 | £1,095,000 | £1,272 | £675PW |
| | FF04 | 2 | 76.0 | 818 | £1,010,000 | £1,235 | £650PW |
| | FF05 | 2 | 84.0 | 904 | £1,110,000 | £1,228 | £695PW |
| | FF06 | 3 | 87.0 | 936 | £1,130,000 | £1,207 | £750PW |
| Total | 6 | | 464.0 | 4,994 | £6,215,000 | £1,244.37 | |
| Second | Unit | Beds | Sqm | Sqft | Cap Value | £(sqft) | |
| | SF01 | 2 | 70.0 | 753 | £915,000 | £1,214 | £625PW |
| | SF02 | 1 | 50.0 | 538 | £635,000 | £1,180 | £500PW |
| | SF03 | 2 | 63.0 | 678 | £815,000 | £1,202 | £595PW |
| | SF04 | 2 | 70.0 | 753 | £915,000 | £1,214 | £625PW |
| | SF05 | 2 | 75.0 | 807 | £965,000 | £1,195 | £625PW |
| | SF06 | 2 | 78.0 | 840 | £1,015,000 | £1,209 | £650PW |
| Total | 6 | | 406.0 | 4,370 | £5,260,000 | £1,203.61 | |
| Third | Unit | Beds | Sqm | Sqft | Cap Value | £(sqft) | |
| | TF02 | 1 | 51.0 | 549 | £570,000 | £1,038 | £500PW |
| | TF02 | 2 | 81.0 | 872 | £930,000 | £1,067 | £650PW |
| | TF03 | 1 | 50.0 | 538 | £550,000 | £1,022 | £500PW |
| Total | 3 | | 182.0 | 1,959 | £2,050,000 | £1,046.43 | |
| Grand Total | 35 | | 2338.0 | 25,166 | £28,525,000 | £1,133.46 | |

This pricing appraisal assumes the following:

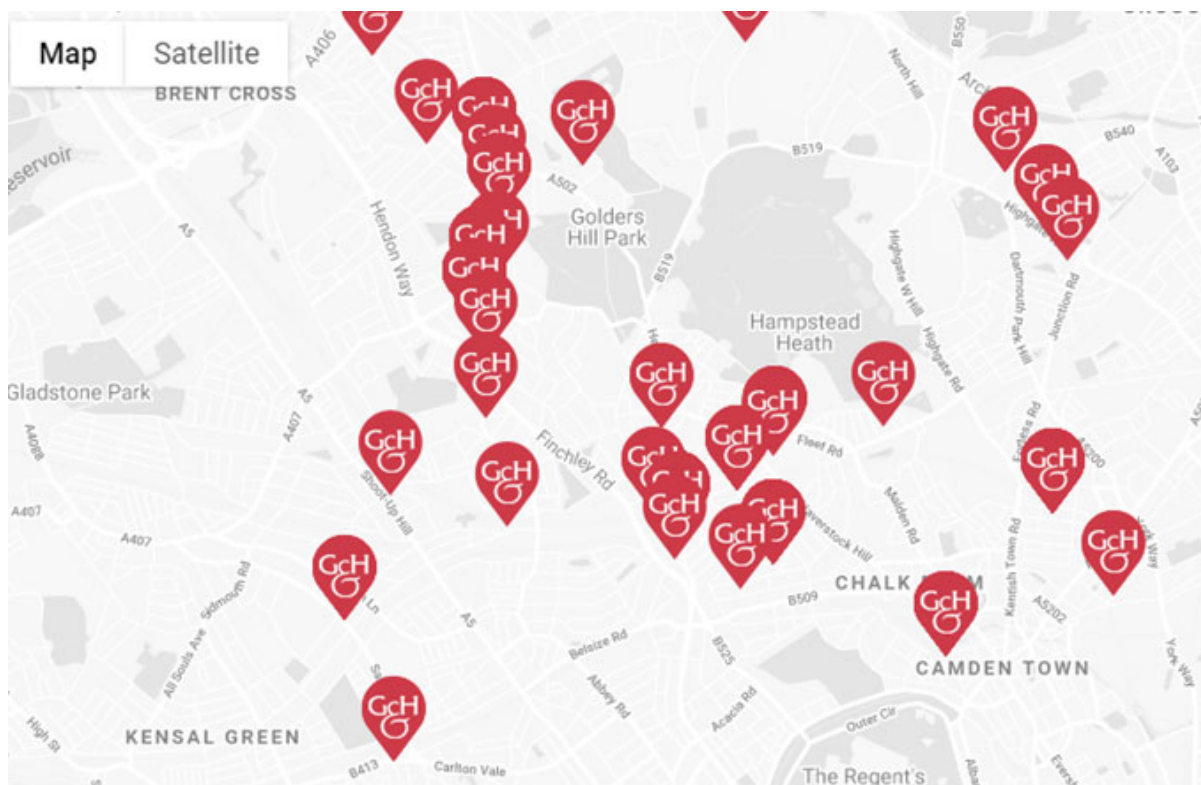
1. New build to a premium specification.
2. Car free scheme
3. Leasehold 999 years
4. NHBC or similar building warranty
5. Prices assume sales at PC and with show apartment(s)

NB. We confirm that this advice is given purely for marketing purposes only and is not to be considered or used as a formal valuation or structural survey and is subject to any variances in the marketplace.



Market Competitor Analysis

1. Belsize Lane, Belsize Park NW3 (Godfrey London)
Completed | 1 unit available at £2,500,000 (3 bed, 2052 sqft)
2. Otto Schiff House, 14 Netherhall Gardens, London, NW3 5TQ (Godfrey London)
Completed | 2 units available at £1,950,000 (1420sqft) and £3,495,000 (2394sqft)
3. Hampstead Manor, Kidderpore Avenue, London, NW3 7ST (Mount Anvil)
Completed | 33 units available (£740,000 to £3,500,000)
4. Novel House, Hampstead, London, NW3 1JD (The Linton Group)
Completing Q1/2 2020 | 12 units available (£1,090,000 to £7,700,000)
5. 11 Fitzjohns Avenue, NW3 (Godfrey London)
Completed | 2 flats available (£1,550,000 to £1,750,000)
2 townhouses – launched last week (£2,750,000 to £3,000,000)
6. Belsize Firehouse, Lancaster Grove, NW3 (Platinum Land)
Completing Q4 2019 | 20 units available (£700,000 to £3,950,000)
7. Crossways, 26 The Bishops Avenue, N2 (Niveda)
Completing Q2 2020 | Coming to the market softly - 9 flats from £2,200,000 - £3,000,000
8. Four5Two, Finchley Road, NW11 (Bellis Homes)
Completed | 13 flats available with Prices from £925,000 to £1,950,000
9. Oakley Gardens, Church Walk, NW2 (Goldenstone)
Completed Q4/2019 | 35 units (flats and houses) £595,000 to £2,200,000
10. The Oren, West Heath Road, NW3 (Elysian Residences)
Completing 2022 | 46 apartments from (£1,600,000)



Conclusion

Should you require any further information, please do not hesitate to contact me.

Neir Gigi

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Important Note

In accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but the inaccuracy is in no way guaranteed.

Should you require any clarification or further information please do not hesitate to contact us.