

UK PROPERTY INDUSTRY VOICES ITS BREXIT FEARS

With an EU referendum still in the balance pending the outcome of next week's General Election, nearly three-quarters (73.5%) of UK property investors believe the prospect of a British exit ("Brexit") is a real one and more than half (53.4%) believe it would be directly detrimental to their business.

The survey by law firm Maples Teesdale lays bare the concerns of the property investment community, 54.3% of which believes Brexit would make the UK a less attractive marketplace. More worryingly still, some 50% of investors believe Brexit would lead directly to a fall in property values.

Support for Brexit stands at just 23.5% and just 12.9% believe their business stands to benefit from a potential exit. However, there is widespread support for a review of Britain's existing relationship with the EU, with the general sentiment being, "reform, but do not destroy."

Although the prospect of a full departure from the EU is some way off resolution, 19% of respondents admit that their investment decisions have already been influenced by it.

Neil Sagoo, partner of Maples Teesdale said: "Regardless of their political inclination, what investors value above all else is certainty. The prospect of a referendum under a Conservative-led government casts a shadow of uncertainty over a market in which cross-border

investment activity has become the norm. If trading across these borders becomes more difficult, there will inevitably be an impact on the property investment market."

He continues: "We have already seen this on a micro-scale when the Scottish referendum slowed activity and depressed prices north of the border, only for the market to recover afterwards. While this scenario presents some opportunities for speculators, it is not the ideal climate for investment to flourish."



The occupier market could also be hit hard by an EU exit, according to the survey in which 53.6% of investors thought it would encourage major corporates to leave Britain.

The survey's conclusions were drawn from the opinions of 117 targeted individuals at major organisations including Aberdeen Asset Management, CBRE, F&C REIT, JLL, Knight Frank, Lloyds Banking Group, M&G Real Estate, Moorfield and Standard Life.*

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*NB though these do not necessarily reflect the view of the organisations.