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Prime numbers

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The value of Prime Central London property has taken a hit amid the uncertainty of Brexit. Narinder Khattoare, chief executive of Kuflink, explains how his platform's investors have no cause for alarm…

BREXIT HAS BROUGHT uncertainty to almost every area of the UK economy, but few places have received as much attention as the Prime Central London property market. According to recent data from Lon Res, property prices in the most sought-after parts of the capital fell by 5.7 per cent year-on-year in the final quarter of 2018.

Luckily, Kuflink investors can feel reassured that the peer-to-peer platform has limited exposure to Prime Central London property.

As well as using experienced property valuers, Kuflink steers away from ultra-high-value London-based property. Once the valuers have submitted their reports, each and every property is examined by Kuflink's in-house underwriting team, senior underwriters and credit committees.

loan schemes

This credit process was set in place long before Brexit, but Narinder Khattoare, chief executive of Kuflink, is aware that many of the platform's investors are especially wary of Prime Central London prices at the moment, due to the ongoing uncertainty of Brexit and an abundance of scare stories from the media.

"We're just human beings, we listen to what other people are saying and everyone is saying to stay away from London because you could lose a lot of money very quickly," he says. "But a slight increase in value can go in your favour as well."

Khattoare is still confident about opportunities in the broader London property market, particularly when stepping out of Prime Central areas.

"The London market experienced a correction a few years ago, so the only fear is whether prices are going to drop further. I don't personally think so," he says.

"London has always been more of a safe haven – yes, it gets knocked down but it bounces back faster than some other cities, because it has the infrastructure, the jobs and the demand from buyers."

Kuflink is addressing the Brexit-based risks in the best way that it can: by maintaining a diversified portfolio and a strict due diligence process.

"We'll lend to London, Manchester, Birmingham, etc, but it's not just ultimately down to the location," Khattoare says. "It's down to the individual circumstances of the borrower."

Again, Brexit can play a significant role in this part of the lending process. Economic and political uncertainty is keeping the UK property market in a holding pattern as investors and borrowers adopt a ‘wait and see’ approach. However, Khattoare believes that “money is sitting there waiting to see what happens post Brexit, and the chances are that once we’ve made a decision on Brexit, people are going to start moving again.”

In the meantime, investors can take reassurance in Kuflink’s measured approach and strong track record which is already proving its worth in testing times.

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