



Eliza Leigh and Rupert des Forges, Partners at Knight Frank's Knightsbridge office, summarise the events of 2011 and predict what is in store for the Knightsbridge market in 2012. Will this global hot spot remain a safe haven for international buyers and investors?

Was 2011 a successful year for the Knightsbridge Sales team?

Eliza: 2011 was an exceptionally prosperous year for Knight Frank. Despite economic concerns in the eurozone, prospective purchasers and investors have flocked to best-in-class property. **Rupert:** We have sold more than 180 properties in 2011 in this patch alone, we can say without hesitation that this was one of our most productive years. We believe this was due to London retaining its profile as the global city that international buyers aspire to own property in. With the eurozone crisis playing out, London is perceived by many as a defensive investment that will return strong capital growth in the medium term. The continued relative weakness of sterling against the euro and other key currencies including Hong Kong, Australia and Norway has been a further catalyst.

What were the main nationalities of purchaser in 2011?

Eliza: Whilst the top end was, and still is, dominated by Russian and Indian purchasers, we have sold properties to many other nationalities including Chinese, Middle Easterns and South Africans, as well as those from the UK. We have also noticed an increase in purchasers from Egypt and Greece. **Rupert:** Across the London business, Knight Frank has found buyers from 64 different countries. The Knightsbridge market offers possibly the greatest mix, with all continents being represented.

Any predictions for the Knightsbridge market in 2012?

Eliza: We believe the market will continue to attract both global and UK buyers. Interest rates will remain low and prime central London will remain a safe haven. The shortage of supply will continue to underpin prices. **Rupert:** The market powered up immediately in January with a strong number of enquiries coming through from both our global website and from our international network. Many prospective buyers missed out on opportunities last year in the busy December market and are still keen to secure alternatives. The market remains relatively tight in terms of supply but we are beginning to see more potential sellers come forward.

Is the beginning of the year a good time for a vendor to put their property up for sale?

Eliza: The momentum experienced in December has so far continued in 2012, definitely a robust start to the year! Purchasers are ready and willing to make immediate decisions as soon as they locate a suitable home. Stock levels remain tight and the appetite for prime property continues. **Rupert:** January and February are often busy months for appraisals as many prospective sellers make their decision to sell over the Christmas and New Year break. The market in Knightsbridge is far less seasonal as buyers and sellers tend to be more international and more transient than in many other markets, which often revolve around school holidays. The market is in robust health and sellers have the opportunity to achieve record prices in the current environment.

“THE KNIGHTSBRIDGE MARKET OFFERS POSSIBLY THE GREATEST MIX OF BUYERS, WITH ALL CONTINENTS BEING REPRESENTED.”

What price ranges do you think will see most activity and what do you think buyers will be looking for?

Rupert: I believe the most active bracket will be the £1m to £4m price range, which is dominated by international purchasers looking for buy-to-let opportunities or pied a terres. Knightsbridge is very much a product-led market and the majority of purchasers at all levels are looking for newly refurbished houses and flats which provide instant gratification and minimal void periods in the case of investors looking for tenants.



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Knightsbridge sales market at a glance

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

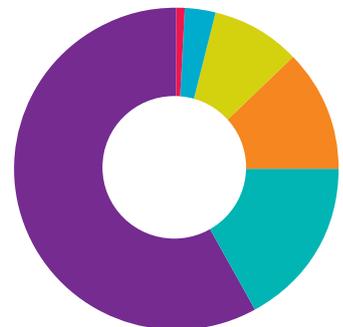
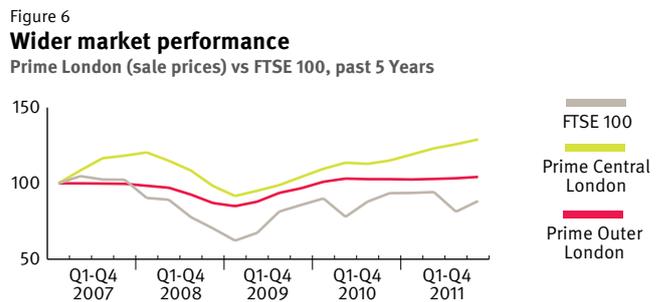
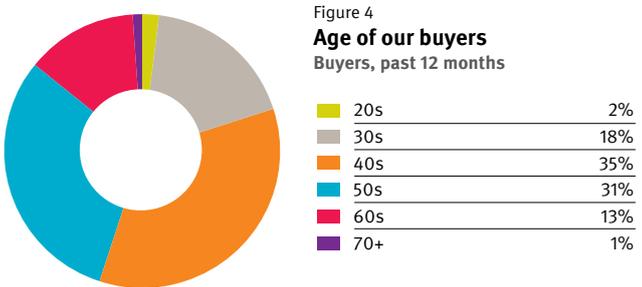
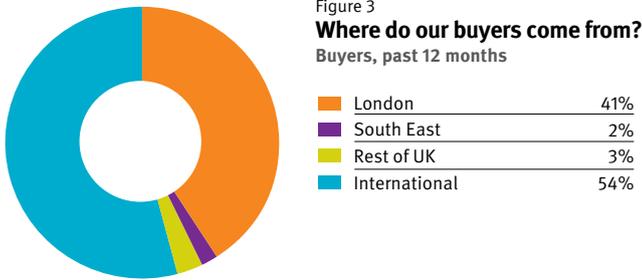


Figure 2
What is coming to market?
 New instructions, past 12 months





Charting the Knightsbridge sales market



Knightsbridge properties and the Knight Frank team

FOR SALE
Wide and bright house
 WELLINGTON SQUARE
 🏠 6
 £6.45m

FOR SALE
Immaculate lateral flat
 LOWNDES SQUARE
 🏠 3
 £8.95m

FOR SALE
First floor apartment with parking and porter
 15 RUTLAND COURT
 🏠 4
 £7m

SOLD
Stunning Chelsea house
 ELYSTAN STREET
 🏠 4
 £11.75m

FOR SALE
Beautiful Knightsbridge house
 TREVOR PLACE
 🏠 6
 £17.5m

SOLD
Family home with garage and terrace
 TREVOR SQUARE
 🏠 3
 £7.55m

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