

House & Home

London property
Skyscrapers are shooting up in Canary Wharf and housing demand is strong.
By Melissa Lawford

Old Flo', who weighs 1.6 tonnes and is worth £20m, has returned to Tower Hamlets. The Henry Moore bronze, which the artist initially donated to the borough in 1962, had been coveting at the Yorkshire Sculpture Park for the past 20 years. Last week, she moved into Cabot Square in Canary Wharf. She might not be too impressed by her homecoming — her east London stomping ground has glammed up in her absence.

Once a smog-filled industrial dockyard, the Canary Wharf Estate regeneration began in the 1980s at the hands of the London Docklands Development Corporation. Today it is a world-famous cluster of glass skyscrapers and financial services. But further change is afoot. With the acquisition of Wood Wharf in 2012 the 97-acre site expanded by 23 acres, enabling the group to branch out into residential development.

By 2023, there will be a total of 3,300 residential units in the area, says Brian De'ath, director of residential sales at Canary Wharf Group, which took over the running of the site in 2012. The first phase of development consists of 828 residential units across two towers, called Ten and One Park Drive, both due to complete in 2020.

The towers are in good company. The 115-unit Dollar Bay building was completed last year; the Warden, a two-tower 764-unit Ballymore and Eco-World development, will be completed in 2019; the Berkeley Group's 68-storey South Quay Plaza development will be completed in 2020. In the same year, the Landmark Pinnacle will become one of the tallest residential buildings in Europe, just beaten by another Canary Wharf development, the 861-unit Spire London. At the same time, London City Island, a new 12-acre neighbourhood of 1,700 apartments by Ballymore on the Leamouth Peninsula, is scheduled for completion next year.

But can the market sustain such a drastic increase in high-end housing? In the first half of 2015 there were 97 homes on the market in Canary Wharf that were priced above £1m, according



A view of Canary Wharf from Greenwich. Right: Reuters Plaza in Canary Wharf — C. M. Rayner/Getty Images

to Hamptons International. In the first half of this year, there were 224. Sales numbers are still relatively low — 17 homes sold above £1m in the first half of 2015 and 36 in the first six months of 2017. Yet even accounting for the spike



One Park Drive

in transactions preceding the April 2016 stamp duty increases — which added a 3 per cent premium to the purchase of all second homes — prime Canary Wharf sales in the first half of 2017 were 24 per cent up on the same period last year, according to Hamptons International's Land Registry data. Across London, the equivalent figures were down 16 per cent.

Prices are still relatively low too. According to Savills, the average price per square foot in the top 10 per cent of the market in this year's third quarter was £740 — 10.8 per cent lower than the equivalent in north and east London. More expensive stock is coming — in One Park Drive, prices can push £1,350 per sq ft (a little closer to the prime central London average of £1,800). A three-bedroom apartment with 531 sq ft of terrace overlooking the Thames, 24-hour concierge and access to the 20m residents' pool is on the market with Knight Frank for £2.35m.

The level of service is the key to sales, says De'ath. The Canary Wharf Estate has a 1,000-strong staff, including 600

security workers. "They won't even let the snow land," he says proudly.

Since One Park Drive launched in May, 40 per cent of the units have sold, says Tom Rundall, partner of city and east residential development at Knight Frank, while Ten Park Drive, which launched in 2015 but has been off the market for the past year, is 80 per cent sold.

Elsewhere, there are a few price reductions. In the Warden, a one-

bedroom apartment with a private balcony and access to the shared Sky Lounge, is on the market with Johns & Co for £800,000, down nearly 16 per cent from an initial asking price of £950,000.

Unlike areas such as Nine Elms, where developers are "starting from scratch" and building retail and infrastructure concurrently with the residential development, Canary Wharf already has the necessary amenities, says Rundall. In an effort to counteract the corporate feel to the area — it can feel ghostly at weekends — CWG runs arts programmes, such as free summer mini-golf.

While the area's transport links have been a pull factor — Crossrail, when it arrives in 2018, will cut the journey time to the City in half — unsurprisingly it's the short commute that really appeals to buyers. In the past 12 months, 77 per cent of Savills' second-hand sales in the area have been to those working in financial or insurance services, says

BUYING GUIDE

Prime prices in Canary Wharf have increased by 15.9 per cent in the five years to September against a 5.3 per cent drop across prime central London in the same period, according to Savills

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Josh Olive, head of Savills Canary Wharf. Not all of the local offerings are new-build. Just outside the western edge of the Canary Wharf Estate in Limehouse, Savills is marketing a 2,200 sq ft, two-bedroom apartment in a converted warehouse. The price tag is £1.4m, but the wooden ceiling beams and exposed internal brickwork might make Old Flo feel a little more at home.

Canary Wharf house prices



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