



High-end homes such as this £9.75 million property in Lowndes Court SW1 are attracting attention overseas. Savills 020 7730 0822

International appetite is boosting prices

The prime central London residential market continues to confound expectations by recording its sixth consecutive quarter of growth, with values rising 2.8 per cent since the turn of the year, according to Savills' quarterly prime central London index.

A significant slowdown last quarter, coupled with rising stock levels, had led the property adviser to anticipate further slowing, and forecast tiny falls across this year.

Growth was seen across all prime locations and price bands, but with high-end properties, with the average transaction rising in the first quarter from £3 million in 2010 to £5 million, houses have significantly outperformed flats. This reflects a continuing surge of wealthy overseas buyers bringing foreign equity into the capital from all corners of the globe, explains Yolande Barnes, head of research.

Christian Warman of Savills Sloane Street concurs that the number of international applicants has increased over the first quarter of the year. "Buyers perceive the UK, and prime central London in particular, as a safe haven for international wealth in the face of global uncertainty and investment market volatility. This, combined with a favourable exchange rate, has led to a greater number of international buyers, and shows no sign of changing. Increasingly, these buyers seem to be viewing prime central London property as a 'gold standard' asset."

Ayrton Wylie has also witnessed a confident start to the year, buoyed up by keen international buyers. Sixty per cent of properties sold so far in 2011 have been to overseas purchasers, with those viewing Ayrton Wylie property on the website from 52 different countries and in 29 languages during the

month of February alone.

Seamus Wylie, director of Ayrton Wylie, highlights three clear factors that explain why the central London market is bucking the wider UK trend of weaker sales volumes and subdued prices.

"Demand is continuing to outstrip supply," he says. "Also, the rise of international buyers looking to invest in the London property market, due in part to a relatively weak pound, has definitely been on the up.

"And the strength of the Euro has already driven an increase in demand from European buyers, and with continued political unrest in the Middle East, this trend is set to continue as Middle Eastern buyers look for safe havens and turn to the British property market as a place to invest."

Wylie also cites the increase in Stamp Duty purchase tax from four to five per cent on all properties priced at over £1 million after April 5 as a key driver to sales. "We've already seen the effects of this, with some buyers making offers subject to completion before the April 5."

Top celebrity neighbours

Who do you most want to lend you a cup of sugar? Oscar winner Colin Firth has been nominated the celebrity everyone most wants to live next door, according to research from property website Zoopla.

The King's Speech star got 15 per cent of the vote out of a total of 4107 people polled. Cheryl Cole managed to make it to second place at nine per cent, but poor Katie Price didn't fare so well. She was deemed less popular than Jedward, Gillian McKeith and Kerry Katona combined.