

Greenwich property sales drop 20% in a year

Developers in the Thames-side area are getting creative to help drive sales



Turning Tides festival featuring an installation by Geronimo

Melissa Lawford

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At the Turning Tides Festival, near the O2 arena this month, punters could hang wish notes on trees planted by Yoko Ono and eat off London's largest picnic table (27 metres). An LA artist called Geronimo with a peroxide bowl-cut hairstyle had installed 25 giant, multicoloured inflatable water droplets along the first 1km of The Tide, a new elevated linear park by the bank of the Thames designed by the High Line architects Diller Scofidio + Renfro. There were hula-hoop performers, meditation sound baths and a performance by the drag queen collective Sink The Pink.

The vibe was young, vaguely spiritual and Instagram-friendly — and it was all organised by a property developer.

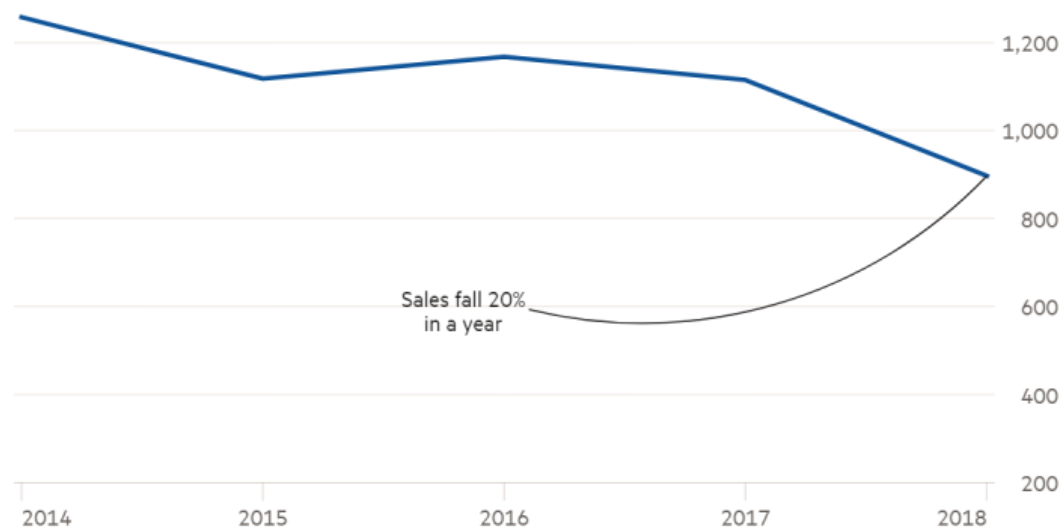
The Hong Kong company Knight Dragon is behind the £8.4bn [Greenwich Peninsula project](#), which is building 15,000 homes across 150 acres of the riverside Greenwich Peninsula neighbourhood near Canary Wharf over the next 20 years. They want to make the area — which was largely industrial land 20 years ago — a destination that

cool, young, arty people want to visit. And in the current property market, developers need to get creative.

Transactions in the area have fallen. In 2018, there were 897 sales in the SE10 postcode, according to Land Registry data compiled by Hamptons International, 20 per cent down on 2017, and 29% since 2014. *

House sales in Greenwich fall

Number of transactions in SE10



Sources: Hamptons International, Land Registry
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The numbers do not include sales of homes that are still under construction, but few of those are happening either, says Graham Lawes, director of residential sales at JLL Greenwich. Uncertainty caused by Brexit, falling rental yields and the London price downturn have deterred the overseas investors who would previously have bought before developments were completed. The developer funding model no longer floats, says Lawes, “which they’ve never really had to deal with before”.

In 2015, overseas investors accounted for about 80 per cent of new-build sales in the area, says Lawes. Today, he puts their share at 40 per cent. Only a quarter of sales in the Greenwich Peninsula development have been investor-led, says Kerri Sibson, sales and marketing director at Knight Dragon.



Three-bedroom flat in Upper Riverside, £935,000

What foreign interest there is comes primarily from Asia, say agents. Knight Dragon's roots in Hong Kong meant that there was initially strong interest when the project launched, says Jonathan Benarr, director of APAC at Quintessentially Estates. But now, "there is definitely a sense of caution". First-time investors are being deterred by "scary headlines" about London's property downturn, says Benarr. "That has limited people's willingness to go into 'regeneration areas."



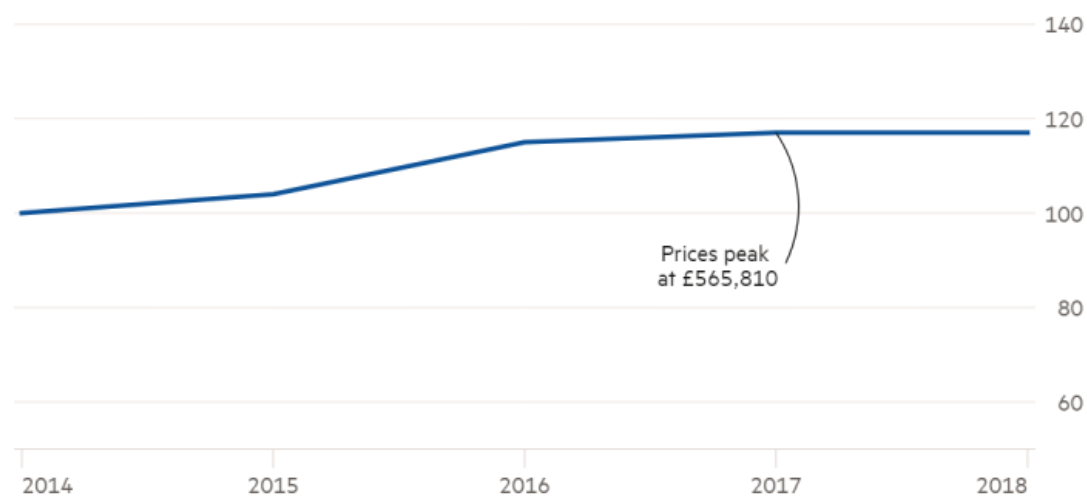
"The only sales being done in developments at the moment, frankly, are the ones where they have got [Help to Buy](#)," says Lawes, referring to the government-backed

scheme that offers buyers of new homes worth up to £600,000 a 40 per cent equity loan in London and a 20 per cent loan elsewhere.

In the latest phase of Knight Dragon’s development, called Upper Riverside — five towers (totalling 900 homes) built by the architects who designed Dubai’s Burj Khalifa — a three-bedroom apartment with access to a residents’ club, wellness floor and a personal lifestyle manager, is on the market for £935,000.

House prices in Greenwich

Rebased (2014=100)



Sources: Land Registry, Hamptons International
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How do the locals feel? In July 2017, a month after the birth of his daughter, Sten André Righedahl moved into the Greenwich Millennium Village, a neighbourhood of 1,095 homes by Taylor Wimpey and Countrywide. He welcomes Knight Dragon’s efforts to landscape the area and likes the sculptures at The Tide (which include two by Damien Hirst) but is concerned by growing congestion. Transport links “haven’t really kept up with the growing population”, he says.

House & Home Unlocked



The Greenwich Peninsula project is by far the largest in the area, but it has a fleet of glassy neighbours. In Bellway's River Gardens — a development of more than 500 units on the west of the peninsula — JLL is marketing a two-bedroom apartment for £600,000.

Incentives have become common. In the 272-unit Precision tower, which completed in March, developer Weston Homes is offering to pay buyers' stamp duty as well as give them six months of free service and mortgage charges until the end of July. Two units remain unsold — a three-bedroom property is on the market with CBRE for £749,995 — a reduction of 18.9 per cent since it was launched in March 2018.

Second-hand sale prices fell 1.9 per cent in the two years to March 2019, according to Savills research using Land Registry data. Prices in the borough as a whole rose 4.5 per cent across the same period. "We will have a quiet summer," says Lawes. "We will limp up to October 31", he adds, referring to the scheduled date for Brexit.

At least Yoko Ono's wish tree is there for moral support.

Buying guide

- The journey time from North Greenwich Pier to London Bridge City pier on the express Thames Clipper service is 33 minutes
- The average price per sqft in SE10 in 2018 was £693, according to Hamptons International

- The Silvertown Tunnel road, which will connect the peninsula with the Royal Docks, is due by 2025

What you can buy for..

£450,000 A second-hand two-bedroom flat in Millennium Village

£600,000 A one-bedroom apartment available in Greenwich Peninsula

£960,000 A three-bedroom penthouse in The River Gardens

**Clarification: an earlier version of this article stated that the number of homes sold in Greenwich had dropped 70% in five years. Although this was checked at the time of publication, revised data from the Land Registry now show the fall was not as steep.*