



London is now officially the city with the most expensive property in the world, but buyers are still flowing in – notably from Russia



LONDON'S MAIN ATTRACTION

Above left A Candy & Candy designed penthouse terrace
Others A selection of the types of properties sold and found by Savills and LondonDom.com

While a week can't go by without Londoners expressing consternation at seemingly exponential rises in house prices, there are still people more than willing to get the chequebook out – and many of them are flocking to the city from Russia. In fact, prices of properties in prime London spots increased a staggering 28.6% in 2006, a figure published in early 2007 by worldwide property adviser, Knight Frank.

Not content to enter on the so-called first rung of the property ladder, many Russian nationals are starting right at the top, with many of the city's most desirable and expensive places going to them, especially in Kensington & Chelsea, Belgravia, Knightsbridge and outside London in Surrey. Three years ago, Knight Frank also revealed in that one in 15 of all London properties sold for over £500,000 went to Russian buyers in 2003. That figure rose to one in five in 2006.

With such a steady influx of Russians into the British capital – around 250,000 are now living in London with the figure growing steadily – some real estate businesses have adapted to accommodate them by hiring Russian-speaking agents or dealing exclusively with Russian clients.

One such agent is Savills, who saw the trend as an incentive to employ native speakers. Alexandra Lovell has been working at Savills for two years now and deals exclusively with Russian clients – mainly those looking at top-end properties ranging from £1 million to £40 million.

"Some of them speak English, either well or not so well, but when you speak to someone in their own language it helps a lot," Lovell says. "It also helps *me* understand what my client is looking for. Most of my clients are families, sometimes with children, and we can chat about things like house care or even good schooling."

Although a small number of estate agents in London have hired Russian speakers in the past few years, there →



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touches, and Alexandra Lovell at Savills is happy to impart advice on good interior designers, many seek ideas from elsewhere to shape their flat, choosing to patronise the likes of Candy & Candy, a bespoke designer renowned for their luxury interiors and other high-end designers.

So what is attracting wealthy Russians to London all of a sudden, as opposed to, say, Paris or New York? Shishkovsky and Lovell both agree

that the high quality theatre, ballet and classical music concerts available in London mirror what buyers are used to back home, while the relative proximity of London to many parts of Russia (compared with America at least) and *lingua franca* status of the English language also play a part. But there is more than that.

"Many people are attracted by the UK because of its brilliant education system," says Shishkovsky. "So many people who are buying from Russia and Kazakhstan, Azerbaijan are looking for private schools for their kids. We've got an educational consultant who can help to identify the best possible schools for the child based on the child's abilities, and we test the kids in Russia. Also London is the main economical business hub not only of Europe, but of the world, and almost all Russian companies – 99% let's say – who decide to float on the Stock Exchange, choose the London Stock Exchange."

With all the movement from Moscow to London, one wonders whether there is an equal and opposite trend. In fact, from 24-26 April 2007, the Real Estate Investment World Russia 2007 (www.terrapinn.com/2007/reiwr) is taking place in the Royal Garden Hotel, London to open that market up to British investors.

Shishkovsky thinks "you have to be quite brave to do that", explaining that house prices in Moscow, for example, have been subject to sudden changes that can be unpredictable. However, it is becoming apparent that, although recognised as volatile in the past, Russian real estate is stabilising. So with current investments in the real estate market reaching \$5bn two years ago, competing with China, British buyers might be able to take the same advantage of the Russian property market as Russians are of the London market. □

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Two typical properties found by LondonDom.com for their clients including **Top** the lounge at 70 Eaton Square and **Above** Cambridge Gate

are also Russian property finders in operation. One such enterprise is LondonDom.com, established five years ago by journalist, Yegor Shishkovsky, specifically catering to Russian buyers trying to navigate the London property scene, even extending services to more peripheral activities:

"It's a lot of little things, sometimes even like being a concierge service, helping with conveyancing, finding a good solicitor and surveyor," says Shishkovsky. "But they could have all sorts of questions when moving to a new country; they receive the TV licence, and don't know what to do with it and so on."

But this is about more than just a language barrier. Certain aspects of the London property market are unknown and often baffling to Russian clients.

"The main issue is that people can't understand the concepts of freehold and leasehold," says Shishkovsky. "Freehold they understand, but leasehold you really have to explain to them what that is."

Despite all the help available, both Lovell and Shishkovsky report that many Russian buyers aren't quite satisfied with what they find.

"In big cities like Moscow and St Petersburg it's mainly flats, so they [Russian buyers] are used to lateral spaces," says Shishkovsky. "But in London, especially in the centre, there are a lot of townhouses sometimes three, four or five storeys high. They don't really like those properties because the staircases are too narrow."

"Even if one is looking to buy a penthouse, they expect very high ceilings between three and five metres," Lovell adds. "But that's just not possible, many of them just say 'oh the ceilings are quite low', even in a luxury development. And of course everybody wants to renovate it [their properties] to their taste, because new properties do not always have the best materials. But the Russians are used to the best materials, so they have to be prepared to change the bathroom or floors. They have to be prepared to invest in decoration, and it doesn't come cheap."

Although LondonDom.com have a team of designers to which they refer their clients to to apply the finishing