

REAL ESTATE

Super-prime real estate sales continue amid lockdowns: Knight Frank

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Hong Kong leads global markets in super- and ultra-prime real estate sales. Image credit: Knight Frank

By LUXURY DAILY NEWS SERVICE

More than 150 residential real estate purchases above \$10 million have been completed since COVID-19 lockdowns began in March, showing the strength of the super-prime market.

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According to Knight Frank, super-prime residential markets outperformed expectations but transaction levels for H1 2020 are well below levels from the same time period in 2019. The research is based on residential sales in 12 super-prime markets around the world.

"The impact of COVID-19 has been felt across all our international markets with most coming to all but a complete standstill for a number of months as various lockdown measures were put in place globally," said Paddy Dring, head of global prime sales at Knight Frank, in a statement. "Despite this, there has been some very positive activity in the super-prime market with significant sales forging ahead."

Transactions down, value up

In the first half of 2020, 281 super-prime transactions took place including 153 sales from March to June for a value of \$3.2 billion. Super-prime sales numbered 594 in H1 2019.

Of the global markets evaluated, only Sydney saw a year-to-year increase in sales from 13 to 15.

On a positive note, the global average transaction value jumped from \$18 million from March to June 2019 to \$20.7 million in the same period this year an increase of 14 percent.

London's super-prime transaction sales for H1 2020 were about a third of 2019 levels, but the market had the highest jump in transaction value from \$16.9 million to \$38 million.



Super-prime sales values are up in London. Image courtesy of Knight Frank

For the second year, Hong Kong had the strongest first half in terms of both transaction volume and value. Sixty super-prime sales were completed in H1 2020 for total sales of \$1.2 billion.

Los Angeles and New York followed with 52 and 41 super-prime transactions in H1 2020, respectively.

Eight of the 12 markets accounted for \$1.3 billion in ultra-prime sales transactions of at least \$25 million from March to June 2020.

Hong Kong led the way with 8 ultra-prime transactions in that time period, less than half of the transactions for the same time frame the previous year.

London followed with 6 ultra-prime sales, holding steady from 2019 but with \$434 million in sales compared to Hong Kong's \$372 million.

After an uneven 2018, London's luxury real estate market has been rebounding. In 2019, foreign investors took advantage of a weakened pound, with buyers from the United States spending on average more than \$9 billion in the prime central London residential market ([see story](#)).

Researchers from Knight Frank expect the flurry of activity in the U.K. residential markets to continue later in the year ([see story](#)).

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