

Downsizing



FRESH START
The Landsby in Stanmore, left; One Brompton, main and below, in Chelsea, where prices start at £895,000

The £62bn downsizer timebomb

In the next 30 years, London faces a boom of older people – and luxury retirement housebuilders are stepping into the breach, reports Jane Slade

Just two years ago there was just one luxury retirement village in London offering swish, spacious apartments, with a swimming pool and landscaped terraces. Before then, wealthy retirees seeking hotel-style accommodation had to move into one. Film star Richard Harris lived at the Savoy for 15 years, two years longer than the American actress Elaine Stritch. When it was pointed out that his stay was costing him a great deal, he

retorted that others were paying for a mortgage, but couldn't ring down for a sandwich in the early hours of the morning. When he was unwell, his ex-wife was alerted by staff that he hadn't removed his Do Not Disturb sign for a week. He was wheeled out on a stretcher, memorably exclaiming "It was the food!", he later died of cancer. Today he might have chosen one of the Albert Suites at Battersea Place, where Michael Portillo's wife convalesced a few months ago after an operation. Described as "luxurious" when it launched in 2016, the 10-storey



The Library



LifeCare Residences development caused a media furore when it emerged that the average price of a two-bedroom apartment was £1 million. Now that price tag has been well exceeded, notably by Auriens, which is developing a scheme in Chelsea, where one-bedroom apartments start from £3 million.

The demand for more retirement accommodation in London shows no sign of peaking, says Nick Sanderson, head of retirement operator Audley. "The draft New London Plan set a target of building 4,000 retirement living units a year until 2029. We are not even close to hitting that target," he explains. "We can't even compete with cities like Auckland, which with a population of 190,000 over-65s has 9,000 retirement properties."

According to analysis by DataLoft, £62 billion in equity could be freed up across London if retirees downsized from their mortgage-free family homes with underused space that are occupied by just one or two people. It also highlighted the average potential value per house of this unused space in homes owned by those aged over 65 in the capital is £293,000, equal to £2.119 million in Kensington and Chelsea, the most expensive borough. It also calculated that 175,000 family homes in the capital could be released through retirees downsizing.

The report shows that the number of retiree households in the capital is due to increase to one million by 2030, meaning there will be a demand for 69,000 more later living homes over the next 12 years. By 2050, there will be two million retirees living in London, double the current population. No wonder developers are hungry for a slice of this market and to take advantage of the downsizing rich who want to stay in the capital.

The research was commissioned by Elysian Residences, which is building two retirement schemes in north London: the Landsby in Stanmore and the Oren in Hampstead. LifeCare Residences is hoping to build another 100 retirement homes in West Hampstead, and Audley, which has built 16 retirement villages in the South East, is building its first London village, Nightingale Place, on a one-acre site by Clapham Common, with 94 apartments with a pool, library and spa, due to open in 2020.

Interior designer Jenny Morgan has lived in the capital all her life. When her husband Neil died last summer, she decided to buy a one-bedroom apartment at Nightingale Place. "I don't like the country; I am a city girl," she explains. "I love having the coffee shops, the cinema, and restaurants on my

doorstep. I have bought the biggest one-bedroom flat on the fifth floor with wonderful views. I want a place that I can lock up and leave with lots of amenities, and best of all is next to the Tube and buses and M&S food. It's a wonderful location."

Morgan, who is in her 70s, divides her time between the capital and the South of France, and will move in next year. "My friends who live in London do not plan to leave. It's better to be where you can hop on a bus than be stuck out in the sticks. I have care if I need it and can rent a parking space for as long as I want to drive."

The demographic changes that are

hitting the city have led to a boom in building, especially in the high-end sector. PegasusLife is building two developments in Hampstead: 79 Fitzjohn's Avenue, where apartments are selling off plan from £2.5 million, and Hampstead Green Place where homes are priced from £793,500. You can also live in the heart of the city at Chimes in Westminster, backed by £2 billion from Goldman Sachs, is targeting the over-65s with 10 projects in the prime inner boroughs of Kensington and Chelsea, Westminster, Camden and Wandsworth. Its first site, Fulham Riverside, has 162 apartments with on-site care as well as a swimming pool, restaurant, bar, chauffeurs and a cinema, opening at the end of 2021.

Another is Cinnamon Retirement Living, which was set up last year. Its first London development, Eden Court in Battersea, comprises 28 apartments priced from £400,000, alongside a 78-bed care home. The company is also looking to build in Wimbledon, Ealing, Finchley and Hampton.

Developers are generally targeting London-based retirees who want to remain in an area they know so they can maintain their networks, keep their friends and enjoy the capital's attractions. While the prices may be sky-high, developers argue that these prospective downsizers will have benefited from the uplift in property prices making them better able to afford a retirement flat in the capital.

The DataLoft research underlines that many people now approaching retirement age in London are equity rich, due to the 26-fold increase in its house prices over the past 40 years. Johnny Sandelson, who co-founded Auriens, is already developing another retirement complex in one of the most expensive enclaves of west London. He has bought a 2.7-acre site near Kensington High Street for a reported £100 million. "There is massive demand for high-quality elderly living," he argues. "This will be the largest retirement campus in London." The cost of creating around 150 apartments and high-end facilities has been estimated at approximately £600 million.

With so much new investment in the sector, some operators fear that buyers will be confused by the choices and

THE VALUE OF OVER-65S' UNUSED SPACE PER HOUSE

London (average)	£293,000
Kensington & Chelsea	£2,119m
Westminster	£1,741m
Camden	£1,212m
Hammersmith & Fulham	£783,000
Islington	£749,000

Source: DataLoft estimates, Land Registry, ONS, Zoopla, GLA



VALUE PER BOROUGH THAT RETIREES COULD FREE UP BY DOWNSIZING

Kensington & Chelsea	£5bn
Westminster	£3.9bn
Barnet	£3.8bn
Bromley	£3.5bn
Camden	£3.3bn
Richmond upon Thames	£3.2bn
Wandsworth	£3bn
Croydon	£2.5bn
Enfield	£2.2bn
Ealing	£2.1bn
Havering	£2.1bn
Merton	£1.9bn
Harrow	£1.9bn
Redbridge	£1.8bn
Hammersmith & Fulham	£1.8bn
Lambeth	£1.8bn
Haringey	£1.7bn
Bexley	£1.7bn
Hillingdon	£1.6bn
Brent	£1.6bn
Sutton	£1.5bn
Kingston upon Thames	£1.5bn
Islington	£1.5bn
Southwark	£1.3bn
Hounslow	£1.2bn
Lewisham	£1.2bn
Waltham Forest	£1.1bn
Hackney	£1bn
Greenwich	£0.7bn
Newham	£0.4bn
Tower Hamlets	£0.4bn
Barking & Dagenham	£0.3bn
London total	£62bn

Source: DataLoft estimates, ONS, Land Registry, GLA, Zoopla

CITY LIFE
Jenny Morgan, below left; PegasusLife's 79 Fitzjohn's Avenue, bottom left, and its block in Hampstead Green in Hampstead, right



unclear about differences between retirement communities, nursing homes and age-dedicated developments. "The reality is that each group operates differently," says Nigel Sibley, head of LifeCare Residences. "We need to make the uninitiated aware in order to bring clarity about the sector as a whole in order for it to grow."

Not all retirees want to downsize to a retirement development. Lady McAlpine, the 74-year-old widow of the construction tycoon Sir William McAlpine, has a part-time bolt-hole in Belgravia. "While nothing would induce me to live in a city, or even a town, I simply



2 million

The number of retirees that will be living in London by 2050, double the current population

CAPITAL BOLT-HOLE

The swimming pool in ultra-luxurious retirement home Auriens in Chelsea, above, and its speakeasy, right

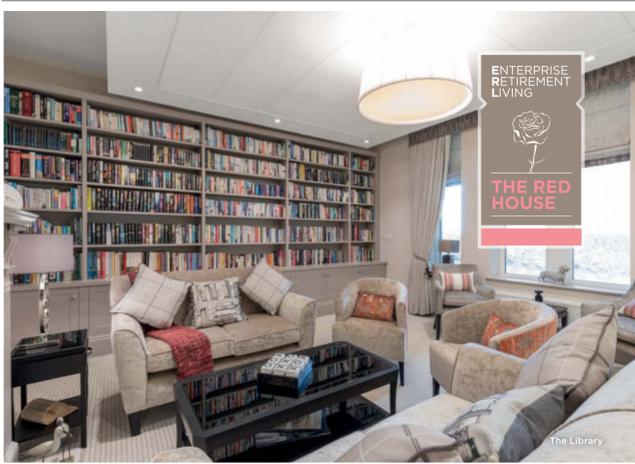


a four-storey building of 18 apartments developed by The Thackeray Estate, has seen a lot of interest from retirees looking for a permanent or temporary base in the capital.

The block sits above Nigella Lawson's favourite butcher's, Parson's Nose. Properties cost from £895,000 for a studio rising to £4.95 million for the penthouse. One Brompton has a concierge and its location, near the boutiques and eateries of Sloane Street, Knightsbridge and Brompton Road, means you don't need a car.

"We are seeing downsizers coming in from the Home Counties looking for a bolt-hole in the capital," says Robert Adam of Knight Frank, which is marketing the flats.

"The building is secure and has a lift, so is ideal for the retiree who wants to live full-time in the capital or lock up and leave."



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