

PROPERTY TALKS



The Pros of Brexit?



1 Low exchange rate

As the pound hits a 31-year low, the amount of money you need to spend on travelling and studies in the UK is relatively low. According to the UK Council for International Student Affairs, the number of Hong Kong students studying in the UK continued to grow in the past three years, there were over 16,000 people studying in UK in the year of 2014/2015. If the tuition and living costs are HKD\$300,000 per annum, HKD\$60,000 can be saved owing to the 20% devaluation of the pound.

2 Cost Saving

According to data from BBC, 10 out of 28 countries in the European Union (EU) contribute more to the EU budget than they receive, UK is one of them, and the net contribution of UK to EU is right behind France and Germany. UK can receive certain "rebates" from EU for the development of rural areas, but the contribution to EU is soaring in recent years, UK has to take the burden of other EU countries, such as Greece and Spain. In the fiscal year of 2014/15 the net contribution to the EU budget was £ 8.8billion, which is double the year of 2009/10.

Moreover, the livelihood of the British is being threatened by the over flooding of immigrants from Eastern Europe, such as Romania. Brexit is a way to control immigrants from other EU countries.



3 Leaving the EU, UK can join the World Trade Organization as an independent country.

4 No more strangling from EU

UK can be free from EU eccentric rules and regulations, for example, EU launched a regulation in 1994 to ban excessively curved bananas, the regulation also applies to some other vegetables, e.g., cucumbers must be "practically straight" for commerce. EU has also banned powerful vacuum cleaners since 2014. UK won't be held back from these regulations after Brexit.

In fact, 70.6% of the UK economy is domestic business, not international trade, and 56% of UK goods and services exports went to the rest of the world, the income from EU countries to UK becomes less significant. On the contrary, UK loses £100 million from the export market to EU every year.

Some scholars think the economy of non-EU countries is strong with their internal development, they believe UK is no exception, UK's economy will develop steadily in the long term.



The real estate market in London CBD is the first to be affected since Brexit, property prices will unavoidably decline in the short term. However, the demand of the UK real estate market still exceeds supply, investors do not have to be anxious, they can invest in tier-2 cities, such as Manchester and Liverpool, and investors can purchase property at a low price in optimal timing for long term investment.

Property highlight in Manchester: **HiLux**



Source: <http://www.etnet.com.hk>