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THE  TIMES

## Chinese follow familiar road to London's luxury homes



The new development at Battersea Power Station is typical of the sort of London property project that is expected to attract interest from Chinese buyers

Hong Wu/Getty Images

Kathryn Hopkins, Property Correspondent and Leo Lewis in Beijing

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First it was the French, then it was the Russians and now estate agents are expecting wealthy Chinese buyers to flood into London's high-end property market as Beijing looks to relax rules restricting the amount of money that can leave its shores.

The number of Russians looking for a palatial home in Kensington and Chelsea has tailed off amid chilly relations between the West and Russia. It has become difficult for many Russians to withdraw the money from their home country, prompting the property industry's eyes to look further east.

It is not easy for Chinese citizens to buy London property because of their government's foreign exchange controls, which allow them to take only \$50,000 out of the country each year. Beijing is to liberalise its rules from 2017, however, and upmarket estate agents in the capital believe that a huge amount of Chinese money could come into London's residential sector.

Trevor Abrahamson, the managing director of Glentree International, an estate agent selling prime property in north London, said: "What we're seeing is a tiny fraction of the buyers that could emerge from China. It will make the number of Russian buyers we've seen over the past few years seem modest if the number of Chinese buyers who could afford it can get their money out."

Robert Bailey, who runs Robert Bailey Property, a buying agent, in Chelsea, said: "There is no doubting the appetite for buying prime central London property among China's wealthy. The British education system is a particularly irresistible draw. The Chinese place a high value on education, so there is a cache to sending their children to an elite private school in this country."

A small number of very wealthy individuals from China have snapped up London homes, outwitting the restrictions, often by using a legitimate corporate subsidiary to buy their desired asset. Their numbers have increased over the past year, leading some experts to believe that they have contributed to sky-high house prices.

According to Knight Frank, the upmarket estate agent, Chinese have become increasingly active in the £10 million-plus bracket, with buyers from the country's mainland accounting for 3 per cent of sales in 2014, after negligible demand in previous years.