

## **Appetite for British properties**

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MALAYSIANS' interest in British properties is increasing in terms of range, scope and pricing.

What started as a passing attraction in British properties prior to the financial crisis has been replaced by an upbeat mood on the part of Malaysians buyers, fanned by aggressive property consultants.

Incidentally, this interest is not limited to Britain but includes Australia and Singapore as well. However, the current weak pound sterling is a strong pull factor; the Australian and Singapore dollar are high comparatively.



*Christopher Hahn says Savills Rahim & Co has sold six units of Neo Bankside totalling about £6mil.*

Britain's interest rate environment is also another plus factor. The Bank of England has maintained the base rate at 0.5% for 11 consecutive months.

Over the past 1½ years, Malaysian investors have not only shown interest in residential developments but also commercial buildings and land deals.

Last year, several property consultancies exhibited British properties in Malaysia with prices starting from about £120,000 for an apartment.

While located away from central London, most of the properties are within walking distance to London's main public transport system – the underground.

There is now a growing interest for developments in the higher price bracket and in more centralised locations.

“We have had conversations with people from Malaysia, Singapore and Hong Kong. The general feel is that they want properties that have a higher value and are more centrally located,” says Tim Wright, a King Sturge realtor. Wright says investors from Hong Kong (including China), Singapore and Malaysia have acquired properties worth about £500mil since March 2009.

Last month, Henry Butcher Malaysia exhibited British properties priced from about £1,000 per sq ft in Covent Garden.

Chief operating officer Tang Chee Meng says Malaysians bought British properties worth over £60mil in the past 12 months.

Due to strong interest, the company has also increased its frequency of British property exhibitions in Malaysia, sometimes featuring several projects over a weekend.

Henry Butcher has so far exhibited 13 British developments in Malaysia over the past year.

Among the developers the company works with includes Berkeley Homes, St James, St George, United House, European Land, Bellway and Ballymore.

Savills Rahim & Co is another local consultancy firm promoting British properties in Malaysia.



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Some of the recent projects showcased by the company were Neo Bankside, located south of River Thames, and Chelsea Apartments in Chelsea.

Neo Bankside was priced between £1,000 and £1,500 per sq ft when the first phase was launch last year.

Prices are expected to rise about 10% when phase two is launched in a couple of months.

The company has so far sold six units of Neo Bankside totalling about £6mil, says Christopher Hahn, corporate real estate and overseas business development manager at Savills Rahim.

Hahn says the company is selective of the British developments it markets in Malaysia as it has to balance the type of properties with the pricing that Malaysians are comfortable with.

Says Robert Ang, Savills Rahim's MD: "Buying properties overseas is a tricky thing when you are not a local person. We try to not only offer good products, but sound and prudent advice.

"We do our due diligence and prefer to work with developers, not contractors, whom we know and trust. We also prefer take on one project at a time. Maybe we are too conservative but we do not want our buyers to lose money."

Much of the interest in British properties, says Hahn, is in the south east side of England. It is here that the bulk of the city's regeneration programme is being carried out.

Regeneration is a process where vast areas are torn down with the purpose to re-energise or re-zone the land use.

That was how Canary Wharf came about. Formerly known as Docklands, it was at one time an area comprising mass warehouses by the River Thames. Today, it has been transformed into a financial centre.