



# £21bn property 'gold rush' gives rise to 70 prestige developments

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THE desire of the world's wealthiest people to own a London apartment has sparked an unprecedented £21 billion property "gold rush," a report reveals today.

Almost 70 developments across the capital – from Lots Road Power Station in Chelsea in the west to One Tower Bridge in the east – are in the pipeline and due for completion by 2020 to meet the demand.

The huge sums being ploughed into the prestige schemes are enough to pay for the Olympics

**'There is a high level of demand from overseas for prime property in London'**

**Mark Farmer**  
EC Harris

twice over and dwarf the £1 billion to £1.5 billion a year invested in affordable homes in London.

The study by consultants EC Harris shows that the bonanza will peak in 2014 and 2015 when £8 billion of apartments will come onto the market including developments at the Adelphi building in the Strand, Chelsea College of Arts, St John's Wood Barracks and the Kensington Odeon cinema.

Mark Farmer, head of private residential property at EC Harris, said: "We are seeing an accelerating development activity capitalising on the current high level of international demand for prime

residential property in London." The study only looked at schemes where properties are expected to sell for more than £1,000 a square foot and did not include individual "trophy" homes which would swell the figure even higher. In total they will provide only 9,000 more homes for London with an average estimated sale price of more than £2 million.

Other major schemes under way or in an advanced planning stage include The Shard near London Bridge, Heron Plaza in the City, Chelsea Barracks and the Lancasters in Bayswater.

The central London property market has staged a remarkable recovery since the financial crisis with waves of foreign buyers from Europe, the Middle East, Asia and the former Soviet bloc. They have been attracted by the "bargain" level of the pound, London's lifestyle and reputation as a safe haven from political or financial turmoil.

A separate study this week from agents Knight Frank showed that prime central London prices rose 8.3 per cent in the year to last month and are now 34 per cent up from their recession lows.

But housing charities say London is crying out for more affordable homes for key workers rather than multi-million-pound apartments for the rich, many of which will not even be occupied full-time.

Kay Boycott, director of communications, policy and campaigns at Shelter, said: "The gulf between ordinary Londoners constantly struggling to pay their rent or mortgage and those who will live in these so-called billionaire apartments is another example of London's divided housing market.

"The London mayoral candidates must make providing Londoners with decent affordable homes their key election priority next year or we will see the next generation of young people completely priced out." The charity said that 32,580 new homes a year will be needed before 2017.

