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Mideast, Asian buyers dominate prime Central London property market

REBECCA SPONG | Published — Wednesday 13 December 2017



Shoppers crowd the walkways on opening day of the Westfield Stratford City shopping centre in east London, in this September 13, 2011 file photo. (REUTERS)

LONDON: Buyers from the Middle East and Asia were the biggest group of international buyers snapping up properties in prime central London in the third quarter of this year, according to new research.

Middle Eastern investors bought 13 percent of the prime real estate on offer, as did buyers from Asia, according to Hamptons International.

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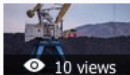
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EU investors came in third place, accounting for 10 percent of purchases during the quarter.

The research suggests international buyer appetite for high-end property in the capital is returning after fears about the impact of Brexit coupled with economic problems within their home countries had put off some overseas investors.

The proportion of prime central London property bought by international buyers increased to 51 percent in the third quarter, rising from 44 percent in the previous quarter, according to Hamptons. This is the highest proportion recorded since the third quarter of 2016, when 60 percent of prime central London property was bought by overseas buyers eagerly taking advantage of the weaker exchange rate in the wake of the UK's vote to leave the EU.

Hamptons said that likely factors for this quarter's increase are strong global growth coupled with relatively cheap London property due to the exchange rate.

The research also backs up the forecasts that suggests Asian buyers are becoming an increasingly important source of investment in the London property market, potentially rivalling the more traditional Middle East investor. In November, Niccolo Barattieri di San Pietro, CEO of property developer Northacre, told Arab News he expected a "dramatic" increase in Asian buyers over the next 10 years. His company is behind the redevelopment of New Scotland Yard, the former headquarters of London's Metropolitan Police, into luxury apartments. The developer had hosted investor roadshows in Asia in an effort to whip up excitement about the project in that region. The project — known as The Broadway — is due to be completed by the fourth quarter of 2021.

Data from residential property adviser London Central Portfolio (LCP) published in August also revealed that investors from South East Asia were the largest buyer of high-end property with a 36 percent share in the year 2016-2017, followed by Indian buyers with 22 percent of sales and the Middle East accounting for 21 percent.

Middle East investors had previously been the biggest property buyer in the UK capital, with a 43 percent share of all sales, according to LCP's 2014-2015 audit.

Hamptons defines prime central London as Belgravia, Chelsea, Earls Court, Fulham, Kensington, Knightsbridge, Notting Hill, Paddington, Sloane Square and South Kensington.



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