



News Release

Date: 2nd July 2010

London's global market

Knight Frank London Residential Review – Summer 2010

- Overseas buyers now account for over 50% of all prime London residential purchases, and in the £5m+ sector they account for over 68% of all buyers
- In Mayfair, Knightsbridge and Hampstead overseas buyers account for more than 60% of all prime market purchases
- The number of different nationalities buying in central London has grown from 30 in mid 2008, 48 in mid 2009 to 51 by mid 2010
- International demand has helped to drive prices higher by 24% in the 15 months since March 2009, prices are only 6% below their March 2008 market peak

Liam Bailey, head of residential research, Knight Frank, commented: "Prime central London house prices rose by 0.9% in June, meaning prices now stand 20% higher than a year ago. The recovery in prices has been driven in large part by the strength of demand from international buyers.

"The range of buyers has risen dramatically over the past year as the weak pound created opportunities for overseas purchasers to enter the market with significant discounts on peak 2008 pricing.

"Despite the fact that prices have risen 24% since last March, and stand only 6% below their March 2008 market peak, the weakness of the pound ensures that effective discounts available to foreign buyers are still very significant. Chinese buyers are still able to secure a 31% discount on 2008 prices. Buyers from Hong Kong, the US, Saudi Arabia, Singapore and Malaysia are all able to secure discounts of around 28%.

"Between December 2008 and March 2009 international buyers' share of the £5m+ London market soared from 39% to 48%. By June this year it had hit 68%.

"Central London is now a market apart, not only is demand seemingly immune from wealth attacks, but so too is supply. The proportion of un-mortgaged owners in central London is 59%, compared to 41% for the UK. Central London is dominated by discretionary owners, they can sell when they choose to, meaning that when prices fall so too does supply."

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Data appendix

Relative change in prime central London prices, taking account of price and currency shifts (%), March 2008 to June 2010

	Discount
Chinese Yuan	-30.6%
Euro	-6.8%
Hong Kong Dollar	-28.4%
Indian Rupee	-16.9%
Russian Ruble	-4.3%
Singapore Dollar	-27.1%
US Dollar	-28.4%
Malaysian Ringgit	-27.2%
Saudi Riyal	-28.4%

Source: Knight Frank Residential Research

Prime London (£2m+) international purchasers' market share and key buyer nationalities, 12 months to June 2010

Location	%	Key nationalities		
Belgravia	56%	Russia	India	UAE
Chelsea	52%	France	Greece	India
Fulham	55%	France	Italy	US
Hampstead	66%	Russian	Italy	Nigeria
Hyde Park Estate	54%	UAE	France	Hong Kong
Kensington	58%	Russia	US	Germany
Knightsbridge	61%	Russia	UAE	India
Marylebone	43%	France	Italy	India
Mayfair	66%	Russia	Saudi	Malaysia
Notting Hill	49%	US	Italy	France



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Richmond-On-Thames	40%	France	India	Saudi
St Johns Wood	41%	Russia	US	Egypt
Wandsworth	23%	France	Italy	Greece
Wimbledon	43%	France	Russia	US
Wapping	53%	France	Hong Kong	Malaysia
Canary Wharf	55%	Italy	Hong Kong	France

Source: Knight Frank Residential Research

International buyers in prime London, top 20 nationalities by share of all international buyers, 12 months to June 2010

Rank	Country	%
1	Russian Federation	13.9%
2	United States of America	11.2%
3	Italy, Italian Republic	8.8%
4	India, Republic of	8.0%
5	France, French Republic	6.0%
6	United Arab Emirates	6.0%
7	Germany, Federal Republic of	4.2%
8	Greece, Hellenic Republic	4.2%
9	Norway, Kingdom of	2.8%
10	South Africa, Republic of	2.8%
11	Australia, Commonwealth of	2.3%
12	China, People's Republic of	2.3%
13	Hong Kong, Special Administrative Region of China	2.3%
14	Iran, Islamic Republic of	2.3%
15	Ireland	1.9%
16	Kazakhstan, Republic of	1.9%
17	Egypt, Arab Republic of	1.4%
18	Singapore, Republic of	1.4%
19	Austria, Republic of	0.9%
20	Brazil, Federative Republic of	0.9%

Source: Knight Frank Residential Research

The Knight Frank Prime Central London Index

	KF Prime Central London Index	12 month % change	6 month % change	three monthly % change	monthly % change
Jul-08	4,491.4	-0.1%	-5.7%	-5.2%	-1.9%
Aug-08	4,414.5	-3.8%	-7.9%	-5.3%	-1.7%
Sep-08	4,321.3	-7.0%	-9.9%	-5.6%	-2.11%
Oct-08	4,152.6	-10.8%	-12.4%	-7.5%	-3.90%
Nov-08	4,003.2	-14.1%	-14.1%	-9.3%	-3.60%



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Dec-08	3,914.6	-16.9%	-14.5%	-9.4%	-2.21%
Jan-09	3,769.5	-20.9%	-16.1%	-9.2%	-3.71%
Feb-09	3,713.3	-22.52%	-15.9%	-7.2%	-1.49%
Mar-09	3,652.2	-23.86%	-15.5%	-6.7%	-1.65%
Apr-09	3,666.3	-22.65%	-11.7%	-2.7%	0.39%
May-09	3,725.9	-20.05%	-6.9%	0.3%	1.62%
Jun-09	3,789.0	-17.22%	-3.2%	3.7%	1.69%
Jul-09	3,846.5	-14.36%	2.0%	4.9%	1.52%
Aug-09	3,886.3	-11.96%	4.7%	4.3%	1.04%
Sep-09	3,937.7	-8.88%	7.8%	3.9%	1.32%
Oct-09	4,020.0	-3.19%	9.6%	4.5%	2.09%
Nov-09	4,067.2	1.60%	9.2%	4.7%	1.18%
Dec-09	4,154.6	6.13%	9.6%	5.5%	2.15%
Jan-10	4,201.2	11.45%	9.2%	4.5%	1.12%
Feb-10	4,334.8	16.74%	11.5%	6.6%	3.18%
Mar-10	4,367.0	19.57%	10.9%	5.1%	0.74%
Apr-10	4,425.7	20.71%	10.1%	5.3%	1.34%
May-10	4,487.7	20.45%	10.3%	3.5%	1.40%
Jun-10	4,528.1	19.51%	9.0%	3.7%	0.90%

Source: Knight Frank Residential Research

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 207 offices, in 43 countries, across six continents. More than 6,340 professionals handle in excess of US\$886 billion (£594 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.

Knight Frank area definitions

Prime central London is taken to include: Mayfair, Hyde Park, Marylebone, St John's Wood, Regent's Park, Kensington, Notting Hill, Chelsea, Knightsbridge, Belgravia and the South Bank (from Westminster Bridge to Tower Bridge/Shad Thames)

Prime London is taken to include all the above plus: Canary Wharf, Hampstead, Richmond, Wandsworth, Wapping and Wimbledon.

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