

R3 MARKET INSIGHTS September 2024

Key trends emerging for 2025

We have identified five key trends in 2024 which are likely to continue in 2025 for London's Prime and Super Prime Markets:

- Foreign Buyer Demand:** The weakening of the Pound relative to other currencies has continued to make London properties attractive to foreign investors. Added political stability following the recent elections and sustained reputation as one of the top hubs for international finance will reinforce London's positioning as a safe haven for real estate investment in 2025.
- Resilient Property Prices:** Super-prime properties in central London bottomed out during the course of 2024. We believe that scarcity of high-end properties in "select" areas will continue to support price resilience in 2025 with healthy demand in areas such as Mayfair, Knightsbridge, Chelsea, Notting Hill and Kensington.
- The Rise of New Builds:** 2024 saw many developers focusing on high-end new builds with luxury amenities to attract wealthy buyers. We see this trend continuing in 2025 with more luxury "plug and play" new builds coming to completion driving growth in this sector in areas such as Bayswater (The Whitely and Park Modern), Battersea (Nine Elms), Mayfair (Twenty Grosvenor Square, Mayfair Park Residences) and Chelsea (Chelsea Barracks, Kings Road Park, Chelsea Waterfront).
- Eco-Friendly Developments:** Sustainability became a major focus in 2024, with some buyers prioritising eco-conscious properties. As climate concerns grow, this shift toward sustainable and energy-efficient homes will drive further demand for "green" luxury developments.
- Impact of Tax and Regulation:** Changes in the regulatory environment, as may be included in the October Budget, may affect wealthy buyers' behaviours – one to watch.

R3 RESIDENTIAL SALES DASHBOARD

FIGURE 1 - R3 Residential Indices

Average property prices as at the end of the month of the date of this Newsletter

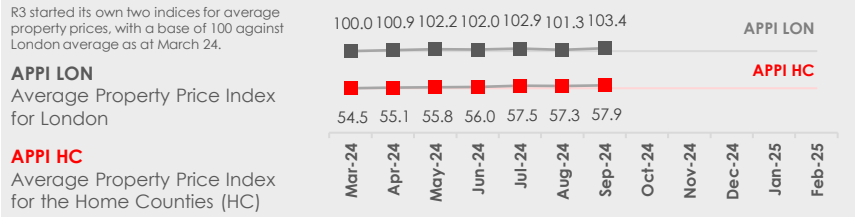


FIGURE 2 - R3 Average SOLD Price per Square Foot (PSF) Indices

Based on average property values as at the end of the month of the date of this Newsletter

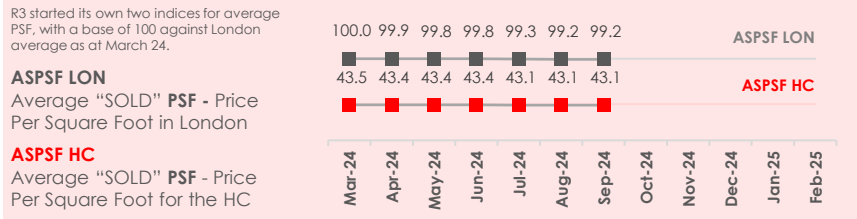


FIGURE 3 – Market Key Performance Indicators

Average property values and average ask and sold PSF, including inherent market discount on sales

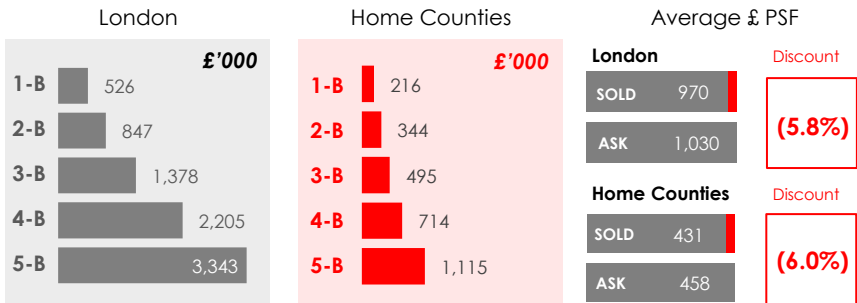
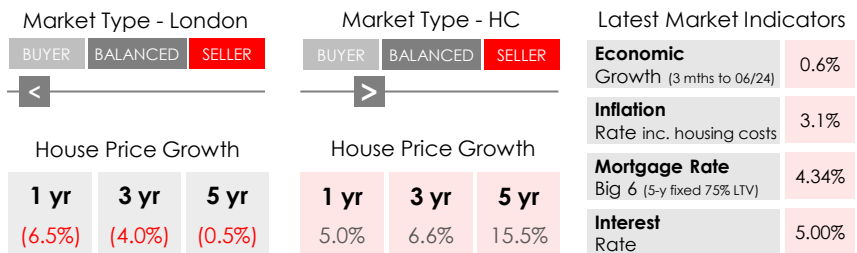


FIGURE 4 – The nature of the market

Market Type and directional trend in London and the Home Counties, and average growth over 1-3 years



Marco Previero

Director and Research Lead at R3

"The forthcoming Budget may drive some potential adjustments in investment strategies which will predominantly affect the prime and super prime residential market in London. One to watch in 2025."