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# Homes & Property

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## 40,000 new homes for London

Office blocks will become apartments

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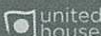
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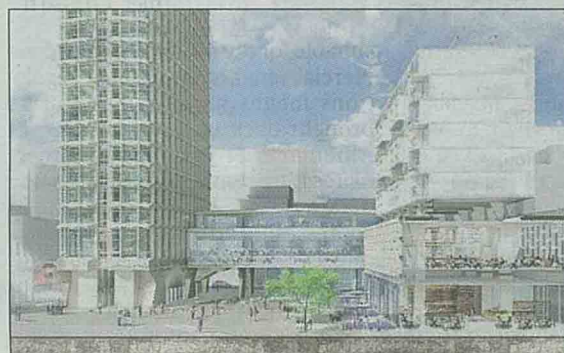
# The big conversion

## 40,000 new homes as London's offices are turned into flats

New rules are set to release a record number of the capital's office blocks for conversion to walk-to-work homes, says **David Spittles**



**£565,000:** in a rare City conversion, 90 flats are being created from a modern office block at Roman House, left, close to the Barbican. Call 020 7920 9920



**'This could destabilise the market. It's much harder to convert homes back to offices'**

**NICK CANDY**

**Pioneer scheme:** Almacantar, the owners of Centre Point, want to turn the tower into 82 new apartments



**Fuelling change:** a new 790-home residential quarter is planned around the Shell Centre on the South Bank

**T**HE relaxation of rules allowing offices to be turned into flats has set the property world alight. The major policy change could provide more than 40,000 new London homes, many in prime central business districts where young Londoners, keen not to have an expensive commute, will be able to live and work. City living is becoming a key lifestyle choice – and creating more residential addresses is likely to prove popular.

However, the City of London is least enthusiastic, with business leaders insisting domestic development should not get in the way of commercial expansion.

The areas in the forefront of the great conversion are Holborn and the former Fleet Street newspaper district, Victoria, Vauxhall, Euston, Whitechapel, Waterloo and Hammersmith – all where residential demand is growing and outdated office buildings are ripe for conversion.

In outer London, Ealing, Barnet and Hounslow are set to benefit from more homes. Leading the way are the **Shell Centre** complex on the South Bank, where developers are proposing a new quarter with 790 homes, and **Centre Point**, where the iconic Sixties tower could be converted into 82 flats by its owner, Almacantar.

### THE COMPELLING CASE FOR CHANGE

Paul Smith, partner at planning consultancy H2SO, says the conversion trend now encompasses relatively modern office blocks built in the Seventies and Eighties. "As long as prime residential values are about 30 per cent more than office values, the case for conversion will remain compelling," he says.

One of Covent Garden's most prominent office buildings – **90 Long Acre**, a "postmodern" classic – is earmarked for conversion, with scope for more than 200 apartments. Native Land, the developer, is also turning **30 Old Burlington Street**, a prized Mayfair office building of 83,000 sq ft surrounded by luxury boutiques and art galleries, into large lateral apartments above new shops and restaurants.

Westminster's "parliamentary quarter" is another hotspot, with former ministry buildings being snapped up for residential use. Berkeley Homes is soon to launch a scheme called **Abell and Cleland**. To register, call 020 7720 4000. The same developer has more office-to-residential developments



### THE FUTURE OF LONDON'S PROPERTY MARKET

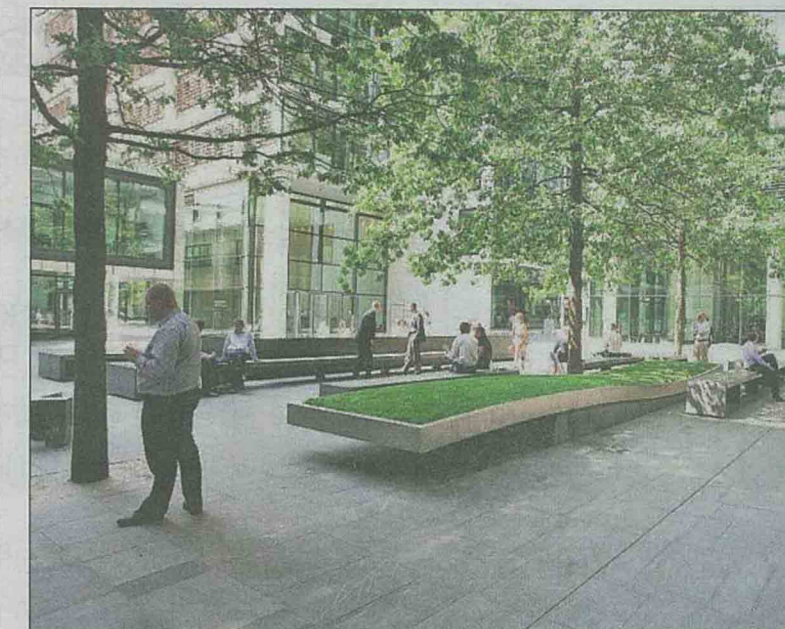
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coming up at **190 Strand** and at **20 and 30 Albert Embankment**. Call 020 8349 6200.

Ironically, the City of London exemption could boost the price of homes there. The latest offering is **Roman House**, a Modernist office block next to the Barbican complex, which is being turned into 90 flats, with its original Portland Stone façade retained. Prices from **£565,000**. Call Berkeley Homes on 020 7920 9920.



**West Enders:** developer Berkeley Homes is converting 190 Strand, a modern office scheme – as well as office blocks on the Albert Embankment – into homes



**City living:** Holborn is at the forefront of the move to bring homes to office districts

granted – 120 compared with 66 in 2008/09.

The council wants to maintain a "mix and balance of uses to protect the small-scale, lower-value building stock suitable for small and medium-size businesses that bring vitality to an area and are the lifeblood of the economy".

Because many buildings in central Westminster borough are listed and layers of restrictions apply, the council may be able to thwart developers' ambitions to convert.

### BACK TO THEIR RESIDENTIAL GLORY

In Mayfair, at least 250 buildings including original mansions have reverted to residential, a renaissance dating back to the mid-Nineties when 50-year office leases granted after the Second World War came to an end. The conversion trend has accelerated during the last two years. "It would be a shame if Mayfair's renewed gentrification was curtailed by a borough-wide policy," says Peter Wetherell of Mount Street estate agent Wetherell – a fairly predictable response.

"Mayfair was solely residential until the early 20th century. The restoration of large, beautiful houses makes so much sense as these buildings are not

### HOW THE FIGURES STACK UP

OFFICE-to-residential conversions have been gaining pace for 10 years, driven by the demand for housing, especially in prime areas where flats cost up **£3,250** a sq ft compared with **£2,100** a sq ft for office space.

■ Since 2001 more than three million sq ft of central London office space has been changed to homes.

■ Another 1.8 million sq ft of unused space is awaiting planning consent for change of use to homes.

■ An estimated 17 per cent of all offices in the South East commuter belt are lying vacant.

■ The Government believes up to 40,000 flats could be created in and around the capital.

suitable for the needs of today's commercial tenants. Abolishing regulations means more homes can be brought back in locations such as Albemarle Street, Dover Street, Clarges Street and Bolton Street, some of Mayfair's oldest residential addresses."

Again – it is all about a sensible and healthy mix of uses in every area to create a vibrant community offering business opportunities.

### NO GOING BACK AFTER CONVERSIONS

Nick Candy, developer of top-end **One Hyde Park**, fears the chase for office buildings to convert could destabilise the market, creating an oversupply of residential property and a shortage of office space. "It's much harder to convert housing back to offices," he warns.

However, the pipeline of upmarket housing increased by more than two thirds last year, with 15,500 homes

due for completion by 2021, according to property consultancy EC Harris.

Housing associations fear relaxed planning rules will merely trigger a boom in luxury developments and do little to ease the need for cheaper homes for young Londoners.

In Shoreditch, where the Tech City initiative has revitalised the local economy, it would be foolhardy to take away too much office space needed for business development.

**Fill it up:** the handsome Portland stone Shell Centre, former UK headquarters of the oil giant, will form the centrepiece of a new South Bank residential quarter

Westminster council is also seeking a slowing of conversions. The borough is in the eye of the storm surrounding the issue. During the last year there has been a surge in permissions

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