



High end property market is booming in the UK

Despite concerns over the state of the housing market the one area that remains a 'hot spot' is the high end sector. Nicholas Trimmatis, tells Estates Review why the high end market is so strong

There is a great demand for high end property and, in reality; there aren't actually enough properties available to meet this need. As a result we have seen prices driven in an upwards direction for some time and over the last ten years the value of the market has tripled.

London is now the most expensive city in the world when it comes to prime real estate. The most expensive houses can fetch as much as £6,000 a square foot. That compares with about £2,075 a square foot in New York.

London certainly benefits from being an international city, which means there are always millionaires somewhere in the world looking to invest. One of the major reasons people look to London is financial safety - the high end market hasn't shown any signs of instability and continues to grow at a steady rate. However, this isn't the only reason. I know many families who live here simply because London is considered as 'the' place to be.

It's not just that the

city has some of the best schools, stores, theatres and restaurants in the world - London also has a social calendar and offers the sort of glamorous lifestyle that strongly appeals to millionaires. Of course every major international city has a glamorous side. What makes London different is that there are so many opportunities to mingle with the most powerful people in business or the biggest celebrities. In other cities such as Geneva or Paris, which I love, it's not quite the same. The only place from personal experience that I think is comparable is Monaco.

There is a lot of money around at the moment and the number of billionaires is changing every day. According to the Sunday Times rich list, Britain is home to about 68 billionaires - there are many, many millionaires living in London. Much wealth has been created by forces in India and China and huge capital has been generated in Russia, Middle East and Europe over recent

years. However, it is worth remembering it is not just foreign investors who buy high end property. It is said that Britons are now buying between 40 and 50 percent of all London homes priced at more than £10m. This is up from 30 percent a year ago.

When I'm asked about how the high end market is affected by the general economic situation, I sometimes compare the high end property market to flying in the 'Gulf Stream' at 45,000ft compared to flying in a Boeing 737 at 30,000ft. In other words the high end market is above the weather conditions.

The sorts of people who invest in high end property are not affected by issues such as the credit crunch. They don't need to borrow money to make purchases, so they're not dependent on lenders that have made it more difficult and costly to obtain mortgages.

There are all sorts of depressing headlines in the press at the moment about the housing market.

However, the high end market is currently not showing signs of difficulty. The huge demand for high end property means this is the one sector which is booming during this gloomy time against the run of play.

I don't see the market changing. There was some concern a few months ago that the UK may impose an annual tax of £30,000 on foreign wealthy individuals who live in the UK. However, it seems that the government has identified how important many of these millionaires are to the UK economy and these plans seem to have been dropped.

There is no question that the super rich are currently invading the Capital and there are huge opportunities for the developers in the market. Forbes recently called the city the 'billionaire's playground', which is certainly reflected by what I have seen. The high end property is in high demand and remains the only 'hot' area where prices continue to rise. 🏠

Nick Trimmatis

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