

# jowebster

THE SPECIALIST AGENT FOR PREMIUM RESIDENTIAL  
DEVELOPMENTS IN CENTRAL LONDON

Summer 2015



"Jo Webster have had an extremely positive first quarter of 2015. We have achieved more sales compared to this time last year. UK based investors have been particularly active, with many purchasing more than one unit within the same development. Demand from overseas investors also remains robust and we anticipate these levels of activity are likely to be maintained throughout the year."

JO WEBSTER

- MARKET UPDATE
- CHANGES IN BUYING HABITS
- ELECTION RESULT COMMENT
- THE COST OF BUYING PROPERTY GLOBALLY
- DEVELOPERS DEMONSTRATE CONFIDENCE IN LONDON
- A SELECTION OF OUR CURRENT INSTRUCTIONS

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“Over £160 million worth of property was sold by our team in 2014 and so far we have sold £90 million worth in the first 4 months of 2015. London continues to compare favourably with other global cities and remains the most visited city in the world. Changes in the political landscape caused some apprehension, but this has not hindered our transaction levels.” JO WEBSTER

Throughout Q1 2015, property prices have continued to increase gradually across the UK, with the majority of the country's growth still driven by the London market.

London continues to outperform the rest of the country. Property prices are, on average, 12% higher than they were a year ago (according to the Land Registry). Indeed, 4 of the 33 London boroughs saw prices rise by more than 20% in the last 12 months.

Over the recent months we have seen numerous clients take advantage of the less crowded market place and consequently some well-timed opportunities exist to secure additional investment properties. We have achieved more sales in the first three months of 2015 than in the entire second half of 2014. Over 56% of the properties sold by Jo Webster this year have been in excess of £2 million, averaging £4.3 million, and £1,963 per square foot. This increase in activity has meant that properties in some of our most sought-after developments have been sold very quickly and are now in short supply.

### Economic growth continues

The 2015 Budget not only reaffirmed Britain's impressive financial performance, but also highlighted the importance of the housing market to the UK economy. GDP growth of 2.6% meant that the UK economy grew faster than any other major advanced economy in the world last year. The outlook for economic growth has also been upgraded further, with 2.5% forecast in 2015. Given the global uncertainty surrounding the political and economic environment in Europe and beyond, the relative stability in the UK continues to appeal to overseas investors.

### Current trends

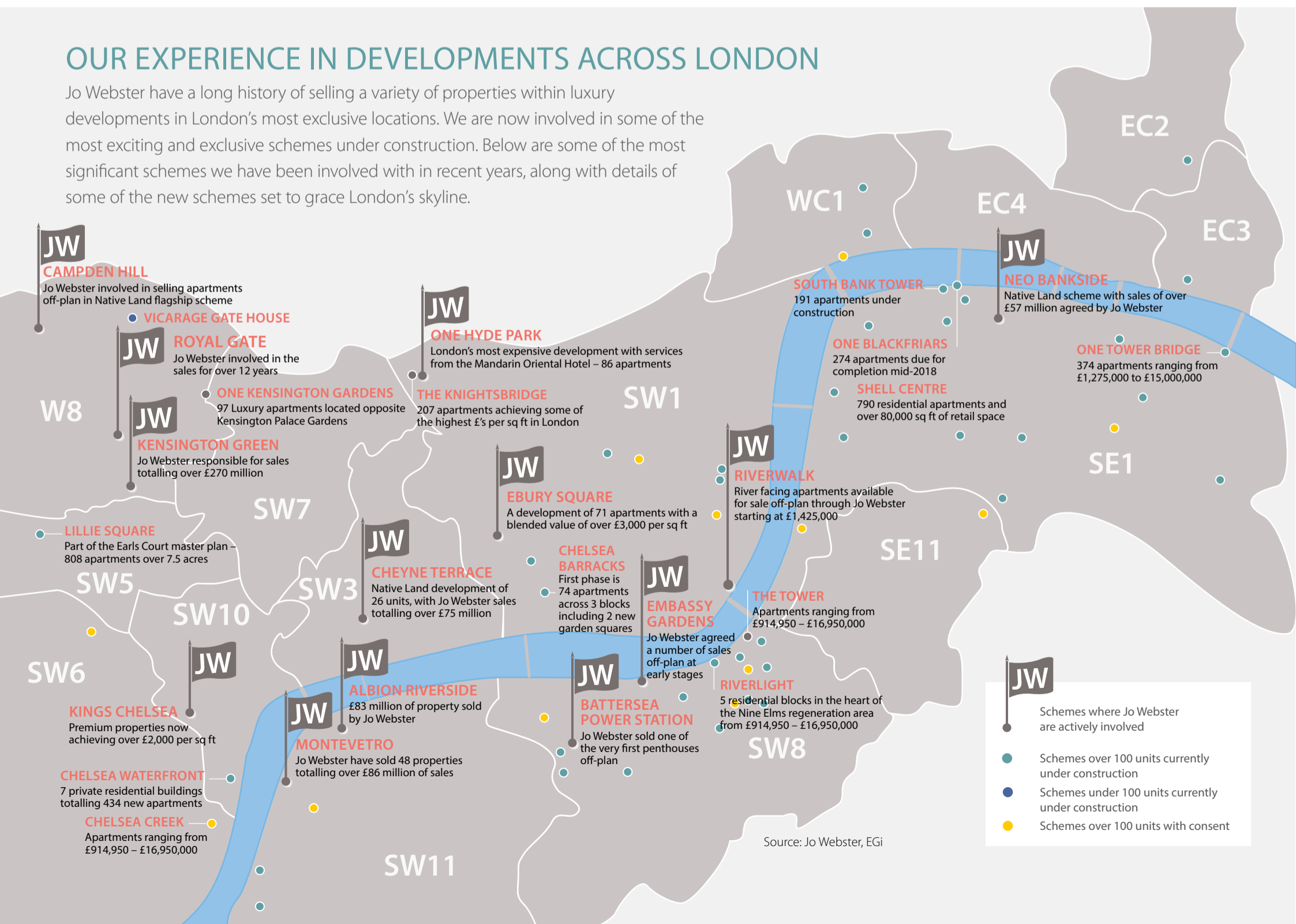
This year, Jo Webster have agreed off-plan sales in a selection of London's most exciting developments. Historically, off-plan properties have been purchased by investors, however, the heightened interest in prime new developments across central London has meant that owner-occupiers are increasingly prepared to purchase off-plan. 72%

of the properties reserved so far this year have been purchased as private residences and just 28% purchased by investors.

Interest in our existing established developments has also continued to grow this year. Kensington Green remains one of our most sought-after developments and since 2003 Jo Webster have sold 90% of the homes in the development, totalling over £270 million. We have achieved the highest £'s per square foot ever recorded in the development and recently broke our own record for the highest £'s per square foot ever achieved for a 2 bedroom apartment. In the riverside developments The Montevetro Building and Albion Riverside we have achieved over £165 million worth of sales over the same period. Many of our clients have long standing relationships with us, indeed, one client recently completed their 16th transaction with Jo Webster having bought and sold properties through us in several developments.

## OUR EXPERIENCE IN DEVELOPMENTS ACROSS LONDON

Jo Webster have a long history of selling a variety of properties within luxury developments in London's most exclusive locations. We are now involved in some of the most exciting and exclusive schemes under construction. Below are some of the most significant schemes we have been involved with in recent years, along with details of some of the new schemes set to grace London's skyline.





## CONSERVATIVES WIN A MAJORITY

The country has spoken. The uncertainty that dogged the run up to the 2015 General Election in the UK is finally over as David Cameron has been given a clear mandate to remain as Prime Minister and the Conservative party will continue to steer and manage the UK's economic recovery.

This result is fantastic news for the property market. Britain has a long-established reputation for stability and integrity and this outcome will underwrite confidence amongst international and domestic investors. The positive reactions to the election result from the stock market and sterling exchange rates reinforce this sentiment.

A dark cloud has been lifted. The threats of mansion tax, punitive taxation, rent controls and changes to non-dom status have been finally set aside. Confidence in the prime central London residential property is likely to surge. Buyers and sellers who have been holding back from entering the market since late 2014, can be expected to return and both supply and demand should rise in the second half of 2015. While this could put some upward pressure on prices in key locations, an influx of both buyers and sellers will ensure that any risk of fuelling a price bubble is averted and that the prime London market remains a broadly stable, attractive proposition for owners and investors. The outlook for 2015 looks bright.

### NUMBER OF SEATS

\* OTHER consists of seats made up of the following parties: Democratic Unionist Party - 8; Sinn Fein - 4; Plaid Cymru - 3; Social Democratic and Labour Party - 3; Ulster Unionist Party - 2; UKIP - 1; Green Party - 1; Others - 1.

### The cost of buying globally

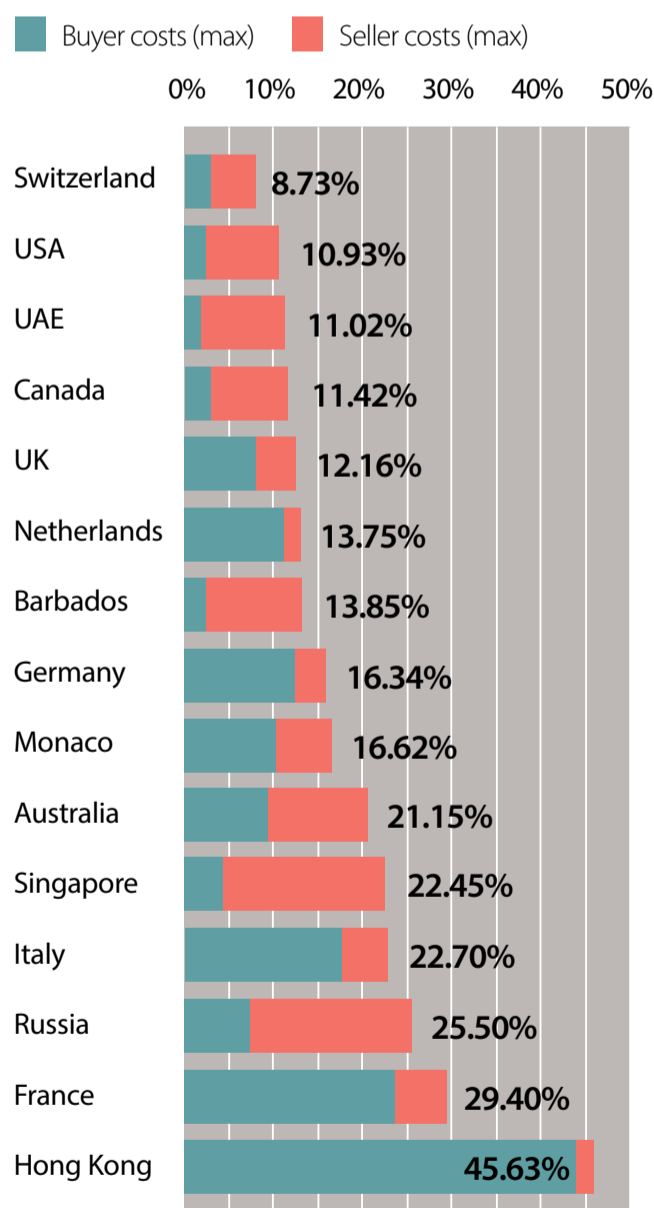
Investing in central London real estate has been particularly lucrative in recent years. However, changes to stamp duty and taxation have increased the costs associated with buying and selling residential property. Buying costs now range between 1% and 12% of purchase price. Despite this, the UK still has some of the lowest costs globally, with those buying a property here paying less than those purchasing in France, Singapore, Australia and Hong Kong.

In other markets, where price growth can be more volatile than in London, cooling measures have been introduced to curb rapid price increases. For example, since January 2013, buyers in Singapore have paid an Additional Buyer's Stamp Duty (ABSD) for residential properties, on top of the usual stamp duty rates. The highest ABSD rate is 15% and applicable to foreigners. Foreign investors, who own properties for short periods of time, face the highest sales costs. Since January 2011, sellers who dispose of their property within a year of buying it also face a 16% Seller's Stamp Duty. A fifth consecutive quarter of price falls was recorded in Singapore at the end of 2014.

Strong recovery in the UAE housing market, particularly in Dubai, where values on a price per square metre basis were up 30% annually in December 2014, has sparked fears of a housing bubble. Authorities have introduced measures to calm the rate of growth, including doubling transfer taxes to 4%, and curbing loan-to-value rates.

While there have been signs of recovery in the US market, the rate of growth has slowed. The New York metropolitan area saw annual price growth of just 1.9% in December 2014, with low supply and more stringent mortgage conditions restricting stronger growth levels. In New York, both state and city tax apply and are paid by the seller. The city tax equates to 1% of the property price up to the value of \$500,000 or 1.425% for more expensive properties. In addition, the state tax is either \$4 per \$1,000 of the property price, or 0.4% of its value. For properties priced over US\$1 million, the buyer pays a 1% 'Mansion Tax' on the total value.

### MAXIMUM TRANSACTION COSTS AS A PERCENTAGE OF PRICE

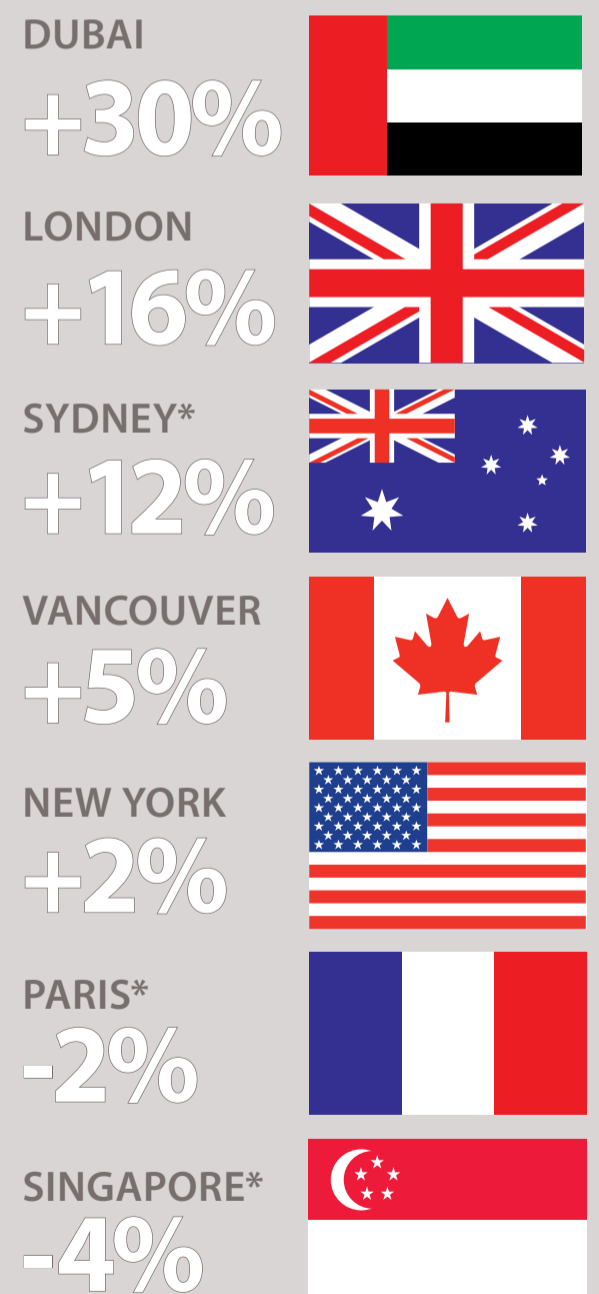


Source: Global Property Guide

NB. Costs relate to the acquisition of property by foreigners

With strong and stable annual growth, the London market continues to outperform other global cities. In contrast, many overseas markets are still struggling in the aftermath of the financial crisis, or are experiencing government intervention, usually relating to foreign investors, to cool house price inflation and speculative demand.

### ANNUAL HOUSE PRICE CHANGE



Source: REIDIN, per square metre data; Land Registry; Australian Bureau of Statistics; House Price Index, Teranet and National Bank of Canada; S&P Case Shiller; INSEE; URA

NB. Period Dec 2013–2014

\* Q4 2013 – Q4 2014

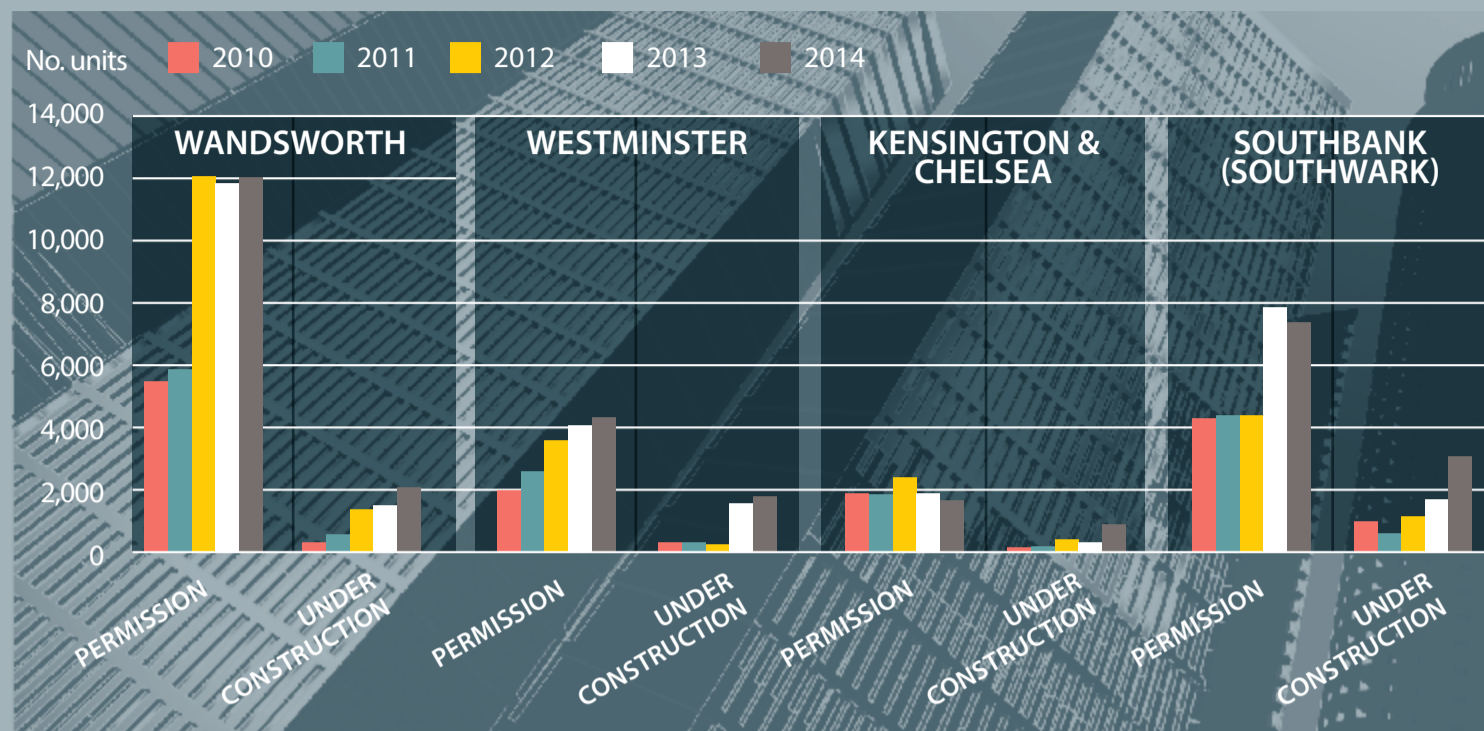


## Developers demonstrate confidence in London

The appetite for new properties in London continues to grow and developers are becoming increasingly ambitious in their designs. As well as building new developments in established residential areas, adventurous plans for new residential 'neighbourhoods' close to some of London's most sought-after postcodes are also well underway.

Within three inner London boroughs (Westminster, Kensington & Chelsea and Wandsworth) there were 4,470 units under construction at the end of 2014, a 39% increase on 2013. The Wandsworth figures are dominated by the Nine Elms area, which, as well as being home to a new diplomatic quarter, will open up a new residential neighbourhood south of the river.

## PLANNING AND CONSTRUCTION LEVELS LOOKING POSITIVE AT END OF 2014



Source: EGI - LOREMA report

**CURRENT INSTRUCTIONS:** for other examples please visit our website [www.jowebster.com](http://www.jowebster.com)

### NEO Bankside

SE1

£19,750,000



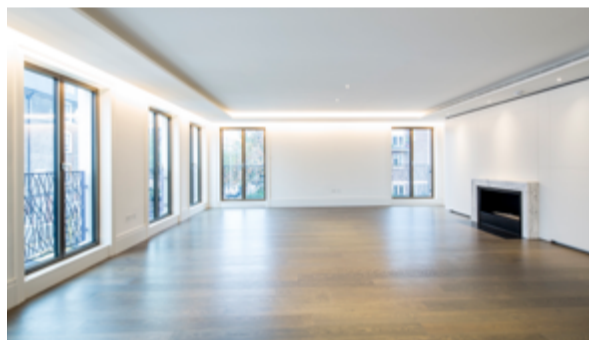
7080 sq ft / 658 sq m

4 Bedroom

### Cheyne Terrace

SW3

£8,450,000



2831 sq ft / 263 sq m

3 Bedroom

### Kensington Green

W8

£7,775,000



3026 sq ft / 281 sq m

4/5 Bedroom

### One Hyde Park

SW1X

£5,500,000



997 sq ft / 93 sq m

1 Bedroom

### Battersea Power Station

SW8

£3,850,000



2041 sq ft / 189 sq m

3 Bedroom

### Kensington Green

W8

£2,300,000



1087 sq ft / 101 sq m

2 Bedroom

### Riverwalk

SW1P

£1,475,000



662 sq ft / 58 sq m

1 Bedroom

### Albion Riverside

SW11

£950,000



823 sq ft / 76 sq m

1 Bedroom

### Montevetro

SW11

£785,000



614 sq ft / 57 sq m

1 Bedroom