

Practice Group Meeting

“Investing in property in the UK”

GGI – World Conference : Cape Town, South Africa – October 2014

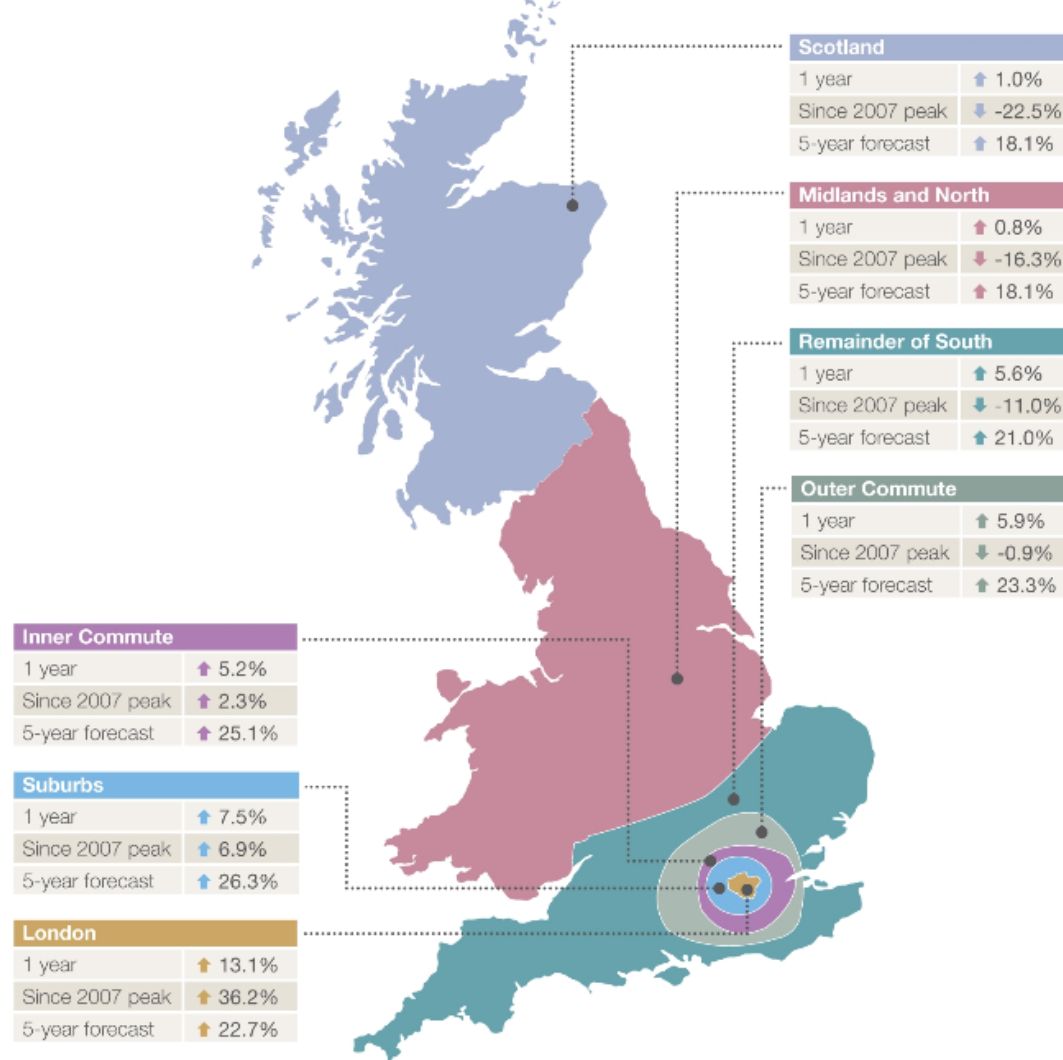
The prime London market is closely linked to the private wealth of ultra high net worth individuals

Global wealth of UHNWIs Where they live and propensity to buy in London

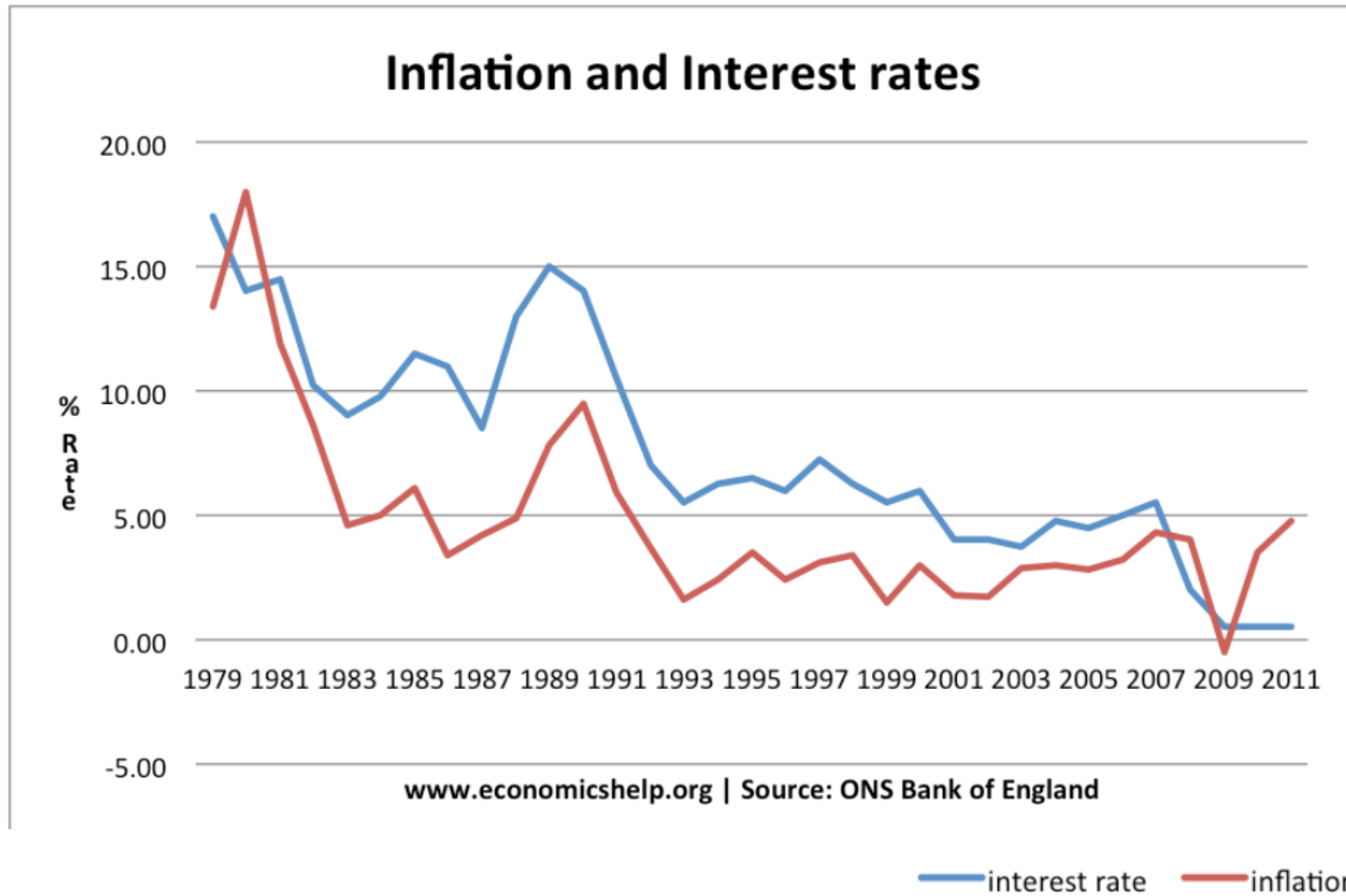
Geographical Region	Current number of UHNWIs in 2013	Forecast increase in UHNWIs by 2018	% real estate investment to foreign markets	Current buying levels in London	How will this change by 2018?
Europe	58,065	12%	29%	High	← Overall Stable
Asia	44,505	33%	23%	High	↓ Small Decrease
Middle East	5,300	31%	28%	Medium	↑ Slight Increase
North America	70,485	21%	1%	Quite Low	← Stable
Oceania	3,955	19%	21%	Low	← Stable
Africa	2,775	37%	44%	Low	↑ Increase
Latin America	14,150	25%	66%	Very Low	↑ Increase
All	199,235	22%	N/A	Medium	↓ Slight Decrease

Source: Savills Research, Wealth-X

Prime regional markets Performance by geography



Source: Savills Research



Upcoming Developments

Development	Developer	No. of Units	Average £s per sq ft	Estimated completion
Riverwalk	Heron	113	£2,300	Dec 2015
South Bank Tower	CIT	191	£1,700 - £2,000	Dec 2015
Embassy Gardens	Ballymore	1982	£950	Q1 2015
Kew Bridge	St George	306	£700 - £800	Summer 2015
Fulham Reach	St George	744	£1,100	TBC

Source: Savills Research



London five-year forecasts

	2014	2015	2016	2017	2018	5-year total
Prime Central London	3.0%	-1.0%	8.0%	6.5%	5.0%	23.1%
Outer Central London	6.0%	0.0%	6.0%	5.0%	4.0%	22.7%
Mainstream London	8.5%	6.0%	4.0%	2.0%	2.0%	24.4%

Source: Savills Research

TAX CHANGES

Since a mansion tax was first proposed

- 5% Stamp Duty Land Tax (SDLT) on £1m+ properties (up from 4%)
- 15% SDLT on £2m+ properties bought by non-natural persons
- ATED on £2m+ properties held by non-natural persons
- CGT on sales by non-natural persons
- 7% SDLT on £2m+ properties
- CGT on overseas owned properties with effect from April 2015
- ATED regime extended to £1m+ properties with effect from April 2015
- ATED regime extended to £500k+ properties with effect from April 2016

Source: Savills Research

Tax changes in UK property ownership

ATED CHARGES

Annual tax on enveloped dwellings



£198m raised through ATED in the period
From September 2013 to May 2014

Value of property	ATED charges 2014-15
£2m - £5m	£15,400 pa
£5m - £10m	£35,900 pa
£10m - £20m	£71,850 pa
£20m+	£143,750 pa
£1m - £2m	£7,000 pa*
£500k - £1m	£3,500 pa**

Source: Savills Research

* April 2015

**April 2016

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