



Keyword: West Heath Place

## London calling

SINGAPORE - Residential properties in London are gaining popularity among Asian investors, driven by the weak pound and opportunity for higher capital appreciation.

"It's an absolutely perfect opportunity because prices are probably 10 per cent, 15 per cent below the price investors would have had to pay pre-credit crunch," said Mr Trevor Abrahmsohn, managing director at Glentree Estates Agents.

Over the weekend, Glentree Estates and Albany Homes International held an exhibition in Singapore for their newest development, West Heath Place.

Before the financial crisis, two London properties were launching per week on average, experts said. Now, it is five launches a week and is expected to pick up as the London economy continues to recover.

Between this year and 2012, London's GDP will grow by 3.8 per cent, higher than the 3 per cent projection for the UK as a whole, according to Savills.

London property prices are expected to go up by 5 per cent next year, with demand rising as supply remains tight, experts said. Rising rental rates will also drive the property market as more UK locals opt to rent rather than buy due to difficulties in getting financing, they added.

"The rental market has been pushed up and values are at their highest in years. Flats have outperformed houses over the past three months, with 9 per cent growth in rents year on year, compared with 6 per cent for houses," said Mr Alasdair Nicholls, chief executive officer of London property developer Native Land.

The firm is set to launch the Pavilion C of its NEO Bankside property in Singapore next week. The development offers 2-bedroom apartments starting at £995,000 (\$2.1 million) and 3-bedroom sub penthouses at £4,950,000, with potential yields at around 5 per cent.

"International buyers have accounted for half of all prime central London buyers, rising to 63 per cent at the top end of the prime market," Mr Nicholls said. Last year, it attracted buyers from Malaysia, Singapore, China and Hong Kong when it launched the Pavilions A&B.



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Buyers looking to rent out their London property stand to gain as rental rates have risen 4.7 per cent to £1,729, according to the Find a Property Q2 2010 rental index.

"London is the best place for landlords in England as this average rental yield outstrips all other regions," said Mr Tim Murphy, managing director of property investment firm IP Global.

"Studio or one-bedroom apartments are currently offering the best yields as a result of their lower capital value and popular demand from young professionals," said Mr Murphy. The average price of a London apartment is around £350,000.

"London properties have corrected about 20 to 30 per cent," said Dr Chua Yang Liang, Jones Lang LaSalle's Head of Research for Southeast Asia, but he cautioned buyers to take note of foreign exchange risks and policies that could affect the London property market.

IP Global's Mr Murphy said other risks include the possibility of a double-dip recession, tight credit conditions and interest rate hikes.

But so far, he said the current population growth trends are still favourable for London property investments given that there is increasing demand and decreasing supply.

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