

REAL ESTATE

## Prime London real estate dominated by Chinese, US buyers

June 18, 2019



*The area around Regent's Park remains popular in London. Image credit: Knight Frank*

By SARAH RAMIREZ

Real estate investors are taking advantage of a weakened pound, with buyers from the United States spending on average more than \$9 million in the prime central London residential market.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

According to Knight Frank, U.S. buyers make up 6 percent of foreign purchasers in prime central London, second only to Chinese investors in 2019. Over the last decade, the U.S. has averaged as the fifth largest source of foreign buyers in London.

"U.S. buyers have been long-term players in the prime London residential market," said Liam Bailey, global head of research at **Knight Frank**, London. "While the weak pound has undoubtedly aided the recent surge in demand from dollar based purchasers, the real driver has been the strength of the London economy over the past two years.

"Not only has Brexit failed to have any impact, but over this period London has taken the dominant share of U.S. corporate investment in Europe, leading to a significant uptick in demand for prime property from relocating U.S. employees, entrepreneurs and business owners especially from the tech sector," he said.

### Foreign buyers

Since 2010, high-net-worth individuals from the U.S have spent an average of \$6.3 million, or 5 million pounds at current exchange, on real estate purchases in London. Historically, buyers from Saudi Arabia have spent the most, an average of \$16.8 million, or 13.4 million pounds.

In 2019, U.S. buyers are spending an average of \$9.3 billion, or 7.3 million pounds. They also account for 6 percent of the market share of London real estate sales, up from 3.3 percent in 2018.

London real estate investments from the U.S. have rebounded since 2014, when American investors only had a 2.4 percent share of prime central London sales.

The most desirable neighborhoods among Americans include Marylebone, Mayfair and Chelsea.



*London's real estate market is showing signs of promise. Image credit: Knight Frank*

Chinese buyers make up the majority of foreign investors in London, with a market share of 9.4 percent. The U.S. is the only other country with a market share above 5 percent.

Investors from India and Russia make up a respective 4.7 and 4 percent of foreign buyers. Hong Kong ranks fifth, just behind Russia.

European buyers from Italy and Germany are responsible for 2.7 and 1.3 percent of real estate sales in London, respectively.

Despite the popularity of London among buyers from Saudi Arabia, investors from the nation have only accounted for 2 percent of sales in 2018.

#### Closer look

In light of the uncertainty surrounding Brexit, London's real estate market experienced an uneven 2018, but there are indications that the prime London residential market is headed in a positive direction.

Per Knight Frank's "London Residential Review Spring 2019" report, the number of new prospective buyers in the market rose by 5 percent. The fourth quarter of 2018 also saw the highest ratio of new demand versus new supply in years ([see story](#)).

Millennials and Gen Xers are growing their investments in luxury real estate in London, but data from Knight Frank finds baby boomers outspent them in 2018.

Boomers bought a total 8.58 billion pounds, or \$10.9 billion, worth of property in London last year, compared to about 3.5 billion pounds for each of the two younger generations. While younger consumers are gaining spending power, boomers remain the generation with the greatest financial assets, allowing them to invest in pricier homes ([see story](#)).