

METRO PROPERTY

The 51st American state (in the heart of London)



Yanks for everything: St John's Wood is favoured by American renters. Inset: Blenheim Terrace

RENTERS FROM THE USA LOVE THE CITY, SAYS JO KNOWSLEY

DURING WWII, envious British soldiers complained that their better-fed American counterparts were 'oversexed, overpaid and over here'. The Americans, in turn, responded that the British were 'underpaid, undersexed and under Eisenhower'.

No one in the London rental property market is complaining about Americans now, as expats fuel an unprecedented demand for luxury rental properties in the most prestigious areas of the capital.

'Americans have always played an important role in the London rental market because of the financial sector - but their numbers reduced significantly after the Lehman Brothers crash back in 2009,' says Mark Tunstall, managing director of Mark Tunstall Property and former Savills director, who focuses on the super-prime London lettings market.

'But in the last few years they've been coming back. We've seen a big increase in American tenants in London - particularly in St John's

Wood, South Kensington and Notting Hill - partly because some US banks have increased their profile here as some of the European banks have moved out. But there's also more diversity in the sorts of companies setting up here which is creating a more stable market. It's heartening to see the US having such confidence in London and the UK as a base.'

Goldman Sachs has just opened a new £1bn European HQ in the City for 6,000 staff; Facebook is opening a third London office with the trio housing 3,000 staff; and Warner Music has opened a 500-person office in Wrights Lane, Kensington.

Meanwhile, Nike, Google and YouTube have all opened HQs in King's Cross.

Half of the tenants in St John's Wood premium lettings market are now American expats, according to estate agent Aston Chase, which also reports that lettings in St John's Wood for homes priced more than £3,000 a week are up 25 per cent on last year. Highest demand is for properties priced from £4,000 to £10,000 a week with tenants wanting large family houses of between 3,000sq ft to 6,000sq ft.

Americans are prepared to splash out on rented furniture - spending

£30,000-£50,000 a year on packages from firms such as Milc and Camerich.

Mark believes families are drawn to St John's Wood because of its proximity to the American School and the number of homes with gardens, a driveway and low-build lateral living 'just like they have at home'. It is also, he adds, driving up the standard of rental stock. 'There have been a slew of exciting new schemes with all the bells and whistles the Americans like. At Burlington Gate in Mayfair, a recent scheme of 42 super-prime apartments, there's a waiting list for two-bed units renting for around £2,000 a week. Many of them are Americans.'

'Americans are demanding tenants - but rightly so. They want to rent something that's as good as a property they would buy. But they're not buying because of higher stamp duty and price growth uncertainty.'

Ben Sloane, lettings director at Aston Chase, says there is a shortage of high-quality rental properties and suggests that building to rent - with the two to three year leases Americans favour - being a solution.

'The prime central London addresses of St John's Wood, Marylebone, Mayfair and Fitzrovia are still undersupplied in terms of premium build-to-rent and refurbish-to-rent property,' he explains. 'There is a significant lack of good supply.'

