



## Comment: The effect of political turmoil on the London property market

Thursday, 22 November 2012 12:20 PM

By Caroline Takla



High-end property in London has long been seen as a stable global option for wealthy overseas buyers, particularly those wishing to shield themselves from political turmoil at home.

With continuing instability in countries like Egypt and Syria this clamour for London property shows no signs of slowing.

A report out from Knight Frank recently revealed a sharp increase in purchases during October, suggesting wealthy citizens in some Middle Eastern and North African countries believe their security is continuing to deteriorate.



Protests continue in many Middle Eastern countries. Image: Hamed Saber

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Historically, London has welcomed those seeking asylum with open arms and today is no different. Now though it is not just people being protected by the capital, it is also wealth and assets.

This is a result of London's stable political climate and transparent legal and financial systems.

Relative to other markets the UK provides respite from the financial storm, with secure and viable homes and investments.

The capital's attraction to Middle Eastern and North African buyers heightened after the Arab Spring uprisings last year, which brought down governments in Egypt, Tunisia and Libya, with similar turmoil in Bahrain.

It has lingered via the civil war in Syria and last week more conflict was reported between Israel and Palestine.

We have seen a noticeable increase in enquiries from Middle Eastern and North African buyers in the last three months, who have well and truly usurped sub-continent Asians to represent our largest buying group for £5m plus permanent residences in the capital.

They continue to buy, regardless of proposed changes to UK taxes on owners of the most expensive property.

For example in June, the election result meant that many liberal minded wealthy Egyptians felt that they needed to consider alternative shores as their full time residences for the mid-to-long term with many coupling the move with wider considerations such as immigration and schooling needs.

Egyptians consider London a relatively easy move, with many already owning pied-à-terre properties, typically in Sloane Square, Chelsea and Knightsbridge, for use during the summer months.

However, those smaller properties in the capital are unable to satisfy their new, permanent space requirements.

There has been ongoing demand for space that satisfies multigenerational living, as well as any staff requirements. Consequently many buyers have been actively looking to upgrade existing properties.

We have assisted many in securing adjacent apartments to the property that they already own with a view of obtaining the relevant permission to knock through and combine the space. Another attractive option has been to buy multiple properties in the same building, or in the immediate vicinity, for wider members of the family.

The latest report from Knight Frank suggests that outflows of money may be increasing from some other nations, as well as the early summer influx from Egypt, and this is certainly reflected in new client bases that we are seeing from Syria, Lebanon, Israel and Jordan.

In the last three months, we have seen a considerable number of buyers from Syria, looking to liquidate their assets in their home country, by repositioning them in London property.

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Traditionally, shaker kitchens have been subtly charming and almost austere in their decor and furnishings, and you may wonder how it is that the style is still so popular when modern living calls for an array of useful appliances and accessories. The key is to combine style elements with convenience - read on to find out more about accessories that are ideal in shaker kitchens.

#### Living in the countryside: Make sure you have all mod cons

Living in the countryside can present a number of problems, as if you are in a rural location you'll not have access to the same level of services as you would do in bustling city centres. This means you need to be forward thinking when it comes to dealing with the whole moving process.

In the last three months, we have seen a considerable number of buyers from Syria, looking to liquidate their assets in their home country, by repositioning them in London property.

There are also new Lebanese clients coming through – following the killing of the Lebanese intelligence chief in a car bombing which the country's political opposition has blamed on Syrian President Bashar al-Assad. Historically Paris was where the Lebanese would have put their money, because of the strong affinity the countries shared, but now London is their number one choice.

The recent collapse of Iran's currency, triggered by Western economic sanctions against Tehran over its disputed nuclear programme, has also resulted in more London property interest from the country's super-rich.

In line with Knight Frank's report, as Middle Eastern and North African buyers flee political strife at home and protect themselves from reprisals, requests for high end security features are becoming a popular request.

Looking forward, as the Middle East and North Africa, on the whole, remains unsettled, London will retain its position as a resilient market.

It is likely to continue to attract the wealthy – who are unfazed by the proposed tax changes.

It is clear that Middle Eastern and North African buyers have reaffirmed their position as one of the major buying groups within the high end London residential market.

**Caroline Takla is managing partner of [The Collection LLP](#), a leading boutique London property buying consultancy.**

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