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LUXURY MARKETING HOUSE
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THE  TIMES

The 10 best luxury new-builds on sale in London

Plus the latest market insights



No 1 Palace Street was formerly the Palace Hotel, where guests of the monarch used to stay. Its residences, by Northacre, are in one of five architectural styles

Carol Lewis | Friday October 02 2020, 12:01am, The Times



Over the coming weeks some of the swankiest new addresses in town are launching to buyers, including Christian Candy's long-awaited Holland Park scheme in west London. It is the first, and possibly last, major project that the controversial developer has been involved in since the infamous One Hyde Park in Knightsbridge more than a decade ago.

One Hyde Park, a glitzy high-rise development opposite Harrods, marked a turning point in London property. It broke records with its hefty price tags, with apartments reportedly changing hands for £160 million, and the building attracted attention, both good and bad. One story that persisted was that of international investors who had snapped up flats only to leave them empty. "Lights-out Britain" was born. So will the latest crop of developments, with their Calacatta marble bathrooms, walnut parquet floors and Gaggenau kitchen appliances, suffer the same fate?

The proportion of international buyers for prime central London properties has fallen slightly in recent years, from 58 per cent in 2011 to 49 per cent in 2019, according to Hamptons International. The make-up of nationalities has also changed, with the proportion of Russian buyers falling from 12 per cent to just 2 per cent.

The developments have also changed. International interior trends have become more universal. Chinese buyers, who made up 7 per cent of buyers in 2019, want the same subtle stylish interiors as British buyers, and backlit onyx is definitely passé. The more discreet locations in residential neighbourhoods also mean the homes often appeal more to families, owner-occupiers, and British buyers.

This trend has been accelerated by the global pandemic, which has focused sales more toward domestic buyers, with some international property seekers hampered by travel restrictions and quarantine rules.



Mark Pollock, managing director of Aston Chase estate agency, says: “For homes of £10 million-plus there are fewer international buyers, but British buyers have more than stepped in to fill the void. For a lot of them their wealth comes from tech.”

Rupert des Forges, head of prime central London developments at Knight Frank, who is selling the latest Candy development, says: “At least 50 per cent of interest so far has come from locals. Much of the rest is wider domestic interest or international buyers who are based in London.”

He adds: “The market is dominated by British buyers, with those from Hong Kong hot on their heels and then the Chinese. The buyer profiles vary, but many are remarkably young, in their thirties, and invariably entrepreneurs who have built businesses. They tend to be fairly transient and benchmark the homes against the hotels they stay in and want many of the same services of those hotels.”

This should come as no surprise: although much has been made of wealthy overseas buyers snapping up the bulk of expensive property in Britain, the UK is home to more than 760,000 millionaires (with net assets of \$1 million or more) and 95 billionaires, according to the latest [World Wealth report](#). It is the fourth-richest country in the world in terms of wealth held after the US, China and Japan, so it is no wonder that British buyers are just as likely as anyone to be found in the penthouse of the smartest addresses in town.

Shaun Macnamara, head of London development sales for CBRE, says: “We’ve seen good demand from Hong Kong because of the troubles there, and generally if they are buying for themselves or family they want to come and see the completed building. But investors are still happy to buy off-plan.”



However, the stamp duty holiday — offering savings of up to £15,000 — has skewed the market away from off-plan sales, with developers “prioritising completions,” according to Nick Whitten, head of UK living research at JLL. Stamp duty is paid within 14 days of completion. At the same time, homes are taking “50 per cent longer” to build, says Whitten, and “three to six months longer” according to Macnamara, as a result of lockdown and social distancing.

This explains why although prices have held firm — the price of a new-build was 7 per cent higher in July than it was at the same time last year, compared with a 3 per cent rise for all homes — transactions in the new-build sector were about 30 per cent lower this July than the same time last year, according to JLL.

High prices and strong demand are helping to drive confidence in the industry, contributing to the unusually large number of development launches this autumn, including those that were scheduled to launch in spring but were delayed due to lockdown.

In addition, some 530 developments of ten homes or more have been given planning permission to begin work in October and November, according to Barbour ABI, the construction analysts.

The developments that will flourish will be those that spotted the rise of trends such as working from home, online shopping and a need for private outside space long before lockdown accelerated them. These include Christian Candy’s 80 Holland Park development, with its super-fast broadband and communal working from home spaces, and Triptych Bankside in Southwark, south London, with its extra postal space for Amazon deliveries and balconies for all.

If developers can’t change designs to suit the new market they are making the most of what they have. “They are becoming much more inventive in terms of staging, turning an extra bedroom or oversized hall into a space for home working,” says Des Forges.



Whitten adds: “Most developers have a degree of flexibility and are providing more garden space, balconies and office space if they can.” Whether they can do so quickly enough to take advantage of the property boom before sentiment turns remains to be seen.

Government figures [published this week](#) showed that the number of housing completions fell by 62 per cent in the second quarter compared with the first. The situation is improving, albeit slowly: the value of residential projects started during the third quarter is down 39 per cent on last year, but 40 per cent up on the previous quarter, according to Glenigan, the construction analysts.

With prices strong and the supply of homes restricted, there would seem to be scant chance of discounts. However, Whitten says: “Discounts are always possible to negotiate when buying a new-build — developers are always open to sensible offers.”

Macnamara adds that the average discount tends to be about 5 per cent, although it can be as high as 15 per cent. Coincidentally, new-build premiums are usually quoted at 5-15 per cent — which goes to show that developers remain sanguine despite the prospect of the end of the stamp duty holiday, a change to Help to Buy and imposition of a new tax on foreign buyers on April 1.

Tastes and trends may have changed since the launch of One Hyde Park — but it seems our desire for smart new homes continues unabated.

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4. No 1 Palace Street, Westminster, SW1

No 1 Palace Street was a Victorian hotel that hosted guests of Buckingham Palace functions and, rumour has it, royal mistresses. The newly restored building that fronts Buckingham Gate has apartments with huge entertaining spaces and high ceilings. Master suites overlook Buckingham Palace's gardens (albeit through dense foliage for most of the year).

The building consists of five buildings spanning five architectural styles, arranged around a triangular court flanked by Buckingham Gate, Stafford Place and Palace Street. They house 72 luxury apartments that have been selling off-plan; the developer is hoping sales will ramp up with the opening of the first on-site showroom apartment, which has an interior designed by Natalia Miyar.

Prices start from £2.35 million for a one-bedroom apartment, via Clifton and JLL; numberonepalacestreet.com

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5. The Broadway, Westminster, SW1

The Broadway, a mixed-use development of 258 apartments in six towers, sits on the site of the former New Scotland Yard headquarters near Victoria in central London. The complex has a jewel theme, with pairs of apartment towers named after a famous diamond — Sancy, Paragon, Cullinan — and the Squire + Partners designed façade featuring unusual diamond-shaped windows.

The development, whose higher apartments have views towards the Houses of Parliament one way and St James's Park the other, has been selling steadily off-plan during lockdown (including a three-bedroom apartment for more than £7 million). This week it topped out — the ceremony when the final beam, or equivalent, is placed on top of the building.

There will also be 117,300 sq ft of office space and 25,000 sq ft of retail space forming a shopping street through the centre. Residents' facilities will include a lobby, screening room, games room, library, gym, 25m pool and 24/7 concierge.

Prices start from £1.75 million for a one-bedroom apartment, via JLL and Savills; thebroadwaylondon.com