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House & Home

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

ld 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 cavorting 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 begain 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 Wardian, 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 £Im, according



A view of Canary Wharf from Greenwich. Right: Reuters Plaza in Canary Wharf - CM 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 5 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 o£1,800). A three-bedroom apartment with 531 sq ft of terrace overlooking the Thames, 24-hour conclerge and access to the 20m residents' pool is on the market with Knight Frank for £2.55m.

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 centsold.

Elsewhere, there are a few price reductions. In the Wardian, 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 — Crossráll, 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

I / 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

London City Airport, which has direct flights to New York, Paris and Amsterdam, is a 10-minute drive away

The annual mooring fee for an 18m yacht at Poplar Dock Marina is £10,098

What you can buy for .

£1m A two-bedroom apartment with 24-hour concierge in Ten Park Drive

£3.5m A three-bedroom penthouse with a Jacuzzi terrace in Dollar Bay

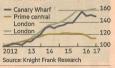
£5.6m A triplex, four-bedroom penthouse with two parking spaces in South Quay Plaza on Marsh Wall

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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

Canary Wharf house prices Indices rebased

feel a little more at home.



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