

# *Wealthy Hong Kong Chinese see London Residential Property as a buying opportunity*

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Boutique London Property search agency Temple Field Property is enjoying unprecedented interest in acquiring residential property in the Capital from wealthy Hong Kong Chinese despite growing concerns around the likely outcome of next year's General Election and the threat of a Mansion Tax being introduced were Labour and/or the Liberal Democrats to come to power.



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“London is receiving unrivalled and unimaginable investment from around the world”, says Temple Field Co-Founder and Chief Executive Officer, Dominic Field, underlining its position as ‘Capital of the World’. London is “receiving a generation of regeneration over a five-year period” according to Field, demand now so strong that the Pall Mall based outfit will be travelling to Hong Kong in the weeks ahead to host an investment seminar for private client advisers, and a series of briefings with wealthy prospective buyers.

Whilst every economy is vulnerable to global shocks, Temple Field believes London has reached a tipping point, and says it is difficult to see how a reversal of attention and investment over the medium to long-term will take place, not least as investment is coming from such a diverse and affluent set of global institutions and individuals, each looking for a safe haven for their capital – some a location to educate and others a springboard to the rest of Europe.

Field, who has been working in the world of real estate for some 25 years, says the Capital represents a “very good buying opportunity at this time” for the well advised purchaser. “The investment fundamentals for the London market remain strong”, he says. Acknowledging that the London market has cooled, across the board, after several years of stellar growth, Field states that whilst the firm anticipates little or no growth in

the UK housing market over the course of the next 12 months, the long-term trend is upwards.

“The dominance of London compared with the rest of the UK has”, he says, “never been wider, and is set to increase steadily in the years ahead”, latest data from the Centre for Economics and Business Research forecasting that London prices will rise by as much as 54% by 2020.

Vendors are becoming realistic on pricing expectations, in part as a reaction to the uncertainty starting to build around the General Election and the threat of a Mansion Tax being introduced, according to Field. “However, we expect this uncertainty to remain only until the end of the second quarter or third quarter next year”, he says, “when the Election will have been decided and the ill-conceived Mansion Tax has been shelved as unworkable. What is more, supply remains highly constrained, notwithstanding a considerable need for new housing to meet London's population growth estimates. UK economic growth, focused on London, is the strongest in the Western world and the City's current and planned infrastructure improvements will only improve the efficiency and economic growth prospects of the Capital.”

#### London calling

The prevailing global economic and political climate means capital preservation has seldom been a higher priority, and growing numbers of families have come to view the UK as a safe haven. The Chinese, facing political challenges of their own, and which pale the UK's into insignificance, share a similar relationship with Property to the British - many viewing bricks and mortar as others view Gold, as a store of wealth - and with a yield three or four times that available on similar investments in their domestic market, their interest in the London residential scene is reaching new highs.

They are attracted to the UK and the London residential market by a host of factors, not least the fact that London is a dynamic and accepting place to live for all cultures. Whether they are looking simply to invest, to put down roots, to develop a business, purchasing accommodation for a child coming to study in the Capital or otherwise, the Chinese and foreign nationals from other parts of Greater Asia understand residential property and the acquisition process, and are familiar with the British legal system. An established and high quality education system and health service allied to the particular attractions of a great multi-cultural city, means London is attracting more and more talented immigrants, who continue to make a major contribution to the prosperity and cultural diversity of the UK.

As such, says Field, “London has emerged as the World's pre-eminent choice as a destination for long-term investment in residential property. Inflows of foreign capital are strong and we do not expect that to change soon.”