

BOOM OR BUST - WHAT NEXT FOR LONDON PROPERTY?

Jeremy McGivern, leading London property expert and founder of Mercury Homesearch, looks in to his crystal ball

Everyone laughed when I said I was founding a property consultancy in late 2001, saying things like "It's the wrong time to be doing this" and "The dotcom boom has bust."

Nevertheless, I was convinced that the London property market was in good health, which is why I continued to buy property for myself. And here I am today and the worries about the London property market continue.

And this time there really are some major issues:

- Savage increases in Stamp Duty Land Tax
- Changes to Inheritance Tax rules
- Changes to the non-domicile legislation
- The reduction of mortgage interest relief for buy-to-let investors
- Weakness in the Eurozone, China, Russia and Asia
- House prices that bear no relation to earnings
- An extraordinary number of new-build developments being built
- Large price increases in the last 5 years which mean that most of the gains have already been seen

So it would seem obvious that now is not a prudent time to buy a property. In fact you may well have been thinking this since 2010 and are just waiting for the crash to fully play out.

Except how often do markets crash when there are "obvious" problems and when so many people are sitting on the side lines like today? Corrections

- absolutely. But long, painful crashes - no. It is the unexpected that crushes markets.

In fact, the difference in the London property market between now and 2007 is huge. Is there a mad frenzy? Have people been buying indiscriminately because they thought they would never be priced out otherwise? Has mortgage lending gone berserk? No.

Although I can guarantee there will be another property crash in London, it is highly unlikely that this will happen for at least nine years (I, with a handful of others, correctly predicted the house price crash of 2008).

Prices won't go up in a straight line. Indeed London will likely underperform other parts of the UK over the next 2-3 years, but prices will still increase steadily before the next big boom, which you do not want to miss.

And those increases will differ in each area and price range within London. This is why it is essential that if you want to make an astute purchase you have a clear understanding of what will cause some areas to outperform others as there are dozens of markets within the "London property market".

Velocity readers can receive a free copy of *The Seven Most Expensive Mistakes London Property Buyers Make & How To Avoid Them* by visiting www.mercuryhomesearch.com/cityjet



ABOUT JEREMY GIVERN

Jeremy McGivern is the founder of London's internationally renowned property search agency, Mercury Homesearch with over 14 years' experience successfully acquiring prestigious central London homes for a broad range of international and domestic clients.

Over the past decade, Jeremy has inspected over 22,000 properties in prime central London and has built an unrivalled contacts book of "off market" connections.

The concept behind the business is to ensure buyers acquire the finest property available on the best terms possible whilst making the process an enjoyable and hassle-free experience.

Mercury Homesearch operates across London, specialising in acquiring properties valued over £1 million in Belgravia, Knightsbridge, Mayfair, Kensington, Chelsea, Marylebone and St.James's, working with clients from across the globe.

He is also the author of *The Prime London Property Puzzle*, the book on acquiring property in prime central London.