SAVILLS RESEARCH

# LONDON £5M+ MARKET

Q4 2022 ANALYSIS

## 2022 MARKS A RECORD YEAR FOR LONDON'S £5 MILLION-PLUS PROPERTY MARKET

2022 was a record year for residential sales above £5 million in London, with transactions exceeding 600 for the first time since Savills records began in 2006. This is more than previous top performing years in 2013 (which saw 533 sales ahead of new stamp duty rates taking effect), and in 2021 with 537 sales.

The total value of £5 million-plus transactions hit £6.57 billion in 2022; a 13% increase on 2021, which was the previous record year for total spend.

Almost two thirds (61%) of second-hand sales took place in traditional prime central London hotspots, led by Chelsea, Kensington and Knightsbridge; yet up-and-coming destinations – including Battersea and Bayswater – also accounted for a small proportion of sales.

Best-in-class, high-value properties , and new homes with standout amenities, remain sought after by both domestic and overseas buyers, and continue to outperform across the board. These markets are driven more by flows of global equity rather than dictated by domestic economic volatility, though they're not immune to these pressures.

Towards the end of 2022, there were signs of the market easing slightly. There were just under 150 £5 million-plus transactions in Q4, -14.5% below Q4 2021, but still well above pre-pandemic norms. This slowing in activity was most evident in the £5-10 million price bracket, which is more exposed to domestic borrowing.

In terms of price growth, prime central London locations proved the most robust over the final quarter of the year with values falling by an average of –0.6%, compared to –1.3% for all prime London.

International buyers (notably from the USA and the Middle East) continue to trickle back to the capital's most prestigious postcodes, as they look to maximise on the opportunity to purchase a home while prices remain good value in historical terms.

Values remain -18% below their previous 2014 peak, and are more than 40% lower in US$ terms. With a price recovery long overdue, these markets are expected to be most cushioned from market volatility this year, and we forecast prime central London to be the top-performing market over the next five years, with total price growth of +13.5% , though a slight softening of values (-2.0%) is projected for 2023.

## CONTACT

As prime Central London continues to be the top performing market, buyers, sellers and investors may wonder what we can expect for 2023 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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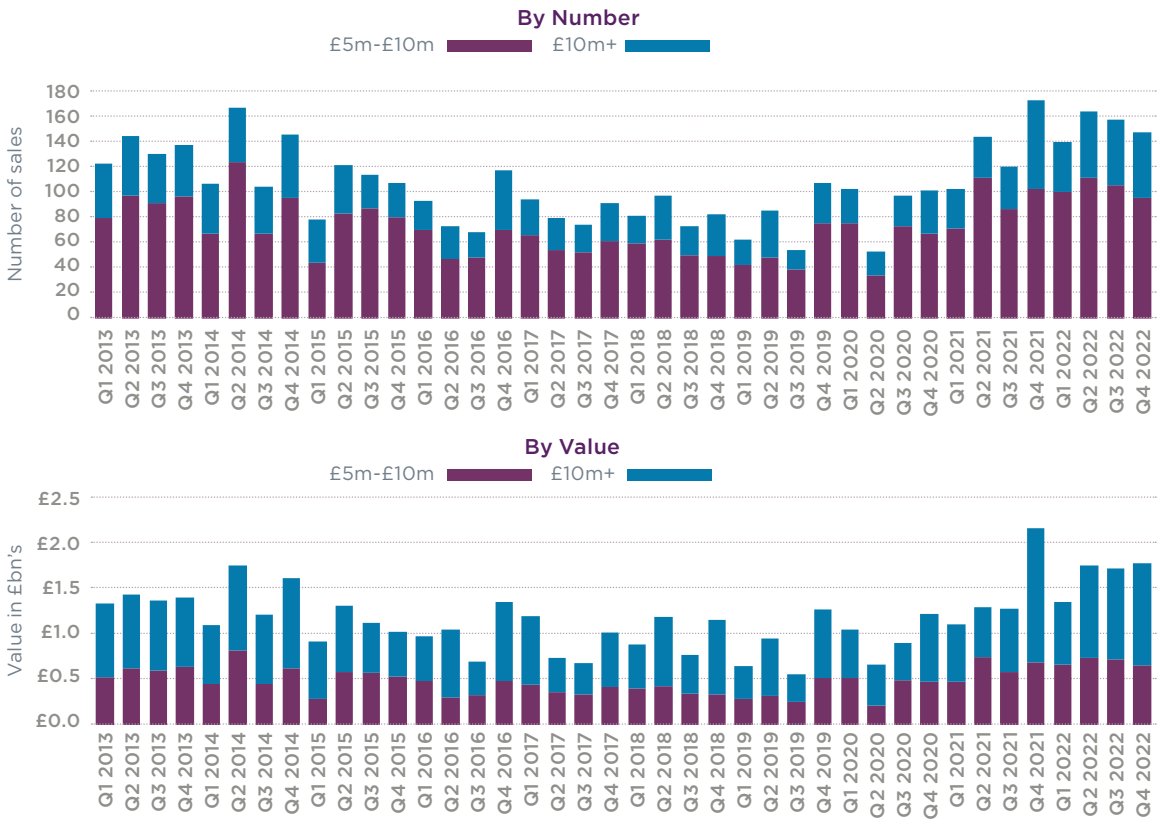
## MARKET DATA: Q4 2022

**606**
The number of transactions in London for £5million-plus properties in 2022

**£6.57bn**
The total value of £5-million-plus transactions in 2022

**+13.5%**
Total forecast prime growth in prime central London over the five years to 2027

## MARKET DATA: 2013-2022







**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.