

SPEAR'S PROPERTY POWER INDEX



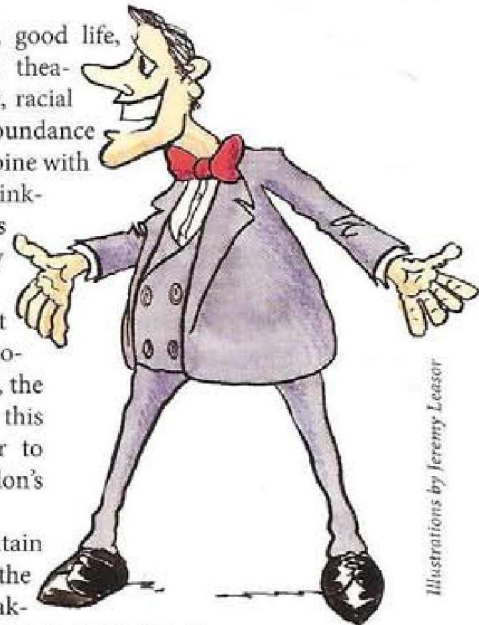
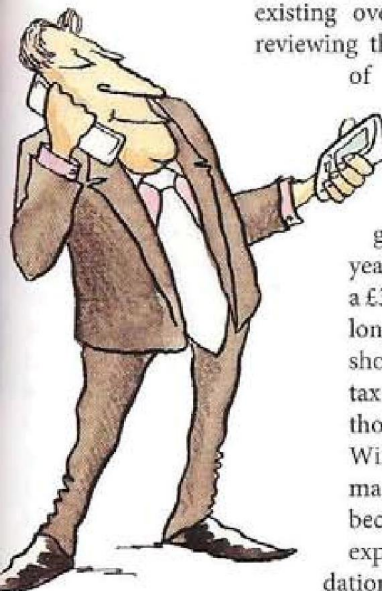
London's prime property market was injected with a dose of certainty in March when Alistair Darling made his non-doms tax proposals fact. Prior to this a substantial proportion of prospective overseas buyers and existing overseas owners had been inactive, reviewing their options pending the outcome of the Government's deliberations, thereby significantly reducing house price growth in prime central London: according to figures from Savills research, annual growth fell to 16% at the end of last year. We all now know what to expect: a £30,000 levy that only applies to those long-term residents in the UK, that should be offsettable against overseas tax liabilities and is only relevant to those with sizeable overseas incomes. Will brokers, bankers and hedge fund managers shorten their stay in the UK because of the changes? If so, Savills expects demand for rented accommodation to rise. Fundamentally, a shift in demand for prime housing is unlikely unless employers move their operations out of the UK. But where to? Zurich and Geneva? These may offer tax breaks but, in property terms, their prime

residential markets are relatively small and only open to those resident in Switzerland. As for Germany, it is tightening its stance on overseas wealth. London's popularity with the masses, it seems, isn't shifting one bit.

Our fashionable schools, good life, restaurants, museums and theatres, our cabbies, time zone, racial and ethnic diversity and abundance of open green space all combine with a dynamic and forward-thinking attitude to make this as attractive and thriving a city as they come.

And although this might not be the year to sell, as whoever does so will get burned, the general consensus is that this is most definitely the year to buy, most notably in London's prime locations.

The following pages contain exclusive interviews with the capital's top movers and shakers in real estate, including agents, lawyers and developers, the better to provide you with a rounded and grounded picture of where to strike and whom to have on your side when you do.



Illustrations by Jeremy Leason

ROBERT BAILEY, ROBERT BAILEY PROPERTY

Only someone who gets his or her hands on Robert Bailey's Rolodex could knock the man off the best-connected throne he so modestly occupies. Bailey, in property since 1982 and buying since 1998, has seen the market 'go like that' (he makes a wave with his hand) a couple of times in his career. Arm yourself with a good little black book and you'll weather the storm, he says, adding you have to work much harder and become closer to clients during a tough market, something younger recruits might not have experienced.



Robert Bailey

He made the formal transition to property, having found friends a place after the couple had spent a year and a half looking, and the pair subsequently sang his praises to all of their friends.

Bailey goes on holidays with clients and attends their children's weddings. While his offices flank those of Tom Ford and Patrick Cox, the high-flying element is one thing, the clout to negotiate, another. 'Goalposts change all the time. We recently built up to make a low offer on a house and someone came in substantially higher. We had more firepower, so went higher still to knock out the initial bidder. We were cash, so still tempting enough for the owner,' he says. 'You then need to know how to negotiate from a position of strength. Some go in with no idea of worth, trying to get 10 per cent off when you could get 25 per cent off.'

'To some people, transactions can be very cold and business-like,' he says, referring to 'hard-hitting hedge fund guys' who give him strict instructions as to how best to negotiate. Generally, once they've missed several houses with that attitude, they hand things over to Bailey. 'They can be successful in their own sphere, but buying a home is quite emotional and you have to accept that there's more than money and the ability to perform involved.'

Bailey's client list has grown from Arabs and aristocracy to include traders, media types, and a bevy of youngsters armed with money from their parents and instructions to 'make the decisions yourself', whereupon they inevitably call on Bailey for advice. 'Simon (Pritchard Smith, his partner in the firm) and I recognise who's good with whom,' says Bailey. Where he deals with 'more emotionally-charged matters, finding something really beautiful and pure', Pritchard Smith has a more commercial edge, working on development deals and