



Article published on July 17th 2012 | [Real Estate](#)

Central London estate agents have reaped the rewards from a surge in property values in recent years, propped up by low interest rates and international buyers.

"Since the depth of the property bust in 2009, prices in England and Wales have floated up by a gentle 11.2 per cent but flats in Central London have rocketed ahead," said Andrew Ellinas, director of leading estate agents Sandfords.

The average price of a residential property in prime central London has increased by 35 per cent since 2009, with greater growth anticipated in the short to medium term, according to CBRE.

Mark Collins, head of residential, CBRE, said: "Superprime residential markets have emerged as one of the only secure investment options for the world's super wealthy. The very top-end of the market remains exclusive, involving only a handful of cities, and within this elite group London is still one of the most compelling choices."

But while many homebuyers continue to snap up properties in central London, others are now looking beyond the heart of the capital to second-tier markets – searching properties for sale in Little Venice, Maida Vale, Swiss Cottage and Camden, among other popular areas.

Although some home purchasers are buying property to live in, demand is being significantly boosted by a rise in activity among property investors seeking to capitalise on good prospects for capital growth and high rental returns.

"London is seen as a sound investment, with prices continuing to rise in good locations," said Ingrid Skinner of developer Taylor Wimpey. "This has seen investors – spreading beyond the super-prime market to areas that offer good rental returns in solid residential areas."

It is unsurprising that more property investors are targeting homes in London, given that rents, currently at an all-time high in the capital, continue to rise.

The average rent in London increased by 0.6 per cent to £1,038 per month in May, surpassing the previous high of £1,033 in November, according to latest buy-to-let index from LSL Property Services. This compares with an average of £712 per month in England and Wales.

David Newnes, director of LSL Property Services, said: "The end of spring has brought with it renewed activity in the rental market, and rents have returned to the level seen before the impact of the stamp duty deadline [in March 2012] rush by first time buyers – strong tenant competition is pushing up rents as a result.

High rents and rock-bottom savings rates are preventing many people from being able to save for the larger deposits banks now require to buy property. Consequently, fewer tenants are able to leave the rented sector.

But it is not just involuntary renters that are adding to demand, particularly in sought-after areas. Many would-be homebuyers are opting to rent as they adopt a wait-and-see approach to the property market in-light of the recession and wider eurozone crisis.

This means that the high number of people looking for a house or flat to rent in Little Venice, Maida

Vale, Swiss Cottage and other desirable areas, is unlikely to wane anytime soon.

Article Source:

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John Alcorn talks to a [central London estate agents](#) and finds that demand is actually rising for a [properties for sale in Little Venice](#), while any house or flat to rent in Little Venice is also being snapped up quickly.

Article Keywords:

Central London estate agents, Properties for sale in Little Venice, Flat to rent in Little Venice

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