



News Release

Date: 28 February 2011

London prices rise as record number of nationalities buy luxury property

Knight Frank Prime Central London Index, February 2011 results

- Prices for prime London property rose 1% in February 2011, contributing to annual growth of 8%
- Prices have risen 24% since their recent post-credit crunch low in March 2009
- Prices remain 2% lower than the peak level reached in March 2008
- The number of nationalities buying property in London has hit a new record, with 61 buying in the 12 months to the end of February this year
- The fastest growing nationalities in terms of market share are buyers from Spain and Uzbekistan

Liam Bailey, head of Knight Frank Residential Research, comments: "Prices slipped in London during the summer and autumn last year, which fitted the wider narrative of a weakening UK economy and a weaker national housing market.

"Since then prices have resumed their recovery, and in the four months to the end of February they rose by 4%. The reasons for this growth, and the divergence of this market from national trends, can be partially ascribed to low stock volumes, and a desire from buyers over recent months to buy and fix their borrowing costs at very low rates.

"However, the most important factor driving price growth, has been growing demand for London property from international buyers. Over the last 12 months the proportion of £2m+ sales which have gone to non-UK buyers hit 52%. Above £5m the figure was 64%.

"The number of different nationalities who are buying in London has also risen, from 46 in 2009 to a new record of 61 over the past year.

"The nationalities which have seen the fastest growth in sales volumes have been Spanish buyers (up by 340% in the year to February 2011), followed by buyers from Uzbekistan (see table 2 below).



News Release

“Looking at our top 15 fastest growing nationalities by market share, we can see several trends at play. Eurozone concerns appear to have pushed buyers from Spain, Greece and France into 1st, 5th and 12th place respectively.

“Wealth generation from the mining and commodity sectors has propelled demand from Uzbekistan, Australia, Nigeria and Russia. Asian economic growth has fuelled demand from Hong Kong, Malaysia, Taiwan, China and India.

“Looking ahead at how these trends will change over time, London’s leading wealth managers and private bankers recently confirmed, in our Super-Prime London Survey, that the 10 nationalities most likely to grow their share of purchases in the central London market over the next 12 months were: 1 Russian, 2 Chinese, 3 Indian, 4 UAE, 5 Other Middle East, 6 Egyptian, 7 Italian, 8 Lebanese, 9 Turkish and 10 Brazilian.”

Table 1: Knight Frank Prime Central London Index

	KF Prime Central London Index	12 month % change	6 month % change	three monthly % change	monthly % change
Feb-09	3,713.30	-22.5%	-15.9%	-7.2%	-1.5%
Mar-09	3,652.20	-23.9%	-15.5%	-6.7%	-1.6%
Apr-09	3,666.30	-22.7%	-11.7%	-2.7%	0.4%
May-09	3,725.90	-20.1%	-6.9%	0.3%	1.6%
Jun-09	3,789.00	-17.2%	-3.2%	3.7%	1.7%
Jul-09	3,846.50	-14.4%	2.0%	4.9%	1.5%
Aug-09	3,886.30	-12.0%	4.7%	4.3%	1.0%
Sep-09	3,937.70	-8.9%	7.8%	3.9%	1.3%
Oct-09	4,020.00	-3.2%	9.6%	4.5%	2.1%
Nov-09	4,067.20	1.6%	9.2%	4.7%	1.2%
Dec-09	4,154.60	6.1%	9.6%	5.5%	2.1%
Jan-10	4,201.20	11.5%	9.2%	4.5%	1.1%
Feb-10	4,334.80	16.7%	11.5%	6.6%	3.2%
Mar-10	4,367.00	19.6%	10.9%	5.1%	0.7%
Apr-10	4,425.70	20.7%	10.1%	5.3%	1.3%
May-10	4,487.70	20.5%	10.3%	3.5%	1.4%
Jun-10	4,526.40	19.5%	9.0%	3.7%	0.9%
Jul-10	4,506.00	17.2%	7.3%	1.8%	-0.5%
Aug-10	4,503.90	15.9%	3.9%	0.4%	-0.1%
Sep-10	4,496.10	14.2%	3.0%	-0.7%	-0.2%
Oct-10	4,485.70	11.6%	1.4%	-0.4%	-0.2%
Nov-10	4,524.30	11.2%	0.8%	0.5%	0.9%
Dec-10	4,583.90	10.3%	1.3%	2.0%	1.3%
Jan-11	4,633.70	10.3%	2.8%	3.3%	1.1%
Feb-11	4,679.70	8.0%	3.9%	3.4%	1.0%

Source: Knight Frank Residential Research



News Release

Table 2 International buyers, fastest growth in purchaser volume

Rank	Country	Growth in buyer volumes (12 months to Feb 2011 compared to 12 months to Feb 2010)
1	Spain	340%
2	Uzbekistan	320%
3	Hong Kong	310%
4	US	225%
5	Greece	175%
6	Australia	150%
7	Iran	150%
8	Malaysia	150%
9	Nigeria	125%
10	Taiwan	100%
11	China	80%
12	France	40%
13	India	33%
14	Russia	24%
15	UAE	10%

Ends

For further information, please contact:

Liam Bailey, head of Residential Research, Knight Frank, +44 (0)7919 303 148,

liam.bailey@knightfrank.com

Daisy Ziegler, London PR manager, Knight Frank, +44 (0)20 7861 1031,

daisy.ziegler@knightfrank.com

Notes to Editors

Knight Frank LLP is the leading independent global property consultancy. Headquartered in London, Knight Frank and its New York-based global partner, Newmark Knight Frank, operate from 209 offices, in 47 countries, across six continents. More than 6,840 professionals handle in excess of US\$755 billion (£521 billion) worth of commercial, agricultural and residential real estate annually, advising clients ranging from individual owners and buyers to major developers, investors and corporate tenants. For further information about the Company, please visit www.knightfrank.com.

No: