

# Luxury Roundtable

WORLD'S LEADING NETWORK FOR LUXURY PROFESSIONALS, MARKETERS AND WEALTH MANAGERS

Business at its best

Become a more authoritative, connected and informed luxury professional [join Luxury Roundtable now](#) and access your benefits

RETAIL

## Luxury sector in London to achieve value of \$34-37B in 2024

October 23, 2023



*London is second only to New York when comparing size of retail market, international visitor appeal, affluence and growth potential. Image credit: Shutterstock*

By STAFF REPORTS

*Walpole's inaugural State of London Luxury Report indicates the vast stabilization of the luxury sector in the United Kingdom post-pandemic.*

New projections estimate that the luxury sector in London could reach a value of \$34 billion to \$37 billion by 2024, reinforcing the significant contribution of a thriving London to luxury manufacturers and suppliers across the United Kingdom, all of whom generate employment opportunities throughout the length and breadth of the country.

The 2023 Walpole Luxury London Survey, exclusively featured in the inaugural State of London Luxury report in partnership with [Cadogan](#), outlines the current perceptions among respondents regarding London's status as a global luxury hub, the future of high-end retail and their confidence levels.

"Across Chelsea and Knightsbridge, we have London's highest concentration of luxury brands and are delighted to partner with Walpole on this annual barometer of our capital's standing, using insight from our community and way beyond to create a snapshot of sentiment and better understand the trends shaping tomorrow's neighborhoods," said Cadogan CEO Hugh Seaborn in a statement.

A large landlord, Cadogan is a member of British luxury trade body [Walpole](#).

Hospitable atmosphere

Seventy-one percent of respondents express positivity about the prospects for their business at present, a sentiment that rises to 81 percent over the next two to three years.

This optimism is echoed by Savills Luxury City Fundamentals ranking 2022, which positions London second only to New York when comparing size of retail market, international visitor appeal, affluence and growth potential.

London's appeal is further underscored by its status as the prime destination for high-end tourism, with 50 percent of U.K. international visitors choosing the capital as their primary stop pre-pandemic.

Furthermore, high-end tourists in London outspend mass tourists by 14 times per trip and double that of high-end visitors to other European cities.

Catering to this burgeoning demand, London will see the opening of 12 new five-star hotels between 2022 and 2025, surpassing any other period of hotel development in the city with new entrants including [The Peninsula](#), Raffles and Costes.

With the U.K.'s high-end tourist market valued at \$43 billion, London's status as a top global destination is enviable thanks to its visitor attractions including 17 out of 25 of the most visited tourist landmarks in the U.K.

Culturally, the city boasts six Historic Royal Palaces, four UNESCO World Heritage Sites, 215 museums including 11 national museums, 857 art galleries and a multitude of other annual cultural and sporting events. These offerings contribute to longer dwell times and increased spending by luxury consumers, the report pointed out.

The State of London Luxury report also examines the interrelated art and luxury sectors.

London's influence in the art world is critical to the marketplace. Luxury brands continually draw on art for inspiration, philosophy and partnerships. That inspiration is fed by direct investment in art and culture, with some luxury brands allocating 0.5 percent to 1 percent of their annual revenues toward artistic and cultural patronage.

The vibrancy in hospitality is mirrored in new luxury store openings.

#### Retail detail

While two Chinese cities outrank London in volume, data from Savills demonstrates that London leads the world with the highest number of new store openings between 2019-2022.

The findings from Walpole's London Luxury Survey shows that 82 percent of respondents believe that the blend of well-known luxury brands and local British luxury icons is a major contributor to the London's distinctiveness in the luxury landscape.

Renowned luxury retail districts such as Knightsbridge, Chelsea and Mayfair have attained global acclaim and 69 percent of participants ranked Bond Street among the world's top three luxury streets.

However, it is London's affluent villages' including Connaught Village, Marylebone Village, Little Venice and Shoreditch offering hyper-localization, unique character and trend-led retail and dining experiences that cannot be found anywhere else in the world, per the Walpole report.

The presence of these affluent villages, along with the increasingly important wealthy local residents, has positioned London as a global leader in growth and investment.

Currently, London has the highest number of high-net-worth individuals (HNWIs) compared to any other city worldwide.

According to the London Luxury Survey, 61 percent of respondents identified understanding and profiling local residents as a key success criterion for their businesses.

Luxury brands are recognizing the need to provide added value services such as personal shopping, styling, direct delivery, and personalized in-home tailoring and fitting to enhance the customer experience.

Investments in the public realm and placemaking initiatives, exemplified by Cadogan's Sloane Street and Pavilion Road developments, enhances the retail and residential environment for both affluent visitors and residents.

Also, with more than a third HNWIs who want to buy another property looking to purchase in the U.K., the potential for attracting luxury customers is set to increase further.

THE WALPOLE REPORT not only highlights the resilience of London's post-pandemic growth but also acknowledges the opportunities to unlock future growth from a policy perspective.

One significant opportunity lies in the reinstatement of a tax-free shopping scheme for international tourists, the loss of which is a drag on both London's and the U.K.'s economic performance.

With a different policy approach from government, it would be possible to further optimize its attractiveness as a city to visitors, businesses and investors alike.

"Twelve new five-star hotels, the highest number of new store openings outside China and 81 percent of luxury retailers saying they feel positive about prospects for their business over the next few years demonstrates that the luxury scene in London is vital, vibrant and brimming with health and confidence," said Walpole CEO Helen Brocklebank in a statement.

"If a next generation tax-free shopping scheme could be introduced, London's status as the world's number one luxury city would be guaranteed," she said.

[Please click here to download Walpole's State of London Luxury 2023 report](#)

---

#### MOST READ

1. [Report: Southeast Asia, India next luxury beauty growth markets in Asia Pacific](#)
2. [Lessons for luxury brands from recent FTC action over beltmaker's Made in USA claims](#)
3. [Four Seasons, touting personalized service, debuts new leg of Based on a True Stay campaign](#)
4. [London gets vote of confidence with luxury PR agency Quinn's European expansion](#)
5. [Report: 5 trends that will define the future of meetings and events](#)
6. [Call for columns and thought leadership on luxury trends and issues](#)
7. [How to install purpose in your brand and company](#)
8. [Tech's integration is the luxury boutique's future: Bain, Comité Colbert](#)
9. [Guerlain, Chaumet collaborate to create one-off Bouquet de la Cour bottle](#)
10. [Loro Piana, eyeing VIP shoppers, launches world-first new concept store in Dubai Mall](#)