

## WHAT'S BEHIND THE HAMPSTEAD HIKE?

**R**ishi Sunak may be preparing the nation for economic gloom, but you wouldn't know there is a recession going on in Hampstead Garden Suburb. In the affluent north London enclave, five houses have sold for more than £8 million since June – all had been languishing on the market for a year or more; one had been on for four years.

“We have done more business in the last three months than in the last 18,” says Trevor Abrahmsohn, managing director of Glentree International estate agents. “On one road, Compton Avenue, I have agreed two and sold two between £5 million and £11 million. One house on Hampstead Lane, we put on a £5.75 million, I told the vendor it would take 18 months to sell; in three weeks he got a bid and we sold for asking. There is something going on right now that defies gravity.”

The buying agent Saul Empson is equally astonished. “I started in property in 1986 and I have seen the tide go in and out a few times. This was exactly what happened in 1993, after the market had fallen 20 per cent in three years. All the houses that had been knocking about for years, totally unloved, suddenly sold. That was the moment the tide started to come back in. The top end of the market started feeling more confident. If you look at the super-prime London market now, it is 15 to 20 per cent below what it was at the end of 2014. This could be a sea change.”

Indeed, sales in the £5-£10 million bracket in London are up 154 per cent year-on-year in the three months from August to October 2020, according to Knight Frank.

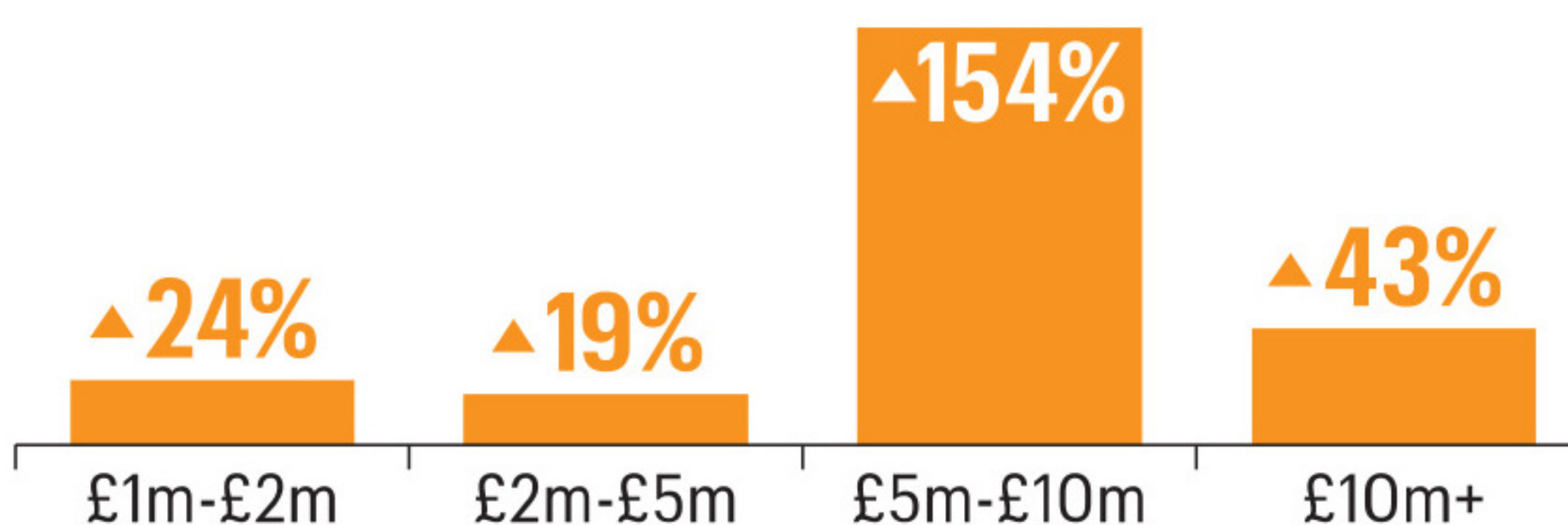
And while many forecasters have been predicting a London crash, Abrahmsohn cannot see how this is possible, as there is so much demand and so little supply. “In the £1 million to £4 million range, I've got nothing. I've never been in that position. I am now actually offering a finder's fee to anybody who brings me a property to sell,

I will pay them 10 per cent of our fee upon sale. They could earn £1,000 to £10,000.”

So why the Hampstead boom? It is all down to record low interest rates, no Jeremy Corbyn, no election, and a flight from flats to gardens in reaction to Covid incarceration, says Abrahmsohn.

Marcus Dixon, head of research at LonRes, says it could also be a domino effect. “If houses hang around the market for years and suddenly one or two sell, people who have been keeping an eye on the area for a while say, ‘I'd better act now’, and there is a flurry of activity. After Covid, buyers are also looking for places that feel like the countryside yet are close to London. The Hampstead sales may be a coincidence. But considering all that is going on in the world, the rise in sales above £5 million is interesting. It is not what we were expecting when we were forecasting in April and May.”

◆ Transactions in London in the three months to Oct 2020 vs the three months to Oct 2019



Source: Knight Frank