

LONDON £5M+ MARKET

H1 2022 ANALYSIS



STRONGEST HALF-YEAR SINCE 2006 FOR LONDON'S SUPER PRIME MARKET

London's super prime residential market has recorded its strongest half-year since 2006, when our records began, in response to the capital's return to normality as one of the world's most sought-after destinations.

During the first half of 2022, there were 294 transactions for £5 million-plus properties in London, which includes second-hand homes and new builds. In Q2 alone there were 156 transactions, a 13% increase on the previous quarter.

This six-month figure is close to the number of £5 million-plus sales across all of 2019 (308). It's also higher than the years of recovery following the 2008 Global Financial Crisis.

Consequently, the first six months of the year saw the highest spend since 2006, with almost £3 billion spent on £5 million-plus properties.

There was also a significant uptick in the number of £10 million-plus transactions, with 89 recorded in the first half of 2022. This is a 41% increase on H1 2021, and a 94% increase on H1 2020.

As pandemic trends unwind, traditional central London hotspots have dominated the bounce back. Sales in Chelsea, Belgravia, Kensington, St John's Wood, Mayfair and Knightsbridge made up more than half of all £5 million-plus transactions.

However, the so-called race for space, though somewhat tempered, still defines demand. Larger homes continue to outperform at all levels of the super prime market as buyers prioritise inside and outside space. Sales of houses made up 64% of all activity between £5 million and £10 million.

Looking forward, as domestic buyers continue to dominate sales, short-term house price growth is unlikely to be affected, as this end of the market is less reliant on borrowing and, therefore, less exposed to further interest rate rises or the cost of living squeeze. However, unless high net worth foreign investors return in their pre-pandemic numbers, value growth will continue to be moderate.



CONTACT

As prime central London continues to show signs of recovery, buyers, sellers and investors may wonder what we can expect for 2022 and beyond. Whatever your property needs, we're here to offer market insight and property advice. We'd love to hear from you to discuss any queries you may have.

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MARKET DATA: JAN-JUN 2022

294

The number of transactions in London for £5 million-plus properties in H1 2022

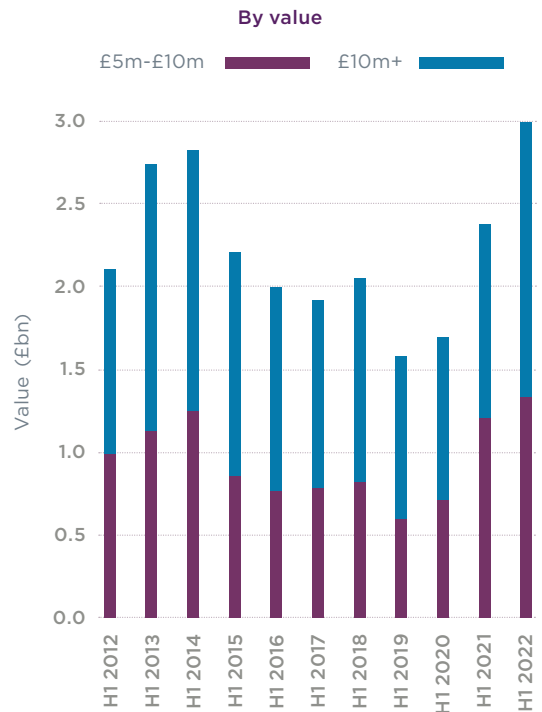
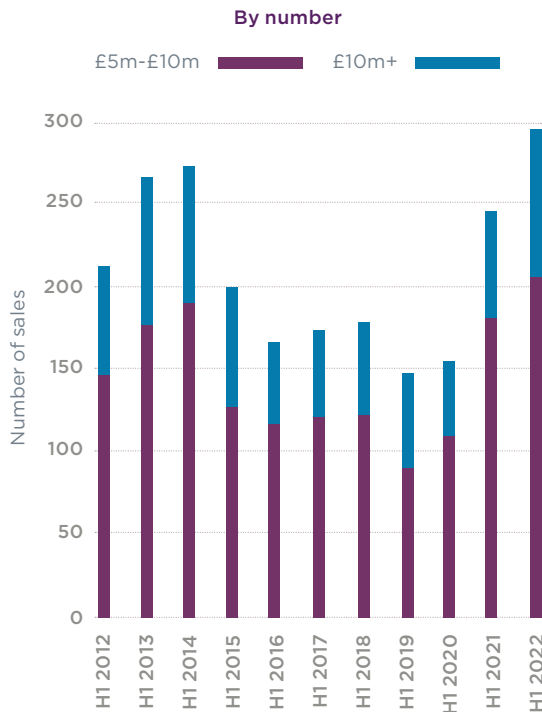
£2.99bn

The value of transactions in London for £5 million-plus properties in H1 2022

+94%

The increase in the number of transactions for £10 million-plus properties compared with H1 2020

MARKET DATA: 2012-2022



Source Savills Research

PRIME CENTRAL LONDON

For over 160 years, we've advised on best-in-class property in London's most desired postcodes. Across 40 London offices, we guide our clients to make the right property decisions, whether they're investing in a luxury pied-à-terre in Mayfair or searching for an elegant family house in Holland Park.