

ULTRA-PRIME BAROMETER

EDITION 6 | NOVEMBER 2023

HEAD OFFICE

24 CURZON STREET LONDON W1J 7TF T: +44 (0) 20 7499 7722

WWW.BEAUCHAMP.COM

ULTRA-PRIME BAROMETER

DYNAMIC MARKETS

The ultra-prime markets across our offices are forever dynamic. In London, buyers are looking for more space, which is driving demand for ultra-prime into Regent's Park and St John's Wood. Business interests and education make Great Britain an attractive location for UHNWIs to have a primary or secondary residence. New York is also witnessing an increase in families looking for more space in townhouses. In Israel, the development of high quality branded serviced apartments such as the Mandarin Oriental, Kempinski and Six Senses appeal to those looking for ultra-prime living. Mykonos remains an active market, with strong yields and increasing international investment into Greek real estate reaching an all-time high last year (Bank of Greece).

We have opened new offices in the best locations on the French Riviera. An established market, the stunning coastline and vibrant culture of the South of France will always be in demand. St-Jean-Cap-Ferrat, the most expensive location on the French Riviera, is increasingly popular among UHNWIs.



32%
of total wealth is allocated to primary and secondary homes

On average, more than a quarter is held outside the owner's country of residence.

Source: The Wealth Report

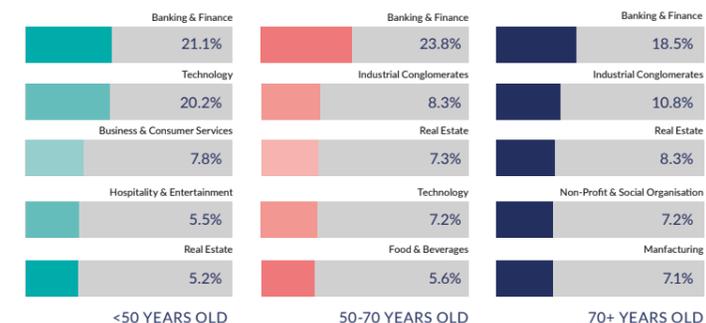
THE FACE OF UHNWIS

Tech savvy, highly mobile and environmentally aware, the new generation of UHNWIs have the capacity to transform the landscape of the luxury property market. In London alone, the number of Millennial and Gen-Z UHNWIs has risen by over 50% in the last five years (Luxury Property Forum), propelled by high levels of entrepreneurship, crypto investment and high earners in financial and tech industries.

With the rise of unicorn businesses to over 1,200 as of July 2023 (CB Insights), over 20% of which are in fintech, technology is the primary industry for the largest share of billionaires under 50 in both Asia and North America. In Europe, the focus remains very much on banking and finance (Altrata Billionaire Census). The fintech sector is booming in Israel, which is strongly linked to European financial markets. With London named as the official tech capital of the world (Z/Yen), and tech giants such as Google and Meta in King's Cross attracting global talent, the number of super-rich renters here has never been greater.

Top billionaire industries

Top five recorded industries by age. These are the industries in which the wealthy devote most of their time. These may or may not be where wealth was initially created.



Source: Wealth-X, an Altrata company 2023

Wealth preservation a priority

Luxury property remains a safe asset class and our ultra-prime markets have shown remarkable resilience, with a high share of cash purchases cushioning the impact of higher interest rates. The preservation of wealth remains a priority, with 67% of surveyed Ultra High Net Worth Individuals (UHNWIs) stating this as their primary goal (Capgemini). Softer sales prices in some areas, coupled with soaring rents, provide a good opportunity to purchase, with strong returns as well as capital growth opportunities for medium to long-term investments.

Wealth outside of primary and secondary properties

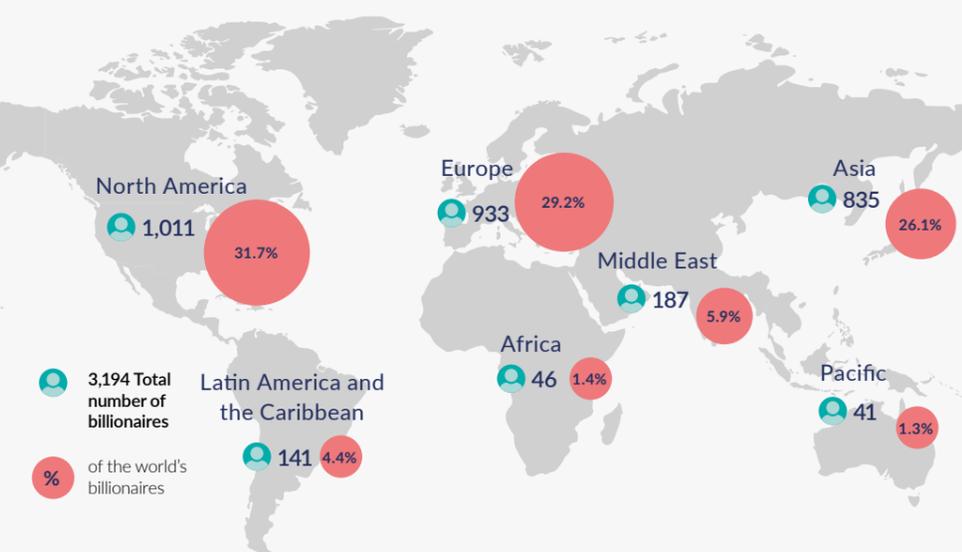
Almost a third of total wealth is allocated to primary and secondary homes. After this, the focus is on equities and commercial property.



Source: The Wealth Report, Attitudes Survey

Global billionaire population in 2022

The number of ultra-rich is projected to grow 28% by 2026 (Wealth-X). Although challenging conditions in the world economy resulted in a 3% fall in the number of Ultra High Net Worth Individuals (UHNWIs) in 2022 (Capgemini), this was against a backdrop of increased wealth creation in the bounce-back after Covid.



Source: Wealth-X, an Altrata company 2023

Ultra-prime residential market indicators

Summer 2023 vs Summer 2022

	London Mayfair	London St. John's Wood	French Riviera	Mykonos	New York Manhattan
New instructions/listings	↓	↑	↓	↑	↓
Transactions	↓	↔	↓	↔	↓
Demand	↓	↔	↑	↑	↓
Sales prices	↓	↓	↔	↑	↑
Domestic demand	↑	↓	↓	-	↓
Overseas demand	↓	↔	↓	↑	↓

Source: Beauchamp Agent Survey Summer 2023

*Knight Frank 2023

Global markets

In the sixth edition of the Beauchamp Estates Barometer we have revisited our offices, together with our new offices in the French Riviera, to gauge the status of the market. Hedging against global uncertainty has been a major theme in recent times, but despite the current challenges and the pressures on demand, the ultra-prime markets are relatively sheltered. Best-in-class is still trading well and prices are broadly holding steady.

There is a strong feeling that investor sentiment will brighten as interest rates peak, providing opportunities across the expanding global ultra-prime markets.



Outlook for ultra-prime residential markets in 2024

Improving global economic forecasts are likely to see sentiment improving through 2024. In London's Mayfair market, there are few opportunities for new build and large family residences are in demand. International buyers underpin activity in St John's Wood.

The French Riviera will continue to be a safe haven, with activity and stock likely to improve in the next year. Mykonos remains active and a resilient and unique place for investment, with investment in Greek real estate strengthening. Having held steady on pricing, New York should see sellers wanting to transact, buyers moving on price and activity rebounding.

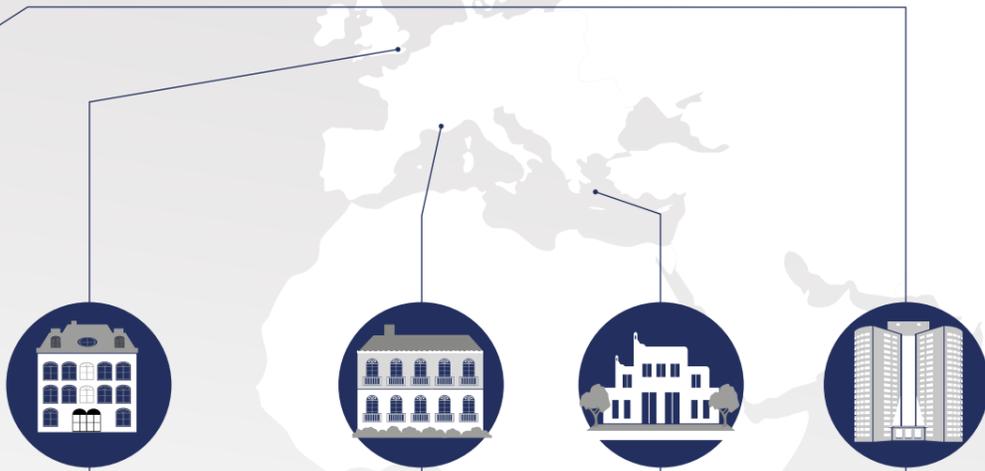
OUTLOOK FOR THE ULTRA-PRIME RESIDENTIAL MARKET IN 2024

	London Ultra-prime Mayfair	London St. John's Wood	French Riviera	Mykonos	New York Manhattan
New instructions	↓	↑	↓	↑	↑
Transactions	↓	↓	↑	↔	↑
Prices	↔	↔	↔	↔	↔
Domestic demand	↔	↓	↓	↔	↔
Overseas demand	↔	↑	↔	↑	↔

Source: Beauchamp Agent Survey Summer 2023

ULTRA-PRIME BAROMETER

Cost of ultra-prime property currently available on the market



	London		French Riviera	Mykonos	New York
	Mayfair	St. John's Wood			Manhattan
PER SQFT AVERAGE PRICE £	£3,520	£2,869	£3,873	£934	£3,757
PER SQM	£37,891	£30,877	£41,690	£10,058	£40,442
PER SQFT AVERAGE PRICE €//\$	€ 4,057	€ 3,307	€ 4,450	€ 1,074	\$4,563
PER SQM	€ 43,673	€ 35,589	€ 47,902	€ 11,557	\$49,110
AVERAGE PRICE £	£18.8M	£15.4M	£20.4M	£4.9M	£23M
AVERAGE PRICE €//\$	\$22.9M	\$18.6M	€ 23.4M	€ 5.6M	\$27.9M
5-YEAR CHANGE in asking price per sqft in local currency	-9.8%	13.1%	32.1%	15.2%	6.3%

Source: DataLoft, sample of asking prices for property on the market in summer 2023. Exchange rates correct at 20th October 2023 (Bank of England)

DEFINITION OF ULTRA-PRIME MARKETS

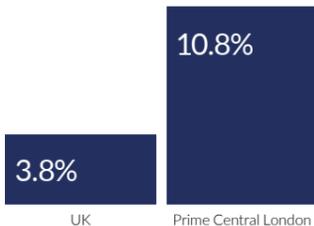
UHNWI: Ultra-high-net-worth individual – someone with a net worth of US\$30 million or more, including their primary residence. Billionaire: Someone with a net worth of at least one billion units in their native currency. The ultra-prime market is defined as: French Riviera at €18 to €30 million (£15.7 to £26.1 million), Mykonos at over €3 million (£2.6 million), New York (Manhattan) at over \$15 million (£12.4 million) and London at over £10 million (€11.5 million, \$12.1 million). London includes Mayfair (SW1E, SW1H, SW1W, SW1X, SW1Y, W1J, W1K, W1S); and St John's Wood (NW1, NW3, NW8, W9, W1G, W1H, W1U and W2 1). These thresholds have been determined in consultation with experienced local agents in each market.

Prime Central London in the spotlight

Outperformance

Prime Central London (PCL) residential values are poised for robust growth, with a 10.8% cumulative increase by 2027, compared to the national average of 3.8%. Supply constraints and stock shortages drive this growth. Additionally, 59% of purchases in PCL during the first half of 2023 were cash transactions. The global elite's interest in prestigious UK capital properties remains strong, strengthened by favourable exchange rates and a resilient economy amidst global market volatility and geopolitical instability.

Cumulative growth predictions 2023-2027*



Increase in cash buyers in Prime Central London



Bigger and better

The global ultra-wealthy are buying larger, more opulent homes in London. Homes purchased for £15 million or more averaged 11,200 sqft in 2023, up from 7,000 sqft in 2022. The average price for apartments and penthouses also rose from £22 million to £25 million in 2023 (Beauchamp Estates, LONRES).

Despite economic uncertainty, prime London postcodes, like Mayfair and Hyde Park, continue to see sales exceeding £100 million, a shift from last year's hotspots in Belgravia and Knightsbridge. London's ultra-prime market remains strong, attracting buyers from the United States, Europe, India, Malaysia, and China, as well as strong domestic demand.

Source: Mayfair Beauchamp Estates survey, Summer 2023

Average value of houses sold over £15 million

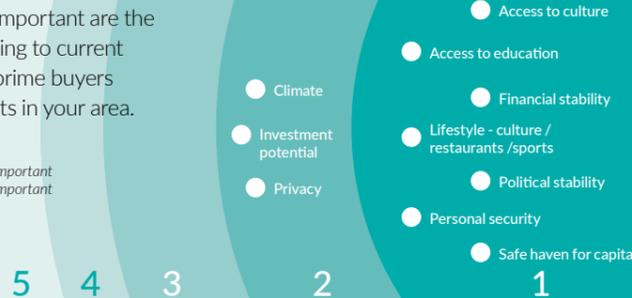


Source: Beauchamp Estates, LONRES

WHAT MAKES LONDON SPECIAL

How important are the following to current ultra-prime buyers markets in your area.

Ranking
1 = Very important
5 = Not Important



Average size of houses sold over £15 million



Source: Beauchamp Estates, LONRES

Record rental market

The ultra-prime rental market in London is booming. Rents in prime postcodes have surged by 8.8% annually, now standing at 29.3% above pre-pandemic levels (LONRES). Competition is fierce, with three or four prospective tenants vying for the same property. International expats from Europe, the Middle East, China, and the USA are active renters. The market is expected to stay strong, with rents projected to rise by 18.7% by 2027. Affluent renters now prioritise houses with outdoor space in areas like Regent's Park, Primrose Hill, St. John's Wood, and Hampstead, expanding beyond traditional epicentres like Knightsbridge and Mayfair.

LonRes recorded the highest ever annual rental growth in September 2023



*Consensus forecast compiled from published stats from agents including Knight Frank and Savills

London | Head Office

24 Curzon Street, London,
W1J 7TF UK

+44 (0)20 7499 7722

London | St John's Wood

80 St John's Wood High Street,
London, NW8 7SH UK

+44 (0)20 7722 9793

London | New Homes

24 Curzon Street, London,
W1J 7TF UK

+44 (0)20 7499 7722

French Riviera | Cannes

19 Rue des États-Unis,
06400, Cannes, France

+33 (0) 493 94 45 45

French Riviera | Mougins

31 Avenue Saint-Basile,
06250, Mougins, France

+33 (0) 4 92 92 23 69

French Riviera | St Tropez

2 Avenue Marechal, Foch
83990, St Tropez, France

+33 (0) 4 94 81 53 61

French Riviera | St Jean Cap Ferrat

5 Avenue Claude Vignon,
06230, Saint-Jean-Cap-Ferrat, France

+33 (0) 4 93 04 73 43

Greece | Mykonos

Rohari, Mykonos,
84600, Greece

+30 (0) 22 8902 4797

Israel | Tel Aviv

Ahad Ha'Am St 14, Psagot House,
Tel Aviv, Israel 61999

+972 (0) 3 555 5111

New York | Manhattan

Leslie J. Garfield, 505 Park Avenue,
#303 New York, NY10022 USA

+1 (0) 212 371 8200