



Richard Cutt, Head of Knight Frank's Mayfair and St James's office, discusses record prices, changing tastes, and increased spending power for those selling their London property.

Mayfair sits in the very heart of prime central London and is a truly international area with a very strong market. The continued supply shortage and weak pound caused prices to recover quickly after the recession and, for the very best properties, prices have now eclipsed those seen during the previous market peak in 2008. Turmoil in the global financial markets has cemented Mayfair residential property's position as a gold standard investment and demand is increasing as a result.

Who's buying in Mayfair?

The purchaser demographic is very broad in terms of age, nationality and business sector. Buyers are looking for permanent residences, as well as pied a terre and investment properties. We have recently experienced an increase in investment purchasers looking to invest in safe assets. As one moves up through the price ranges, purchasers are more likely to come from overseas.

Where do your international buyers tend to come from?

Mayfair is a truly international market with buyers originating from all over the world. Along with a healthy number of domestic and European buyers, we sell to those from Russia and the CIS countries, India and the Middle East. We have also seen an increasing number of buyers from the Asia-Pacific region.

How does your local market differ from the wider prime London market?

Mayfair has always been viewed as a particularly sophisticated and elegant part of the capital, but it also has a distinctive village atmosphere. We are fortunate to have the very best hotels, restaurants and entertainment venues, coupled with the leading retail offerings of any city in the world. Mayfair forms a key part of the super-prime region of central London, where desirability and values reach their peak.

What's the most interesting sale you and your team have been involved in recently?

We recently sold a penthouse in St James's. The property is the only residence above a beautiful Portland stone office building, which was designed by Sir Edwin Lutyens. The fact that it overlooks, and is adjacent to, St James's Palace and a number of other Royal residences meant the plans for the building had to be personally approved by the King before it was built.

House prices have been increasing, do you think the trend will continue?

We are fortunate that owning a home in one of London's world renowned districts is the aspiration of people from all over the world. The trend of rising prices is likely to continue as London's super prime residential property is now seen as a gold standard and is attracting investment from around the world as the financial markets continue to experience turmoil.

Have tastes changed noticeably since the recession?

We have found that the traditional value hierarchy has been reinstated after being eroded during the heady times at the top of the market. Purchasers today are focused mainly on 'best in class' properties which offer value for money with little risk and uncertainty. These tend to be long leasehold or freehold and newly modernised.

How do you think the market will fare in the coming months?

Providing London maintains its status as a financial centre and safe haven we remain confident of continued price growth. The impact of the European and global financial crises seems to have brought more buyers to London rather than having a negative impact.

What advice would you give to a homeowner thinking about selling?

Prepare by doing any outstanding remedial work and present the property as well as you can; this presentation should be maintained for every viewing. Correct pricing is very important – overpriced properties often achieve less than those correctly priced at the outset.

Why should people think about selling now?

If you are looking to leave London for the country, now is a great time to sell as prices in London have risen much more than those in the country, offering increased spending power.



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Mayfair sales market at a glance

Figure 1
What do our applicants want to spend?
New applicants, past 12 months

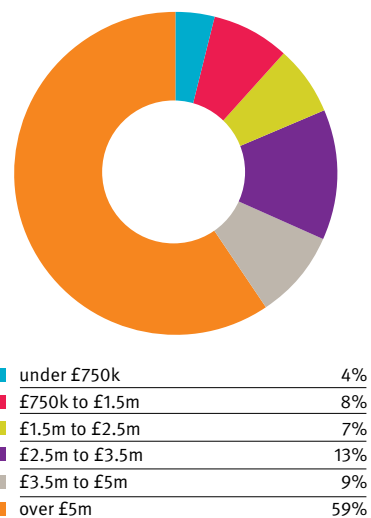
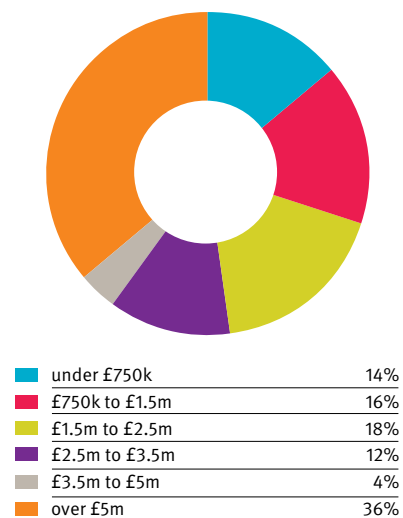


Figure 2
What is coming to market?
New instructions, past 12 months





Charting the Mayfair market



Figure 3
Sales by price band
Exchanges, past 12 months

under £750k	4%
£750k to £1.5m	13%
£1.5m to £2.5m	21%
£2.5m to £3.5m	17%
£3.5m to £5m	8%
over £5m	37%



Figure 5
Age of our buyers
Buyers, past 12 months

30s	31%
40s	38%
50s	23%
60s	8%



Figure 4
Where do our buyers come from?
Buyers, past 12 months

London	50%
Rest of UK	17%
International	33%



Figure 6
Where the money comes from
Buyers, past 12 months

Entertainment/sports	15%
Entrepreneur	8%
Industry	15%
Inherited	23%
Professional	23%
Property	8%
Other	8%

Mayfair properties sold recently

SOLD
Penthouse with royal views
PALL MALL
2
£8.5m



SOLD
Grade II Listed
BANK CHAMBERS
1
£610,000



SOLD
Unmodernised in Mayfair
BERKELEY HOUSE
2
£2.1m



SOLD
Grand mansion
PARK STREET
9
£19.5m



SOLD
Period penthouse
OLD PARK LANE
5
£20m



SOLD
Private garden
BROOK'S MEWS
1
£920,000



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