

£10 million is no longer enough to buy ‘an amazing family home’ in prime central London



Despite headwinds facing much of the market, demand – and prices – for London’s best super-prime properties remain high

There’s ‘a real lack of stock’ and a ‘competitive landscape’ for super-prime London property, according to leading property advisers.

The overall prime London market, meanwhile, is continuing to perform very strongly, according to **Butterfield Mortgages’** business director **David Gwyther**.

‘We’ve been busy,’ Gwyther told the audience at Spear’s 500 Live in association with The OWO Residences by Raffles. ‘The first eight months of this year, we’ve seen clients sell about 27 or 28 properties – in the world we operate in, that’s actually quite a lot,’ he said. ‘More importantly, we’ve seen clients buy 37.’

Gwyther was joined by **Black Brick’s Camilla Dell**, Quantock Financial Services’ Neil Hudson, and **RFR’s Richard Rogerson**, in a lively and wide-ranging panel discussion entitled ‘Prime Movers: the secrets of selling, buying and financing super-prime property, in association with Butterfield Mortgages’. The four panellists agreed that super-prime sellers are now in the driving seat, with a shortage of ‘turn-key’ super-prime homes.

International buyers are still ‘somewhat down’ compared to pre-pandemic levels, said **Camilla Dell**. But, she added, ‘there’s a huge amount of interest at the moment from [HNWs who are] US dollar-based’.

‘At the moment, we’re seeing a lot of clients from emerging market countries,’ Dell said, noting that buyers who had recently made money in the oil and gas industries were particularly prevalent. ‘London for them is looking really quite cheap at the moment,’ she said.

‘I might avoid the word “fast”, but certainly activity is busy at the moment,’ **Richard Rogerson** said. ‘The big takeaway for people is about quality in the market. Good properties are trading, and there’s a real lack of stock... that makes a competitive landscape. And so prices are pushing up for the best-in-class properties.’

‘We’re seeing record prices being achieved for good properties – best in class – in competitive processes,’ he added.

Dell said that buying agents are getting ‘creative’ to ‘address this lack of supply issue’. Her firm recently organised a ‘rosé wine drop’ to homeowners in Wimbledon, which found an off-market seller for one of her clients. ‘Actually, we’re showing [that] client today... and we think it’s a great match.’

‘Turn-key’ properties are becoming more attractive as renovations are becoming more expensive, with buyers commonly now having to allocate upwards of £500 (and sometimes £750) per square foot for projects – although Gwyther cautioned that lending on fixer-upper homes is sometimes tricky. ‘As a lender, we do start to get a bit twitchy, because of course we’re going to lend on what the value is.’

The panellists agreed that the lack of supply meant that a mere £10 million is no longer enough to purchase the type of London home that many UHNWs desire.

‘An amazing family home, with five, six bedrooms and a garden, and parking, in zone 1, for 10 million? It’s not going to happen,’ Dell said. Rather, she says, for areas like St John’s Wood and Chelsea, ‘£15 million upwards’ would be needed.

There was also time for some advice for negotiating transactions. It’s not uncommon for buyers to take around eight months when factoring in the whole property search, the panellists noted, while Rogerson added that high stamp duty remains an important consideration for his UHNW buyers. ‘My clients are paying between 12 and 17 per cent. It’s never an easy conversation, but it’s part of the market,’ Rogerson said.

‘I don’t see the government changing it for now, but I think it could become a topic for the 2024 election,’ he added.

Dell also noted some changes in tastes for UHNW buyers. ‘I think we’ve definitely seen – I’m going to whisper it – Knightsbridge fall out of favour. Mayfair used to not be desirable at all but has now outmanoeuvred Knightsbridge.’

Spear’s 500 Live 2022 in association with The OWO Residences by Raffles was held at The Carlton Tower Jumeirah in Knightsbridge. The annual event brings the world of Spear’s to life with a programme of panel discussions, keynotes and interviews with leading figures from the worlds of finance, economics, wealth management, law, tax, philanthropy, education, luxury and more.

The event was sponsored by Butterfield Mortgages, CAF, Finance Malta, IQEQ, MOXO, the Oeno Group, RAK ICC and the Royal Mint.