

REAL ESTATE

Affluents expect to purchase new homes, with new motivations after COVID

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The United Kingdom is the most desirable country among affluents considering moves abroad. Image credit: Knight Frank

By LUXURY DAILY NEWS SERVICE

One in four people believe they are more likely to move in the next 12 months as a result of the coronavirus pandemic and continued fallout, according to a new survey from Knight Frank.

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A desire to upgrade their current primary residence is the leading reason for respondents to consider a home purchase. Coronavirus has also influenced what features home buyers are more interested in, such as more outdoor space and a home office.

"The crisis has fundamentally changed the way we live our everyday lives with the home now a hub from which we work, exercise, learn, socialize and relax," said Kate Everett-Allen, head of international residential research at Knight Frank, in a statement. "With demands on the home expanding and people having had time to reflect on the way they live and use their space, it is inevitable that as we ease out of lockdown these changes will have repercussions on property markets around the world."

The Knight Frank Global Buyer Survey is based on the responses of more than 700 clients from 44 countries.

Post-COVID priorities

While a quarter of respondents believe they will buy a new home in the next year, the majority of that group will look to buy in the same area they're currently living in. Less than one in 10 of all clients are considering purchasing a home abroad.

Besides upgrading a main residence, other motivations for home buyers include improved access to healthcare, a holiday home in a warmer climate or career-related reasons.

The United Kingdom, Spain and France are the top three countries for clients considering moves abroad.

More space is a major factor for most luxury homebuyers.



Prospective homebuyers are looking for more green space and more privacy. Image credit: Knight Frank

Forty-five percent of respondents are more likely to buy to a detached home, compared to a townhome or condominium, than they were before coronavirus.

Waterfront and rural properties are also in demand. Even those who are not moving to more rural areas are placing more value on large outdoor areas and increased privacy.

Home offices have also risen on the list of priorities, with almost two-thirds of clients believing they are more likely to work from home even after restrictions lift.

About a third of respondents are also interested in properties with an annex for extended family members or close friends. This reflects a desire to keeping loved ones safe and close by in the event of future extended lockdowns.

More than 26 percent of clients reported they are more likely to buy a second home after the pandemic, allowing for more options for where to quarantine.

As cities began seeing spikes of COVID-19 cases in the spring, some affluent dwellers fled to more spacious and greener pastures ([see story](#)).

The majority of buyers, 53 percent, believe their home purchase budgets have stayed the same or increased during the duration of the crisis, while 56 percent expect prices to fall over the next year.

According to Knight Frank's Prime Global Cities Index for Q2 2020, prime residential real estate prices increased by 0.9 percent on average in the year to June 2020, a fall from 2.3 percent in March. Twenty cities saw average prime prices decline in the second quarter, including nine in Europe and seven in Asia up from 15 price declines in the first quarter of 2020 ([see story](#)).

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