

Global Super-Prime Intelligence



2023 Q4 Edition

Knight Frank's Global Super-Prime Intelligence report provides a quarterly snapshot of US\$10 million+ residential sales conditions across 12 key international markets

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Super-prime sales turn up

- ▶ Global super-prime (US\$10m+) residential sales rose 11% in Q4 2023 on a year-on-year basis. There were 411 sales across the 12 markets covered in the three months to December compared to 370 in the same period in 2022.

The uptick in super-prime sales activity reverses the slowdown in the previous quarter and reflects to a more confident global economic outlook at the end of 2023, as expectations for interest rate cuts in 2024 grew stronger.

The largest market in Q4 was Dubai (108 sales), followed by London and New York (with 52 each). Hong Kong volumes dipped to 15 sales, pushing it out of the top five markets for the first time. Sydney and Geneva ranked fourth and fifth, respectively, with strong activity throughout the quarter.

Although super-prime sales rose in the fourth quarter, pushing 2023's total sales ahead of 2022, they were still 22% lower

“2023 was a pivotal year for global super-prime markets, while rates continued to climb in the first half of the year, wealth creation rebounded as asset prices surged on the back of the AI-fuelled equity boom, which was then supported in the final quarter by expectations of lower rates. 2024 is likely to be defined by the eventual pivot to lower debt costs which will boost activity in key global super-prime markets.”

Liam Bailey, Knight Frank's Global Head of Research

than the levels reached in 2021. However, the total was still significantly higher than the pre-pandemic level seen in 2019.

The recently released Wealth Report 2024 noted that global wealth creation turned positive in 2023, with a 4.2% increase in the world's Ultra-High-Net-Worth-Individual (UHNWI) population. This growth was driven by changing expectations around interest rates and supported by the US economy and a strong recovery in equity markets.

Annualized US\$10m+ sales have risen over recent quarters despite the impact of soaring interest rates on global housing markets. The 1,782 sales in the 12 months to the end of December 2023 represented an increase of 1% compared to full-year 2022, but a 22% decrease from the peak of 2,291 sales in full-year 2021.

The total value of super-prime sales reached US\$31.9 billion in the year ending December 2023. While this was a 22% decrease from the US\$40.7 billion peak during the 2021 pandemic property boom, it was still substantially higher than the pre-pandemic level in 2019.

LOCAL MARKET ACTIVITY

Dubai's market continues to deliver strong sales volumes in the super-prime market. Significant price growth over the past two years has seen luxury prices increase by well over 100%, shifting many properties from the prime to the super-prime segment. Demand now extends beyond

waterfront properties to inland villas confirming a widening of the market.

Despite a challenging economic backdrop London has for the second quarter retained the second spot in our list, albeit sharing the position with New York. Super-prime sales in the city stumbled at the beginning of 2023 – following the infamous “mini-budget” fiscal event that spooked lending markets and led to a more challenging sales environment.

Geneva's positive performance reflects an uptick in Switzerland's wealth landscape. According to Knight Frank's Wealth Report 2024, Switzerland's UHNWI population grew by 5.2% in 2023, the fifth strongest globally and the highest in Europe.

In Australia, the luxury real estate market is gaining momentum due to a combination of strengthening buyer sentiment and shift in outlook around interest rates. Wealth creation in Australia is also supporting the market – with a notable rise in cash transactions, which now represent over half of all prime property sales in Sydney.

New York saw an increase in sales volumes in Q4 in part due to the launch of new luxury developments, pointing to confidence in the market. Conversely, Miami is facing a shortage of super-prime properties, limiting sales despite high demand. Los Angeles, however, continues to see relatively healthy sales volumes, despite some uncertainty for buyers from the state's mansion tax.

Singapore's super-prime market continues to grapple with more stringent purchase taxes, escalating to 60% for foreign buyers. Hong Kong's weak Q4 in the super-prime market was reflected in the wider residential sales market – prompting the authorities to make substantial changes to property taxes in February this year.

Quarterly data

US\$10m+ quarterly residential sales

Number

City	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Dubai	75	92	95	89	108
Geneva	15	31	23	20	38
Hong Kong	30	67	42	39	15
London	63	53	64	71	52
Los Angeles	51	53	41	36	31
Miami	24	29	35	26	16
New York	37	58	67	34	52
Orange County	9	12	22	14	14
Palm Beach	14	39	22	12	11
Paris	7	4	11	7	3
Singapore	23	37	37	18	19
Sydney	22	16	34	21	42
All	370	491	493	387	411

US\$10m+ quarterly residential sales

Aggregate value (US\$ millions)

City	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Dubai	1,397	1,725	1,582	1,592	1,810
Geneva	294	925	625	534	1,060
Hong Kong	780	989	834	748	294
London	1,414	933	1,034	1,226	1,116
Los Angeles	941	884	803	591	503
Miami	425	473	642	519	333
New York	708	942	1,142	620	911
Orange County	140	211	356	207	404
Palm Beach	313	617	368	183	164
Paris	125	53	248	115	83
Singapore	409	603	487	188	276
Sydney	443	260	686	354	632
All	7,389	8,615	8,807	6,877	7,585

Annualised data

US\$10m+ annualised residential sales

Number

City	Full year 2019	Full year 2020	Full year 2021	Full year 2022	Full year 2023
Dubai	22	22	93	219	384
Geneva	19	33	53	69	112
Hong Kong	212	175	247	131	163
London	157	157	242	254	240
Los Angeles	123	155	321	234	161
Miami	41	84	240	149	106
New York	224	120	441	244	211
Orange County	40	44	115	90	72
Palm Beach	50	88	151	113	84
Paris	19	3	15	35	25
Singapore	71	79	255	125	111
Sydney	31	45	118	108	113
All	1,009	1,005	2,291	1,771	1,782

US\$10m+ annualised residential sales

Aggregate value (US\$ millions)

City	Full year 2019	Full year 2020	Full year 2021	Full year 2022	Full year 2023
Dubai	297	287	1,318	3,842	6,708
Geneva	349	691	996	1,510	3,143
Hong Kong	4,199	3,226	5,162	2,920	2,864
London	2,916	2,980	4,193	4,787	4,309
Los Angeles	2,519	2,560	5,364	4,451	2,781
Miami	659	1,377	4,033	2,687	1,967
New York	3,942	2,152	8,087	4,494	3,615
Orange County	629	646	1,820	1,383	1,178
Palm Beach	1,070	1,656	3,037	2,019	1,333
Paris	345	135	301	641	500
Singapore	1,227	1,353	4,553	2,181	1,554
Sydney	442	715	1,810	1,738	1,932
All	18,594	17,778	40,674	32,653	31,883

Source: Knight Frank Research

NB: the above tables record publicly available information on US\$10m+ sales in key global markets, exchange rates are calculated at the date of sale.

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