

Perhaps because of the new-build gold rush, foreign buyers tend to prefer older properties that have been refurbished in advance, and high-end developers have been busy digging out basements to make way for swimming pools and playrooms in popular Chelsea squares such as Eaton, Belgrave and Lowndes, where Roman Abramovich is knocking together two properties rumoured to be worth £150 million collectively. Although digging down has been popular for a decade now, the recent flurry has occurred, in part, because of coming council regulations that could restrict dig-downs due to noise, nuisance and structural concerns.



GREAT EXPECTATIONS



Caroline Takla, managing partner of The Collection LLP, a leading boutique London property buying consultancy, on market trends

The property market in prime central London is ever-changing. As an influx of nationalities migrate to the capital and new hot spots emerge, prices are rising, expectations are increasing and boundaries are blurring.

London is defined by its melting pot of cultures – a blend of Britain with a European twist, North American edge and Asian taste. French, American and Middle Eastern communities have had a presence in London for decades – their territory clearly marked in the residential areas of Marylebone, Kensington, St John's Wood and Mayfair. Yet, the latter months of 2013 onwards have been a telling period, with the shifts in where buyers hail from causing the market to sit up and listen.

It's unsurprising that Russians are moving to the capital – they have had an affinity with London for many years, but since the back end of 2013 and in the wake of recent events in Russia, Crimea and Ukraine, there has been a notable increase in the number of Russian buyers returning to the fold. As conflicts have heightened, we have signed up a number of Russian clients who are looking to call London home once more. With £6-8 million to play with, the keys to a prime central home are about to be cut.

Tellingly, there has also been a number of ultra-high net worth Brazilians who are relocating to London, the result of increased pressure on its Government to pay for the World Cup and the Olympic Games in 2018. Fazed by the possibility that they will be expected to finance these sporting fixtures, Brazilians are deciding to play away and set up home in the UK. South American

nationals have tended to settle in Miami, but are increasingly favouring a move across the pond – the result of economic stability here, and a clearer route to citizenship via the accelerated visa route.

As a host of internationals start to lay down roots here in London, changes are also pertinent in coveted residential areas. Overseas and UK buyers alike are focusing their searches on new areas; Marylebone is morphing into a Mayfair alternative, just as St John's Wood and Maida Vale are more affordable substitutes for the Hyde Park Estate.

High prices and a lack of stock are creating new buyer demographics that are shifting towards areas where more homes are available, and at a lower price premium. Indeed, the undersupply of housing in recent years, compared to the large number of buyers looking for properties in which to live, has pushed prices up in prime central London by 68% since the beginning of 2009*.

Overseas buyers are establishing a home for themselves in London, and there is no sign that this is going to slow down – London is set to open its front door to more international buyers and find them new pockets of the capital to set up their own home.

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*Figures according to Lonres (19 March 2014)