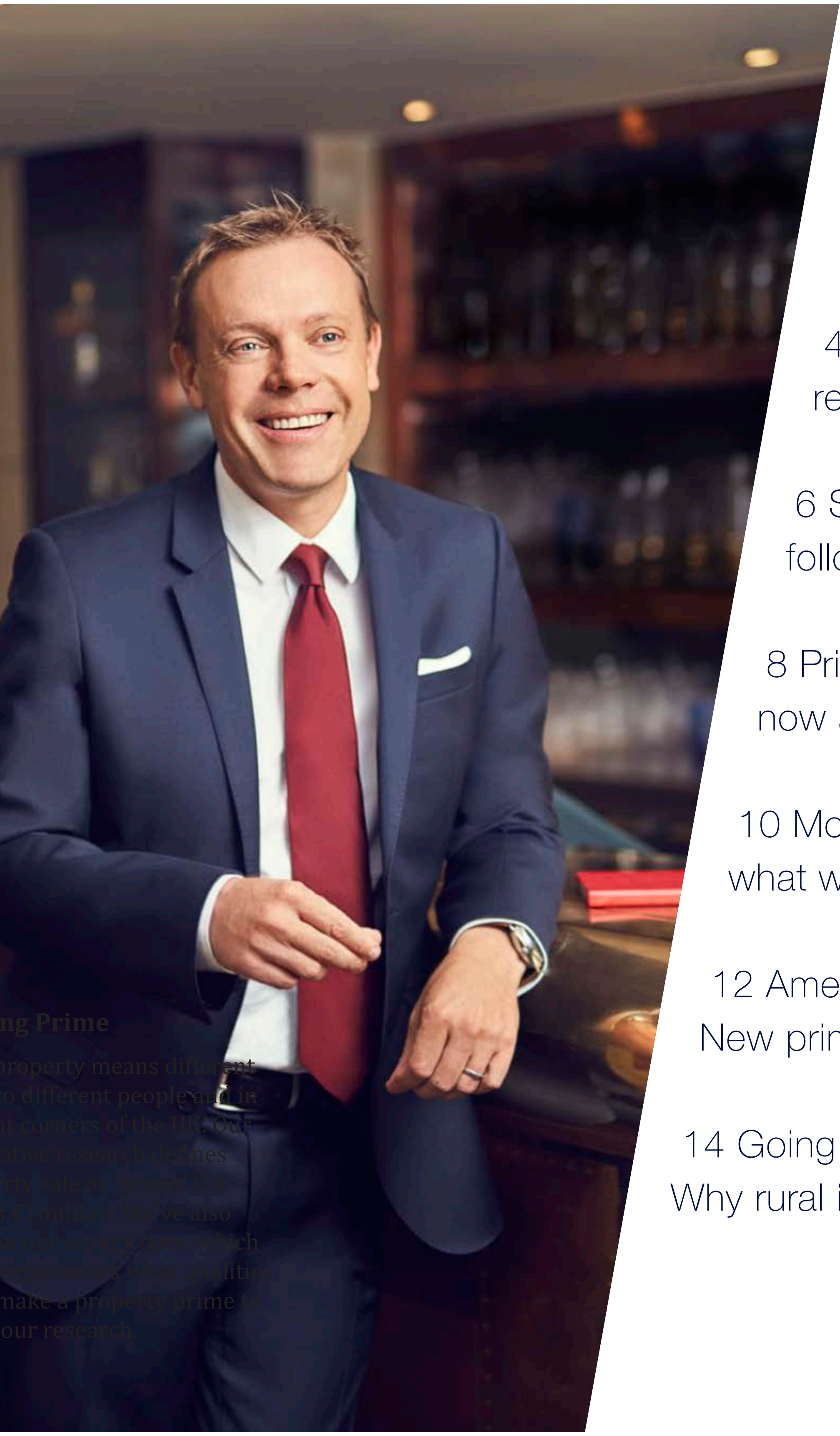
England's Prime Property Hotspots

December 2018

Out of the Ordinary

Investec Private Banking



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FOREWORD
Welcome to our prime property outlook

Where's the next prime property hotspot? Where's the smart money moving, in London and across England? And how are attitudes changing among today's buyers?

At Investec, we wanted to answer these questions. We surveyed 500 high-net-worth individuals (HNWIs) and combined the findings with Land Registry data to understand the trends reshaping the sector. We wanted to know what today's buyers think about prime property, the trends driving the market and – given the importance of 'location, location, location' – where the hotspots are now… and in the future.

A standout from our research is how important prime new-builds have become. This is partly driven by up-scale developments across the country. But we're also seeing a change in the features that buyers are looking for. Larger living spaces, energy efficiency and faster broadband are all helping the case for prime new-build.

London remains a special place for buyers. It's still at the centre of the financial world and there remains a big undersupply of property throughout the capital. Downside risks to prime property – a softer market over the past two years, uncertainty around Brexit, tax changes and more – have largely been priced into the market at this point.

Whether you're looking for new-build opportunities, want to spot the drivers of the property market or just want to scope out the next hotspot, the insights in this report should give you firm foundations for making that all-important property decision.

DEFINING PRIME

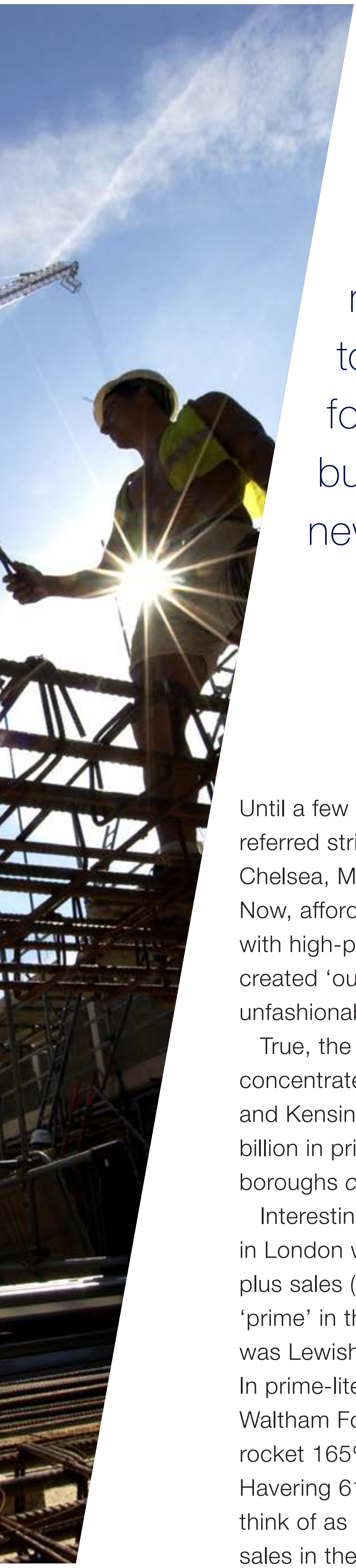
Prime property means different things to different people in different parts of England. Our quantitative research defines a sale as 'prime' if it exceeds £1 million – a modest sum in London, but more generous elsewhere. Then our survey data refines the qualities that make a property 'prime' to inform our insights.

RESEARCH SNAPSHOT

Our report is built on feedback from 500 HNWIs, data from independent sources and insights from our property team. Here's what we've found:

- **New-build is starting to redefine prime property**. Fresh developments are creating new prime locations in London, in particular (see **p4**).
- **Infrastructure is crucial to this trend**. Great transport, communications and civic amenities are key factors that make a property 'prime' (see **p12**).
- **Provincial cities** such as Cambridge have benefited from new transport links and the presence of growth industries. This trend is also boosting parts of the North and Midlands (see **p5**).
- **We're seeing greater regeneration in outer London** areas with available land, such as Waltham Forest, Newham and Havering (see **p7**).
- **Gentrification of inner London is a big factor**, driven by a desire for upmarket property in trendier areas, particularly by younger HNWIs (see **p4**).
- **We're seeing renewed interest in more rural locations** as connective infrastructure is upgraded and new 'garden village' projects come to market (see **p14**).

Ryan Tholet
Head of Investec Private Bank



NEW-BUILD

Ready for prime time?

In sought-after locations, developers are aggressively marketing prime new-builds as both desirable living and top-notch investment. Buying off-plan might be riskier for some – and with the changing profile of international buyers, the market is hard to predict. So what is it about new developments that tell us the trend has stamina?

Until a few years ago 'prime property hotspots' referred strictly to postcodes in Kensington & Chelsea, Mayfair, Belgravia and Knightsbridge. Now, affordability and demand – coupled with high-profile new developments – have created 'outer prime' areas in some previously unfashionable locations.

True, the big money in London is still highly concentrated in the traditional areas. Westminster and Kensington & Chelsea together saw £8.2 billion in prime sales last year – the other 31 boroughs *combined* sat at £13.4 billion.

Interestingly though, if we only look at locations in London with more than one hundred £1 million-plus sales (our lower limit to classify a property as 'prime' in the capital), the biggest sales growth was Lewisham, where values soared nearly 50%. In prime-lite locations the figures get much bigger. Waltham Forest, for example, saw prime sales rocket 165% in 2017; Newham was up 143% and Havering 61%. These aren't locations you might think of as 'prime' – and five years ago, high-value sales in these locations were negligible.

NEW-BUILD SUPPLY AND DEMAND

But it's in these less traditional boroughs that upmarket new-build is having its biggest influence. The areas where new-build represents more than half of prime sales include Tower Hamlets (see box) and Newham – areas with older, higher-density real estate, where modern buildings really stand out.

One reason investors and home-buyers are looking outside the more well-heeled areas is that many prime new-builds in the traditional hot-spots are struggling to sell – and have been for some time as the Brexit uncertainties mean international buyers dry up. That's pushing many developers into aggressive sales – with as many as 40% of London new-build sales going to 'bulk buyers', according to a *Financial Times* investigation.

The volume of new-build luxury apartments going up in parts of the capital remains much-discussed. There is a chance that in some developments, prices will come down as developers look to crystallise cash. That said, buyers on the sidelines looking for developers to slash prices ahead of Brexit might be in for a long wait.

THE HUNT FOR PRIME VALUE

Make no mistake: our forecasts suggest the prestige postcodes will continue to lead the prime property rankings. But the best value new-build could well be found in those up-and-coming areas. That's also why the new-build story is so interesting outside London, where emerging prime hot-spots combine with more readily available land and evolving infrastructure to offer real value.

In Cambridge for example (see box), high demand and low supply, combined with a fast-growing high-tech workforce, are transforming prime property offerings.

North of London, developers are getting creative to accommodate Green Belt restrictions. In South Bucks, for example, new-builds made up 20% of prime property sales, rising to 41% in Broxbourne, Hertfordshire, as buyers eye its Crossrail 2 terminus due to open in 2033.

Greater Manchester prime sales were up 22% in 2017, to nearly £230 million, driven in part by the Northern Powerhouse initiative. In that city, many developments – like those around St John's Deansgate and Salford Quays – are already designated 'prime'.

Overall, new-build in 2017 represented £5 billion-worth of prime sales in England and Wales – 16% of the total market. But these developments delivered a third of the year-on-year growth in the prime market – an extra £602 million.

Our research shows that outside the South East, HNWIs see Bath, Cambridge, Oxford, Manchester and Cheltenham as property hot spots – and prime new-build opportunities in these cities remain highly sought after. When it comes to the properties themselves, size, unique features and great transport links are considered the key attributes for 'prime'.

In other words, the old rules still apply. Location is key, as ever. But today, marrying that to larger spaces – designed with an eye to contemporary living habits, with the energy-efficient attributes of new-build that are springing up in go-getter cities (more on that on p6) – is starting to look like a smart move.

THE REGENERATION GAME

In traditional prime locations, developers can struggle to find green- or brown-field sites to build properties with the features and contemporary designs many HNWI homeowners want. But when new transport links, regeneration schemes, changing demographics or business opportunities boost the appeal of an area, luxury new-build can flourish. Here are three examples of that trend:

TOWER HAMLETS

This diverse borough stretches from the Tower of London to Canning Town, and the Stratford border to Canary Wharf. So it's no stranger to upmarket property sales: 258 prime deals totalled £344 million in 2017; and 60% of prime sales were new-builds last year.

Look outside Docklands for really attractive new-builds. There are big plans for Brick Lane and Petticoat Lane, a £100 million redevelopment of the Old Royal London Hospital by 2021 and a £350 million scheme at Ailsa Wharf. The whole Poplar Riverside area is ripe for regeneration.

CAMBRIDGE

Our research shows 24% of prime property sales in 2017 were new-builds – that's around 35 properties in Cambridge, worth £45 million. The city's strong transport links – improved last year when Cambridge North station opened – combined with its tech industry and latent demand from senior staff members at the university has kept the property market buoyant.

Smaller luxury builds are springing up around Addenbrookes Road, meeting growing demand as facilities such as Cambridge Science Park draw in more high-tech employers. Plans are also afoot for five new garden towns between Cambridge and Oxford supported by new rail and road links.

TYNE & WEAR

Ranked by *The Sunday Times* as one of the best places to live in the UK, Tynemouth boosted the area's prime market by 10% last year, 20% of which was new-builds.

High-end residential developments in Tyne & Wear come to market at exceptional value. Bespoke projects in village locations around Newcastle, Gateshead and Whitley Bay will typically deliver large homes below the £500,000 mark, despite including the high specs and generous living space demanded by HNWIs.

SEEKING PRIME

Follow the cranes

Prime property remains a solid long-term investment opportunity across the UK. But prospects are best in areas slated for first-class residential, commercial and transport developments.

Economist John Maynard Keynes may have had a point when he said that "the long run is a misleading guide to current affairs". When it comes to investing in property, however, it's long-run performance that really matters.

Take the London market. Our research shows values in the capital have softened in the past couple of years under the combined impact of Brexit-driven uncertainty, over-ambitious asking prices and tax reform.

"International buyers of prime, especially new-build prime, have been hit," says Peter Izard, business development manager at Investec. Although this has partly been tempered by the currency play – sterling's weakness has boosted affordability for many foreign buyers – there's no doubt that "stamp duty changes have pushed up the cost of entering the market and Brexit has hit overall sentiment".

> Some prime hotspots in London were almost no-go zones 15 years ago

PRIME TIME DRAMAS

But if you look at London's longer-term prospects, the perspective changes. Based on our forecast for 2018, the total value of deals in one of London's top boroughs, Kensington & Chelsea, is expected to rise by 14%. Neighbouring Hammersmith & Fulham shows a similar rise. These gains look set to be even higher in central areas that have not previously seen investments from the top end of the market, such as parts of Lewisham and Lambeth (where values are expected to go up by 49% and 47% respectively).

The total value of £1 million-plus transactions in England and Wales has risen by almost £2 billion since 2016, reaching £32 billion in total. It shows that whatever the short-term indicators, property remains a critical asset class for any long-term wealth-building strategy. After all, says Izard, “HNWIs want to ensure their assets are diversified. Even with the disincentives around stamp duty and changes to income tax, property remains a key part of their portfolios.”

QUALITY COUNTS

That said, buying the right property remains the key to making the most of your investment. According to our research with HNWIs, unique features that make a property stand out are hugely important. (See box.)

But the definition of ‘quality’ has moved with the times, widening from Jacobean staircases, Georgian plasterwork and statement fireplaces. For example, says Izard, “connectivity is now a big factor – having access to fast broadband is increasingly a must-have. Changing working patterns and a desire for work-life balance mean space for a home office is also high on the list.”

This helps to explain the popularity of new-builds, where properties are typically designed for space, modern lifestyles and all the technologies – from wiring to energy saving, and even power generation – that HNWIs are coming to expect.

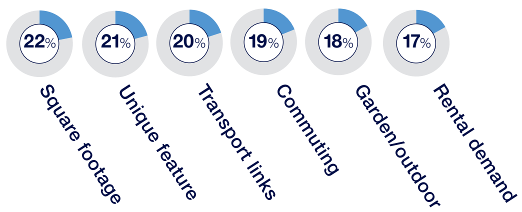
WHAT MAKES A PROPERTY ‘PRIME’?

LOCATION The right postcode is usually a better indicator of quality than price, according to our research. Three-quarters of HNWIs told us a ‘desirable location’ is more important now than 10 years ago.

VALUE The vast majority of high-net-worth buyers define prime property as £1 million plus, but regional effects are huge. £1 million in London is now relatively modest; in Tyne & Wear or Merseyside, it’s palatial.

COOL In the research, two-thirds of HNWI respondents said a trendy location has become more important to making a property ‘prime’ than it was 10 years ago.

UNIQUE
21% of HNWIs told us having a unique feature that makes the property stand out was the most important factor in making a property ‘prime’ – but the following six qualities of a potential prime property scored equally well.



LOCATION EVOLVES

Of course ‘location, location, location’ is still the rule. But our research suggests the market is moving into new locales – especially when it comes to ‘upgrade’ properties. And investors looking for long-term capital growth, in particular, need to keep abreast of planned infrastructure and civic developments, as well as looking at the postcode.

“We’re seeing the emergence of prime hotspots in London boroughs that 15 years ago were almost no-go zones,” says Izard. “Single professionals and young couples have gentrified areas. They work hard and play hard, and there’s a real demand now for modern properties in areas such as Tower Hamlets and Lewisham.”

Landmark office new-builds such as the Google headquarters in King’s Cross, for example, are also driving gentrification. “It’s encouraging new prime residential to serve incoming talent,” notes Izard. “Cities in the North and Midlands could benefit from company relocations out of the capital, too.”

Similarly, new transport links that open up previously under-served areas have a massive effect on local property values, both in and outside London. The Northern Line extension to Battersea, the upcoming Elizabeth Line linking Reading in the west to Abbey Wood and Shenfield in the east; and the proposed Oxford-to-Cambridge expressway and East-to-West train routes in the North have all been game-changers for local markets.

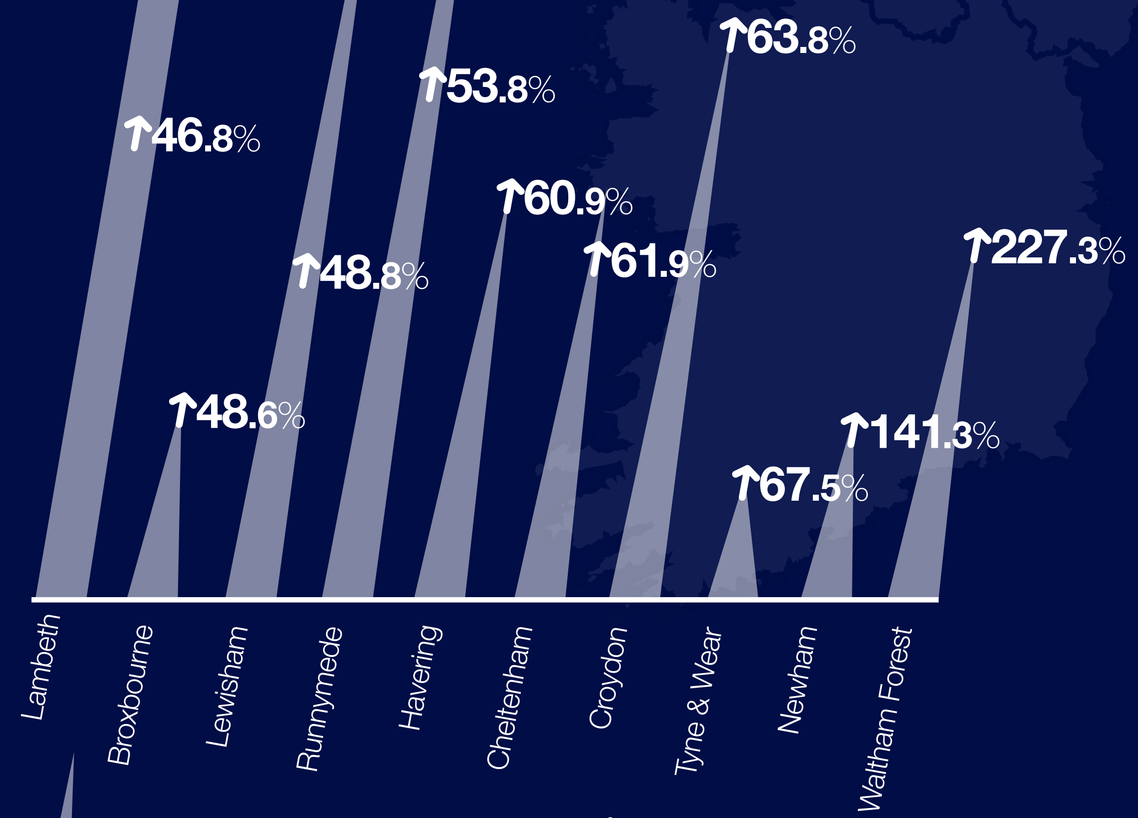
So where the golden rule of property investment used to be ‘follow the money’ into established affluent locations, today’s buyers may prefer to ‘follow the cranes’ instead.

PRIME PROPERTY: NOW AND NEXT

London dominates prime property. But the year-on-year change in prime transaction values (the arrows with percentages) offers insights into where high-net-worth individuals (HNWIs) are seeking out future value – especially from new-build. Hotspots in the centre of the capital and the stockbroker belt don't show that much growth, partly because they're already so popular (the height of the spikes shows total prime property sales in 2017). The biggest gains outside London last year were in Liverpool, Leeds, Birmingham and Cheltenham. National infrastructure projects connecting them with each other, and London, will boost new-build opportunities in these areas. Our analysis of prime deals to the end of 2018 (below) offers other tips on the next generation of growth areas nationally.

2018: THE PRIME MOVERS

Our analysis of Land Registry data shows prime performance during 2018. These boroughs will have seen the ten biggest percentage rises in sales. Three start from a very low base; where we're seeing a big jump in denser urban areas (such as Lambeth), new build is a significant contributor.



Albeit from a low base, Liverpool's doubling of prime sales in 2017 looks more than a blip.

Bath developments such as Hope House show why new-build and old class make it one to watch.

Key: Estimated value of prime property sales in the area (2018) ↑% estimated growth in prime transactions (2018)

THE PRIME HOTSPOTS

Value of prime property sales in the area (2017)

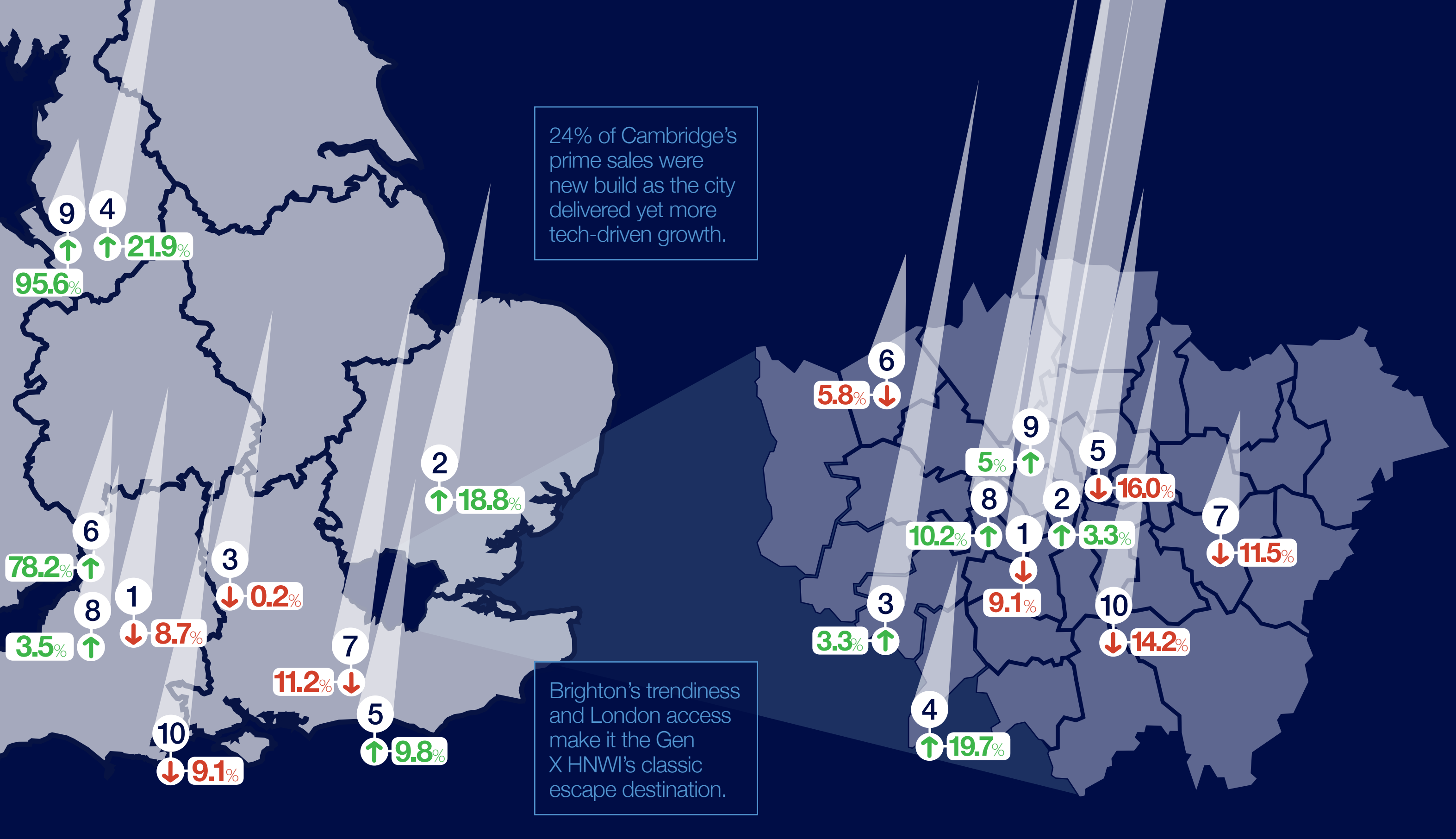
1 Position in HNWIs ranking of current prime hotspots

% change in prime sales (2017)

We asked 500 HNWIs where their prime property hotspots are – so not just where prime sales are (the spikes), but where prime buyers love to live. We ranked the top ten in London and in the rest of England by 'hotness' (excluding London orbital – which is popular, of course, but neither fish nor fowl in this analysis). Many HNWIs are loyal to their current region – 41% of those in the North West see Manchester as a prime hotspot, for example. But plenty of Londoners are looking further afield – and our analysis of their predictions for hotspots ten years hence also puts cities like Manchester and Liverpool high up the list.

1	Bath	1	Kensington & Chelsea
2	Cambridge	2	Westminster
3	Oxford	3	Richmond upon Thames
4	Manchester	4	Kingston upon Thames
5	Brighton & Hove	5	Islington
6	Cheltenham	6	Harrow
7	Guildford	7	Greenwich
8	Bristol	8	Hammersmith & Fulham
9	Liverpool	9	Camden
10	Poole	10	Southwark

Sales in Trafford alone jumped £29m in 2017 as sought-after developments came on stream.



MORTGAGES What would Beyoncé do?

Why do wealthy people need a mortgage? Do the maths and there's a very obvious reason why it's worth borrowing to buy...

Last year Beyoncé overtook Taylor Swift as the richest woman in music. Together with her husband, rapper Jay-Z, her family wealth is estimated at $1.25 billion. So it might have come as something of a surprise when the *Wall Street Journal* reported in September that the couple had taken out a $53 million mortgage for the $88 million mansion with a two-acre estate in California that they moved into last year.

Their monthly payments are estimated at around $200,000 – the couple have secured a fixed rate of 3.4% until 2022. And, as the *WSJ* reports, they're far from the only billionaires with an eight-figure mortgage. According to real estate research firm CoreLogic, which supplied data for the *WSJ*'s story, almost a quarter of the current

For the perfect home or prime pied-a-terre, a mortgage is ideal

US mortgages worth between $10 million and $20 million were originated from 2017; and nearly 16% were taken out in 2018. So it's something of a recent trend. But why?

THE READY CASH ARGUMENT

There are several reasons why wealthier people still take out mortgages. (We'll leave aside buy-to-let for the moment, which is a slightly different issue.)

The most obvious is liquidity. For many buyers, wealth isn't simply stuck in the bank or even investments in easily saleable assets like unit trusts, shares or investment funds. Often wealth is tied up in a business that simply can't be sold; it's in deferred bonuses or salary paid in another currency; or it's tied up in mechanisms like long term incentive plans.

For people in search of the perfect home or a prime pied-a-terre, a mortgage presents the perfect solution. They can leave their wealth invested in growing their business, for example, or wait for their bonus to mature without sacrificing their living space.

Another reason is control. Selling equity in their company to buy a property might mean surrendering some influence over its future – not to mention creating a potential tax event. Where a business is paying out a dividend, these business owners will have a cash flow, but not capital. The solution? Take out a mortgage on the prime property of their choice, safe in the knowledge that the business remains intact and they can meet the interest payments from its profits.

THE REINVESTMENT OPPORTUNITY

With the exception of professional developers, many HNWI property buyers will already have an established income that's independent of their investments in the property market. That could be a CEO earning a substantial salary and bonuses; it could be a partner in a private equity fund whose personal wealth is tied up in the business; or it could be a young entrepreneur whose wealth is in as-yet uncrystallised intellectual property.

For anyone in this position, the greatest returns aren't going to come from a career change into property investment – they will come from protecting their financial capital and exploiting their own knowledge and experience to make investments that are right for them.

Take an entrepreneur who's just exited from one start-up and is keen to buy a property, but also looking for a new project. While they could purchase a property outright, being able to reinvest in a new business will potentially give them a far better return and play to their personal strengths.

A mortgage is therefore a tool to let them focus on what they do best, rather than tie up a large portion of their personal wealth in their home.

THE SUPPLY SIDE

Borrowers are also drawn in by 'supply-side' factors. The most obvious is borrowing rates that remain at historic lows. "We still see plenty of fixed rate deals, so there's less short-term exposure to rate rises," says Peter Izard, business development manager at Investec Private Banking.

"The risk is that interest rates might spike, but that is looking much less likely than a slow steady climb – especially when you hear the Bank of England's caution about the situation post-Brexit."

More generally, a cornerstone of private banking is precisely the kind of personalised and flexible products that allow high-net-worth clients to get into the prime property of their dreams – without raiding their portfolio or limiting their ability to invest in new areas.

WHY PRIME?

In our research, we wanted to find out why HNWI would buy a prime property. And the results are revealing.

Long-term home	56%
Second home	18%
Buy-to-let investment	11%
Buy-to-sell investment	4%
Holiday home	2%
Home for family	2%

It's a reminder of why the quality of a property is so important: the buyers will be living with their decision – literally. And it also highlights why mortgage choice is also a crucial factor. Only 4% of HNWIs are interested in 'flipping' a property – so securing the right long-term deal and optimising their decision in the context of their own, wider personal financial planning is a vital part of the process.

AMENITIES

New prime: a local halo

Prestigious developments that attract buyers can put up-and-coming areas on the map and lift local property prices.

No one doubts the importance of location when it comes to property. But what qualities make a place attractive and why? We know that well-heeled residents know what they want when it comes to amenities and new-build, particularly if it's a greenfield development where services are still being established.

And that's why smart buyers pay attention to infrastructure. Improvements to transport, retail and civic amenities can change the fortune of a borough, drawing investors to previously unfashionable areas.

POLISHING THE HALO

"New-build often has a halo effect," says Peter Izard, business development manager at Investec. "Beautiful, high-spec developments are inherently attractive, and usually come alongside infrastructure improvements and employment opportunities that draw ever more people in."

Our research shows buyers at the upper end of the market prize good transport links. But they also value size, unique features and outdoor spaces.

So it's hardly surprising that new-builds increasingly tend to have iconic designs that redefine the local skyline – just think of Renzo Piano's The Shard in Southwark, or Canary Wharf's upcoming One Park Drive, a circular tower by Swiss architects Herzog & De Meuron.

Distinctive architecture often comes with beautiful landscaping, think Jellicoe Gardens or Handyside Gardens in King's Cross; striking art installations, such as Greenwich Peninsula in North Greenwich; or both, like at St Alban's One Gabriel Square, which features three works by sculptor David Harber.

However, new-builds add more than just aesthetic value to their neighbourhood. Many developers now package their residential units with shops, restaurants and services. It's easy to see why. Our research reveals that over three-quarters of HNWI buyers see a 'desirable location' as more important than it was 10 years ago – and a vibrant atmosphere, great entertainment and easy access to good facilities are all key ingredients that make an area highly sought after.

Wembley Park's 85-acre regeneration, for example, encompasses culture and entertainment venues such as Second Floor Studios – affordable spaces for artists – the Troubadour Theatre and Boxpark, a massive event and street-food hall.

FACILITIES, FACILITIES, FACILITIES

It's not just transport, shops and greenery. Civic facilities such as schools are accompanying these new developments. Wood Wharf typifies this focus on the wider amenities – allowing residents the facilities they need on their doorstep. The new residential development by the Canary Wharf Group centres on One Park Drive, and will have a new primary school, a GP surgery and 380,000 square feet of boutiques, restaurants and other retail space. This is all in addition to the five shopping centres and more than 300 shops and places to eat and drink that are already open on the existing Canary Wharf estate.

Once residents move in, their presence often drives upgrades to transport, education and amenities, which make an area even more desirable.

And if a new school gains an Outstanding rating from Ofsted, for instance, the impact on local property is as large as it is immediate. According to a study by the Department for Education last year, prices are 8% higher near the best-performing primary schools and 6.8% higher near the best secondary schools. But other studies found local effects can be even more dramatic, with one study showing a 17% boost for house prices in sought-after school catchment areas.

NEW-BUILD'S VIRTUOUS CIRCLE

Major regeneration projects are the ultimate expression of this virtuous circle. They often feature a combination of high-profile new-builds, restaurants, shops and prestigious office space; brand new transport and street facilities; new civic amenities; and tend to be in neglected but attractive locations.

Our research shows that in the London borough of Tower Hamlets, new-builds essentially created a prime market where there was none. Just 42 sales at Meranti House, in Tower Hamlets' Whitechapel area, accounted for 15% of the borough's £1 million-plus property sales last year. Like many London regeneration projects, these new-builds offer great access to the centre of London, local history and culture – and the influx of residents then support new retail and amenity providers.

Some emerging locations are not on the radar of prime property buyers yet. Only 4% of our survey respondents see Tower Hamlets as prime in the making, for example, while Waltham Forest garners a meagre 2% – even though our research identifies both as future property hotspots.

But the new developments in these boroughs suggest this perception will change soon. Then look further afield – at the new garden towns being planned, for example – and it's clear there are plenty of ground-floor opportunities for buyers in locations that offer the profile they're looking for.

GENERATION RENT GROWS UP

As Millennials (born between 1981 and 1996) begin to enter their main property-buying years, they're putting their own twist on the market and reshaping the very notion of what makes a neighbourhood desirable. But not in ways you might imagine…

Gen X (born 1965 to 1980) place most value on a location's 'cool' factor. In our HNWI research, 71% of respondents aged between 35 and 54 said buying in a trendy, up-and-coming area has become more important to them in the past 10 years, against 67% of those in the Baby Boomer (1946-1964) cohort.

But Millennials seem to place less value on trendiness than the older groups: only 64% say that a trendy location is more important for prime status than it was 10 years ago.

Our research shows Gen X and older Millennials favouring traditional boroughs like Kensington & Chelsea, Westminster and Richmond – plus Islington, Camden and Kingston. Younger Millennials (18 to 34) like Barking & Dagenham and Barnet in the capital – with Liverpool and Manchester as the regional stars.

When we asked them to look 10 years ahead, the shift was even more radical. The younger cohort are watching Harrow, Bromley and Hillingdon. Wedged between Wembley and Slough, the latter gets the vote of 11% of the younger Millennials and 8% of Gen X and older Millennials – and zero Baby Boomers. Northern cities (Liverpool, Manchester and Leeds) trump old-time favourites Bath, Cambridge and Oxford for Millennials.

But both younger and older buyers can agree on one thing: the top hotspot in the future will remain Kensington & Chelsea.

GOING GREEN

Rural is all the rage

Improving transport links, plans for rural broadband and the normalisation of flexible working arrangements is making country life increasingly attractive, even if you haven't retired. And look out for luxury living in the new garden towns…

The best value new-build could well be found in the up-and-coming areas

The story of our research into prime property – and of HNWI attitudes to what it is and where to find it – is really one of access. The traditional hotspots in London still hold their appeal. But we're seeing more interest in homes that can cater to a modern, remote-working lifestyle without the hassle of city living – interest stoked by improved transport links, civic investments, emerging business clusters and changing perceptions of what 'prime' means. Why be *in* the city so long as you can still *access* it?

True, for many HNWIs, the ivy-strewn country pile has always been high on the wish-list. But changes to the accessibility of a host of services is making even the most stubborn city-dweller look at a rural idyll as more than just a weekend bolt-hole.

Rural areas likely to be reached by infrastructure projects – such as the mooted Crossrail extension to Ebbsfleet and Kent, HS2, or a raft of smart motorway upgrades – could see heightened interest in rural property. Hotspots are likely to be in the Chilterns (above HS2) and deeper into Oxfordshire.

When we asked property buyers which rural regions appealed right now, 10% picked South Bucks and 21% Oxford. But don't discount the North, where fast transport links look set to open up value-for-money rural areas. When we asked about future hotspots, 43% picked areas north of the Wash.

Equally, while rural broadband remains a sore point for many country dwellers, investment and technological developments (such as the 5G roll-out, due to start in 2020) should make access much better in the near future. The Government's Rural Development Programme for England committed an extra £45 million this year to the £30 million existing Rural Broadband Infrastructure Scheme (RBIS) to deliver superfast broadband in poorly-served areas.

FARMS AND GARDENS

One driver is sales of agricultural land. The trend in farming is diversification, and freeing up parcels of land for commercial and residential building while retaining mixed-use estates is a logical financial step – especially as the country continues to face a housing shortage. Planning remains a key consideration. But for limited developments, schemes such as permission in principle (PIP) are helping developers secure new starts.

As more regions upgrade their infrastructure, this could open up new developments outside existing metropolitan areas. That means squaring the circle that the HNWIs we surveyed laid out: access to amenities and fast transport, but also spacious residences and large outdoor spaces.

But it's not just luxury barn conversions. A major development to watch will be the Cambridge-Milton Keynes-Oxford growth corridor. New rail links and an Oxford-Cambridge Expressway will support 1 million new homes by 2050 in a string of garden towns and villages – offering new-build standards of design and technology with tailor-made rural living – all in areas that our research shows are desirable locations for the better-off.

The garden towns push in England is part of the government's ambition to build 300,000 homes a year by the mid-2020s; 23 locally-led garden communities are already receiving funding support. These developments might well be the ideal option for those looking to put some green back in their lives, allied to surroundings and homes built to 21st century standards of efficiency… and all without sacrificing access to amenities, the capital and charming character.

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Contact us

We're here to help. To find out more about the Investec Private Bank, Property finance, get in touch:

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About Investec Private Bank
We're a private bank built to service a small number of individuals with an entrepreneurial spark and an active desire to create wealth. For these clients, who typically earn over £300,000 a year and have £3 million in assets, we offer extraordinary banking, lending services, and access to investments and financial planning through Investec Wealth and Investment. Our team of dedicated Private Bankers build long-term relationships, understand our clients' potential and tailor solutions to meet their specific financial needs.