

LONDON £5M+ MARKET

Q4 2024 ANALYSIS



ROBUST ACTIVITY IN FINAL QUARTER OF 2024 CAPS A YEAR MARKED BY UNCERTAINTY

The final quarter of 2024 saw an increase in £5 million-plus sales across London compared with the previous three quarters. This represents a degree of momentum in a discretionary layer of the prime London market, which on the whole, has remained price sensitive throughout 2024.

A general election was seen as a near certainty last year and the period of anticipation set a tone of caution which lasted beyond the eventual July date. With the result confirmed, all eyes turned to the upcoming Autumn Budget which saw the announcement of two key policies targeted at high net worth individuals: the unwinding of the ‘non-doms’ tax status and the additional stamp duty surcharge on the purchase of second homes.

In spite of these circumstances, there were 128 new build and second hand sales in Q4 at £5 million and above in the capital, 25% more than in Q3 and 8% more than in Q4 2023. In the £10 million-plus bracket, this translated to 55 sales in Q4 compared with 35 in Q3 and 32 in Q4 2023.

Overall, last year’s 443 £5 million-plus sales represented a -16% decline on the 525 sales in 2023. However, it is still 44% higher than the 308 recorded in 2019, just before the pandemic.

What are the trends behind the data

Of particular note were the volume of new build sales that took place over the quarter (24), the highest number since Q3 2023 (31), albeit within the context of annual new build sales accounting for the lowest proportion of £5 million-plus sales in over a decade (10%). This suggests that some buyers at this price

point have taken stock of their situation and are transacting with confidence.

While the £4.9 billion transacted at this level over the course of 2024 was -14% down on the £5.67 billion achieved in 2023, it nevertheless reflected a 33% increase on the pre-Covid average of 2017-2019 (£3.66 billion). Furthermore, the average sale price above £5 million over the last year was £11.04 million, the highest annual figure since 2019 (£11.07 million).

Elsewhere, Belgravia saw the highest proportion of £5 million-plus sales in 2024 (13%), the first time it has taken this dominant position since 2020, overtaking Chelsea which was ‘number one’ in both 2023 and 2022. Belgravia is perhaps best known for its grand Georgian townhouses and indeed demand for houses versus flats in 2024 was at its highest level across London (63% vs 37%) since 2021 (72% vs 28%), which marked the peak of the ‘race-for-space’ trend. However, Belgravia (10%) was second to Kensington (13%) and Chelsea (13%), which were the areas with the highest share of house sales.

Outlook

Q1 will be crucial in determining the full impact of the Budget announcements on London’s most discretionary residential markets with prices in prime central London some 20.7% below their 2014 peak, the market may be appealing in the value offered to certain buyers. Those purchasing through a mortgage will also be encouraged by the projected base rate cuts for 2025, and with recent political and fiscal events now concluded, we may start to see a gradual improvement in sentiment.

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MARKET DATA: Q4 2024

+44%

The increase in £5 million-plus sales compared to 2019

£11.04 m

The average price paid for £5 million-plus property in 2024

13%

The proportion of £5 million-plus sales that have taken place in Belgravia in 2024

£5M+ SALES IN LONDON: 2012-2024



Source: Savills Research

PRIME CENTRAL LONDON

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