

## Size Matters: How the new Westminster City Plan could change London's super-prime landscape

‘Essentially the value of big units are going to go up on a massive scale as supply will likely be curbed’: PCL insiders share their thoughts on the borough's controversial new 200 square metre rule...

By PrimeResi Editor · 27th April 2021

When Westminster first unveiled its 20-year planning blueprint in 2018, one particular policy had the whole prime resi sector talking.

“We want Westminster to be home to thriving, mixed communities, not empty super-prime properties. That’s why we will be restricting the size of new luxury apartments,” announced Cllr Richard Bedoe at the time, confirming the council’s intention to cap the size of new housing in the borough.

The City Plan 2019-40 has since been hammered into shape by various rounds of consultations, and was formally adopted last week, officially setting the limit at 200 square metres (up from the original idea of 150 sqm).

Back in 2018, industry insiders were quick to speculate on how the policy – designed to “optimise” the borough’s scarce land supply – might change the PCL landscape. Speaking at the time, Simon Barry of boutique agency Harrods Estates suggested the most likely medium-term effect of reducing the supply of large family-sized homes would be “to support the pricing of the existing new and second hand housing stock.”

Many others shared this view. “A new development should offer a range of housing options – including pied a terres, one- and two-bed flats for couples or people sharing, and bigger properties for families. If you are implying size limitations such as this, you will rule out substantial parts of the market,” noted Guy Meacock of Prime Purchase, warning that the move would “really set Westminster back as a borough”. Jackson-Stops’ Ben Babington agreed: “By not offering the right housing stock to satisfy demand, there is a danger that Westminster may increasingly attract pied-à-terre buyers and buy-to-let investors, instead of permanent residents and families.”

Those looking to build, or buy, super-sized units were urged to get their skates on, or face having to look elsewhere or pay substantially more; the slew of huge penthouse deals in the last year would suggest that a few forward-thinking HNWI’s at least bore the advice in mind...

Mega-apartments on Montpelier Walk in Knightsbridge Village (c. 5,500 sqft, asking £21m), Stratton Street in Mayfair (c. 8,500 sqft, asking £30m), Grosvenor Square in Mayfair (c. 8,100 sqft, c.£140m with two other units) and One Hyde Park in Knightsbridge (c. 14,000 sqft, reported to be going through at £110m) were just some of those that found buyers, as pandemic-led lifestyle shifts elevated space into the luxury of all luxuries.

With the size limit now set in stone, we asked some PCL developers and agents for their latest thoughts on the consequences for those looking to build, sell or buy a “super-flat” in some of PCL’s most sought-after neighbourhoods...

### **Lottie Geaves, Sales Manager at London developer Almacantar**

“While everyone across the globe has spent the last year reassessing how we live in our homes, we have seen an increased demand from purchasers looking for large lateral apartments with generous spaces and natural light, and of course good views of green space. This shift in priorities, coupled with the lack of supply of larger properties in the new build pipeline in Westminster, will only add to the value of these apartments over time.”

### **Richard Rogerson of prime London buying agency RFR Property**

“The new Westminster City plan has firmly changed the residential landscape within the borough. Newly built supersized homes already built or in construction within Westminster will likely become even more of prized asset as their days are numbered. It remains to be seen whether higher, smaller properties will be as popular with owner occupiers and investors.”

### **Will Watson, Head of London at The Buying Solution**

“Of greatest significance, the newly endorsed Westminster plan outlines restrictions on the delivery of future homes over 200 sq m. This is likely to have a significant impact on the prime and super prime sectors, especially at a pivotal time when the biggest request is for more ‘space’ at home. It shines a positive light on those larger apartments currently on the market and their increased rarity value, and indeed their investment potential and ability to hold value long term.”

### **Martin Bikhit, Managing Director, Berkshire Hathaway HomeServices London**

“Essentially the value of big units are going to go up on a massive scale as supply will likely be curbed. Supply has basically been stopped and that will drive the value of larger units going forward so we may see a disproportionate £/square foot between smaller and larger units going forward. Larger units are in lower supply currently and four-beds are rare with five-beds being virtually nonexistent.”

Westminster has been very keen to show that the area isn’t all about oligarchs and iceberg homes in recent years. Strict new rules limiting the size of basements came into force in 2016, and some high-profile planning cases went against super-wealthy homeowners and developers – notably a £200m amalgamation project in Knightsbridge, and a proposed mansion scheme in Regent’s Park.