

# PROPERTY TIMES W11 SPRING 2018 ISSUE

Welcome to the first edition of the YOUhome Property Times, giving you an expert view on the latest local property trends in W11, and the types of buyers in Notting Hill.

In this edition we outline historical data and trends in the local area, the drivers of residential property values, and how they have changed and will continue to change in 2018 and beyond.

YOUhome's expert Property Gurus will also provide their unique experience and insight into the types of buyers active in the W11 local area, today.

**BOOK A FREE VALUATION**

Speak to YOUhome about how we can help you make the most of your property's value and appeal to the very best buyers:

Call **020 7908 9280**, or visit [youhome.co.uk](http://youhome.co.uk)

# W11 IN REVIEW

We begin with the numbers. Property values in W11 have had a cracking run when compared to other mainstream investment opportunities. The average price of a residential property has increased from £223,717 in 1995 to £1,724,596 in 2017, an almost eight-fold increase. As an example, over the same period the FTSE 100 stock market index has increased from 3000 in 1995 to over 7000 in 2017, just over a two-fold increase. This is illustrated by **Fig 1**, comparing the average property price in W11 to the FTSE 100 from 1995 starting from the same base value.

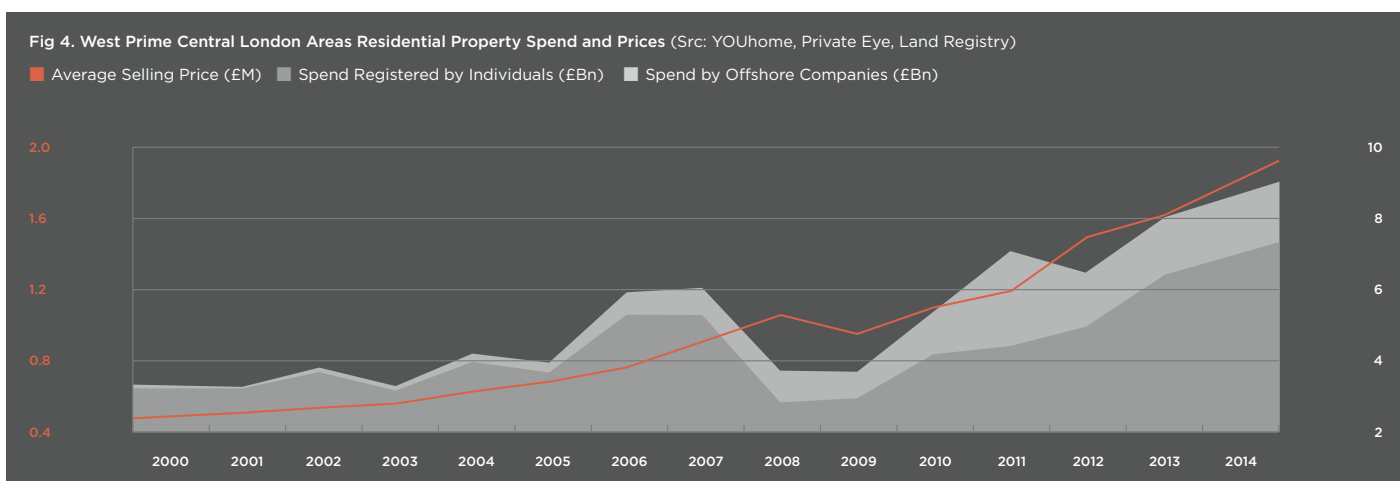
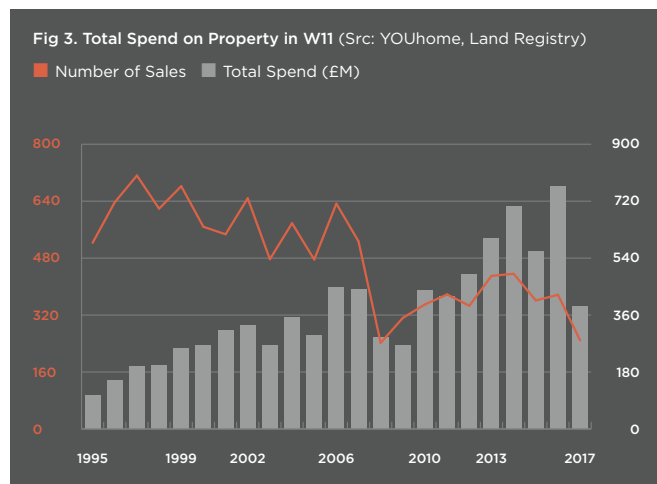
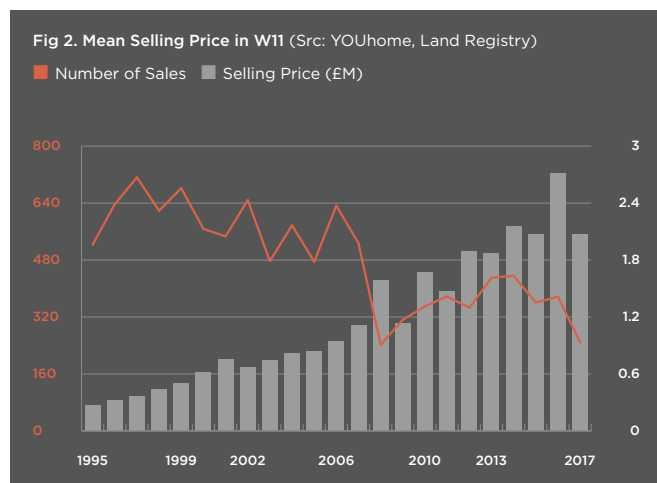
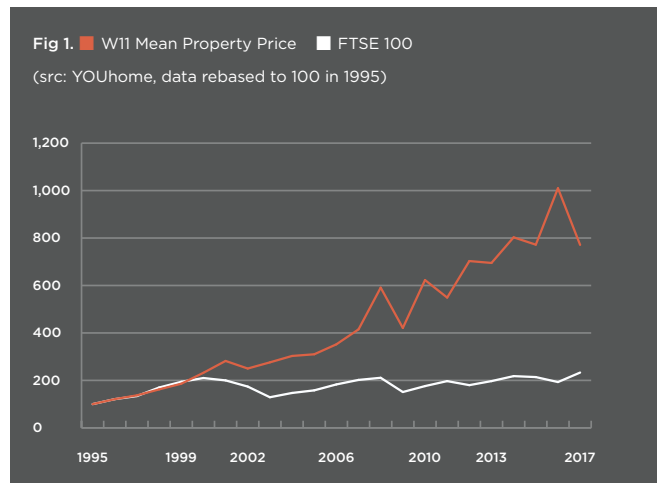
Property sales price increases accelerated in the period post-2002, driven by substantial increased spending in a low interest rate environment (as seen in **Fig 2** and **Fig 3**).

During this period there was an increase in both buy to let investment and rent to buy investment (the phenomenon of home owners keeping their current property and renting it out when they buy an additional property). This led to fewer homes offered for sale, reduced supply and increased price rise pressure.

In addition to the above, the market in 2005 to 2014 saw a rise in offshore companies buying property. In the early noughties almost all properties were bought by individuals but by 2014 about 20% of all money spent on property in Prime Central London was by offshore companies (as seen in **Fig 4**).

Perhaps this was a case of too much too soon?

As a consequence of rapidly increasing prices, some perceived over-generous tax and funding opportunities and a concern for damage to the London economy and affordability, the Government acted.



Measures included rapidly increasing property taxes and removing some opportunities for the more innovative funding mechanisms, particularly for non-doms and offshore companies, detailed below:

- ▶ **Increases in Stamp Duty, particularly on company purchases of property, high value properties and the purchase of multiple properties.**
- ▶ **A new tax - the Annual Tax on Enveloped Dwellings "ATED" again targeting company property purchases.**
- ▶ **Changes to Capital Gains Tax & liability.**
- ▶ **Changes to Inheritance Tax liability on properties held in companies.**
- ▶ **Changes to legislation making funding much more expensive including laws reducing guaranteed mortgages and loans using money held offshore, and changes to landlords' loans interest relief.**

Quite a package, and more to come, including a public register of the owners of offshore companies that are used to buy UK property.

As a consequence of the above, the money supply buying property has fallen sharply in 2017 (as seen in Fig 3). However, when comparing 2017 property spend to the long-term average level we can see future spend returning to similar and long-term comparable levels.

**YOUhome's market analysis is therefore that W11 has now returned to a normal property market and that recent years (2012 to 2016) have been, let us say, not normal.**

## W11 ANALYSIS AND FORECAST 2018

There is no mistaking that it has become a lot more expensive to buy properties in W11 in recent years and some of the most generous tax and funding loopholes or opportunities, depending on your point of view, are now gradually being closed.

As we enter 2018 and these changes are felt more widely, the government would probably be happy to see at best no price increases in the Prime Central London property market; it would certainly like to see all homes that are built, occupied for most of the time.

We have seen a shift in property buyers' motivation from one of investing in property for a substantial



BOOK A FREE VALUATION

Speak to YOUhome about how we can help you make the most of your property's value and appeal to the very best buyers:

Call **020 7908 9280**, or visit [youhome.co.uk](http://youhome.co.uk)



**Adrian Black**  
Market Insight, as featured in...



gain to one of investing in property for quality of life and an acceptance that the high costs of purchase can be spread over their period of ownership and enjoyment. The main driver to buy a property is now as a home, and the incentive to keep other properties as investments is waning.

So what does the property market hold for 2018?

**We feel the demand for best in class properties will continue. We do not see any short-term stimulus that will increase the flow of money into property purchasers nor do we see many forced sellers. We feel the best prices achieved on property this year will be achieved in the first half of the year.**

Our crystal ball does not forecast much beyond that, as much can change and happen - and probably will.

# OUR GURU'S BUYER INSIGHTS

The YOUhome Property Gurus team have a combined 100 years'+ experience in selling homes in Notting Hill, and during their careers have sold thousands of Prime Central London properties, overcoming almost all types of issues that typically arise in a highly sophisticated and valuable property market.

A deep understanding of buyers and their wishes, wants and mindset is critical to achieving the best sale on any home.



**Laurence Lai**  
London Sales Director



**Jerry Epton (MRICS)**  
Property Guru for W11

“ Notting Hill attracts probably the most eclectic range of buyers in Prime Central London. The demographic ranges from entrepreneurs to actors, artists, bankers, politicians, lawyers and many more from many parts of the world who are very international in their outlook.

**Many buyers of all nationalities stay local, either upsizing, downsizing or returning to an area they loved earlier in their life. We see parents buying locally for children to keep family close. Buyers are often very knowledgeable and informed, having lived in the area previously or having close connections to the area.**

We see these trends continuing and are seeing a strengthening of buyers looking for homes for their own use as their family expands and demand from parents looking for apartments for their children. A healthy market and a vibrant location. ”

## LONDON PROPERTY GURUS



**Laurence Lai**  
London Sales  
Director

020 7908 9281  
laurence.lai@youhome.co.uk



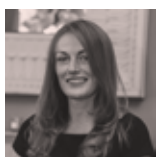
**Jerry Epton  
(MRICS)**  
Property Guru  
for W11

020 7908 9282  
jerry.epton@youhome.co.uk



**Anita Sanford**  
Property Guru  
for SW3 & SW10

020 7908 9295  
anita.sanford@youhome.co.uk



**Alexandra  
Mathew**  
Property Guru  
for W8 & W14

020 7908 9257  
alex.mathew@youhome.co.uk



**Davide Moi**  
Property Guru  
for SW5 & SW7

020 7908 9256  
davide.moi@youhome.co.uk

BOOK A FREE VALUATION

Speak to YOUhome about how we can help you make the most of your property's value and appeal to the very best buyers:

Call **020 7908 9280**, or visit [youhome.co.uk](https://www.youhome.co.uk)

**YOU**home