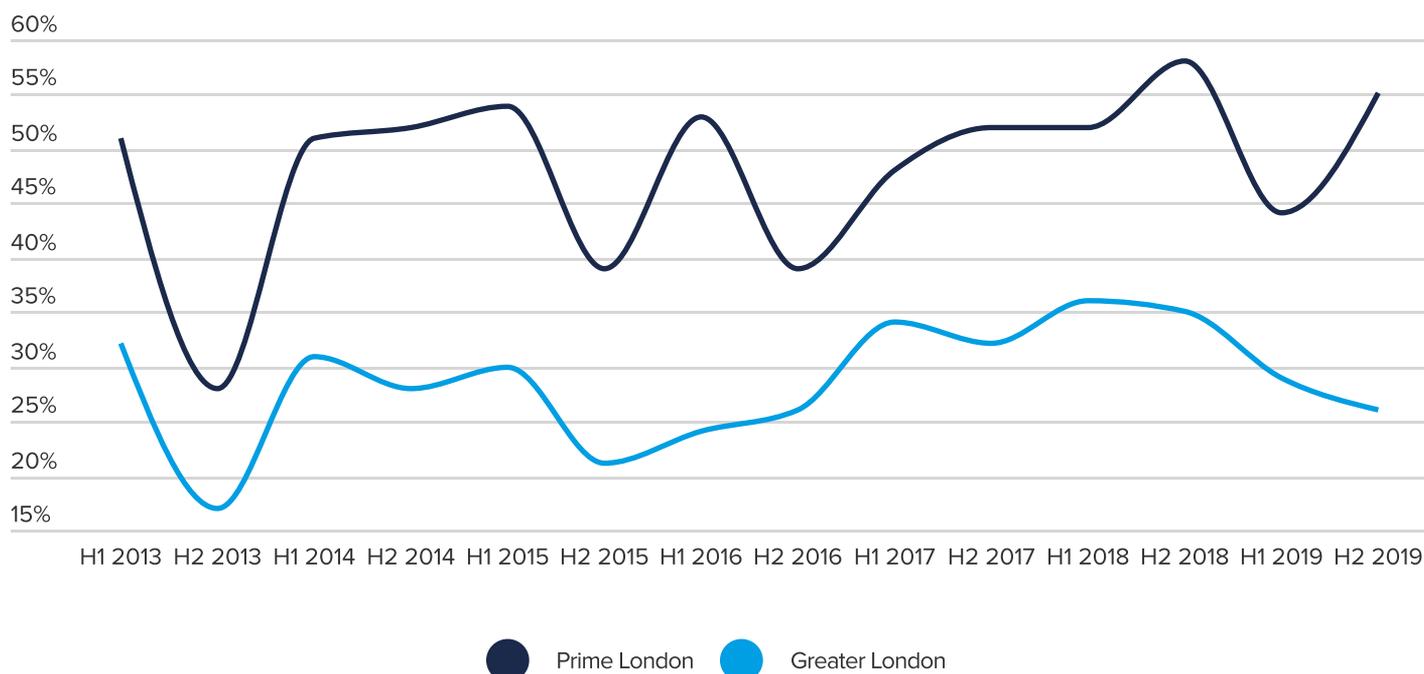


International buyers fall in London, but prime central London bucks the trend

Proportion of homes bought by international buyers



Source: Hamptons International

International buyers play an important role in the prime London housing market and in the second half of last year (H2 2019), they purchased 55% of all homes sold in prime central London (PCL), edging them close to the H2 2018 high of 58%.

Talk of an additional 3% stamp duty surcharge on homes bought by foreign based buyers, may have caused some purchasers to act sooner rather than later. This would help explain the rise in the numbers which were significantly up on the first half of 2019 when international buyers accounted for just 44% of PCL purchases - a three year low.

However it was a different story in Greater London, where the share of homes bought by overseas buyers fell from 35% in H2 2018 to 26% a year later. The second half of 2019 marked the lowest level of purchases by international buyers in three years, taking them close to pre-EU referendum levels.



55%

of homes sold in prime central London in H2 2019 were bought by international buyers

Source: Hamptons International

And in central London - an area just outside PCL which includes places such as Islington and Clapham - overseas buyers purchased 24% of homes in H2 2019, down -4% on the same period last year.

“ Despite the pound strengthening, it is still cheaper for international buyers to purchase a home in London than it was before the vote to leave the EU.”

While in the burbs and super-burbs - places such as Wimbledon, West Hampstead and Dulwich - international buyers were down 5% year-on-year.

A fall in the proportion of Asian buyers was responsible for much of the drop-off in Greater London. In H2 2019 Asian buyers accounted for 6% of buyers bought in Greater London, half the proportion recorded in H2 2018.

EU buyers also slipped slightly, down 1% on the previous year, but at 12% still accounted for the single biggest international buyer group in the area.

In PCL it was a pickup in Middle Eastern and Chinese buyers that drove the increase. Buyers from the Middle East accounted for 12% of purchases in H2 2019, up from 8% in H2 2018, while Chinese purchasers bought 6% of homes in PCL, the highest level on record. Buyers from the United States also increase 2% year-on-year.

Currency changes frequently go hand-in-hand with international purchases and despite the pound strengthening in the second half of the year, it is still considerably cheaper for international buyers to purchase a home in London than it was before the vote to leave the EU. For example, a home that would have cost a US dollar buyer £1million in January 2015 cost £856,610 in December 2019, 14% or £143,390 less - and this was solely due to currency movements, omitting any price falls over the period.

Proportion of homes bought by international buyers (H2 2019)

	Greater London	Prime Central London
EU	12%	16%
Asia (includes China, Hong Kong, India & the Far East)	6%	16%
Middle East	3%	12%
United States	2%	5%
South Africa	1%	1%
Australia	1%	<1%
Russia	1%	2%
Other	1%	4%

Source: Hamptons International