

Ukrainian Wealth Floods London Housing Market

By [The Moscow Times](#)

April 01, 2014



An unlisted residence in a swanky London district, worth more than 10 million pounds, currently seeking buyers.

London, known in some quarters as "Moscow-on-the-Thames" for the many ultra-wealthy Russians who buy real estate there, has actually had far more Ukrainian investment in the last two years, according to a report by Beauchamp Estates, a real estate firm specializing in luxury properties in London.

Over the last two years, Ukrainian tycoons have spent more than £2 billion (\$3.32 billion) on luxury residential properties, primarily in London's Knightsbridge and Belgravia districts. Russians are the second-highest spenders in London's property markets, followed by Kazakhs, Azerbaijanis and Georgians among buyers from the former Soviet Union.

Still, despite the fact that the average purchase is anywhere between £15 million and £60 million, the property is often the third or fourth residence a wealthy Ukrainian might hold

throughout Europe.

Indeed, Ukrainians do not buy London properties for the sunshine, but for the investment value. London real estate values are estimated to double by 2020, according to Naomi Heaton, a chief executive at London Central Portfolio, a specialist investment consultancy and fund manager. By buying an expensive house or flat, wealthy Ukrainians secure a safe place to park a portion of their money.

The clamor for London real estate, however, belies how secretive and slow moving the process can be. Interested billionaires will first send a personally appointed representative, or runner, to a broker rather than going in person. If the representative approves of the property, the buyer will then send a personal interior decorator, security detail, and lawyers to evaluate the property. Even after this lengthy process, which sometimes takes months, the real estate agent may not know the buyer's identity.

This elaborate process is in part due to security concerns, but also for tax reasons — wealthy businessmen are not eager to let their governments know the value of their purchases. Elite properties are typically unlisted for this reason, leaving "only a handful of real estate agents who genuinely know that market," said Alex Lawrie, a PR director at Lawrie Cornish, a firm that works in advertising luxury residential properties.

Recent political tensions in Ukraine seem to have increased interest in buying London property, as Beauchamp Estates has seen a marked uptick in calls from Ukraine in the last three weeks. Of course, given these tycoons' immense wealth, a multi-million dollar property is not necessarily their only back-up plan. For them, Lawrie said, a Belgravia address is just "insurance, specifically for the family, for the wife and children."

Original url:

<https://www.themoscowtimes.com/2014/04/01/ukrainian-wealth-floods-london-housing-market-a3353>