

Foreigners pounce on top homes in London

Richard Warren in London

The number of nationalities buying property in London has risen by two-thirds since 2008. The pound's weakness enabled buyers from 51 nations to buy property in the British capital in June. Chinese and Vietnamese are among the new investors.

According to the Knight Frank London Residential Review, half the homebuyers in prime central London, which encompasses districts such as Kensington, Chelsea and Mayfair, are from overseas. The report says 51 nationalities bought property in these areas in June, compared with 30 in mid-2008.

Foreign buyers are making their presence felt at the most expensive end of the market. They account for 68 per cent of buyers of homes valued



Luxury-home prices in London have risen 20 per cent in the past year.

at £5 million (HK\$61.95 million) or more, the report reveals.

Their strong appetite for multi-million-pound homes means they make up more than 60 per cent of buyers in Mayfair, Knightsbridge and Hampstead.

Liam Bailey, the head of residential research at Knight Frank, said investment by foreigners had helped prime London home prices rise 20 per cent over the past 12 months.

Hong Kong buyers are the most prominent in Wapping, Canary Wharf and the Hyde Park Estate, and they account for 2.3 per cent of all international buyers, the report shows.

Buyers from Russia form the biggest group at 14 per cent, while 11 per cent are from the United States.

Ed Lewis, the head of London new homes at estate agent Savills, said all brand-new, £5 million homes sold by the firm in London's prime districts this year went to overseas buyers.

"International buyers continue to exploit the opportunity that the cheap pound offers across the capital," Lewis said. "In the past month, we have had to polish our linguistic skills in, among others, Mandarin, Vietnamese and Afrikaans."

The pound fell 28 per cent against the Hong Kong dollar between March 2008 and June this year. It has recorded similar falls against other currencies, including the US dollar and the Saudi riyal.

Camilla Dell, the managing partner of Black Brick Property Solutions, said international buyers were attracted to London's reputation as a safe haven and its educational establishments for their children.

"We have clients from Nigeria, Ghana, Uganda, Kenya, South Africa, Zambia, Russia, India, Pakistan, Malaysia, Singapore, Hong Kong, Greece, Cyprus, Italy, Saudi Arabia, Dubai, Egypt, Lebanon, the US and Australia," she said. "At the moment, London is particularly popular with those from India and the rest of Asia, where there is a fast-growing high-net-worth contingent and there are strong historical links with Britain."

Dell said the large overseas influx meant demand outstripped supply in many districts and would support prices in a market downturn.

Adam Blaskey, a director of developer Northbeach, said all interest in its Kensington project, 3 Queens Gate Place, where it is marketing five flats, had come from overseas.

"Through our website, we have traced this interest back to over 50 countries around the world, with the Far East and the Middle East dominating," he said.

Non-Britons, especially Russians, dominate demand for apartments at One Hyde Park, the Candy & Candy development in Knightsbridge, where sales prices reached £28 million in April.