



LONDON DESIGN GUIDE

4th edition

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London property:

the great divide

Buying into London's property boom may get you a slice of the pie, but it's slowly losing its flavour

From houses to homes... to deposit boxes

London is one of the most fractured and impenetrable property markets in the world. It is also the only town to be disinvested about a few inclusive, money-driven ones. But by far, London is becoming about upmarket requirements, global retail chains, coffee shops and slick office space — but more of all, about speculative property development.

A key factor behind London's frothy property prices is its status as a global magnet for questionable gains made facilitated through its upmarket properties to offshore companies. This has driven up average prices with a ripple effect down the price chain, enabling millions of pounds to be "deposited" in London's bricks and mortar. Facilitated by Britain's consistently lax rules on property ownership disclosure.

This scenario is skewing property developers towards building high-priced flats and houses rather than ones ordinary people can afford. And while London's luxury property market shines in, there seems to be little political incentive to improve Londoners' lives by providing affordable housing.

As a result of the upward spiral of London's property prices, an increasing number of people now make up London's growing rental market, which is having a real-estate effect — most notably the spike in putting down roots or having children.

London's housing shortage, coupled with a short-fall of affordable housing, is further exacerbated by a growing population, in part boosted by immigration. This is becoming one of London's defining challenges, as it becomes too expensive to live in London, why would businesses come here? If London employers aren't able to meet salary expectations for the best talent, particularly to accommodate the high cost of living in the capital, will London start seeing a brain drain? Radical new housing solutions are needed — and fast.

Yet social engineering in London has existed for a long time. Many professionals and City workers have found a necessity over the years to move out of London to find a home, particularly when they started families. One might question why it is so hard and expensive to make these in social housing to live in London with the expenses bearing the full while the very same tax payers are forced to move elsewhere to make a home? Interestingly, only two groups have not to be able to live in London — the very rich and those in social housing.

For those starting out in London students, going to university is becoming an elitist activity due to high fees and debt — never mind the cost of living. This is further compounded by the influx of foreign students, competing for London's limited housing supply.

With education becoming commodified, the boom in new university complexes, along with purpose-built accommodation, is resulting in cookie-cutter "parchment" facade blocks highlighting London's landscape, their production fuelled by property investors.

As a leading global centre for the creative industries, it is questionable how London will be able to support supporting and raising young grass-roots talents, which so crucially gives this city its reputation.

Many young adults have no option but to stay living at the family home (if they're lucky) or have parents still living in or around London, or share houses in parts of London's outer zones. Others are going up the capital altogether, giving rise to the growth in second-tier UK cities, such as Leeds, Birmingham and Manchester — which is perhaps no bad thing given the over-emphasis on London for the UK's economic recovery.

Yet London is still the most popular capital in Europe to launch a start-up, largely due to it being the home of every conceivable type of industry, combined with its international and diverse population. Creative/tech clusters featuring large buildings of housing for rent with built-in conveniences could well be the future.

London's existing property stock is also under attack, thanks to a relaxing of the planning regulations required to convert commercial buildings into residential use. The results of this can be seen all over the city, with developers and landlords cashing in on the strong demand for residential properties, forcing out local stores, music venues and businesses in the process.

From the creative corners of Soho and Shoreditch to the cosy cosiness of Highgate and Chelsea, the aggressive pace of gentrification is turning districts into hotbeds of tourists think an interesting or edgy.

One byproduct of London's property boom is that the city seems to be in the grip of a profit-driven parliament, marked by an unwelcome cocktail of councils too blind to see what really makes cities great; developers using legal chutz, poor planning and cozy relationships to bulldoze anything in their way; and wealthy dilettantes who think they have bought themselves a slice of London cool, only to find that the "coolness" has moved on.

This is because those who are actually affected central London districts (financiers and the international super-rich) may say that they love cool London, but in truth they can't bear the reality — the noise, the rubbish and the squalor. What they really want is a kind of Singapore with Georgian houses. They like upmarket interior shops — the latter of which upmarket interior shops — and are springing up to cater for them (Italian brands are especially good at providing safe off-in-laid-coloured furnishings, usually vast in scale, and state-of-the-art kitchen).

Property developers need to remember that London's creative and tight-knit economy is a huge part of what makes London such a dramatic and vibrant place to live and work in. Its bars, restaurants, museums and theatres have been major drivers behind the renaissance in urban living.

Tower block to power block

What a difference three decades make. In the 1960s, flat, broken lifts and blocked rubbish chutes. Fast with expensive private-owned sky pods.

London is in the grip of a construction explosion, with more than 100 towers on the drawing board across London, resulting in approximately 1,800 private high-rise apartments, with a further 70,000 in the pipeline. Many of these are planned for London's City's office skyscrapers, one of London's most renowned town planners, Peter Rice, famously dubbed them "a plum for the city".

These high-rise houses are outside the price range of most, now that London property prices per square foot are the second highest in the world after Monaco. As the buildings come down off each of pre-gigging living and "connected like no other" Disneyland for grown-ups.


Capital city: fluid and flexible

Once upon a time, London's postcodes were known for being inhabited by certain groups: Hampstead had intellectuals; Islington had media types; Camden had goths and punks; Fulham had toffs who couldn't afford Chelsea; Notting Hill had its hillbillies; and Chelsea had rich folk. Today, all of these districts are just for the rich. The parts of London that have traditionally been for the wealthy – Mayfair, Belgravia and Kensington – have moved up to the ultra-prime level – only affordable to wealthy foreigners who live abroad. These absentee homeowners are creating ghost towns in central London, causing local businesses to close. Meanwhile, London's well-off middle classes are being pushed into London's Zone 2, pushing the cool kids and creatives into Zone 3 and beyond.

One bright spot is that London's property issues are bringing people together who are acquiring a heightened feeling of community spirit. Residents are doing battle with developers, and in some cases stopping areas being sold off-plan to investors as "Monopoly board investments".

It wasn't that long ago that today's hipster hotspots – Dalston, Brixton and King's Cross – were rundown, no-go areas. London's architects, interior designers, design retailers and furniture makers are benefitting from the capital's regeneration, whether it's collaborating on residential and commercial projects or creating bespoke commissions. This is enabling designers to stay in London and expand their studios while playing a part in the city's creative community. Long considered the design capital of the world, London's wealth of design talent to draw upon is a compelling component of its property scene.

London is fluid and flexible, and thankfully not preserved in aspic like Paris or an artificial construct like Dubai. Londoners are doing what they have always done – being resourceful and inventive – colonising new areas and carving out new cultural zones away from the tourist throngs.



London has changed since the financial crisis – not only in spirit but also in form. Progress needs change and it is progress that keeps London at the top of its game and top of the list of most desirable places to live and work. Property, tourism, finance and food (where London is a victim of its own success) is the price to pay for being the pre-eminent metropolis on the globe.

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