

UK prime property**Chelsea alfresco — a revitalised street culture draws homebuyers**

The London area's 'red trousers' stuffiness is retreating in favour of a livelier vibe, giving the property market a shot in the arm



Café culture is thriving in Pavilion Road © Charlie Bibby/FT

Liz Rowlinson AUGUST 10 2021

At the southern end of Pavilion Road, a mews off Sloane Square, coloured bunting flutters between the artisan stores — butcher, baker, cheesemonger and fishmonger — and above a pavement packed with café tables. During the pandemic, the road — which five years ago was home to a lot of garages — has cemented its role as one of Chelsea's most popular hubs, an alternative to the dozens of outdoor cafés and boutiques of Duke of York Square.

“The area's really come into its own and I've discovered a great community spirit,” says Ben Stroud, who works for an international property development company. He moved into a one-bedroom rental flat nearby in late 2019 after working in Dubai. “Other areas of London still feel like a ghost town.”

Seeking a central postcode — but one that still felt residential and without too many tourists — he chose Chelsea's SW3: “I really appreciate the wide choice of outside eating and drinking spaces.”

[Cadogan Estates](#), Chelsea's largest landlord, has added 900 alfresco seats to help propagate the area's café culture, and has secured permission from the council to permanently pedestrianise Pavilion Road after trialling it during the pandemic — the value of the 300-year-old estate fell 14 per cent last year to £4.8bn, with retail being the main drag on the portfolio.

The move may be paying off. With international tourists still absent, footfall along Chelsea's central artery, the King's Road, is down just 16 per cent on 2019 — a recovery rather more notable than Bond Street (-55 per cent) or London's West End (-49 per cent), according to Springboard, the data company.



The historic road Cheyne Walk © Charlie Bibby/FT

Soho House, the chain of private members' clubs, is opening a 6,000 sq ft branch of their homeware brand in Duke of York Square next month, next to the Saatchi Gallery. This follows on from the reopening of The Cadogan Arms gastropub — refurbished during lockdown — now with James Knappett from the double Michelin-starred Kitchen Table as culinary director. The Surprise, a well-loved pub behind the King's Road, has also reopened under new ownership after a lockdown revamp.

With life coming back to the streets of Chelsea — an area that was the epicentre of swinging London's art, fashion and music scenes in the 1960s — the local luxury property market has received a shot in the arm.

“Chelsea wasn't cool for a while, it was a bit too ‘red trousers’ compared to Notting Hill or Holland Park,” says Sophie Rogerson of buying agents RFR Property, referring to a sartorial choice often associated with the elitism of the English upper class. “Now it's viewed as more vibrant than Belgravia and Knightsbridge.”

In the first half of this year, Chelsea accounted for 14.3 per cent of the 237 transactions in London that were priced above £5m, the highest proportion of any local area, according to estate agency Savills.

It is a turnaround for a market that, in recent years, has been more sharply affected by changes to stamp duty in 2014 and the uncertainty caused by the Brexit referendum in 2016 than its neighbours. By the first quarter of this year, prime values had fallen further from their 2014 peak in Chelsea (-23 per cent) than the prime central London average (-20 per cent).



with private or communal gardens are in demand in The Boltons Conservation area © Charlie Bibby/FT



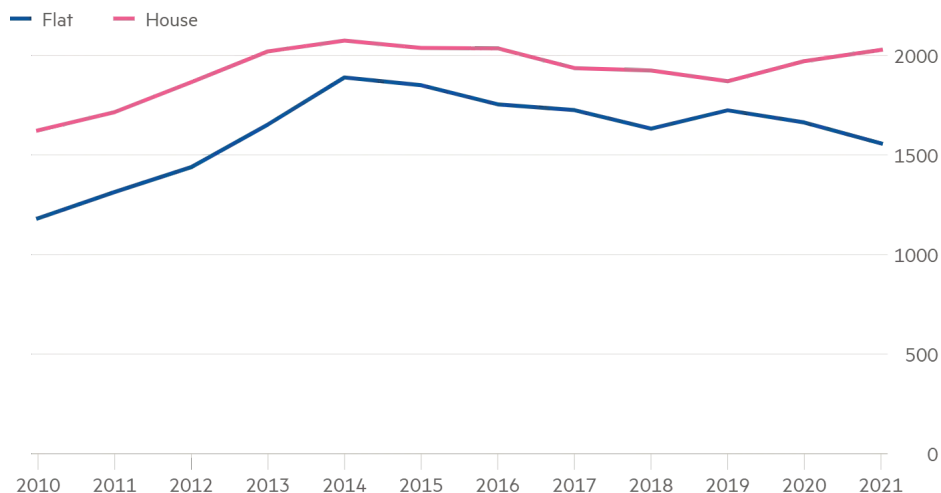
The Surprise pub has reopened under new management, amid other restaurant refurbishments and openings in Chelsea © Charlie Bibby/FT

Since the start of the pandemic, the relative demand for flats and houses has diverged, according to LonRes, which tracks the prime London market. So far this year, the average price of a house sold in SW3 has been £2,027 per square ft, up 8.4 per cent compared with 2019. The average price of a flat has dropped 9.6 per cent over the same period.

A lot of interest has come from domestic buyers looking for houses in good order for between £5m and £8m, says Matthew Morton-Smith of Savills — especially those on garden squares. “The frustration that was in the market for four or five years has moved on; buyers feel they are in more of a stable environment and they want to make longer-term decisions, taking the opportunity of international buyers being absent.”

Prices rise for houses in Chelsea

Average property price, per sq ft (£)



Source: LonRes
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But international buyers are beginning to return. Will Watson, of buying agents The Buying Solution, says his European, American and Russian clients are particularly keen on Chelsea for its architecture and the local schooling, including some of the top bilingual schools.

“It represents much better value on a pound per square foot basis when compared with parts of Kensington and Notting Hill, where unmodernised houses are commanding around £4,000 per sq ft; in Chelsea the range is more like £2,000-£3,000 per sq ft.”

Houses with reasonably sized private or communal gardens have been in demand, especially those in The Boltons Conservation area in SW10, to the west of SW3. “In the past year we’ve really noticed an uptick for this area, where some of the properties have a larger lateral footprint with gardens that are longer and wider than typical of SW3,” says Rogerson.



Thomas More Statue, Chelsea

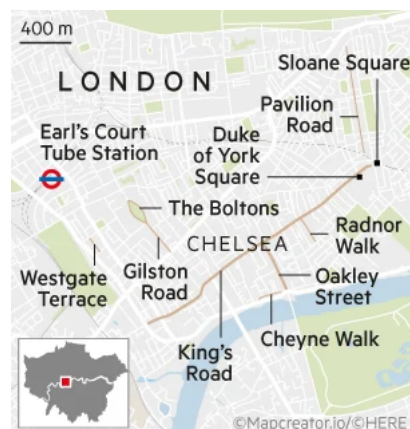


Models in the King's Road, 1967, when Chelsea was London's epicentre of cool © Evening Standard/Hulton Archive/Getty Images

A terraced house that needed work in Gilston Road sold in January for £15m. So far this year, the average price paid for a house in this area has been a little higher than in SW3, at £2,190 per sq ft, according to LonRes. But the average time a property spends on the market before selling is currently considerably less: 161 days compared with the 205-day average in SW3.

Other highly prized garden squares can be found in so-called Old Chelsea — the part roughly between the King's Road and the Thames. “Rossetti Garden Mansions is a beautiful, small communal garden tucked away, but there's also the award-winning garden of Carlyle Square and lush Paultons Square,” says Nina Harrison of Haringtons, a buying agent.

This area is also home to The Glebe, a super-prime new-build scheme of just [eight homes with a penthouse being marketed for close to £100m](#).



The area is constantly regenerating, says Tom Martin, executive chair of Martin's Properties. His company is redeveloping the Chelsea Pottery site into a boutique office scheme and is behind a development on Old Church Street of two houses and four apartments, where prices start at £1.85m.

With retail space changing, food and drink outlets are increasingly important in the curating of high streets, he says. In 2019, he was involved in forming the landlord-led King's Road Partnership to co-ordinate the long-term planning of the stretch between Sloane Square and Oakley Street, which some think was looking a little tired.

"We will introduce innovative brands that are relevant to the area, and/or that add something to the community," he says. The area's biggest new redevelopment scheme is that of the Curzon cinema at 196-222 King's Road, which will include a new 600-seat cinema, a Waitrose supermarket, a new pub (in the same location as an existing pub), retail space and 47 flats. It's due to complete in 2023.



Larger gardens are more common in SW10 (The Boltons) than in neighbouring SW3 © Charlie Bibby/FT

Selling some high-end apartments in Chelsea has been tricky, says Morton-Smith. Larger, mansion block homes with no outside space (sized between 1,800 sq m and 2,500 sq m and priced between £3m and £6m) are proving hardest to shift. "People who can afford these are opting for houses of similar size, with gardens."

The £1m-£3m sector is stronger, he says, with domestic and international renters reaching the end of their tenancies and purchasing. One-bedroom garden flats cost from around £600,000-£650,000.

Rental rates in flats have suffered too. The average weekly rental price for a flat in Chelsea has dropped to £540 this year, the lowest amount in 11 years, according to LonRes. Despite some reductions of 30 per cent, rates have increased, especially at the high end. This week, of the five deals agreed — for properties renting at £1,800-£4,000 monthly — four went to competing bids, says Jessica Del Gaizo, lettings manager of Marsh & Parsons Chelsea.

"Many people panicked and returned overseas in March 2020, but students at Imperial and King's College, or the international schools, from the US or Middle East are returning to find places for the end of August/September," she says. "A Turkish masters student at Imperial just took on a £950 per week two-bedroom flat."

She says a number of people are taking shorter lets to get a feel for the area, and if they share Ben Stroud's instant enthusiasm for his new neighbourhood, they won't be looking to move on anywhere else.

Buying guide

So far this year, the average price paid for a house in Chelsea's SW3 postcode has been £5.1m, according to LonRes, while the average price paid for a flat has been £1.2m.

Chelsea is in the Royal Borough of Kensington and Chelsea. The council tax band D is £1,313.60.

Nearby London Underground stations include Sloane Square, South Kensington and Gloucester Road.

What you can buy for...

£825,000 (offers in excess of) A two-bedroom apartment in Westgate Terrace, in Chelsea's SW10 postcode. The ground-floor flat measures 60.5 sq m and is located a short walk from Earl's Court Tube station to the north and Fulham Road to the south. The property is available through estate agency [Savills](#).



© Miroslav Cik

£3.85m A four-bedroom terraced home in Radnor Walk, just off the King's Road. The property, which measures 182.7 sq m, is arranged over four floors, with the master suite taking up the first floor. The house has a small patio garden. Available through estate agency [Chestertons](#).



£7.5m A Grade II-listed, four-bedroom house in Drayton Gardens, SW10. The property, which has undergone extensive renovations, is arranged over five floors and measures 299 sq m. Once the home of artist and writer Mervyn Peake, the property carries a blue plaque from English Heritage. Available through [Marsh & Parsons](#).



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