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Foreign buyers revive prime homes sales

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The American investor Ken Griffin bought a mansion in Carlton Gardens, central London, for £95 million

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Overseas investors are taking advantage of Brexit uncertainty, a stagnant property market and the weak pound to push the proportion of elite London homes sold to

international buyers to its highest level for six years.

Prices, particularly at the top of the market, have been falling for some time, although commentators sense that the end is in sight. Such conditions prompted Hussain Sajwani, chairman of Dubai's Damac Properties, who is looking to invest up to £1 billion in central London, to comment: "London is London. You buy when there is blood on the streets." One estate agent said he had not seen anything like it in 30 years. "I couldn't get one billionaire in to see a £90 million property because three others were viewing it," he said. "In the past six weeks they have been piling in, in unprecedented numbers."

Figures published today by Hamptons International, the estate agent, show that 57 per cent of properties sold in central London go to international buyers. This is the highest level since the second half of 2012.

International investors made up 36 per cent of buyers in Greater London in the second half of last year, with the number of British buyers falling by 15 per cent.

A home worth £5 million at the top of the market in 2014 can now be bought for just over £4 million, according to Savills, the estate agent. Rachel Thompson, director of Sterling

Private Office, a property advisory company, said that such discounting, when combined with exchange rates, meant that buyers with dollars would “effectively save 66 per cent” on such properties. Ms Thompson added: “This flurry could indicate that investors believe the market is nearing its bottom. And they stand to win big if they’re right.”

Savills, the estate agency, estimates that 73 properties worth over £15 million were sold in London last year, the most since the government raised stamp duty costs at the top end of the market in 2014. The second-home stamp duty on properties at that level stands at £2 million and may go higher for international buyers as the government is consulting on adding 1 per cent to the stamp duty levy on these sales.

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There have been a series of high-profile property deals in recent months, including the purchase by the hedge fund manager Ken Griffin of a mansion in Carlton Gardens, St James’s, for £95 million, reduced from £145 million, and a £100 million penthouse apartment in The Peninsula London, a five-star hotel and residences being built near

Hyde Park Corner by the Hong Kong and Shanghai Hotels group.

The most expensive deal in the past six months is the £105 million sale to an unnamed Chinese businessman of the 8,100 sq ft penthouse at 1 Grosvenor Square, the former Canadian High Commission, which is being redeveloped into flats and townhouses.

Stuart Bailey, from the estate agent Knight Frank in Belgravia, said: “These overseas buyers have spotted an opportunity in the Brexit uncertainty. There have been some huge sales of houses and flats and a noticeable number of penthouses, which hold their value because there is a finite supply.”

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