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**PROPERTY
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*With research
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**LONDON
VIEW**

Prime Performance

Despite the Brexit headlines, there are bigger forces at play in the London property market



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While the UK's vote in favour of Brexit triggered some short-term uncertainty in the prime London property market, it is important not to overstate its impact. Price growth had been slowing for two years in prime central London, an area broadly confined to zone 1 on the London tube map.

It is a similar story in prime markets between zones 2 to 6, with weaker growth in areas like Barnes, Hampstead and Canary Wharf. More affordable boroughs, such as Waltham Forest and Lewisham, have fared better and continue to post stronger growth.

Why the slowdown? Well, despite the headlines focussing on the impact of Brexit, a much wider range of issues has impacted performance. The slowdown in central London followed a period of strong growth as the market cemented its reputation as a safe-haven following the financial crisis.

Robust growth led to robust headlines and the London property market became more interesting to politicians in need of additional tax revenue. Ensuing stamp duty rises acted as a further brake on the market, leading to a stand-off between sellers, who were reluctant to cut asking prices, and buyers, who faced increased purchase costs.

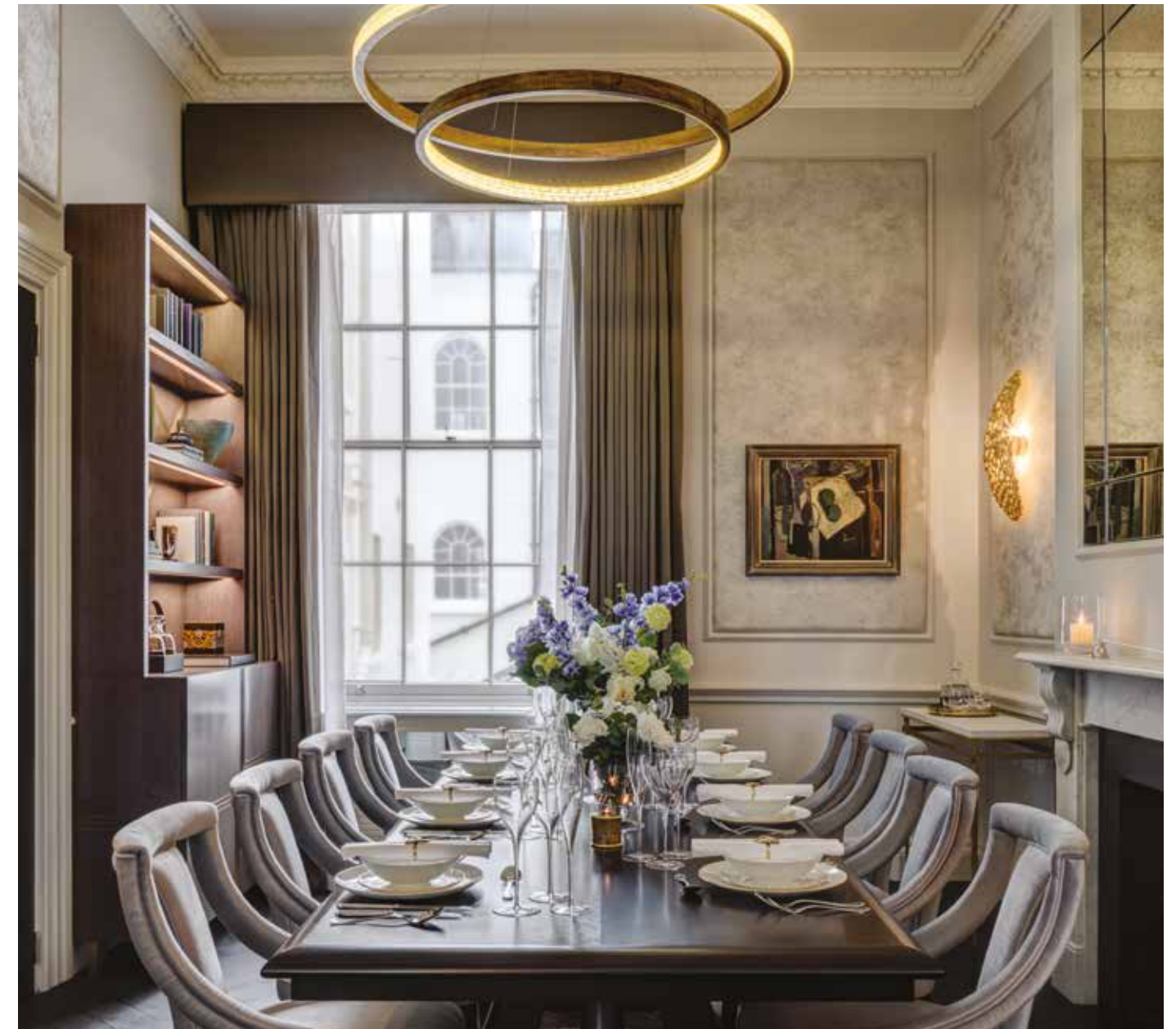
Ironically, the surprise of the EU referendum result has led to more realistic pricing. While the market remains weaker than 12 months ago, most sales are continuing, provided asking prices have adjusted to the more subdued market conditions.

What has also become clear since June is that demand to be in London remains very strong. Weak Sterling is an added incentive for some buyers. As an EU deal takes shape, the UK's absence from the bloc is unlikely to deter many from living in one of the most significant cities on the planet. In this current market, the prosaic truth is that buyers are primarily seeking good value.

Furthermore, we are not building enough homes in Greater London. This structural undersupply partly explains the relative robustness of prices in London following the economic and political fallout from the referendum.

From an investor's perspective, it should also be remembered that there are few satisfactory answers to the question "where else do I put my money?" The bond market? If your yield is not negative it will probably be as low as it has been in several centuries. Hedge funds? Even the smartest investors in the room are struggling to second-guess central bankers and the main indices don't make good reading. Stock markets have been pumped up by QE money and looked due a correction this summer.

Securing a double-digit return on a London property investment is not as straightforward as it once was. But if your homework goes beyond the latest newspaper headlines, buying bricks and mortar in London remains a sound decision, Brexit or no Brexit.



Eaton Place

BELGRAVIA, SW1



Situated in Belgravia, just moments from Knightsbridge and Sloane Square, is this spectacular stucco-fronted four-bedroom maisonette, which has been beautifully redesigned to create a home of the utmost elegance and sophistication. Spread over 3,000 sq ft, this larger-than-average apartment has high ceilings and luxurious proportions throughout. A colour palette of complementary natural taupe, oyster and light stone greys creates a serenely balanced environment and tasteful entertaining spaces. Highlights of the apartment include the master bedroom's stunning walk-in wardrobe, a marble-clad vanity, bespoke marbled kitchen with brass finishes and the exceptional paved courtyard terrace with seating area.

GUIDE PRICE: £8,700,000 | EPC: C
Knight Frank Belgravia +44 20 7881 7722



Taste the world

London's panoply of global cuisine continues to diversify, reports Chris Madigan, and offers capital-dwellers a taste of everything from Soviet street food to Basque pintxo plates

Chris Madigan writes for The Telegraph, The Times and Brummell

In the bad old days, the question of what regional cuisine Londoners favoured boiled down to: 'What shall we eat tonight: Indian? Chinese? Italian?' Now, we have an ever more diverse array of flavours to choose from.

This year, it's a disputed territory that tops the trend list: Euskadi, or the Basque Country. With restaurants in San Sebastián and nearby – including Mugaritz, Asador Etxebarri, Azurmendi and Arzak – featuring prominently in the World's 50 Best Restaurants list in recent years, this should come as no surprise. Basque food satisfies the continuing passion for small-plate sharing (with its version of tapas, pintxos) and the desire for state-of-the-art kitchen techniques applied to traditional dishes. Basque food has intense colour and flavour: sweet peppers and cherries, salty bacalao and roasted meats. The latest arrivals are Eneko at One Aldwych, with a menu designed by Eneko Atxa of Azurmendi, following in the footsteps of arguably the world's greatest female chef, Elena Arzak, who, as the name implies, trained the chefs at Ametsa With Arzak Instruction, at The Halkin hotel in Belgravia. With a branch of the less high-end Sagardi chain (Basque, but from Barcelona) opening in Shoreditch, as well as established restaurants such as Donostia and Lurra in Marylebone, there is enough Basque food in London now to sustain a multi-venue txikiteo, or pintxos crawl.

Another nation well represented in the World's Top 50 is Peru, and the London love of ceviche and other regional dishes doesn't look like abating any time soon. Now, though, it's a case of following regional cuisines: Casita Andina in

Soho is Ceviche boss Martin Morales's ode to the Andes, while Chicama, in Chelsea – from the people behind Pachamama in Marylebone – concentrates on Nikkei cuisine, a fusion of Peruvian and Japanese food.

There are also whole trends built around a single dish from distant parts. First, there was Korean kimchi; now, it's Taiwanese gua bao – steamed clam-shaped buns that form a sandwich. While pork belly, peanuts, greens and herbs are the traditional filling, Bao in Soho and Fitzrovia, and Mr Bao in Peckham offer chicken, prawn, aubergine or mushroom versions.

More surprising, perhaps, is the growing popularity of food from the former Soviet Union. The grandiose Samarkand on Charlotte Street serves Uzbek food, which reflects the country's geographical position between the Middle East, Asia and Russia with dishes such as plov (rice, vegetables and lamb), samsa (lamb or sweet-potato filo parcels) and baklajan (aubergine caviar). But at Zima, in Soho, chef Alexei Zimin has introduced a real 'who knew?' concept – Russian street food (although, at a minimum of £30 for caviar, sour cream and potatoes, it must be a very well-heeled street). Other dishes are based around scallops, crab claws and venison.

Zima is just one example of the blurred

The other democratisation trend is that central London no longer hogs all the best food.



Zima
Soho

Peter Lane Photography



The Dairy
Clapham

Bone Daddies
Soho and Old Street

boundaries between street, or 'dirty', food – snacks, sometimes indulgent ones, to accompany an evening of drinking and socialising – and the more traditional sit-down focus of an evening. Areas like Kensington have places such as Dirty Bones (fried chicken, waffles, burgers etc) and Bone Daddies (ramen and other Japanese food), sharing clientele with the likes of Ours, the new restaurant by Michelin-starred chef Tom Sellers. Notting Hill sees new openings as diverse as The Chipping Forecast fish and chip shop and modern Mexican from Latin America's Best 50 Restaurants chef Eduardo Garcia at Peyotito.

The other democratisation trend is that central London no longer hogs all the best food. The team behind Hawksmoor made Chiswick one of the first locations of its Foxlow brasseries. Two new Ivy Cafes (featuring Ivy Covent Garden favourites such as shepherd's pie) are the latest name for St John's Wood and Wimbledon, the latter of which also gets a Dip & Flip (Canadian-style poutine and burgers, both served with gravy), the first of which opened in Clapham. South London has turned from culinary wasteland to gastro heartland. Dulwich has modern British at Franklins and The Palmerston, sushi and cocktails at Yama Momo and the crucible for talented young chefs that is Toasted, with a Meatliquor hipster-burgery to come to the area the founders are from.

Clapham, too, has a vibrant scene dominated by The Dairy, which is focused on the produce of quality British suppliers (particularly heritage vegetables and fermented, pickled and preserved ingredients), and sister restaurants The Manor and the new Counter Culture, which combine several trends with pintxos-style plates of dishes, including fermented heritage vegetables in an out-of-centre location.



Designs on London

The 21st-century reinvention of an institution that helped shape the city's cultural landscape is very timely, says architecture expert Jonathan Bell

Jonathan Bell is editor-at-large at Wallpaper

Opening in 1989, London's Design Museum was at the vanguard of the designer decade – an era of matt-black devices, chromed furniture, bold fashions and the burgeoning cult of the designer name that changed the way we saw our interiors forever. In the UK it led the way in turning our attention to leading industrial designers of the day who are now household names. People like Phillippe Stark, James Dyson and Tom Dixon who taught us to see good design as a work of art.

This consumerist frenzy wasn't the museum's raison d'être, of course, but rather to celebrate the neglected field of industrial design. Its origins

were in the V&A, where, for many decades, industrial objects had fallen between the curatorial cracks. Buried in the museum's basement, it started life as the Boilerhouse, co-founded by Terence Conran and Stephen Bayley in 1982.

In 1989, the collection graduated to its own purpose-designed space in a former banana warehouse on Shad Thames, given a gleaming white Modernist-style overhaul

by Conran's own architecture studio to stand in stark contrast to the abandoned brick husks and patches of waste ground that lay around it. The Design Museum grew with the area, as loft-living transformed riverside London and its curatorial team breathed new life into the everyday, rediscovered forgotten designers

and introduced the burgeoning big names of the 1990s movement to an eager public. It was the heyday of Starck, Dyson, and Dixon as well as Marc Newson, and Ron Arad, all of whom came to prominence as the museum gained cultural traction.

The deep dive into mid-century nostalgia had barely started, so exhibitions on Ray and Charles Eames, Giò Ponti, Arne Jacobsen, Eileen Gray, Dieter Rams and Buckminster Fuller drew enthusiastic audiences and gave fresh insight into the art behind the object. Blockbuster shows on Zaha Hadid, Paul Smith and Peter Saville cemented reputations, while the DM helped launch the careers of renowned young designers such as Barber & Osgerby, Tord Boontje, Thomas Heatherwick and more.

Now the space at Shad Thames has closed and the museum is preparing its new home in Kensington. Renowned architect John Pawson, who contributed an exhibition to the museum in its V&A days, has overseen the £80m refurbishment of the striking former Commonwealth Institute. His typically restrained palette preserves the full drama of the 1962 structure's tented roof, while new adjoining housing blocks by architectural giants OMA and Allies and Morrison have effectively bankrolled the project.

Why move? Shad Thames had infamously inflexible exhibition floorplates and diminishing space for back office and education. While its comprehensive shop and Blueprint Café – the first of many such designer-driven eateries now scattered along the Thames – were famed, relatively low levels of passing traffic kept visitor numbers well below Tate levels.

The new building triples the exhibition spaces



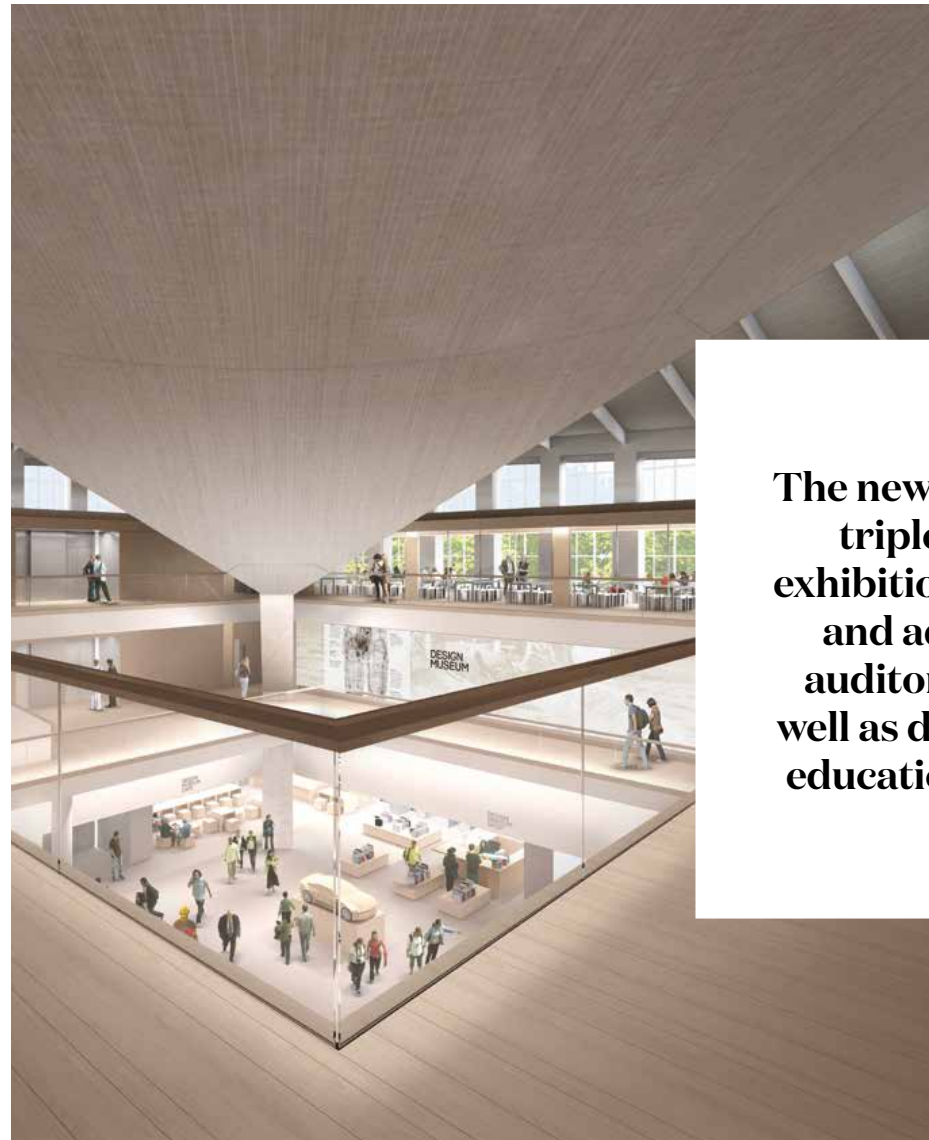
the director since 2006, as the institution gains fresh prominence, elevating London's creative profile and

and adds an auditorium as well as dedicated education areas, with partnerships from furniture-makers Vitra and lighting specialists Concord creating a worthy backdrop for the objects themselves and making the museum an essential destination. A new chief curator, Justin McGuirk, will join Deyan Sudjic,

educating us all about the role of design in our everyday lives. The museum will continue in its tradition of bringing London's young design talent to an increasingly engaged international audience, while educating on design's most prominent figures.

All photos
The Design Museum

The new building triples the exhibition spaces and adds an auditorium as well as dedicated education areas



On Your Side

From bespoke mortgage advice to accessing the best fixed-rate deals, with Knight Frank Finance you're among experts, says Managing Partner Simon Gammon

Knight Frank Finance, our mortgage broker and advisory service, was formed only nine years ago, but it's growing fast. This year, the team will arrange over £2bn of lending for our clients. We are a 'whole of market' broker, dealing with more than 140 lenders with access to the best possible deals to suit each individual's needs.

In the post-Brexit environment, and with the recent fall in the Bank of England base rate to 0.25%, we have seen a significant upturn in borrowers reviewing their loans - even if their current ones have some time to run. Many have taken the opportunity to remortgage, taking out longer-term fixed-rate deals. This can guarantee monthly payments for five years or longer at historically low rates of close to 2.0%. For these clients, peace of mind has never been more competitive.

Recently, we have seen an increase in overseas clients, attracted by the pound's fall in value against international currencies. From a tax point of view, it may be more efficient for these clients to have a mortgage than buy a property in cash. We are also seeing sharp rises in interest from wealthy foreign buyers when a significant tax change leads them to look beyond their own borders. Similarly, the uncertain global political climate has affected the number of foreign nationals looking to buy in the UK.

The biggest change we have seen post-Brexit has not been the individuals looking to borrow, however, but lenders' appetite to lend. Some banks have reduced their loan-to-value ratio, in expectation that house prices will start to fall, while others have become more conservative in their general lending criteria. It is therefore more crucial than ever that we keep close to the lenders and up to speed with any changes so we can help our clients navigate this ever-evolving market.

Our expertise and contacts help us narrow down the best deal for our clients, from those looking for bridging loans to high-net-worth individuals wanting a specialist high-value mortgage, or those raising finance to fund building a house. Although Knight Frank is usually associated with the premium property market, we are happy to help at every level, from first-time buyers to those downsizing once children have left home. We handle all types of loan requirements, from £100,000 to tens of millions.

At no point since the recession began has it been more difficult to get a mortgage, due to increasing government restrictions on lenders. The process has become increasingly drawn out, and a greater amount of paperwork is now required. As a result, many more buyers are turning to the broker channel for

support and to ensure they are given the right advice. Through our excellent market knowledge, contacts and expertise, Knight Frank Finance can provide our clients with deals that meet all their requirements, at the best possible price.



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Upper Cheyne Row

CHELSEA, SW3



An incredibly rare studio house, quietly tucked away in the heart of Old Chelsea. The main feature of the house is the living area which has a ceiling that is three stories high. There are six bedrooms that include a beautiful master suite and a lower ground floor staff flat. Further luxuries include a mezzanine dining area, study, playroom, wine room and cinema. In addition, the house has parking for two cars, a patio garden and a 21 ft west-facing roof terrace.

GUIDE PRICE: £10,500,000 | EPC: D
Knight Frank Chelsea +44 20 3463 0149



OUR EXPERTISE

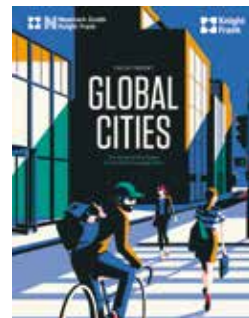
THERE'S A HUMAN ELEMENT IN THE WORLD OF PROPERTY THAT IS TOO EASILY OVERLOOKED.

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