MOORE Kingston Smith

60 second property poll

October 2019

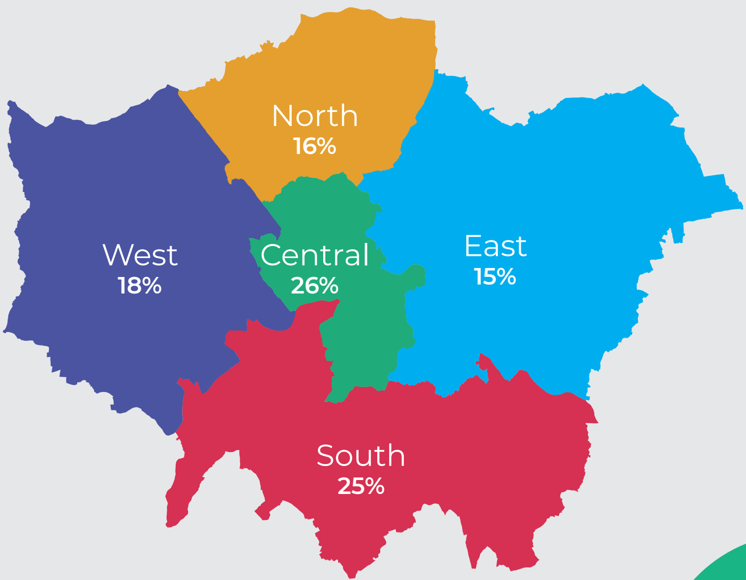
Thank you to everyone that took part in our recent Monopoly themed property poll. With the 31 October deadline looming, the graphic below shows the areas in London and property types our respondents decided to put their pre-Brexit £100m.

NORTH

Build-to-rent	58%
Student	17%
Hotel & Leisure	17%

WEST

Residential	43%
Office	21%
Industrial	14%



EAST

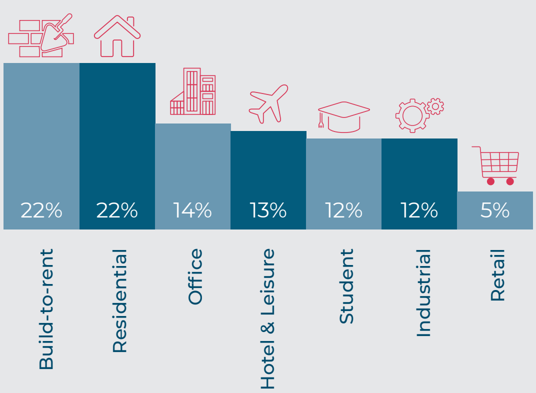
Student	25%
Industrial	25%
Build-to-rent	17%

SOUTH

Build-to-rent	32%
Residential	26%
Industrial	16%

CENTRAL

Hotel & Leisure	30%
Office	25%
Residential	20%



The South gives Central a run for its money

London is the most popular city globally for inward investment in terms of number of projects, despite the challenges we currently face, and Central London will continue to be a major international hub, drawing tourists and businesses alike. Central London remains an attractive long-term property investment, particularly for those looking to take advantage of the current exchange rates. So it really comes as no surprise that the largest proportion of total investment was in Central London.

What is perhaps surprising is that Central London is not leading the charge more significantly compared to other areas. Given the air of uncertainty, one could be forgiven for thinking the majority of people would go for a safe bet. However, it would appear respondents see the whole of Greater London as an overall safe bet, or are willing to take on a bit of risk to take advantage of circumstances.

South London seems to be the most attractive area outside of Central London, almost matching its level of investment, with investment in that area heavily weighted towards the residential market. The combined investment of build-to-rent and existing residential properties totals 58% for the area. Given the need for more housing in the city to support the wider region, it is clear that our respondents see South London as offering the best opportunities for making a return from the current housing shortage.

Investment type – build-to-rent and residential top

When we talk about build-to-rent, we are usually looking at residential units. The poll suggests that just under half of our respondents, 44%, would invest in residential sites, in one form or another.

With an ever-expanding population, respondents still see suitable levels of return in the residential sector within London. Infrastructure projects in London are having a positive impact, improving connectivity in the core areas and retaining buyers who would otherwise look to alternative locations outside of Greater London. For example, the Crossrail project is positively impacting areas on the west side of the route, seeing much stronger than average rates of house price growth since the announcement of the project (reference: Nationwide special report). The poll also indicates that none of the respondents are expecting to see a significant long-term drop in the London housing market, while also demonstrating confidence that the availability of finance will match demand.

Office, Hotel & Leisure, Student and Industrial investments all come in at roughly the same level of investment in our poll and show there is some interest, but probably only for the right project.

There is a suitable gap between the other property options and retail, which unsurprisingly lags behind. While major shopping centres and certain high streets in London can probably survive the move to online shopping and continue to bring in large footfall, there is clearly little appetite from our respondents to invest in new sites.

CONTACT US

Guy Richardson
Partner
grichardson@mks.co.uk
t: +44 (0)20 7566 3722

Ian Matthews
Partner
imatthews@mks.co.uk
t: +44 (0)1737 781547

City
Devonshire House
60 Goswell Road
London
EC1M 7AD
t: +44 (0)20 7566 4000

Heathrow
The Shipping Building
The Old Vinyl Factory
Blyth Road, Hayes
London UB3 1HA
t: +44 (0)20 8848 5500

Redhill
Betchworth House
57-65 Station Road
Redhill
Surrey RH1 1DL
t: +44 (0)1737 779000

Romford
Orbital House
20 Eastern Road
Romford
Essex RM1 3PJ
t: +44 (0)1708 759759

St Albans
4 Victoria Square
St Albans
Hertfordshire
AL1 3TF
t: +44 (0)1727 896000

West End
Charlotte Building
17 Gresse Street
London
W1T 1QL
t: +44 (0)20 7304 4646

MOORE Kingston Smith

www.mks.co.uk

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