

Top-end buyers escape to the country following stamp duty increase

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Top-end property buyers are turning their backs on London in favour of the countryside following the government's decision to raise stamp duty on homes over £2 million, according to property buying agent (<http://www.elitepropertysearch.com/what-we-do/buying-agents/>) Elite Property Search. (www.elitepropertysearch.com)

The 2% tax hike – the equivalent of an extra £40,000 on the cost of a £2 million property – and the widening gulf between prices in and outside London, is prompting wealthy buyers to search beyond the capital where their money stretches further.

Enquiries for country properties worth £2 million or more increased within days of the Budget announcement that stamp duty on the UK's most expensive homes would rise to 7%.

Elite Property Search director Tim Sharp said: "Buyers looking at properties in and around the £2 million mark are definitely considering their options following the Budget announcement.

"We have had a run of enquiries from buyers who, with the increase in London prices and now the extra stamp duty, are considering a move out of London to benefit from the comparatively extraordinary value for money.

"Selling prime property in London and buying in Hampshire or Oxfordshire for example, will get you twice as much and still leave money in the pot, such is the disparity that now exists between prices in the capital and the rest of the UK."

While official figures indicate that the UK property market remains relatively stagnant, 'unofficial' activity in the prime property sector is still strong, according to Sharp.

Elite specializes in finding properties for buyers with more than £1 million to spend and 80% of the homes that change hands via their services have never officially been on the market.

Most of Elite's clients are cash buyers who have turned to a property search agent (<http://www.elitepropertysearch.com/what-we-do/>) with specific requirements - period features or proximity to a particular school or village - and will hold out until their perfect home is located.

With no chains in the equation, sellers are in no hurry either, and many opt to put their home on the market "unofficially" with viewings restricted to only the most serious buyers represented by a buying agent and with funds in place.

"There is a whole substrata of property activity going on at this level which isn't necessarily reflected in the headlines," Sharp says.

Elite is currently busy preparing for prime Country House season - with properties and grounds looking their best as gardens come into bloom. The firm is anticipating particular interest in its Hampshire,

Surrey, Wiltshire and Oxfordshire properties – all within commuting distance of London.

“London buyers are amazed at what they can now buy within a 60 mile radius of the capital and for many, the increased commute time may only be marginal,” adds Elite director Max Storey.

“For many buyers that have been considering a move, the increase in stamp duty is now an added incentive to proceed.”

For example, one prospective buyer expects to achieve a sale price of just over £2 million for their well-presented 4-bedroom terraced house (just over 2000 sq ft) in Fulham. Their commute is around 50 minutes by tube to the City.

For around the same price, they will be able to buy a 7-bedroom Grade 2 listed country house (6400 sq ft) in Hampshire, set in 4 acres of grounds, complete with stable cottage, gatehouse, swimming pool and tennis courts – all within 1 hour 10 minutes of central London by train.

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