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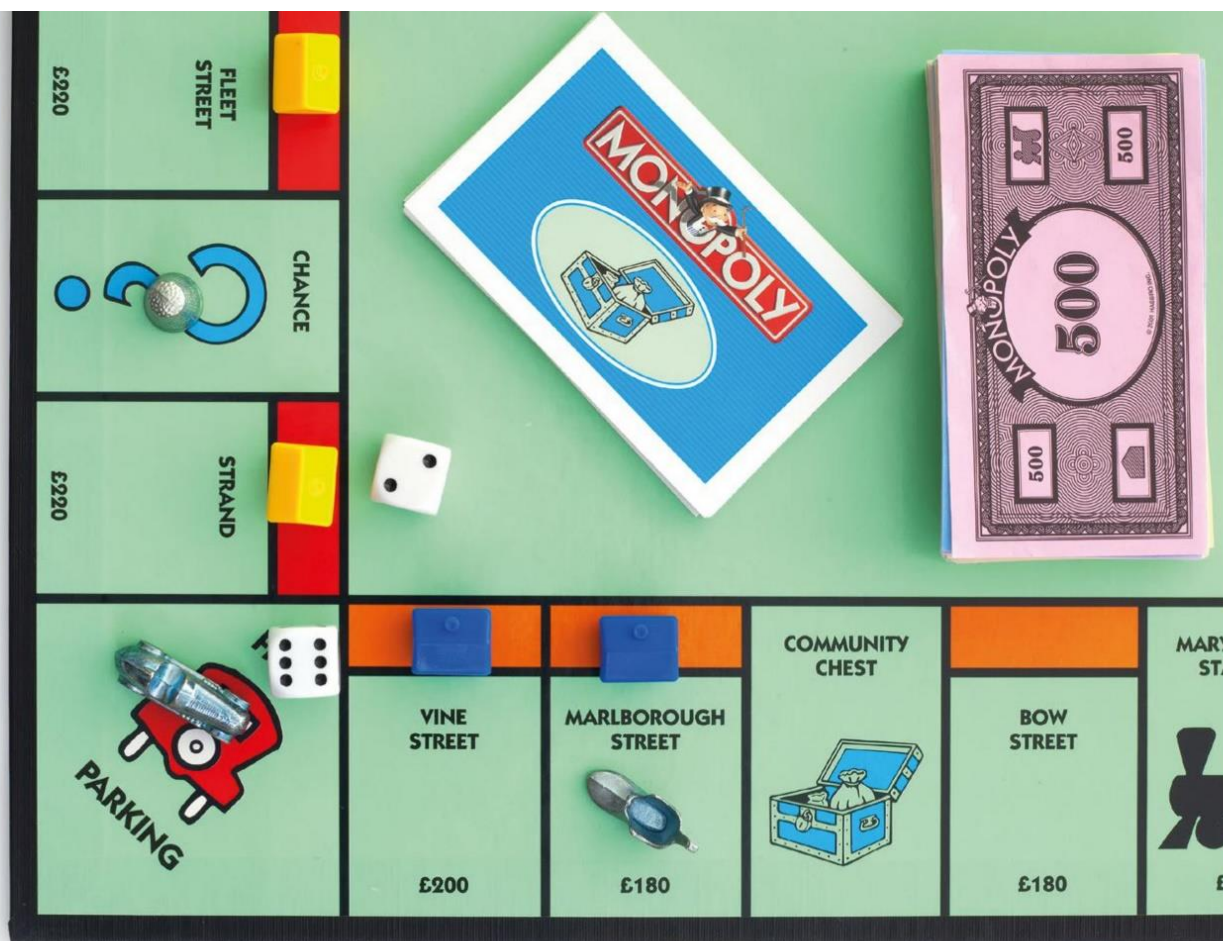
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CENTRAL LONDON

CAPITAL GAINS

Despite uncertainty, London's super-prime market is proving resilient, finds *Anna Tyzack*

From the number of cranes towering above London's skyline, you'd never guess the city is in political limbo. There are super-prime developments going up in Notting Hill, Westminster and Knightsbridge. In Mayfair, the former American Embassy is in the process of being transformed into Four Seasons residences, while in Chelsea the first phase of the Chelsea Barracks development is complete. Across the river there are luxury penthouses launching in the Battersea Power Station and Nine Elms developments.

Who though, in the current uncertainty, is going to invest in luxury property in London? The capital's property market is lagging far behind other European cities – indeed, Knight Frank's latest Prime Global Cities Index suggests prices are down 4.9 per cent since last year, while Liam Bailey, head of research for Knight Frank, concedes that sellers in certain parts of the capital have been accepting price reductions of up to 25 per cent. James Hyman, head of residential for Cluttons, maintains that prices are now 15 to 20 per cent off their 2015 highs.



Notting Hill's super-prime market is weathering Brexit uncertainty

Despite this, the market is surprisingly robust. Figures from Knight Frank suggest that the number of offers made this spring was the highest quarterly figure for more than a decade. 'There was a significant slowdown between November and March but, once the Brexit date moved, the market picked up and has been healthy ever since,' Bailey says.

Super-prime property finder Hannah Ackroyd, of Ackroyd & Co, insists that every house she's bought for clients this year has been a highly competitive process, a claim backed up by Hyman, who maintains that, when a property is correctly priced, there'll be multiple offers within 48 hours. 'Quality, well-priced properties are selling in a flash due to low stock levels and pent-up demand,' Ackroyd explains. 'It's properties with a key failing or incorrect price that are sitting.'

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PROPERTY

There's no doubt, however, that many investors are still waiting on the sidelines. Research by Knight Frank indicates there's £45bn waiting to be invested in London's property market – double that of 2017. This autumn could see more buyers taking the plunge: over the past month, the number of new applicants was 17 per cent above the five-year average for London, according to Knight Frank, while Hyman has noted more owner-occupiers looking to invest in London's corrected market.

A lateral apartment in Sir John Lyon House, with views over the Thames, Tate Modern and Millennium Bridge, is currently attracting high levels of interest, for example. Its £4.95m asking price is a comparative bargain compared to other properties of its size, Hyman says.

While the politicians are unsure how Brexit will play out, Ackroyd views the uncertainty as an opportunity. Her Asian clients in particular are keen to buy pre-Brexit, fearing that prices will rise again once there is clarity.

There are rules to purchasing in the current buyers' market, she says, the first of which is to ensure the price is in line with the corrected market. After that, 'Firm negotiations are required and it is critical to present yourself as fully committed. Buy on the best garden squares with south- or west-facing gardens or terraces.'

Ackroyd recommends Notting Hill as a safe haven for investment; high-level transactions have been taking place this year and the area is desirable for both domestic and international buyers. 'There's a fantastic buzz of restaurants and shops, as well as good tube links,' she adds.

Mayfair has always been popular with super-prime buyers and there's an influx of luxury schemes, such as No 1 Grosvenor Square (44 residences, from £8m) and Dorchester

Collection's Mayfair Park Residences, which have been achieving record prices.

Bayswater is an up-and-coming destination, due to the redevelopment of Whiteleys shopping centre, while Marylebone is another neighbourhood with a healthy super-prime market, according to Bailey. However, he's convinced Chelsea is the standout destination to invest in this autumn. 'It's seen some of the biggest price falls and is now offering interesting value compared to Islington and areas east of the City, he explains.

Evidence can be found in the huge regeneration taking place in Chelsea's Pavilion Road, London's longest mews, now transformed into a pedestrianised shopping street; in the Parisian hotel, Costes, opening early next year off Sloane Square and the new Belmond Cadogan on Sloane Street; plus the several boutique retail and residential developments around the King's Road – 100 Sydney Street, for example, which is on the market with John D Wood.

While Bailey does not expect prices to climb during Brexit uncertainty, he believes that the lack of quality property coming to the market this autumn will ensure continued activity. 'There's been a slowdown in new developments due to Brexit; if demand picks up once we have clarity, the supply problem will deepen.'

What, though, if the market crashes after Brexit? Bailey warns buyers against waiting for someone to call the bottom of the market. 'Remember, in the last property price recession, the best time to buy was the day after Lehman Brothers crashed,' he says. 'You can try to time the market to perfection, or you can take the view that now is a really interesting time to buy.' ■



Belmond Cadogan's arrival in Chelsea marks renewed interest in the area

SUPER-PRIME SUPERHEROES



NO 1 PALACE ST

Opposite Buckingham Palace and beside St James' Park, this new development of 72 apartments occupies the former Palace Hotel, which was once an overflow for royal guests. northacre.com



CLARGES, MAYFAIR

A super-prime development overlooking Green Park, these 34 luxury residences, were designed by Squire & Partners to complement the surrounding Piccadilly architecture. Each apartment has access to a 24-hour concierge. knightfrank.co.uk



TWENTY GROSVENOR SQUARE

The world's first stand-alone Four Seasons Residence offers five-star hotel amenities, such as a wine cellar, spa, pool, cinema and library. The 37 apartments have up to five bedrooms. finchatton.co.uk

THE PENINSULA, HYDE PARK CORNER

The new Peninsula hotel, by Wellington Arch, will have 24 residential apartments managed by the hotel. Each will have access to a private spa and leisure facilities as well as to the hotel amenities, which include shops, restaurants, ballroom and bars. Expected completion, 2021. peninsularresidences.com



LEINSTER SQUARE, BAYSWATER

A development of eight lateral apartments, two penthouses and five maisonettes, behind an exquisite listed stucco façade. bandaproperty.co.uk