

UK prime property

Glitzy new developments on the rise in Fitzrovia

The fall in prices in prime London areas has spread to their more bohemian fringes



View of Telecom Tower and Great Titchfield Street in Fitzrovia © Alamy

Melissa Lawford FEBRUARY 15, 2019

Five years ago, London's prime property market was booming. The price of luxury homes was growing faster than anywhere else in the world and developers began to scour neighbourhoods to seek out new prime turf. Glitzy new homes spread from Mayfair to Marylebone, and then from Marylebone to [Fitzrovia](#), bringing high prices and the international jet-set.

Now that the market is down — and developers are struggling to sell the super-prime stock they have in the heartlands of Mayfair and Knightsbridge — the optimism among estate agents in the fringier parts of prime London is starting to peter out.

The market in Fitzrovia was still up in 2017, says Claire Reynolds, head of Savills Marylebone, as its comparatively lower values helped it weather the stamp duty hikes of 2014 and 2016. But in 2018, “transaction volumes were heavily down”, she says. As Brexit looms closer, many vendors are opting to hold tight and rent out their homes while they wait for the bounce back, says Ilana Ormonde, sales manager at Robert Irving Burns. “Even a year ago we had 100 instructions,” she says. “That’s come down to about 40.”

New-build prices have dropped by about 20 per cent since the 2014-15 market peak, says Ormonde, while second-hand sale prices have come off by 15 per cent. Buyers can expect to

negotiate a further 10 to 15 per cent discount, adds Thea Wellband, a buying agent at The Buying Solution.

In Nassau Street, Dexters is marketing a three-bedroom flat for £2.2m — a 31.3 per cent reduction on its original price. The price has dropped five times since the property was first listed in August 2017.



For those who do buy in Fitzrovia — and some big-ticket sales are still happening — residents will find a more bohemian spirit than in Marylebone, agents say.

“Fitzrovia has always been more raffish,” says the architect Alex Lifschutz, of Lifschutz Davidson and Sandilands. It was the heart of London’s rag and motor trades and “had some dodgy characters around”, he says. He notes the likes of the Warren Street car dealer Stan “The Spiv” Setty, who in 1949 met a gruesome end on the Essex moors. Fitzrovia “was the poorer cousin in terms of development”, says Lifschutz.

Even today the area is considerably cheaper. In broad terms, new-build in Marylebone is priced at about £3,000 per sq ft, says Nina Coulter, director of residential development sales at Savills, while in Fitzrovia the figure is £2,000.

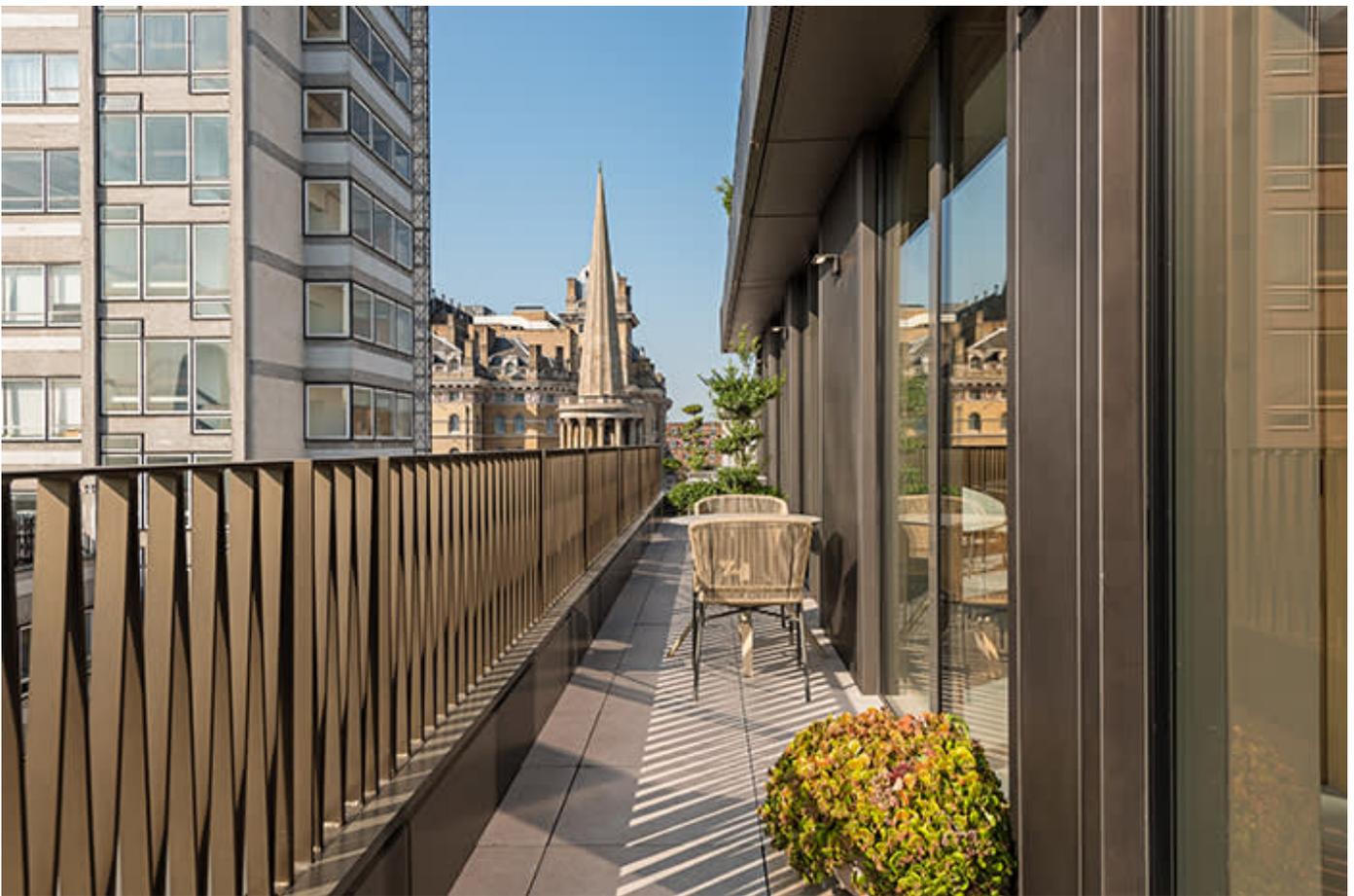
Great Portland Street, the dividing line between Marylebone and Fitzrovia, has been peppered in recent years with high-end boutique developments. The Portland & Riding development, designed by Lifschutz Davidson and Sandilands, launched in 2018 with 15 private apartments along with retail spaces (and affordable housing units). All homes have now sold.



Three-bed apartment, Nassau Street, £2.2m

At nearby 38 Langham Street, a collection of 17 apartments that will complete in May, Knight Frank is marketing a two-bedroom flat for £2.2m. Five units have been launched off-plan, says Rob Adams, partner at Knight Frank, of which three have sold. Knight Frank also launched the 17-unit 19 Bolsover Street development last year, but Christian Lock-Necrews, head of Knight Frank's Marylebone, Fitzrovia and Bloomsbury residential office, declined to comment on the number of sales.

At Vabel's 79-83 Great Portland Street development, Savills is marketing a three-bedroom penthouse with a terrace for £5.45m.



Tthree-bedroom penthouse, Great Portland Street, £5.45m

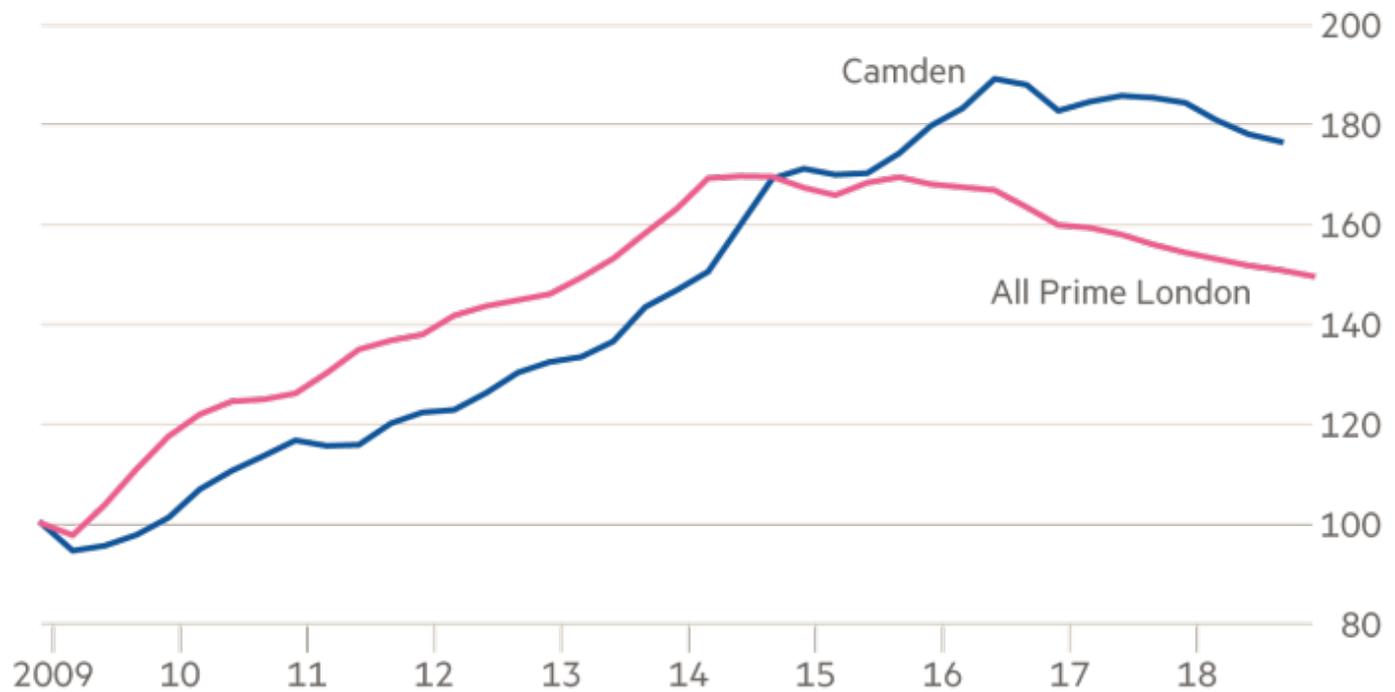
Some 56 per cent of buyers in Fitzrovia are from overseas, says Reynolds. The largest group of foreign buyers are Indian, followed by Chinese, many of whom have children studying in the area, he adds.

The proximity of institutions such as University College London are a key attraction, say agents. Wellband notes interest from parents of recent LSE graduates. “They like to think their children are nicely stowed away in Fitzrovia with quick access to the City and Canary Wharf,” she says. “In reality they are able to crawl home from Soho or Mayfair in the wee hours of the morning on their parents’ credit cards.”

In that regard, despite the glitzy new developments, Fitzrovia’s appeal has not changed for decades. “You can go and make a noise down in Soho and then you can come back to Fitzrovia and get a good night’s sleep,” says Mike Pentelow, editor of the local website Fitzrovia News and a resident since 1972.

House prices in the Camden borough

Rebased



Sources: Savills Prime London Index; Land Registry

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Buying guide

- The average second hand sale price in Fitzrovia in the 12 months to November was £1.73m, according to Savills, compared with £2.03m in Marylebone
- When Crossrail opens at Tottenham Court Road in December 2019, the journey time to Heathrow will be less than 30 minutes

What you can buy for ...

£995,000 A two-bedroom flat on Warren Street

£2m A two-bedroom terraced house near Tottenham Court Road

£5.75m A three-bedroom new-build flat on Bolsover Street

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