

METRO moves

Property Hunter

By Jo Eccles of Sourcing Property



There are 30 major universities and colleges across London and last year there were 290,000 full-time students. However, with only 55,000 existing (university and private) bed spaces, just 19 per cent of the capital's student population is catered for. This demand-supply imbalance suggests sustained growth and makes the student rental sector look increasingly attractive to investors.

Some large-scale investment has already been made into the purpose-built student housing sector. For example, Pure Student Living has 18 contemporary schemes comprising 6,500 bed spaces to be completed across London in time for the 2012/13 academic year. In contrast, Kingston University operates a 'headed tenancy' scheme whereby landlords rent to the university itself rather than to individual students.

If you are considering buying a property to rent out to students, make sure you do your sums. Rental yields are about 4.5 per cent gross in Zone 1 (excluding expensive prime

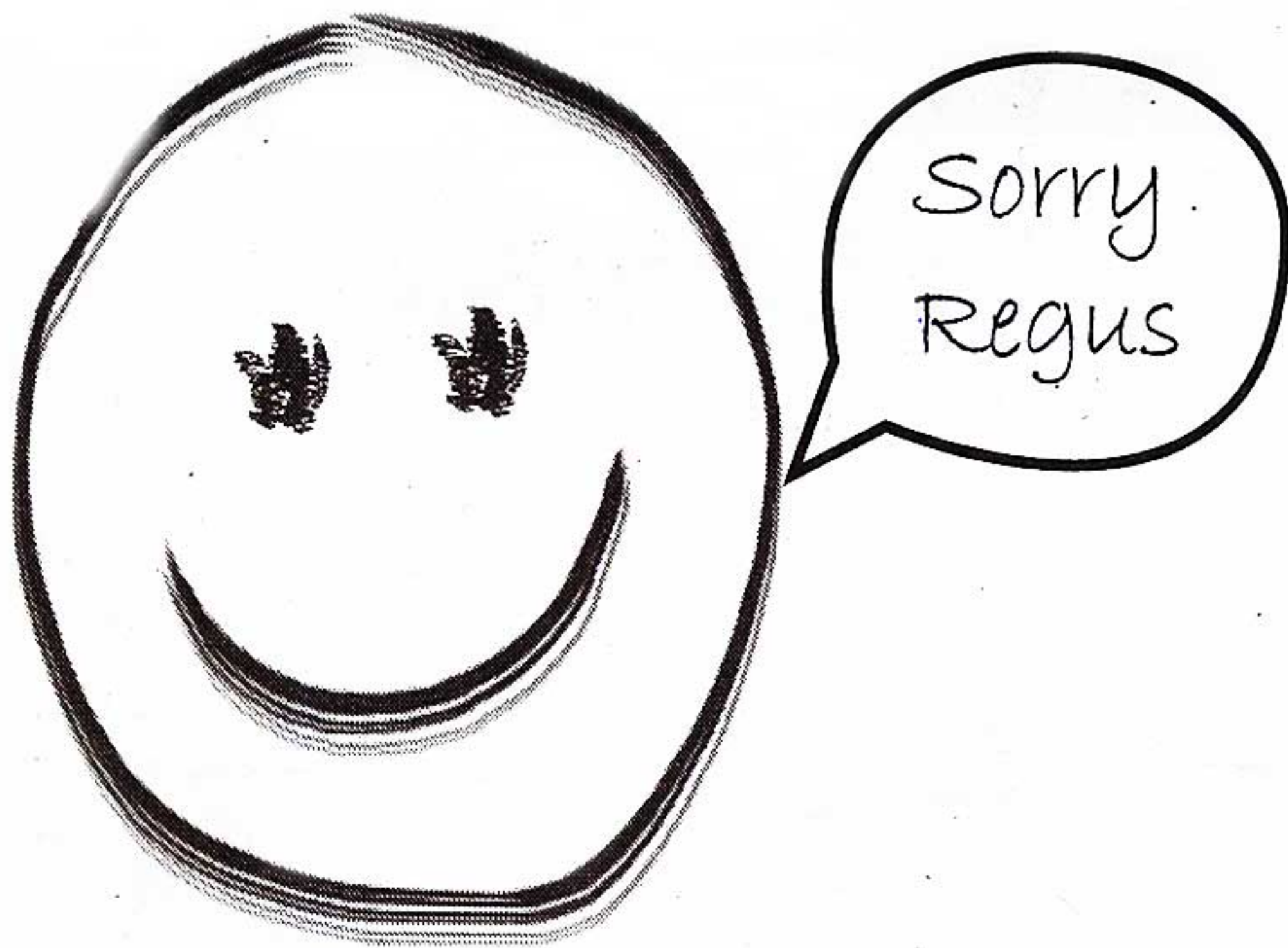
areas such as Mayfair), rising to about 5 to 6.5 per cent gross in Zones 2 and 3. But after factoring in costs, net yields tend to be about 2 per cent. Higher yields can be achieved if you buy an ex-local authority flat which is great for annual income but note that your capital appreciation prospects aren't as good.

Tenants in central London don't tend to

share larger properties, so for this market, buying a one- or two-bed property tends to be a better option. Don't forget tenants are often quite security conscious so buying above ground floor is advisable.

Remember also to set aside money each year for maintenance and general upkeep. With our clients, we provide a spreadsheet itemising every single cost down to safety certificates and professional cleaning.

“ Tenants are often quite security conscious



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An area with lofty ambition

CLERKENWELL: METRO MOVES TO A CENTRAL AREA THAT HAS REACHED FOR THE SKY BY ANDREA DEAN

IT'S no exaggeration to call Clerkenwell a trailblazer as it was here that loft living was introduced to Britain. The man credited with doing this is Harry Handelsman, who set up the Manhattan Loft Corporation in 1992. His first project was transforming a neglected printworks in Summer Street into open-plan, warehouse apartments.

Today, Clerkenwell is thriving and fashionable but 20 years ago it was very different.

'In 1992, Clerkenwell was somewhere you drove through on your way east from the West End,' says Handelsman. 'It was off the beaten track in terms of property but it had everything. It was like New York's Little Italy, with fantastic pubs and restaurants.'

Clerkenwell was also once known as Little Italy, owing to the high number of Italians settling there from the 1850s. By the 1960s, most families had moved out but a few Italian-run businesses remain.

The area is named after Clerk's Well in Farringdon Lane, where parish clerks performed plays during the Middle Ages. The well was lost for many years but it was uncovered during building work in 1924.

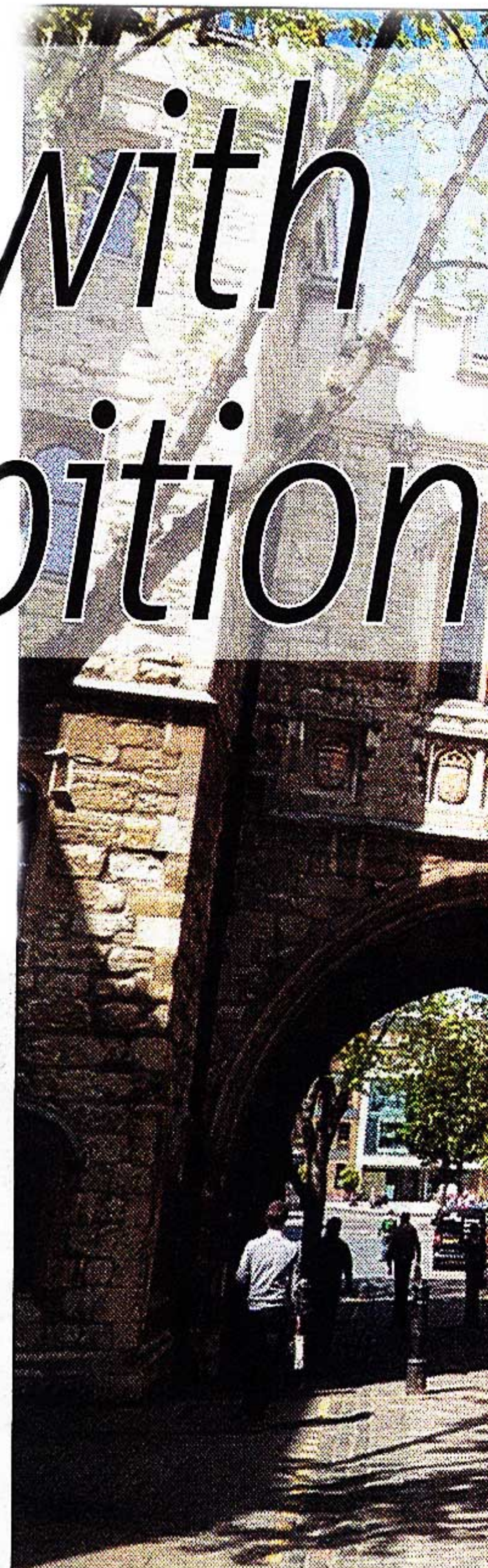
In 1140, the Priory of The Order of St John was set up to provide medical assistance during the crusades. During the 18th century its Tudor gatehouse, St John's Gate, was briefly a coffee house, run by the father of artist William Hogarth. Later, it became the

workplace of Dr Samuel Johnson, where he wrote reports for The Gentleman's Magazine, and a pub. Now it houses The Museum of The Order of St John. Nearby Clerkenwell Green has many famous associations. Charles Dickens used it as a setting in Oliver Twist, Karl Marx lived there while writing Das Kapital and Lenin published radical newspaper Iskra at no 37a.

BY the 19th century, Clerkenwell was home to numerous printing, publishing and watch-and clock-making businesses. Most are long gone – replaced by media and design companies – and the former premises have been converted into desirable loft apartments. But if industrial style isn't your thing, look out for Victorian ex-local authority flats, elegant Georgian squares and new-builds.

'Clerkenwell is within walking distance of the City, yet prices aren't as high as in other parts of Zone 1, such as Chelsea,' says Ralph Shand, of Winkworth estate agents. 'Prices are 15 per cent above the peak of 2007 and properties are considered recession-proof and sound investments. One-bed flats start from £300,000, going up to more than £2million for a rarely-on-the-market Regency-style Georgian house off Lloyd Square. Buyers work in the City and the media. We're also finding that parents are buying flats for their children as rents are so high. One-bed flats are £300 to £500 per week and two-beds are £500 to £800.'

The area is quieter at the weekend – a plus for many residents – and has plenty of amenities. Restaurants certainly aren't in short supply: John Torode's four-storey Smiths of Smithfield overlooks Britain's largest wholesale meat market and St John specialises in carnivorous delicacies. Club Gascon is a Michelin-starred French res-



Change of face: St John's Gate has been a coffee house, a pub and a museum

taurant and The Modern Pantry is renowned for an exciting, globally-inspired menu. If it's culture you crave, saunter along to Sadler's Wells for dance productions ranging from ballet to hip hop.

Being central, transport connections are excellent and an annual Zone 1 Travelcard costs £1,168. The opening of Crossrail in 2018 will make Clerkenwell even more desirable, as Farringdon station is right in the middle of the route.

'People are holding on to properties in anticipation of capital growth due to Crossrail,' says Alex Dolley of estate agents Greene & Co. 'A few more rental properties have come on to the market because of this but sales stock is low. Quality homes are fetching £850 to £900 per sq ft, compared with £750 in 2007.'

New homes are also scarce and the last phase of Mount Anvil's Central Square development sold out within weeks of its launch in June. Fyfe McDade is currently marketing six high-spec loft apartments in Gee Street, from £635,000 for a two-bedroom apartment and up to £1.5million for the 1,600 sq ft duplex penthouse. In October, Hurford Salvi Carr will be launching five rooftop apartments at 30 Kirby Street. Prices are expected to exceed £1,000 per sq ft.

Next week, Metro Moves to East Dulwich.



Property larder: Clerkenwell has many good restaurants