

Resilience: How Premium London Property Counters Recession In 2023

An outlook of the London property market for 2023 and its resilience against the economic recession, based on data from the new build search platform 1newhomes.

LONDON, UNITED KINGDOM, January 24, 2023 /EINPresswire.com/ -- London Property Market: A Rapid Evolution

The UK faced a shifting market landscape in 2016 after Brexit that hit the housing market, including premium properties. Our data suggests total values in luxury property sectors in London fell by half between 2017 and 2020.

However, 2021 brought relief to the whole market as the government introduced the Stamp Duty Holiday, and buyers took advantage of the Help-to-Buy scheme. The premium segment responded to the changes and bounced back with a record-high number of sales in the prime (10m+) and super prime (20m+) sectors, data [from 1newhomes](#) suggests.

Then came 2022, which brought a whole new level of challenges to all markets, including real estate. And the property sector is often the first to react to changing economic settings.

The London property market sustained its growth until Q4 2022 when mortgage rates skyrocketed and average prices fell for the first time in several years. But what is fascinating is the resilience of the premium property sector, as it recorded a higher number of sales in 2022 than the prior year.



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Premium Real Estate In London: Core Reasons Behind Its Growth

One of the central drives behind thriving luxury property in London is the unmet demand after Brexit and the pandemic. Many elite buyers and investors put their plans on hold during that time and decided to enter the market later when the conditions became more favourable.

In addition, premium property in London has long ago established itself as a secure investment, especially compared to other markets. The weakening of the Pound also opened opportunities for international buyers who managed to secure favourable deals.

Unsurprisingly, property developers have addressed these trends by delivering an increasing number of [prime new builds in London](#).

London New Builds: Key Stats From 1newhomes

The latest stats give a clear view of the current state of the market and how it will counter the recession in 2023. The state of the new build market correlates to the overall sentiment, so these stats are a decent reflection of the market's health:

1. Property developers launched 147 [new build developments in London](#) in 2022.
2. Around 22% of the launched developments are prime properties equipped with a gym and a swimming pool for residents.
3. Some 70% of these luxury homes sit in Prime Central London (PCL), suggesting strong demand for premium property.
4. 20% of people visiting 1newhomes looked for new developments in the luxury segment.

There are also telling stats regarding average values and the type of housing people choose:

1. 40% of our users looked for 1-bed flats and apartments.
2. 30% of buyers were interested in 2-bed homes.
3. Further 30% of users looked for 3-bed apartments or even bigger flats.
4. On average, property values increased by 7.9% against 2021, despite challenging settings and changing global landscape.
5. The average home price in London hit £590k.

London Property Market: An Outlook

While the global economy might recess, private capital is going to continue its growth and will find its way into London, particularly into the premium property in the capital, that will help sustain the whole market and counter the major recession.

In addition, marginal drops in average house prices in London go along with the weakening of the Pound. Combined, these two trends create favourable settings for continuing investment in

London as investors may secure home deals for similar properties 50% below levels in 2015.

However, it is worth mentioning that home prices in London will most likely continue their downward trend (by 3%) in 2023, adapting to the new economic landscape. By comparison, super-prime markets in Dubai and Miami proved to be even more resilient to economic fluctuations – these cities are expected to show positive value growth this year.

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