



PARKSIDE PREMIUM

A REPORT BY BEAUCHAMP ESTATES ON THE
CACHET AND PRICE PREMIUM OF HOMES
BORDERING LONDON'S ROYAL PARKS

THE PREMIUM FOR A PARK VIEW

**BEAUCHAMP
ESTATES**

London is one of the greenest cities in the world with over 38% of space taken up with public parks and gardens. This is greater than many other global cities including Paris, New York and Tokyo. Along with its garden squares, local parks and large green areas such as Clapham Common, Battersea Park and Hampstead Heath, London also boasts eight Royal Parks. Appealing to locals and visitors alike, London's parks offer a welcome retreat from the busy metropolis. They are also surrounded by some of the most expensive real estate in the world, which can command significant premiums over neighbouring areas. Five and Six Connaught Place is part of this illustrious group.

An analysis of residential areas around five of London's most central Royal Parks: Regent's Park, Kensington Gardens, Hyde Park, Green Park and St James's Park reveals the additional amount buyers are prepared to pay to live closest to these beautiful areas of historic parkland. Flats sold since the beginning of 2014 in areas directly bordering these five parks have commanded, on average, a 20% premium per square foot over flats sold across the rest of prime central London in the same period. Furthermore, the premium paid for properties around these Royal Parks has more than trebled over the last decade. Back in 2005, parkside properties commanded just 5.4% more per square foot than the rest of prime central London.

In addition, owners of properties in these highly sought-after areas have seen their property values outperform other areas. In the last decade, the average price paid for flats in locations bordering the five central London Royal Parks has increased by 172%. Meanwhile, flats across the rest of prime central London have increased in value by 129%. In some areas, particularly to the south of Hyde Park, premiums and value growth have been even higher, with developments like the Knightsbridge and One Hyde Park elevating parkside living to new levels. Five and Six Connaught Place, by developer Redrow London, is located in the fast growing market on the north of Hyde Park.

HYDE PARK

Hyde Park covers 350 acres and is located within the London Borough of Westminster. Average sale prices per square foot of properties in postcode sectors bordering the park have risen by an astonishing 231% over the past decade, massively outperforming the rest of prime central London. Overall, properties sold in areas around the park in 2014/2015 to date have achieved 23.8% more per square foot than non-parkside properties across the rest of prime London. However, a detailed analysis of property sales on the streets closest to Hyde Park reveals further intricacies of the market, with the value for money seen at Connaught Place for example, showing the potential for further growth on the north side of the park.

AMOUNT OF GREEN SPACE IN SELECTED WORLD CITIES



Source: World Cities Culture Forum

RESIDENCES AROUND FIVE OF CENTRAL LONDON'S ROYAL PARKS*

20%

PREMIUM PER SQUARE FOOT OVER REST OF PRIME CENTRAL LONDON

Source: LonRes, 2014/2015 sales

172%

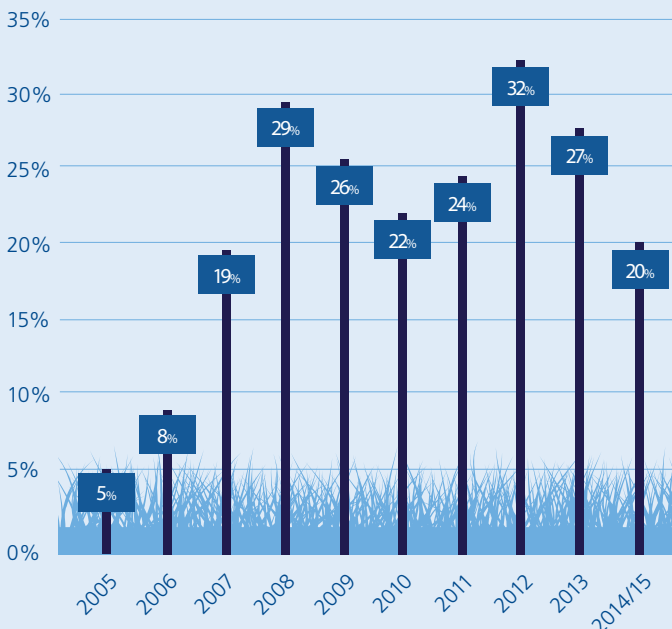
INCREASE IN AVERAGE VALUES PER SQUARE FOOT SINCE 2005

Source: LonRes

Prime central London includes the postcode districts of NW1, NW3, NW8, SW3, SW7, W11, W14, W2, W8, W9, SW1, W1 and SW10.

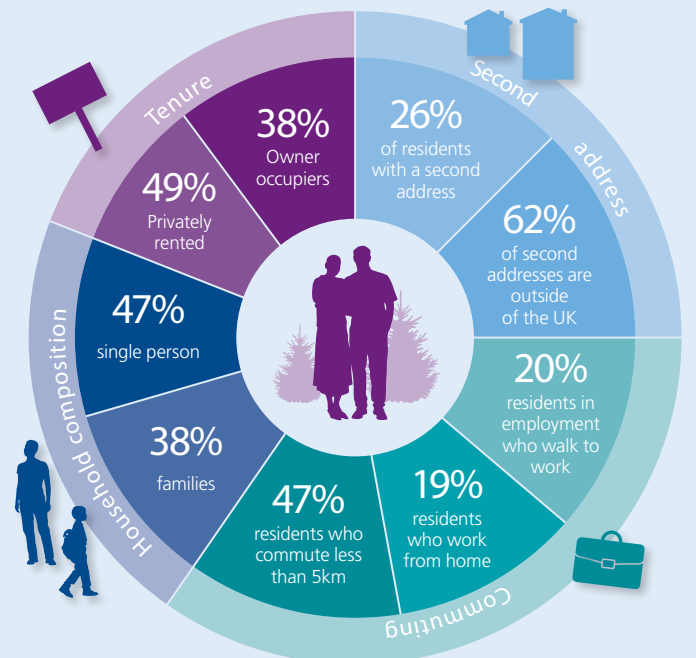
*Regent's Park, Kensington Gardens, Hyde Park, Green Park and St James's Park

PREMIUM FOR BUYING A FLAT NEAR A CENTRAL LONDON ROYAL PARK COMPARED TO REST OF PRIME CENTRAL LONDON



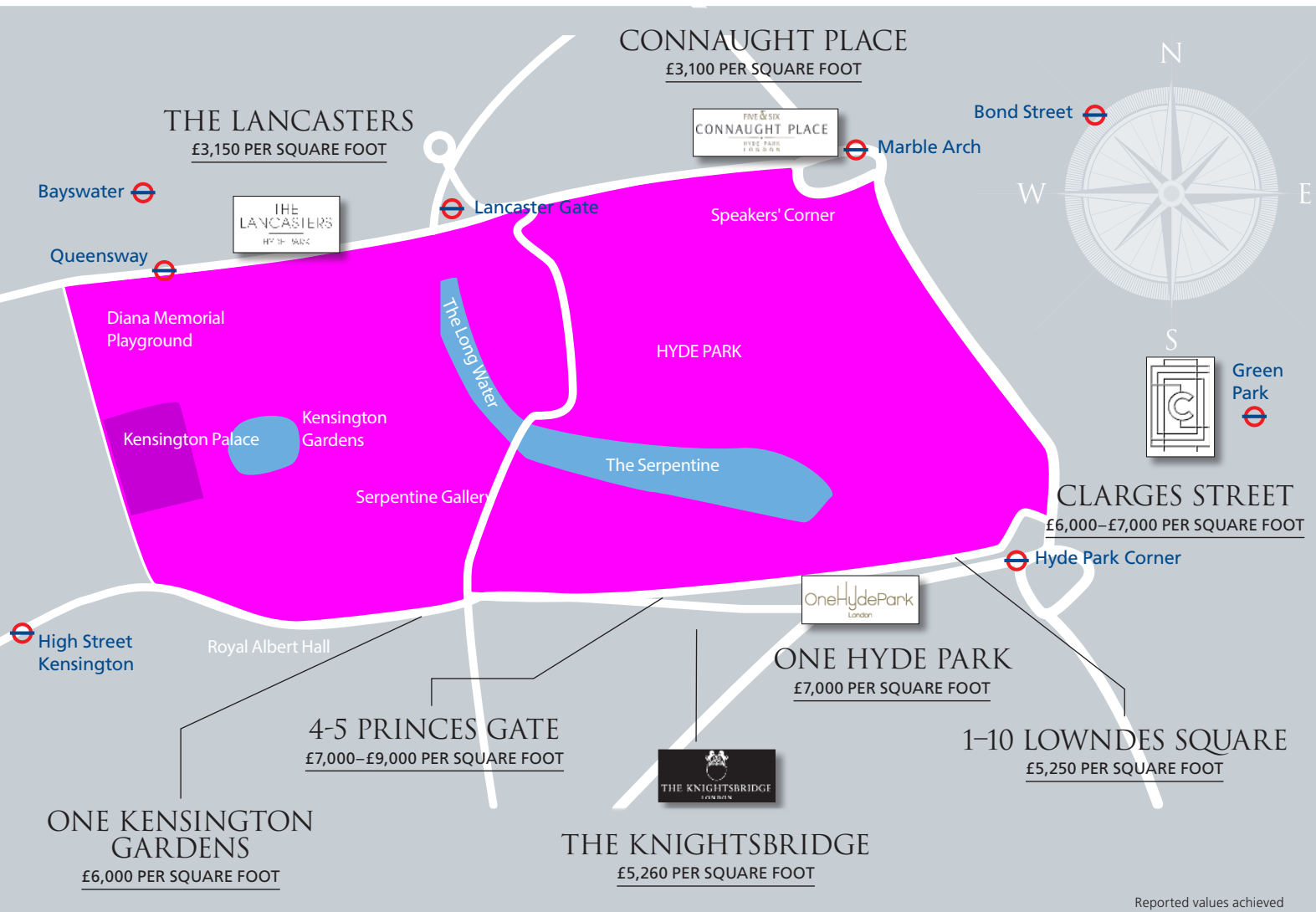
Source: LonRes

PROFILE OF A CENTRAL LONDON ROYAL PARK RESIDENT



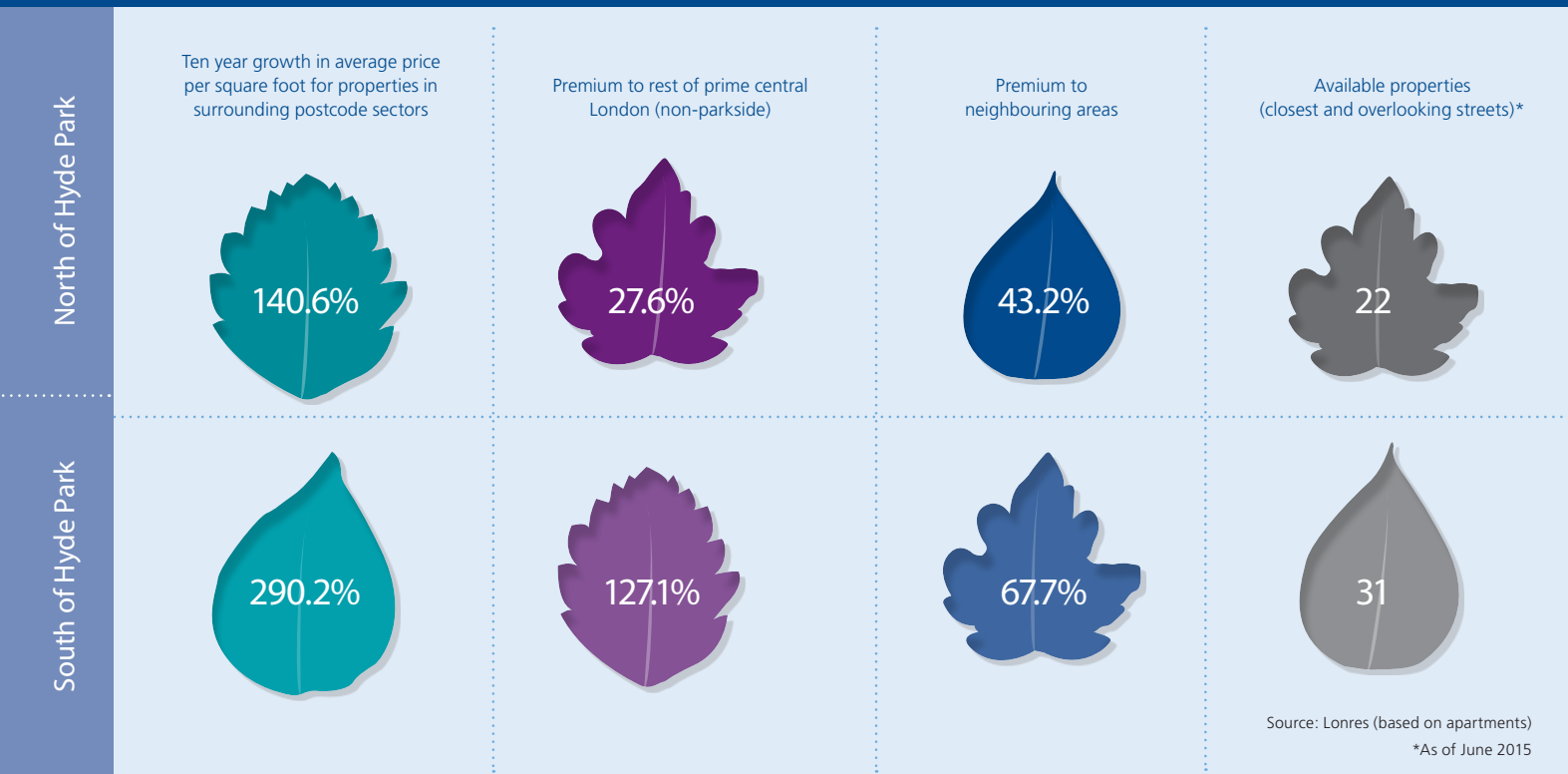
Source: Census 2011

DEVELOPMENTS NORTH OF HYDE PARK OFFER BETTER VALUE FOR MONEY



Reported values achieved

PARK PROPERTY PREMIUMS AND AVAILABILITY



HYDE PARK

PREMIUMS AND POTENTIAL FOR GROWTH AROUND HYDE PARK

With much of the east side of Hyde Park being dominated by hotel residences, the main residential districts lie to the north and south. The area to the south of the park is split between South Kensington and Knightsbridge and, since 2013, properties on streets directly bordering the park have achieved average values of over £3,000 per square foot. This represents a 67.7% premium over the neighbouring area. Average sales prices per square foot in streets bordering the south of the park have risen by over 290% in the last decade.

Globally recognised new developments have undoubtedly contributed to such high growth. At the Knightsbridge, completed in 2007 and One Hyde Park, completed in 2011, resale prices are reportedly £7,000 per square foot. Meanwhile, at nearby Clarges on Piccadilly, overlooking Green Park, sales prices have reportedly surpassed this amount.

Around Five and Six Connaught Place on the northern edge of the park, average sales prices per square foot rose by 141% over the last decade. While lower than the growth seen in the south, this level of price increase has still outperformed the central London average. Meanwhile, the experience in the south would suggest clear opportunities for outperformance in the north in coming years. Alongside Five and Six Connaught Place, a number of exclusive new developments in the north are already starting to push the premiums achieved. The Lancasters, completed in 2011, is viewed as W2's first super-prime development comprising 77 apartments, the majority of which overlook the park. Resales are now achieving up to £3,150 per square foot, well above the average for the neighbourhood. As a result, properties bordering the north of the park have achieved 41% more per square foot than the rest of the neighbourhood since 2013.

The new development at Connaught Place, with asking prices of between £3,000 and £3,595 per square foot is set to raise the bar even higher, offering the exclusivity of one of London's most prestigious new addresses, along with a piece of history.

HYDE PARK – KEY FACTS

231%

RISE IN AVERAGE SALES PRICES
£PSF SINCE 2005

£2.47
MILLION

AVERAGE SALES PRICE 2014/15

60%

OF SECOND ADDRESSES OWNED BY
RESIDENTS ARE LOCATED OVERSEAS

42%

OF ALL PROPERTIES OWNED
(68% OF WHICH ARE OWNED
OUTRIGHT WITH NO MORTGAGE)

Based on postcode sectors
W2 2, W1K 1, W1K 7, SW7 1, and SW1X 7.
Source: Lonres, Census (2011)

A LUXURY HAVEN ON THE NORTH SIDE OF HYDE PARK



FIVE & SIX CONNAUGHT PLACE, HYDE PARK

Connaught Place is a boutique project of seven luxurious new residences, including duplexes, behind the mansion's grand facades. Each residence is unique and has its own marketing name, with a luxurious specification that is the highest ever undertaken by **Redrow London**. It includes the finest Italian marble, stone and wood finishes, appliances from leading luxury brands, custom design joinery and bespoke wall finishes. All the residences provide an abundance of voluminous lateral living space with bespoke full height doors, principal rooms with coffered ceilings with light features and generous ceiling heights, some up to 14 feet (4.5 metres) high. Prices start from £9,950,000 for a three bedroom residence on a share of freehold basis.

The development is manned 24-7 by a 5-star concierge team managed by Harrods. Connaught Place provides outstanding lateral residences overlooking the north of Hyde Park and is the latest in a series of grand listed mansion restoration projects. The combination of parkside address, historic prestigious buildings linked to Royalty and other famous names and brand new luxury interiors will appeal to discerning buyers from around the world. Large lateral residences of this size and location make a good investment and will attract considerable interest.

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