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Zoe Dare Hall AUGUST 4 2021

Mansion for rent: will London's super-rich pay up to £100,000 a week?

Pandemic uncertainty and stamp duty costs are driving a preference for rentals over buying







Three doors down from the In and Out Naval and Military Club, moments from Pall Mall, a 30,000 sq ft neo-Georgian building — 42 times bigger than the average London property — is undergoing a £30m-£40m transformation.

The Grade II-listed, seven-storey building at 7 St James's Square was built in the 1670s and remodelled by Edward Lutyens in 1911. When complete in late 2023, with interiors by Martin Kemp, the house will be a single-family home

with 12 bedrooms, a 1,000 sq ft gym, a cinema room overlooking an eight-car display garage and — rare in these parts — a decent-sized garden. It will also

come staffed with maids, housekeepers and a security team. The home would cost about £150m to buy, says Dean Main, chief executive of Henigman, which is developing the property. But it is not for sale; Main is planning to rent it out for about £100,000 a week, which puts it among the most expensive long-term rentals ever in the UK.

"The rental deposit alone will be millions of pounds," adds Main, whose largest investor on this project is CPI Group, the real estate company founded by Czech billionaire Radovan Vítek. Main expects a family to take 7 St James's Square for at least three years, as is

typical in London's super-prime rental market — a sphere that agents define as

starting at £5,000 a week. Properties at the highest end are rare, though Isabella Birch Reynardson, Savills' head of super-prime lettings in central London, knows of two homes, both off-market, available for about £100,000 a week.



down by around 70 per cent in March last year [compared with the same month in 2019]," says Marc Schneiderman at Arlington Residential estate But Jo Bishop, a buying agent at Property Vision, says that compared to sales, the market for luxury rentals recovered quickly. "[Sales fell] 40 per cent between March and May 2020 at the high end," she says. "Rentals reaped the rewards as those on a short or uncertain timeline chose to rent."

high-net-worth international students. "At the top end, rental requests were

variants and restrictions, it's becoming a challenging task to make longer-term plans," says Main, who is confident about the health of his very niche, top end of the market. "There is also, simply, a severe lack of supply at this very high end as

"Covid has heightened the need for total flexibility — with the ever-changing

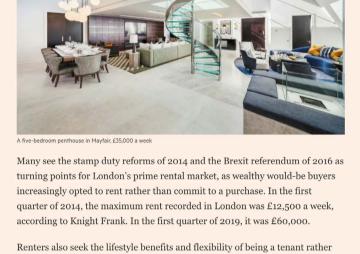
developers are primarily building to sell. A handful of super-prime apartment buildings are coming to the market this year, available for rental, and I predict this trend will grow significantly over the next decade." The average price of super-prime rents has remained fairly stable over the past

year — growing 0.4 per cent year-over-year in the second quarter of 2021, Nevertheless, Birch Reynardson says there has been competition for the right

properties. She cites a family home in Kensington that has just been let, after multiple bids, for £6,500 a week, £250 above the asking price. Stamp duty and uncertainty are two of the biggest factors leading the superrich to rent rather than buy in London. For an overseas buyer purchasing a non-primary residence, a £20m house will incur a stamp duty bill of about $\,$

recover your stamp duty and other costs," says Richard Rogerson, chief executive of buying agency RFR Property.

£3.3m. "You would have to hold on to your property for at least four years to



for me tomorrow?" says Main. Schools are a key driver, says Birch Reynardson. "We've seen many Covid has heightened the transactions for family houses costing need for flexibility - with ever-changing variants and £10,000-plus a week. But then the

than an owner. "Their view is 'London works for me today, but will it be good

term plans

Proximity to Thomas's Kensington school was a big factor.

that has been redecorated throughout."

restrictions, it's becoming

challenging to make longer-

Notting Hill into a lock-up-and-leave in Belgravia or Mayfair, as the parents will be travelling regularly again." Corporate lets are returning too. David Wilcox recently moved from New York to London with his wife and three school-age children. They agreed a £5,000a-week let for a five-bedroom house overlooking a Kensington garden square. "I needed to convince my family to move continents in these uncertain times, so the property had to tick every box," says Wilcox. "We'll be here for at least

children may go into boarding in a few

years and it's time to change it up and

move from the rented family home in

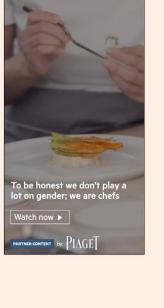
Some tenants simply fancy a change. Schneiderman has a client who lives in a town house in Regent's Park and, during lockdown, rented a house three miles away in Highgate, "so his family could have more space and a pool", he says. "They decamped from their own home, took a one-year lease and spent around £600,000 on the rental. But they felt it was money well spent."

two years and we wanted a safe neighbourhood, big light rooms, and a house $\,$

What you can rent for £5,000 a week A six-bedroom, stucco-fronted house in Kensington Gate, South Kensington, through Clutton







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