



PRIME CENTRAL LONDON MICRO MARKETS

HYDE PARK GARDENS, W2

April 2019

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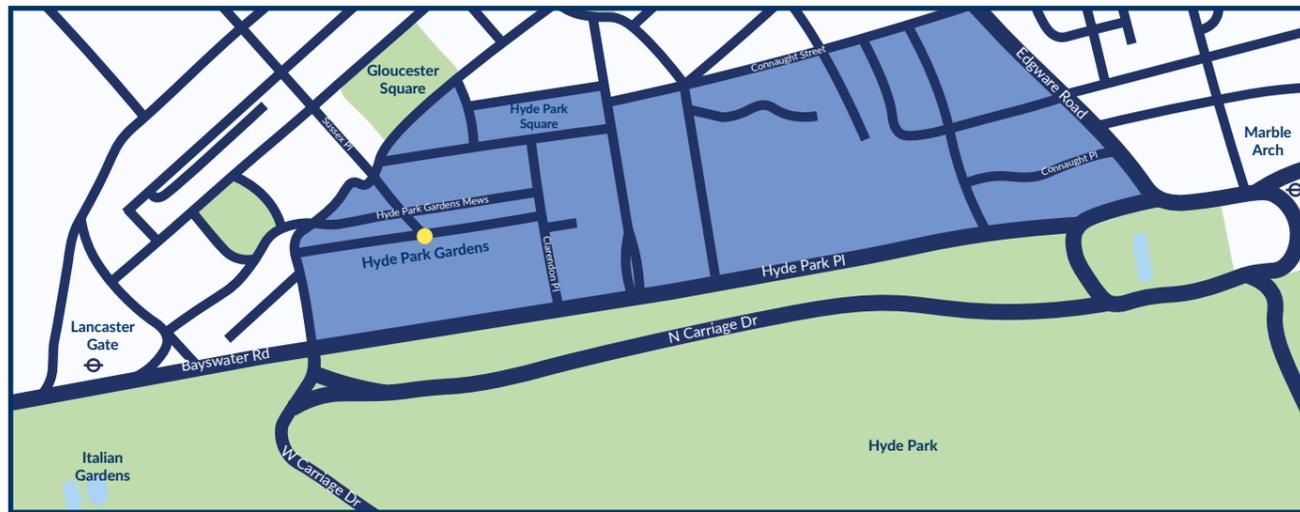
One of London's top performing areas

Hidden within the principal Prime Central London (PCL) market there are a number of 'micro markets' that regularly buck and surpass the trends of the broader area within which they are located. Understanding the make up and key points of appeal reveals their enduring attraction and value.

Located in London's central West End district of Tyburnia, Hyde Park Gardens is a micro market that continues to outperform the broader area, offering value for money compared to many neighbouring park-side locations and the opportunity for growth.

Hyde Park Gardens

Located on the north side of London's prestigious Hyde Park, part of the Hyde Park Estate, Tyburnia has for many years been considered to be the 'wrong side of the park'; its south-side counterparts being Knightsbridge and Belgravia.



History

The Hyde Park Estate, historically the estate of the Bishop of London, was subject to an ambitious masterplan in the 1800s, devised by architect and surveyor Samuel Pepys Cockerell, whose aim was to redevelop the estate into a prestigious residential location, rivalling Belgravia. Plans were laid out to create spacious squares and grand terraces of mansions and townhouses to fill the acres between Hyde Park and Paddington Station.

Development began in 1807 with the formation of Connaught Square, and subsequently a series of crescents, squares and boulevards, including Hyde Park Gardens, creating a street layout, most of which survives, though much of the historical development is gone; some due to re-development and some due to bombing in WWII.

The design of Hyde Park Gardens is significant in having two primary elevations: the rear entrance frontage and the frontage overlooking Hyde Park Gardens. This innovation was also used in the houses at Connaught Place. John Crake developed this model in Hyde Park Gardens, with the area to the south of the terrace as a single communal rear garden - essentially a conventional square.

Unlike other residential estates of the Church Commissioners, the Hyde Park Estate was not built to provide social housing, but designed as houses for the wealthy, in a fashionable prime London location.

Designed to appeal to Royal and aristocratic residents, the mansions had grand façades and generous internal proportions, with features including spacious entrance halls, large staircases, high ceilings, tall sash windows and voluminous state room sized accommodation.



Connaught Place and Connaught Square were named after HRH Prince William Frederick, Earl of Connaught and a great-grandson of King George II, who owned a mansion in the area overlooking the Park. Following initial construction of principal residences, the area became one of the most desirable addresses in London, with many Royals taking houses there. Lady Augusta Murray, the first wife of HRH Prince Augustus Frederick (the sixth son of King George III), HRH Princess Caroline, Princess of Wales, Earls of Lindsay, Scottish nobility whose main residence was Lahill House in Fife and the Dukes of Cleveland. The appeal of a Hyde Park address, a short carriage drive across the Park from Kensington Palace was significant.

In the 1880s to 1920s a new generation of residents moved into area including politicians and socialites including Lord Randolph Churchill and Lady Myra Sackville, whose life is reviewed in Hollywood movie White Mischief.

Just after WWII, due to economic impoverishment, high taxation and the lack of office space, the grand mansions of the area became unviable as homes and were converted into multi-let offices.

Enduring Appeal

Despite some mid-twentieth century development, it is the retention of the historic sequence of planned squares and crescents of the Hyde Park Estate, some of which is Grade II listed, which makes it an extremely important and attractive example of Georgian town planning in London.

While the majority of houses in Hyde Park Gardens have been converted to apartments, a number being large lateral apartments, many retain rooms and features that are of a scale and proportion rarely found in modern property and belie the social position and wealth of their originally intended occupants.

Damage caused to the northern part of the Hyde Park Estate during WWII, which saw a number of buildings demolished, has meant that those period houses which remain, command an increasing price premium due to their period nature, scale and volume of accommodation and proximity to Hyde Park.

- Hyde Park, 350 acres (142 hectares) of open space, the largest Royal park in central London.
- Classic architecture.
- Availability of large lateral properties, with room sizes and proportions rarely available.
- Conservation area, ensuring continuity of neighbourhood
- Easy access to Marylebone, Mayfair and Knightsbridge - all within walking distance

Connaught Square, whose townhouses were smaller and less palatial, survived as a residential address and is now most famously the London home of ex-Prime Minister Tony Blair.



Hyde Park Gardens, 1850's

- Local schools: wide range of preparatory, day and international schools, including Connaught House, International Community School and Westminster School.
- Within walking distance of Selfridges and luxury retail of South Molton Street, Bond Street, Sloane Street and Knightsbridge
- Proximity to leading restaurants including Locanda Locatelli, Nobu, Chiltern Fire House, Maze.
- The Serpentine Galleries comprising the Serpentine Galleries located in Hyde Park.
- Ease of access to transportation networks:
 - Underground: Marble Arch and Lancaster Gate
 - National rail: Paddington and Marylebone
 - Heathrow Express: Paddington
 - High Speed Crossrail: Paddington and Bond Street
 - National road networks: A4, West Way and motorway)



View over HPG and Hyde Park from 15 Hyde Park Gardens

Hyde Park Gardens

Change in Perception

Perceptions of the Hyde Park Estate and Hyde Park Gardens in particular, first started to see a significant reversal of fortune following Tony Blair's high-profile purchase of a townhouse in the area. Developments increasing the area's profile and caché further include:

- 4 Connaught Gardens, the old London headquarters of Cadbury's. A period refurbishment creating 10 luxury apartments behind a classical façade.
- 5-6 Connaught Place, once home to Lord Randolph Churchill, redeveloped into seven luxury residences
- 2 Hyde Park Square, 36 luxury apartments overlooking Hyde Park Square

Market Forces

Hyde Park Gardens and the immediate surrounding conservation area has benefitted, both in respect of profile and market value, from the redevelopment and regeneration of its neighbours.

TO THE NORTH

- The regeneration of Paddington and the surrounding area, which started in 1998, creating a new business and residential district almost the size of Soho, completed in 2018.

TO THE EAST

- Marylebone: the ever increasing popularity of and demand for this PCL area is creating a ripple effect on immediately neighbouring areas, driving price growth.
- Landmark developments and locations, including The Chilterns, Chiltern Place, WestOne, Chiltern Street, The Fire House, 108 Brasserie and Bar, Monocle Café
- Marble Arch Place: new landmark mixed use development by Almacanter, due for completion in 2020, "where the sophistication of Mayfair meets the calmness of Hyde park." Creating 54 apartments.
- Mayfair
- Lancelot Place – home to a number of luxury developments.
- Albert Hall Mansions the first London apartments to be designed and built for the then 'aspiring upper middle classes', built in 1865, due to the scale and size of each apartment and their location, they have retained their caché.

TO THE SOUTH

- Knightsbridge and Belgravia: two of London's most prestigious residential addresses.
- One Hyde Park, the contemporary luxury benchmark development, with 86 residential properties, linking to the Mandarin Oriental Hotel.

TO THE WEST

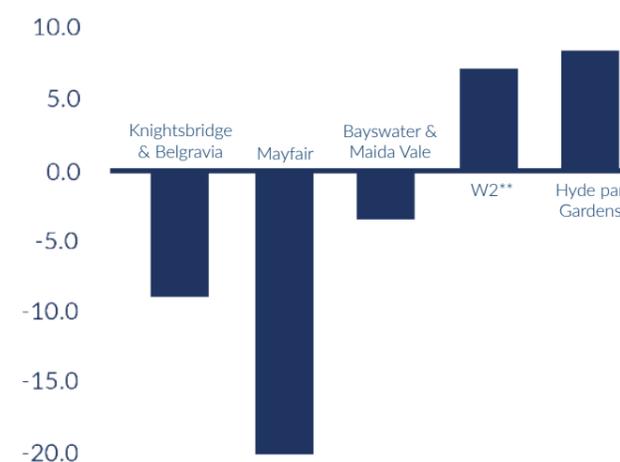
- The Lancasters, a scheme of 77 apartments with retained French renaissance-style façade, offering lifestyle extras associated with luxury property: 24-hour concierge, spa and underground parking.
- The Hempel Collection, 34 luxury apartments in the iconic former Hempel Hotel – Anouska Hempel's ode to minimalism, favored by many celebrities including Victoria Beckham and Michael Jackson.
- Whiteley's – currently subject to a substantial regeneration project which will encompass leisure, retail and residential: including 1, 2, 3 and 4 bedroom apartments and penthouses, in addition to a limited number of townhouses.

Market Data

Prime London Markets

A number of key markets in prime central London have seen the volume of transactions decline in the past year, which in some instances has also been marked by a decline in average values. This is not the case for Hyde Park Gardens where the total number of properties available is relatively small. Volume is not always indicative of price and can be inversely related.

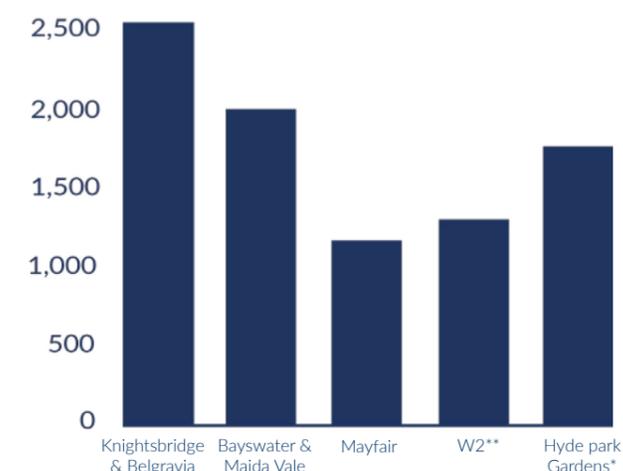
Average % Price Change By Area in Last 12 Months



Belgravia and Knightsbridge have historically been markets which command the highest property values in London and are famous the world over, appealing to many international buyers. Comparison of the 'average' price per square foot in key prime central markets still supports this position, however the gap is narrowing as previously overlooked areas like Hyde Park Gardens show sustained and continued growth, in a market that is generally contracting.

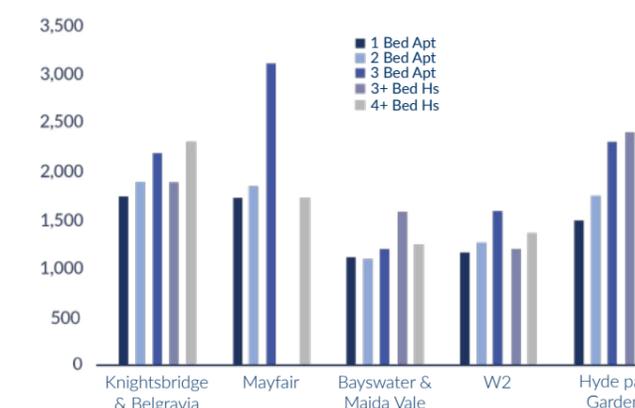
Property to the north of Hyde Park currently offer excellent value and views from higher floors that encompass a range of London landmarks including Canary Wharf, the Shard and the London Eye. While stock in this area is finite, the range in size is surprisingly wide, allowing the area to appeal to diverse range of households.

Prime Central London Values



Many of the properties in Hyde Park Gardens and the surrounding conservation area were designed and built to rival and outshine its neighbours south of the park. Over time many of the properties both north and south of the park have been converted into more manageable sized homes, yet it is the larger properties in both locations that command a premium.

Average Price Achieved by Type and Area Q4 2018



* W2 incorporates the areas of Paddington, Bayswater, Hyde Park, Westbourne Green, Little Venice (part), Westbourne Green and Notting Hill.

** Hyde Park Gardens incorporates Hyde Park Garden Mews, Clarendon Place, Clarendon Close, Clarendon Mews, Hyde Park Square, Connaught Street, Connaught Close, Connaught Place, Connaught Square, Frederick Close, Stanhope Place, Albion Street, Albion Mews and Albion Close.



The Market

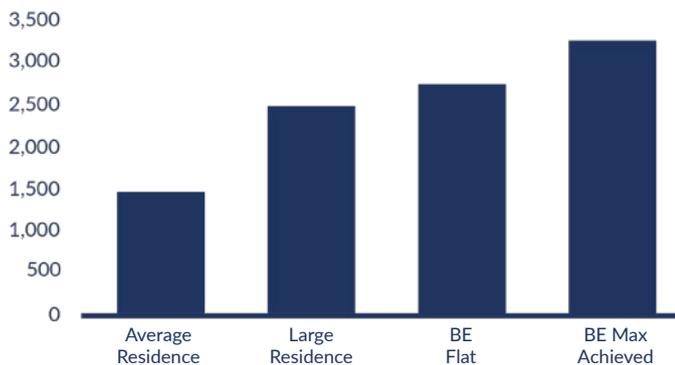
The London micro-market of Hyde Park Gardens and the immediate conservation area is currently outperforming many prime central London markets. A low profile with both buyers and developers has enabled it to remain slightly 'under the radar' for many years. However, the rise of neighbouring areas, driven by the expansion of prime central London and developer activity, is bringing the area firmly into focus.

The number of larger units in the area, particularly large lateral apartments, offering rooms and proportions usually associated with mansions, are also an increasing attraction as space becomes a luxury commodity.

The market offers scope for growth, with a number of development properties coming to market. Also, the refurbishment of buildings is bringing them in line with the area's evolving image. In addition to which, larger schemes outside the area, specifically those at Marble Arch and Bayswater, will also increase interest in the area.

Beauchamp Estates has handled a number of transactions in the Hyde Park Gardens market, working with both vendors and applicants, accommodating both fully refurbished properties and development projects. Due to the unique nature of many of the properties in this market, standard average market values increasingly fail to address true values.

HPG Price per sq ft achieved by Beauchamp Estates



Data, analysis, editorial and design, provided by Beauchamp Estates. Data Source: Lonres, Resdata.



Turn key triplex at 2 Hyde Park Gardens



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