

Here's what the average London property price can buy you around the world

New research has revealed that Londoners could move abroad and swap their one-bed flats for a seven-bedroom mansion complete with swimming pool. The investigation, commissioned by international money transfer experts Foreign Exchange, found that homes in ten cities around the world offered far better value for money and are far larger than what the same sum would buy in the capital.



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On average, abodes abroad are over six times bigger and £32,979 cheaper compared to London. The capital's average property price of £473,073* is enough to buy a 385ft². one-bedroom property in zones 2-3, measly in comparison to 2,450.5ft² in a city overseas.

Overall on average the London property price is enough to buy a four-bedroom detached house overseas, the ideal dream home for many.

The research also examined the effects of Brexit and how the vote to leave the EU on 23 June 2016 affected the purchasing power of the pound abroad. The investigation found that on average the pre-Brexit saving would have been £56,612, over £20,000 more than current savings.

Actual properties that could be purchased included a seven-bedroom detached house, complete with a swimming pool in South Africa, as well as five-bedroom detached homes in Sacramento, Turin and Madrid. Likewise, villas in Portugal and Cyprus, all with central locations within the cities they were situated, are all available for the same budget.



Best property equivalent

Cape Town, South Africa offers the best property equivalent for the London price overall. A seven-bedroom detached house here, complete with seven bathrooms, two garages and a pool, is £4,030 cheaper and over six times the size of a one bedroom flat in central London.

At the opposite end of the spectrum, Melbourne in Australia was the city where property had the closest resemblance to London in terms of price and size. A three-bedroom apartment could be purchased in the centre of the world’s most liveable city, for just £18k shy of the London price. Foreign Exchange’s commissioned research examined properties in ten cities around the world, based on popular countries in which UK citizens are likely to buy property.



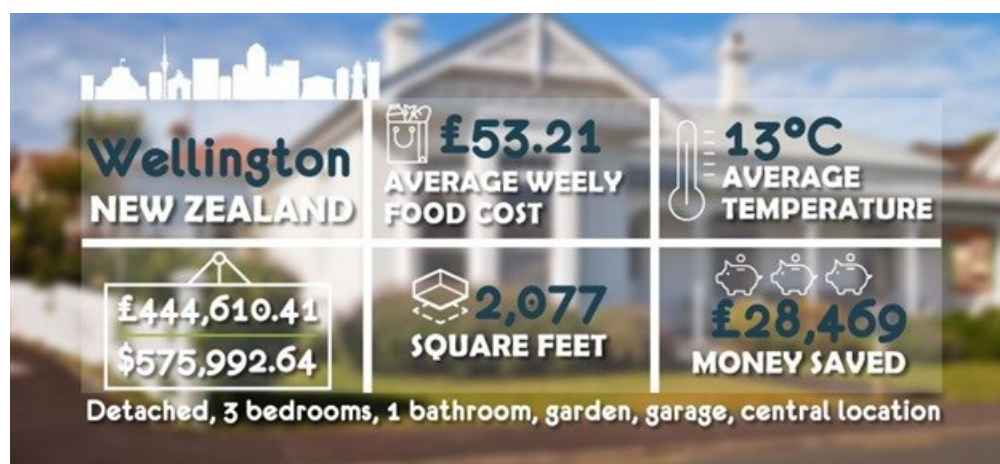
With its rich history and status as a world city, as well as its reputation of being the global financial capital, London properties are a prized entity for investors the world over, with high demand and limited supply, driving up prices for

prospective buyers.

Over the past year, currency fluctuations and the weakened pound has meant that Sterling is valued relatively low. Before Brexit, money would have gone a lot further and historical exchange rates show that homes abroad would have been £56,612 cheaper last year, compared to £32,979 now, a saving of £23,633.

Affordable city

Despite London's astronomical property prices and people's perceptions, it was one of the most affordable places to live. A weekly shop in the capital costs £49, cheaper than the likes of Sacramento (£71), Melbourne (£57), Madrid (£64), Wellington (£53) and Marseille (£51).



A spokesperson at Foreign Exchange, said: "Some of the findings were quite surprising to us, we were expecting homes abroad to be cheaper but we were not expecting huge size differences and the savings that could be enjoyed from buying abroad.

"The decision to leave the EU was one of the biggest economic decisions the country has ever made. Since the referendum, the pound has weakened, and this time last year money would go a lot further, so potentially the size of homes would have been even bigger. Before the decision to leave the EU, the purchasing power of the pound was stronger.

"A four-bed detached house is considerably better than a one-bed apartment, but the London lifestyle is so unique, creating an appealing lure to many.

"It just goes to show, with London being one of the most important cities in the world and with so much going on, it's no surprise that demand for property is high, with prices that reflect this."

A full breakdown of findings, methodology and supporting graphics can be found
[[<https://www.foreignexchange.com/blog/what-can-you-buy-abroad-for-the-average-london-house-price> here.

**According to the Nationwide House Price Index.
Exchange rates accurate of 01/06/2017.*

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