



RICHMOND

London Richmond Update

1 March 2023



London Richmond is a real estate investment company focusing on the purchase and development of residential property in London. Our directors have been successfully investing in the London residential market since 1998, transforming properties into luxury homes and generating substantial profits.

In our update for March, you'll find the latest news from our property portfolio, analysis of the current state of the London property market and details of two new investment products now available to our clients.

If you'd like to learn more about our company and our new investment opportunities, please don't hesitate to get in touch on +44 (0) 207 183 2150 or email info@londonrichmond.co.uk

New Investment Opportunities

We are delighted to announce the launch of two new investment opportunities for clients of London Richmond. The first is the purchase of shares in London Richmond, allowing our clients to benefit from the ongoing growth and expansion of the business. Following our listing on the MERJ Stock Exchange, London Richmond's share price currently stands at £6.33 and is forecast to increase to £10.00 by 2025 and £20.00 by 2027. We are now offering our clients the opportunity to purchase shares at the discounted price of £5.00 per share, representing a 21% discount to the current share price and providing an incredible opportunity for capital growth over the next few years.

We are also offering our clients the opportunity to purchase convertible bonds which provide a fixed return of 12% per annum for 2 years, at which point the bonds convert to shares at a 20% discount to the London Richmond share price on the day of conversion. For further information please contact us or your agent for more information.



Current Share Price: £6.33p
Market Capitalisation: £63,300,000
Stock Ticker: LONDON

[See the Listing Here](#)



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Our News

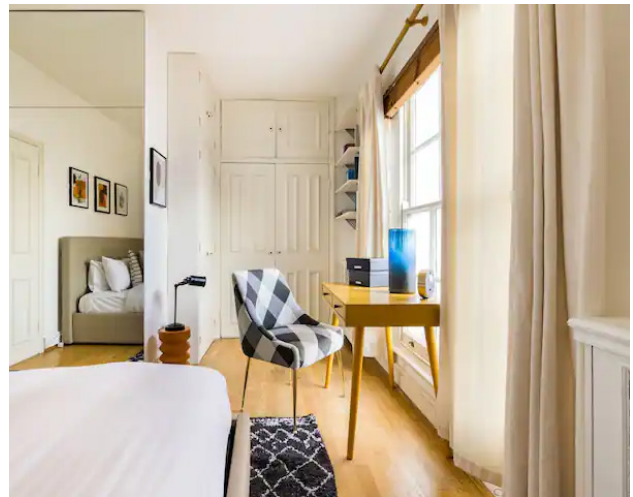
81 Ledbury Road W11

We have completed the makeover of this beautiful one-bedroom, first-floor apartment on one of the most sought-after streets in Notting Hill. The minor works and furnishings were completed for less than £10,000 and early indications are that the valuation has increased from £670,000 to £850,000, giving the company a quick gross profit of £170,000.

- Highly desirable West London neighbourhood
- Close proximity to the boutiques, delis and restaurants of fashionable Westbourne Grove
- Short walk to the transport connections of Notting Hill Gate and Westbourne Park tube stations

The property's location and size makes it the ideal property for the lucrative Notting Hill rental market. London Richmond's blended business model allows us to maximise our profits in a variety of different market conditions – in this instance, we have taken advantage of the recent boom in London rental prices (up 22% year-on-year in Q4 2022) and the explosion of demand for rentals in prime central neighbourhoods.

The apartment has now been let through Winkworth estate agents for £700 per week and we plan to retain the property in our portfolio for the next 5 years. We further expect the rental price to increase to £800 per week in 2024, giving us a 14% uplift on the current level.





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The Attraction of London

1 No 1 in the Global Power City Index 2022

1 No 1 in the Kearney Global Cities Outlook 2022

1 No 1 in the Knight Frank Wealth Report 2022

2 No 2 in the Savills Resilient Cities Index 2022



UK Economy Proving Resilient

A string of promising data has emerged over the last few weeks, beginning with ONS data from January that showed inflation was declining faster than expected. In February, the Treasury posted an unexpected £30 billion windfall from the end of the tax year – self-assessed income tax receipts were £21.9 billion, the highest January figure since monthly records began in April 1999 and a third higher than in January 2022, while the energy profits levy provided an additional boost, pushing total tax receipts to £107.8bn – a 13.6% increase on January 2022.

Consumer confidence rebounded in February, with consumers showing more optimism about the state of their personal finances and the general economic situation. According to Rightmove, asking prices defied expectation and jumped 0.9% in January, taking the average UK asking price up to £362,438. All of this suggests that, despite economic headwinds, the UK economy and the UK housing market is likely to perform far better than some of the gloomy forecasts featured in the press at the end of last year.

The Return to the City

During the pandemic, the ‘race for space’ sent prices in rural and coastal locations soaring while urban centres experienced slower growth. However, that trend is now reversing – property portal Rightmove recently revealed that London was 2022’s top location for buyer searches, while the number of searches for homes on the south west coast of England fell sharply.

“London is set to see the highest price increases in the country this year at 5.5% over the course of 2023”

As memories of lockdowns fade and workers return to the office, we expect the London residential market to outperform other regions in the UK. Analysis from JLL indicates that London is set to see the highest price increases in the UK this year at 5.5% over the course of 2023, and achieve an overall increase of 23.5% by the end of 2026.

Rental Price Boom

Average London rental prices are still increasing dramatically, hitting a record high of £2,480 per month in January 2023. The latest data from Rightmove shows rents in outer London up 4.1% over the last quarter, while inner London is performing even better with a 7.5% quarterly increase. SpareRoom have reported the highest rental demand for properties ever for London in early 2023 and stated that “with housing supply in the capital still constrained and no let-up in demand, we expect our London rentals to perform very strongly this year.”



Mortgage Rates Now Falling Sharply

Lenders including HSBC and Virgin Money are now offering 5-year fixed-rate mortgages at under 4% and rates are also falling at Barclays, Halifax and Santander.

Steven Morris of mortgage broker Advantage Financial Solutions reports: "Every time we apply for a fixed rate for a customer, within no time it's cheaper elsewhere." This suggests that banks are now confident the base rate will be coming down in the near future – Samuel Mather-Holgate, independent financial advisor at Mather & Murray Financial, has said "It's like the lenders know something the Bank of England doesn't... Despite two-year fixes remaining high, lenders seem to be reducing rates all the time for five-year fixes. This is because they can foresee the rate slashes coming during that period."

The return of reasonably priced mortgages and the prospect of the base rate peaking imminently at between 4.25% and 4.5% will boost buyer confidence, reduce the hit to buying power and help support house prices over the coming months.

Summary

£541,239

Property Price

Average Property Price in London (Forbes)

£2,480

Rental Price

London Average Monthly Rent – A record high (Forbes)

2%

UK Rental Price Rise

Rise in Renters Budget January 2023 Vs December 2022 (Foxtons)

Our next update will be issued on 1 April 2023. For further information please email: info@londonrichmond.co.uk or call: +44(0)207 183 2150 to speak to a member of our team.

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Disclaimer: The information contained herein is not intended to be a source of advice or credit analysis with respect to the material presented, and the information and/or documents contained in this document do not constitute investment advice.