

Batten down the hatches and get ready for a market downturn following the Brexit fallout.

Following our experience of the crash of 2008 we advise on how to manage the likely rocky road ahead...

July 7th, 2016: Brexit Update

CURZON



RICS

the mark of
property
professionalism
worldwide



REBONY
REAL ESTATE BOARD OF NEW YORK

residential, commercial, corporate, relocation

London - New York - and through Dubai

: acquisition : sales : lettings : property & asset management :

: investment : development : project management :

www.curzoncentral.com (UK)

London: +44 (0)20 7838 1066

www.curzonrealestate.com (USA)

New York: +1 212 920 1868

July 7th , 2016



David Cameron resigns after Brexit loss

In This Issue

[Batten Down
Hatches: Brexit
Financial Strain
Grows](#)



Curzon Property Management Promotion

Skilled professional property management is the best way to protect investment property in a market downturn.

Curzon manages individual rental properties and block properties for owners and investment clients across London from studio flats, to residential and luxury buildings and developments. Every property gets our expert and very personal attention.

We are taking on new and existing properties and portfolios for existing and new clients at very competitive rates.

We are currently promoting a property management fee of just 3.75% on new property management instructions.*

If you would like to more information to explore this opportunity further, please contact our Head of Property Management rupert.wertheimer@curzoncentral.com +44 20 7838 1066 who will be pleased to assist you further.

(*) Subject to terms and conditions



Rupert Wertheimer,
Head of Property
Management
(London)

Batten Down Hatches: Brexit Financial Strain Grows **Implement Smart Investment Strategy To Ride Market "Adjustment" Ahead**

The best way to prepare for a storm is to realise before it hits that it is actually on its way - if possible! Even if you don't think it will actually happen.

All the signs are that a major property downturn could well be on the way.

Three leading UK property investment funds - Standard Life, Aviva Investors and M&G Investments (all commercial property) - have frozen withdrawals in the last three days to slow the exodus of nervous investors. AUM: circa £8.5bn (about 1/3rd of all UK property funds value - collective value circa.£25bn).

Last week United Overseas Bank in Singapore, the State's third largest lender and a major mortgage provider against British property, stopped providing loans on UK properties.

Residential property is always the asset class that takes the longest to show adjustment in a universally falling asset market. All other major asset classes have already been hit and most hit hard.

Commodities were already falling across the board before Brexit (such as oil - different drivers notwithstanding). UK banks and property company shares post-Brexit have been pummelled on the London and Global Stock Markets. The Bank of England is on standby with a £150bn *initial* support package.

Sterling has hit a 31-year-low at \$1.2796 (6 July 2016).

(For overseas buyers this actually could be a good buying opportunity. However with the uncertainty of the larger UK and global economic picture, caution and a balanced approach is required).

The UK is currently in a rare state of both political and economic turmoil.

And so it goes on...at least for now.

HOW BEST TO RIDE THE STORM

In the crash of 2008 and its immediate aftermath, London property prices dropped 16.2%. By 2015 they had fully recovered and exceeded their pre-crash 2007 peak.

Prime Central London fell less and recovered faster.

For investors the secret was keeping tenants happy, positive pro-active and cost effective property management and yes, even adjusting (dropping) rents when required to keep good quality and reliable tenants. On blocks all non-essential expenditure was pro-actively managed.

The result was that tenants stayed in place. Blocks were maintained sufficiently whilst running costs and budgets were kept tight.

Most importantly rents continued to be paid and rental void periods were avoided. Mortgages were paid on time and without disruption. As the market gradually recovered, rents started to slowly increase again and property values recovered. Investments were protected. Capital growth was retained and indeed profits were made and often taken by the end of the cycle.

The drivers are different now than they were in 2008. The banking system is actually much more stable now than then, according to the Bank of England. However there are an awful lot of "unknown unknowns" out there.

The market will very likely dip in our view. We are already seeing daily price reductions from agents everywhere across the Capital.

Be ready to ride the storm.

The market will eventually come back again and once again real estate will prove to be a very solid and stable long term investment.

For information on Curzon Property Management please contact rupert.wertheimer@curzoncentral.com +44 20 7838 1066

Source: BofE, FT, NYT, Curzon

Please contact us for further information:

Curzon
London & UK
Property Consultants & Chartered Surveyors

7 New Quebec Street
London W1H 7RH
UK

Dominic Wertheimer
Director
Curzon
London Office: + 44 20 7838 1066
Mobile: +44 7866 764367

UK: www.curzoncentral.com



**Dominic
Wertheimer**

Sincerely,

James Moss FRICS, FARLA, MCI Arb.
Managing Director
Curzon
UK Mobile: +44 7956 135 132
US Mobile: +1 917 755 4788



James Moss.
FRICS, FARLA
MCI Arb.



Confirm that you like this.

Click the "Like" button.