

PRESS
INFORMATION



WETHERELL MAYFAIR

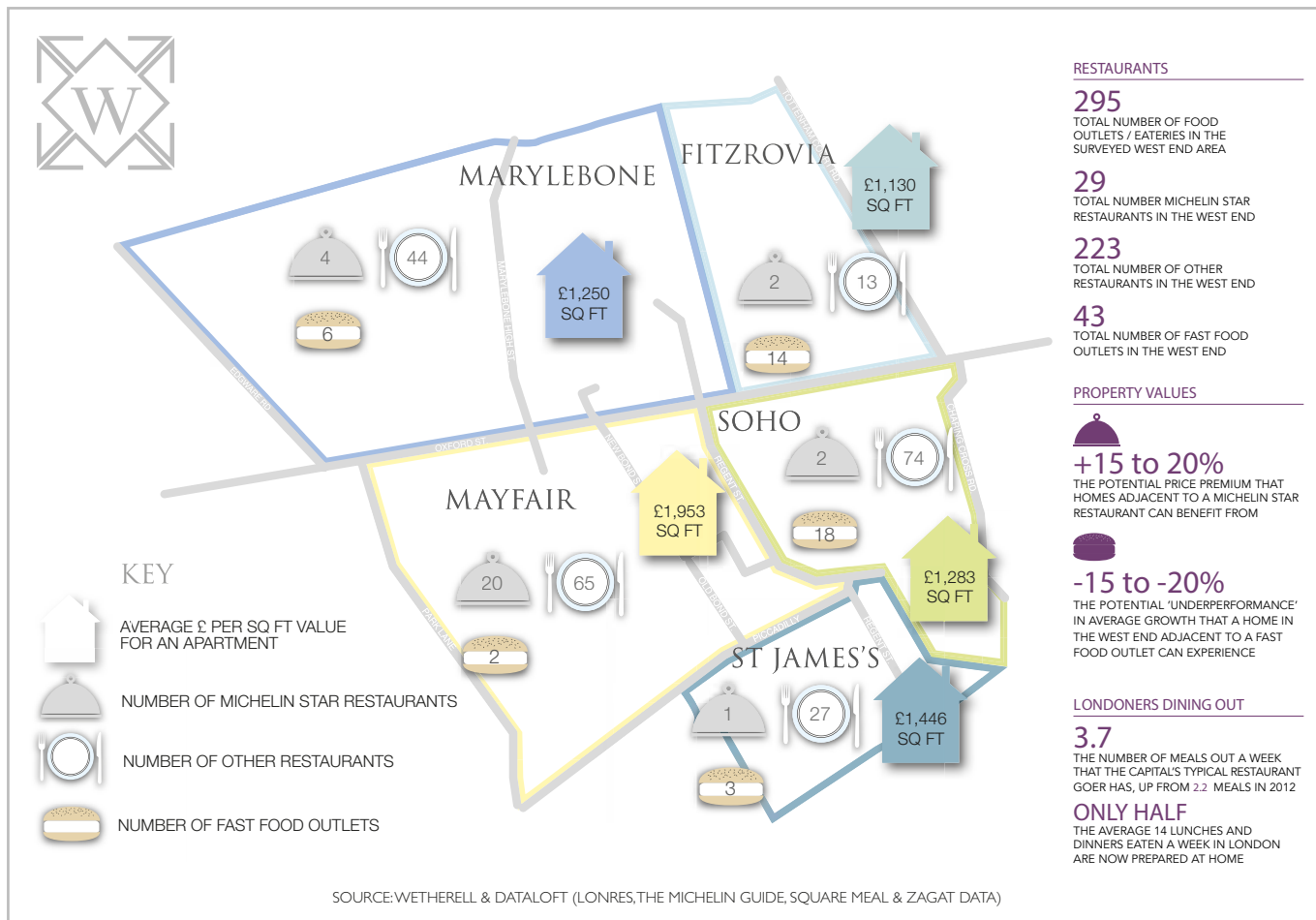
MARKET REPORT

OCTOBER 2013

WETHERELL SURVEY FINDS GOOD RESTAURANTS CAN ENHANCE RESIDENTIAL PROPERTY VALUES BY 15%-20% WITH FAST FOOD OUTLETS DOING THE OPPOSITE



BRINGING RESIDENTIAL LIFE BACK TO MAYFAIR



THE INTERPLAY BETWEEN RESTAURANTS & RESIDENTIAL PROPERTY VALUES

As residents in London's West End have become ever more affluent, international and health conscious, they are dining out more; are discerning about where they eat and are choosing to live in addresses close to leading restaurants.

This trend means that high quality restaurants can make an address sought after and help enhance residential property values by up to 15%-20% in the immediate locality. In contrast, West End residential properties on the doorstep of fast food outlets "underperform" the average growth for the region by up to minus -10% to -15%. These are some of the findings of a new survey by Wetherell, in association with Dataloft, that has analysed the interplay between restaurants and residential property values across London's West End.

For the survey, Wetherell and Dataloft used Lonres data to analyse residential property values in five of the six districts that comprise London's West End: Mayfair, Marylebone, Fitzrovia, Soho and St James's. They then compared these property values with the

number of Michelin-star restaurants, other restaurants and fast food outlets in each of the districts, using data from Michelin and Square Meal. The survey also looked at individual restaurants and fast food outlets, and analysed the performance of residential property values in the postcode districts immediately surrounding them. The survey results were provided to leading restaurant group Caprice Holdings, whose Chairman Richard Caring provided comments on the findings which are incorporated into this review.

10% ARE MICHELIN STAR PREMISES

The Wetherell survey found that there are some 295 food outlets/eateries in the surveyed West End area, comprising 29 Michelin-star restaurants, 223 other

restaurants and 43 fast food outlets. It reveals that Mayfair has the highest property values in London's West End, with prices for flats currently averaging £1,953 per sqft. These expensive properties are located alongside London's top restaurants, since Mayfair has the highest number (20) of Michelin-star restaurants in the West End (69% of all Michelin West End outlets) and 65 other restaurants. Mayfair boasts a host of famous brands including **Le Gavroche**, **Scott's**, **Maze**, **34** and **Nobu**. Crucially, there are no high-street-chain fast food outlets in Mayfair and only 2 on its southern (Piccadilly) and northern (Oxford Street) borders.

FAST FOOD SOHO

In contrast, Fitzrovia and Soho have the lowest property values in London's West End, at £1,130 per sqft and £1,283 per sqft respectively, and also have the highest number of fast food outlets, 14 in Fitzrovia and 18 in Soho (representing 33% and 42% of all West End fast food outlets respectively).



“Part of the reason why people choose to live in London’s West End is because of the superb restaurants and private members clubs on their doorsteps, which benefit the local housing market, it’s a win-win for all concerned.”

Richard Caring Chairman, Caprice Holdings

There are just two Michelin-star restaurants in Fitzrovia and two in Soho, with other restaurants totalling 13 and 74 respectively. See data table at the end of this summary for a review of all figures for the West End.

Wetherell and Dataloft also analysed residential property values at a more local level (postcode districts) for flats located around different restaurants and fast food chains: looking at current average value, 2007 average value and uplift over time. Again, the interplay found at the district level is repeated, and is even more striking when analysed at this micro-level.

W1K (which contains Scott’s and Le Gavroche) has seen residential values grow by 61% between 2007-2013, just over 20% above the average growth rate for the W1 postcode districts. In addition, the W1K postcode district commands a significant £ per sqft premium, with flats sold in 2013 being 84% more expensive per square foot than the adjacent postcode W1W and 61% more valuable than W1D, which don’t contain famous restaurants. W1K has also significantly outperformed both W1W and W1D since 2007 in terms of price growth. This can be contrasted with the W1D postcode district which features a McDonalds fast food outlet on the corner of Oxford Street and Hanover Street. Here residential values have “underperformed”; rising at a rate that is minus -10.2% below the average growth for all the W1 postcode districts (a growth rate of 30% compared to the average of 40.2%). Other postcode districts centred

on McDonalds fast food outlets in the central region were also reviewed, and some had £ per sqft growth figures (2007-2013) as low as 25.2%; which is minus -15% below the expected average.

Commenting on the interplay between residential property values and restaurants, Richard Caring, Charman of Caprice Holdings said: “A great restaurant like Scott’s or 34 has the power to make an address famous and turn it into a destination. Part of the reason why people choose to live in London’s West End is because of the superb restaurants and private members clubs on their doorsteps, which benefit the local housing market, it’s a win-win for all concerned.”

Peter Wetherell, Managing Director of Wetherell says: “There are plenty of examples of how good restaurants have transformed an address and helped residential values increase dramatically. In 2009 there was a big gap in South Audley Street in the form of a neglected office block. Then Richard Caring transformed it into a top restaurant known as 34. This has helped to make the flats in No.33, an adjacent apartment building, extremely desirable and property values jumped up 15% after the restaurant opened. Similarly, the construction of the Twenty-First building with its flagship Cipriani restaurant transformed Davies Street from a place people passed by into a destination. Twelve years ago the penthouse above the restaurant was valued at £1,400 per sqft, it has just resold for £4,000 per sqft.”



EATING OUT INCREASES

Peter Wetherell comments: “The Zagat London Restaurant Survey shows Londoners are eating out more than ever before. The capital’s typical restaurant goer now has 3.7 meals out a week, up from 2.2 in 2012. If takeaways are included, only half the average 14 lunches and dinners eaten a week are now prepared at home. This trend has affected people’s home buying preferences, with Londoners increasingly choosing to live close to the best restaurants and eateries. A mutually beneficial relationship has emerged with the West End’s quality restaurants helping to draw in buyers and enhance property values, and in return these top properties supply the affluent clientele for the adjacent restaurants.”

CHANGING TIMES

Peter Wetherell continues: “People living in the West End are affluent, extremely hard working and time poor. After a long day’s work the last thing they want to do is cook. In addition, eating out has been made easier thanks to technology; people can view menus and book tables on-line, and email updates, text messages and APPs are used to entice diners to return regularly for special offers and events. Regulars get pampered and enjoy a home-away-from-home service.”

Peter Wetherell says: “Just 25 years ago British food and service had a poor reputation and the West End’s restaurants were dominated by business people, often drinking and smoking, and children weren’t encouraged in the finest restaurants. Now the whole dynamic has changed, the luxury and service in the West End’s leading eateries is world-class and places such as Scott’s welcome families with children and smoking inside is not allowed. This has resulted in Londoners enjoying a New York and Paris style culture where most meals are eaten in restaurants or smart cafes.”

BRAND ASSOCIATION

Peter Wetherell observes: “None of our clients would dream of living above or next door to a fish and chip shop, but when that fish bar is Scott’s, it’s the complete reverse. Likewise, we would never promote the fact that a property overlooked a pub or nightclub, however a flat overlooking George or Harry’s Bar is excellent brand association, a good location made even better. Whilst there are no fast food outlets in Mayfair, we do have a hamburger bar; its called the Hard Rock Café, and its known around the world for its quality.”



WETHERELL WEST END RESTAURANTS & RESIDENTIAL VALUES DATA

LOCATION	Michelin-Star restaurants & % as total of all	Restaurants excl fast food & % as total of all	Fast Food Outlets & % as total of all	Total & % of all West End eateries	Average £ per sqft value for residential properties
Mayfair	20 (69%)	65 (29%)	2 (borders) (4%)	89 (30%)	£1,953
Marylebone	4 (14%)	44 (20%)	6 (14%)	54 (19%)	£1,250
Fitzrovia	2 (7%)	13 (6%)	14 (33%)	29 (9%)	£1,130
Soho	2 (7%)	74 (33%)	18 (42%)	94 (32%)	£1,283
St James's	1 (3%)	27 (12%)	3 (7%)	31 (10%)	£1,446
WEST END TOTAL	29	223	43	295	

Source: Wetherell & Dataloft (Using Lonres, Michelin & Square Meal data)

Notes to editors:

Data / Figures used for the Survey

Wetherell commissioned Dataloft to analyse the latest Lonres and Wetherell property data in order to obtain average values for apartments sold across the districts that comprise London's West End during 2013, compared with the same period in 2007. Various postcode sectors (dominated by one or two restaurants or fast food outlets) were used to analyse the growth in £ per sqft values by area between 2007 to 2013. The postcodes analysed included W1K (Scott's and Gavroche), W1W (Strada), W1D (McDonalds), W1H (McDonalds), W2 2 (McDonalds), SW1V (McDonalds), SW1W (McDonalds) and SW1E (McDonalds).

Michelin-Star restaurants refer to all restaurants with one or more Michelin-Star. Restaurants (excluding fast food outlets) refers to all other restaurants including signature restaurants such as Scott's and chains such as Strada. Fast food outlets refers to all chain and independent outlets supplying quickly prepared takeaway food and include outlets such as McDonalds, Kentucky Fried Chicken and Burger King. Data was derived from Micheli, Square Meal and other West End food/eaterie directories.

The data has been produced for market comment and general interest only. It is not definitive. It must not be relied upon in any way for financial or investment advice. Although high standards have been used in the preparation of this information, analysis and reviews, no responsibility or liability whatsoever can be accepted by its publisher Wetherell and supplier Dataloft, for the content.

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NO-ONE KNOWS MAYFAIR BETTER THAN WETHERELL

