

The Telegraph

Buy a designer penthouse apartment...
and get a free \$3.2m Aston Martin
supercar



From pillow menus to personalised mini bars stocked with your favourite drinks, a butler on speed dial, and a luxury spa and fine dining just a lift ride away, a stay in a luxury hotel is a gorgeous treat in an otherwise taxing world.

For most of us this kind of kid-glove treatment lasts a few days at best. But for the world's richest it can be the 365-day-a-year norm.

Branded residences – luxury apartments, often designed by big name fashion houses, luxury car marques, or exclusive jewellers, and with five-star hotel-services and facilities as a side order – are enjoying a mini boom in London, despite the chronically sluggish high-end market. The building pipeline is at a record high in some parts of the capital to cater to an international crew of ultra-wealthy millennial label-fiends.

Work has already started on turning the Grade II* listed Old War Office in Whitehall into a Raffles Hotel, with residences attached. And in May LVMH, the French owner of luxury brands Moët, Hennessy and Louis Vuitton, unveiled plans for a £500 million hotel by its brand Cheval Blanc in Mayfair, designed by Foster +

Partners and featuring six residences positioned close to the designer shops of New Bond Street. Westminster Council is considering the proposals.

Research by analysis firm Dataloft for estate agent Wetherell found that there are now 15 branded residences in Mayfair, either recently built, under construction, or in planning. Together they could eventually deliver just over 500 homes.

Peter Wetherell, the firm's chief executive, said demand is driven by 25 to 39 year-olds, which he described as "the 'Kim Kardashian set', wealthy young international people who are used to travel, like hotel living, and buy designer labels". Most, he adds, are from Asia, the Middle East and Africa.

"The attraction of branded residences is that – just like buying a designer dress – you have the assurance that you are buying into a luxury brand with the guarantee of quality, luxury and good lifestyle amenities," says Wetherell. They are paying an average of £2,350 to £5,500 per sq ft for a branded residence in Mayfair and up to £8,000 per sq ft for a branded penthouse. Compare that to the average price for a bog-standard, unbranded home in Mayfair, at £2,250 per sq ft.

Buyers could opt for an apartment at The Residences at Mandarin Oriental Mayfair London, one of six already built (including down the road on Hyde Park) and 13 under construction from Bali to Muscat. The new London development will have 80 homes on Hanover Square with a five-star hotel attached, and is due to complete in late 2021. Prices range from £1.999 million for a studio, up to £5.96 million for a three-bedroom flat. As well as use of the hotel's services, from housekeeping to security, there is a pool, gym, bar, and restaurant. Annual service charge – covering the use of facilities but not extras like spa treatments – is circa £14.95 per sq ft (equal to £14,950 a year per 1,000 sq ft, around the size of an average three-bedroom apartment).



In June, owners took possession of homes at Twenty Grosvenor Square, also in Mayfair. This revamp of the former headquarters of the American Navy is the Four

Seasons' first stand-alone private residence and has a spa, wine cellar, pool, fitness centre, crèche and cinema. Around two thirds of the apartments have sold, with prices starting at £17.5 million through Knight Frank. Buyers will also pay an annual service charge of £14.50 per sq ft.

At the five-star Corinthia Hotel near Whitehall, a three-bedroom residence is available, priced at £11.425 million, also through Knight Frank; the service charge adds circa £12 per sq ft.

For less of a commitment, residences at the Four Seasons hotel at Ten Trinity Square, by the Tower of London, are available to rent. For £21,000 per week (service charge included) you could enjoy a four-bedroom flat with wraparound terrace overlooking the Thames and interiors by David Linley.

Five-star homes | Branded property around the world



The Six Senses residences in Costa Rica

Costa Rica's Papagayo Peninsula on the Pacific coast is rapidly becoming a playground for the world's wealthiest billionaires. Luxury hotel brand Six Senses will open an outpost there in 2021, a hotel and 31 residences, above. As well as the usual natural attractions – white beaches and virgin rainforest – there will be a wellness spa and an organic farm.



The Palm Atlantis in Dubai

Truly splash the cash with a residence at Atlantis The Palm resort in Dubai, above, home of Asia's largest water park, Aquaventure. Next summer the Royal Atlantis Resort & Residences opens, with a private beach, aquarium, nightclub, and 35 restaurants including one to be run by Heston Blumenthal.



Aston Martin Vulcan

The Aston Martin Residences in Miami are due to open in 2022. A team of butlers will serve residents' every need and the building's \$50 million (£41 million) penthouse

comes with a freebie perfect for a petrol-head – a track-only, \$3.2 million Vulcan, one of only 24 made.

Chris Graham, a marketing strategist and author of a guide to branded residences, is unsurprised that residences are seeing an uptick in prime central London, where competition between developers is now fierce. “If you have got luxury real estate all over the place, how do you compete?” he says. “Getting a brand in gives you all of the style and kudos of that brand, and helps you stand apart.”

Estimates of how much these buyers are prepared to pay for a brand name vary wildly; research by Savills in London suggests the average is eight per cent more than for a non-branded equivalent property.

The premiums for branded residences in the capital are far lower than those seen in resort destinations, where buyers often pay double the price of a “normal” flat. “There is not that margin in London,” explains Graham. “People are already paying premium prices and there is so much on the doorstep that there is only so much more they will pay.”



A flat in the Four Seasons residences in Ten Trinity Square

The reason they are willing to pay any premium at all can be summed up in two words: convenience and kudos. Penny Mosgrove, head of Quintessentially Estates, a buying agency, believes some consumers adopt a hotel brand for holidays and business early on in their lives, and stick with it religiously.

“These hotels soon start to feel like home and exert an emotional pull on guests,” she says. “We deal with clients who self-define as ‘obsessed’ with certain hotel brands and, when it comes to buying property, will only consider property with a connection to their favoured hospitality group.”

Overseas buyers tend to be particularly keen, says Will Watson, a partner at The Buying Solution. “They may not know London but are very comfortable with brands with standing such as Four Seasons or Mandarin Oriental, and feel it’s a ‘home from home’.”

Owners of a branded residence can usually mitigate their high entry prices and service charges by renting residences back to the hotel when they are not in situ. According to the global architectural practice WATG, which specialises in the hospitality sector, between 70 and 80 per cent of owners take this option.

And when it comes to resales, Graham believes the limited supply helps keep resale prices strong. “It does of course depend on the prevailing market conditions,” he says. “If you bought in 2014 the market has now completely gone stagnant and you are going to have to drop your price. But there is evidence that branded residences are easier to resell, because of all the benefits and the bragging rights.”

Ian Pidgeon, a partner at Knight Frank, agrees. Although this market is still young, early examples of these branded buildings, notably One Hyde Park, still carry big premiums. “Certainly if you look at where the demand is, it is very much towards ‘best in class’ buildings which offer these kind of services,” he says.

An anomaly, geographically at least, is Damac Tower Nine Elms, an early experiment in whether branded residences will fly beyond prime central London. The 50-storey building has interiors by Versace Home, complete with branded punchbags in the gym. The project launched in 2015 and by October 2017 almost half of its 360 homes had already been sold off plan, even as prices dropped and sales of London property ground to a standstill. The developer would not comment on sales to date, but there are still some flats for sale including a three-bedroom apartment on the 40th floor of the tower, listed with Johns & Co estate agents for £3.33 million.

While the branded residence is, of course, a tiny niche market, Graham believes the concept will spread, with mainstream hotels starting to do deals with mid-price developers. He doesn’t rule out tie-ups with high street fashion or interiors’ brands – a home with the John Lewis or Habitat seal of approval would probably play rather well. “Logically why would it not trickle down?” asks Graham. “There are plenty of four-star brands around, which could offer the same thing without the five-star prices.”