It may be in the midst of Brexit negotiations, but London’s status as a key global hub is unwavering. The capital is continuously evolving and expanding, counting almost 20 million tourists annually and nine million residents. So what is it about the city that continues to attract people from all over the world?

The simple answer is this: people like London. It’s not hard to see why; there’s a lot to like (besides, perhaps, the infamous rainy weather). Whether you’re a slick city banker, an overseas student, a young family, a retired couple, or any other individual, you’re welcome here. As well as creating an open environment where all are encouraged to be themselves, this rich diversity has also prompted an array of distinct neighbourhoods to spring up, each one telling its story through architecture, ambience and a tempting array of bars, eateries and shops.

Such retail and leisure offerings are often well worth exploring, too. London attracts some of the world’s top talent across virtually every discipline; Michelin-starred chefs, couture fashion designers and boundary-breaking artists are among those practicing their trade in the city. And then there’s the shopping. From luxury boutiques to grand department stores and street markets that bombard the senses, there’s almost nothing that can’t be bought here.

London is also home to a number of league-topping schools – both fee-paying and state – with many so competitive that children are registered for places from birth. And there’s no need to leave the city once those much sought after A-levels have been achieved; University College London, Imperial College London and London School of Economics & Political Science are just some of the world’s leading universities based here.

From a business perspective, there are two key drivers behind London’s ongoing popularity: location and time zone. With seven airports all within easy reach, London’s connectivity makes it a gateway to every corner of the globe, and with a time zone that sits conveniently between the United States and the Far East, it’s well positioned as a global financial centre.

Regardless of background and aspirations, London has a place for everyone. At the top end of the market, the golden postcodes of Mayfair, Belgravia and Knightsbridge continue to draw in people from all over the world, but people’s search parameters are widening as regeneration and development projects spring up in areas such as the South Bank, Earl’s Court and east London. Equally, once avoided areas such as Shoreditch and Brixton have undergone transformations to become playgrounds for those seeking less polished alternatives to the well-heeled neighbourhoods of Chelsea and its kin.

But high standards aren’t limited to the upper end of the market. As demands grow, so too do property standards – whether you’re looking at a one-bed apartment in Barking, or a super-prime townhouse in Fitzrovia.
Below we highlight some of the key economic trends including GDP growth and the number of households in London over the past five years.

**GDP Growth**
Nominal GDP growth for London and G7 countries, annual percentage change

London's economy has seen steady growth, with an average annual GDP growth rate of 4.2% over the past five years. This is faster than G7 economies which had average growth of 0.9% over the same time period.

**Unemployment Rate**
The unemployment rate for the UK, February 2018

Unemployment currently stands at 4.2% and has been falling steadily since the peak of 8% in January 2013. These levels have not been seen in recent times with the previous lows of 4.7% in late 2004 and early 2005.

**Inflation Rate**
The inflation rate for the UK, March 2018

Inflation, which stood at 2.4% in March 2018, has cooled from 2.7% in February 2018. This comes after a steady increase to a peak of 3% in December 2017, from two years of near zero, or negative, price growth.

**Demand Rising**
The number of households in the London area has grown by 6% over the past five years.

**Key Facts**

Here we display a map of London showing where the major airports and top universities are situated.
London Residential Districts

A brief description of the residential districts in London.

1. Hampstead
   - Home to London’s largest ancient parkland, this area offers breath-taking London views, traditional pubs, cobbled streets and luxury hotels.

2. Queen’s Park
   - One of North West London’s most fashionable areas, Queen’s Park offers two busy high streets, outstanding schools and, of course, an expansive green park.

3. St. John’s Wood
   - This leafy West London enclave attracts families, professionals and international buyers thanks to its close-knit community, tempting mix of bars, boutiques and restaurants, and excellent transport links.

4. Belgravia
   - Situated between Princesse Hill and Camden Town, many of the buildings here are rich in heritage and beautiful in appearance, offering residential, private residences.

5. Notting Hill
   - Lined with independent boutiques, coffee shops and wine bars, Notting Hill’s high street has something for everyone. Its theatres and music venues make it a lively place to while away an evening.

6. Marylebone
   - Twisted away from the noise and business of Oxford Street, this area’s elegant Georgian streets include the famous Childern’s Firehouse as well as charming pubs, shops and eateries.

7. Hyde Park
   - One of London’s eight royal parks, this green space counts boating, tennis, cycling, jogging and horse-riding as just some of the many pastimes spent there.

8. Marylebone
   - Twisted away from the noise and business of Oxford Street, this area’s elegant Georgian streets include the famous Childern’s Firehouse as well as charming pubs, shops and eateries.

9. King’s Cross
   - Best known as a major rail hub, the regeneration of this area has seen the construction of new canal and park-side apartments alongside a tempting retail and leisure offering.

10. Kensington
    - Upmarket elegance can be found in this West London neighbourhood, from its stucco-fronted white terraces to the stylish boutiques and antique stores on the main high street.

11. Mayfair
    - Famed for its golden postcodes, Mayfair is one of London’s most affluent areas and presents an array of members’ clubs, luxury hotels and impressive private residences.

12. Chiswick
    - Away from the city’s hustle and bustle, the leafy green areas of Chiswick offer a sense of security and serenity. Its high street includes a mix of chain and independent stores.

14. Fulham
    - One of London’s most expensive postcodes, the Victorian and Edwardian homes of Fulham are incredibly popular, particularly with affluent families and young people.

15. South Kensington
    - Home to the Natural History Museum, the V&A and the Royal Albert Hall, this cultural hub also offers enchanting cafes and green squares.

25. Battersea
    - With an £8 billion redevelopment project underway, including two new tube stations and 20,000 new homes, property prices here are unlikely to stay static for long.

20. Canary Wharf
    - Home to the 350m tall skyscraper One Canada Square, this busy financial area continues to undergo extensive redevelopment and will be welcoming the Crossrail later this year.

21. Richmond
    - One of London’s safest areas, Richmond offers an enchanting community feel, set between the Thames to the north and Richmond Park to the south, offering residential, private residences.

22. Barnes
    - The thriving Barnes community enjoys an expansive common and has one of the highest proportions of independent shops of any area in Britain.

23. Wimbledon
    - Best known for its annual tennis tournament, this area offers both a town and village, the latter presenting charming boutique shops and The Ivy Café.

24. Wandsworth
    - One of the best places to live for young professionals, this well-connected area is inner London’s safest borough and has the second cheapest council tax in the UK.

26. Balham
    - Named after the iconic eponymous landmark, this area is home to an array of notable names.

27. Tower Bridge
    - Set on the north bank of the Thames, many homes here are cool warehouse conversions or modern flats, although there is the rare occasion when a full house comes on the market.

28. Wapping
    - Located close to London’s major business districts, Aldgate is steeped in history and now offers cutting-edge exhibitions and an edgy social scene.

29. Greenwich
    - Strong demand has seen an array of modern developments spring up, offering residential, retail and office space. Greenwich offers luxury boutiques, exclusive nightspots and fine dining.

30. Chelsea
    - Times have changed since Chelsea was the centre for alternative culture in the 1960s. Today, the exclusive area’s King’s Road offers luxury boutiques, exclusive nightspots and fine dining.
How to Buy

An overview of the legal process involved when buying property in the United Kingdom.

1. The buyer normally views the property through the estate agents and puts forward an offer.

2. The seller, through the estate agent, may counter the offer triggering negotiations. Once a price is agreed a Memorandum of Sale is prepared by the estate agents.

3. The buyer instructs a solicitor to act on his/her behalf to conclude the purchase of the property.

4. The seller's solicitor will need to provide details of the seller and the buyer's solicitor to confirm approval of the contract. The buyer's solicitor arranges for the buyer to sign the contract and to provide the deposit, which is usually 10% of the agreed purchase price.

5. The buyer's solicitor checks that the seller has secured insurance on the property. The risk usually passes to the buyer upon exchange of the contract.

6. Once a contract is exchanged, either party can withdraw from the sale. The seller can accept other offers but cannot issue a contract to another party without first advising the buyer that another contract to be issued. This is usually referred to as a "race clause".

7. If external financing is being secured to buy the property, it must be in place by the agreed completion date.

8. If with some leasehold properties there may be a requirement by the landlord for the seller to provide details of the buyer and secure the landlord's consent. The buyer may be required to provide references. Sometimes non-UK nationals are required to provide a rent deposit to cover liabilities in the lease relating to ground rent and service charges.

9. If the purchase price is £500,000 or less and you complete your purchase on or after 22 November 2017, you get relief that means you pay less or no tax if: either the buyer or the seller have UK connections (e.g., family member) or if the property is a new build, new lease, or is vacant.

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Money laundering regulations

The buyer's solicitor will need to satisfy the requirements of the money laundering regulations. This generally takes the form of verifying the buyer's identity and sources of income required to undertake the purchase.

Stamp Duty Land Tax (SDLT)

Stamp Duty Land Tax (SDLT) is payable on property purchases with a consideration exceeding £125,000 for commercial properties, except where one of a small number of specified tax reliefs applies. SDLT is payable within 10 days of completion. The rate of tax is dependent on the purchase price (see below for current rates and bands).

As a result of amendments in recent finance bills, buyers purchasing corporate vehicles to buy residential properties costing in excess of £500,000 may be subject to a higher rate of SDLT at 15%, as well as the Annual Rate on Enveloped Dwellings (ATED). Broadly speaking, these rates apply where the residential property is a let or a non-residential property (e.g., a commercial leisure facility), or is owned by a connected person, such as a family member.

The following tables are affected by the buyer's personal circumstances and should be discussed with a tax expert.

Income Tax

If the property is bought as an investment property, income tax is chargeable on rental income regardless of the residence or domicile position. Tax is collected through the submission of a UK Tax Return and, if non-resident, tax deducted at source by a UK letting agent.

Capital Gains Tax

UK Capital Gains Tax (CGT) is charged on the gain on the sale of the property (or on the market value of the property if it is given away) over its original cost (or value at acquisition by gift). Most selling expenses and building improvement costs can be taken into account to reduce the taxable gain. CGT is payable on or by 31 January following the end of the tax year.

Inheritance Tax

Inheritance Tax is a form of death duty on all without tax planning in advance you could lose your beneficiaries with unnecessary tax bills. The excess value of an estate on death above the threshold (currently £250,000 or a maximum of £500,000 in the case of married couples/ civil partners) is generally taxed at 40% unless it is left to a spouse/ civil partner or to a UK Charity.

Further thresholds are available specifically in relation to an individual’s main residence which stands at £125,000 in 2016/17 (or £250,000 for married couples) and increases each tax year to its maximum of £175,000 in 2020/21.

Residential dwellings costing more than £500,000 purchased through a corporate body are charged 10%. Reliefs are available from the 1% rate where the property is held via a company for commercial reasons, such as a property rental, or property development business for example. Non-Residents may be subject to Capital Gains Tax on the gains they make from disposing of residential properties. Please ensure you seek advice from your local accountants/tax advisors as every purchaser’s circumstances are different.

**Stamp Duty Land Tax (SDLT)**

<table>
<thead>
<tr>
<th>Purchase Price</th>
<th>SDLT rates for primary home purchase</th>
<th>SDLT rates for an additional property purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>£0 - £125k</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>£125k - £250k</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>£250k - £925k</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>£925k - £250k</td>
<td>10%</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Annual Tax on Enveloped Dwellings (ATED)**

<table>
<thead>
<tr>
<th>Value of Dwellings</th>
<th>Annual Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>£150,000</td>
<td>£2,805</td>
</tr>
<tr>
<td>£200,000 - £499,999</td>
<td>£5,610</td>
</tr>
<tr>
<td>£500,000 - £999,999</td>
<td>£11,220</td>
</tr>
<tr>
<td>£1 million</td>
<td>£22,440</td>
</tr>
</tbody>
</table>

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**Wills**

UK domiciled individuals should have a will to dispose of their property. It is often best for non-UK domiciled individuals to have UK wills to dispose of UK real estate – specialist advice should be sought to ensure that your assets pass in accordance with your wishes.

**Residential properties acquired and enhanced after 30 November 2015.**

<table>
<thead>
<tr>
<th>Property value</th>
<th>Annual charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>£0 - £450,000</td>
<td>£3,500</td>
</tr>
<tr>
<td>£450,000 - £1 million</td>
<td>£7,250</td>
</tr>
<tr>
<td>£1 million - £2 million</td>
<td>£24,250</td>
</tr>
<tr>
<td>£2 million - £5 million</td>
<td>£65,166</td>
</tr>
<tr>
<td>£5 million - £10 million</td>
<td>£113,400</td>
</tr>
<tr>
<td>£10 million</td>
<td>£226,956</td>
</tr>
</tbody>
</table>

**Source:** www.gov.uk/stamp-duty-land-tax- rates
Next Steps

Please contact your HSBC Premier Relationship Manager or call our HSBC Premier hotline:

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