

# THE TIMES



One-bedroom flats in Parker House, a development in Paddington, start at £570,000.  
Below: in Sussex Gardens, a four-bedroom house is £2.15 million (Knight Frank)

## Why Paddington is, finally, going places

**P**addington has all the ingredients for regeneration and price growth. Elegant period houses? Check. Close to the city centre? Check. Transport improvements? Check; Crossrail, which is opening next year, will give the area links to the West End and the City. There has been a concerted effort to clean up its streets, and Paddington undoubtedly benefited from the prime central London boom, which pushed many buyers out of more established areas around nearby Hyde Park. And yet, Paddington is still not quite there.

The people who believed the hype and invested in W2 over the past decade are, for the most part, still waiting for their investment to pay off as Paddington stubbornly resists attempts to smooth its rough edges. Mark Breffit, a sales manager at Dexters, the estate agency, says: "A local said to me that Paddington is always just about to regenerate, but it never happens."

As a location it remains frustratingly close to the crossover from sleazy and undesirable to prime London. When I started here ten years ago it was full of brothels — it made viewings quite interesting," says Dan Martin, the sales manager at Marsh & Parsons, an estate agency. "Now buildings have been broken up into flats and a lot of young professionals have moved in, so it has less of a temporary feel to it."

Like the rest of London, Paddington has experienced good price growth over the past decade. In 2007 the average house price was £725 a square foot, according to LonRes, the data agency. Today it is close to £1,189 a square foot, a 64 per cent rise. The area also recovered strongly from the recession, with prices reaching a high of £1,796 a square foot in 2014. At this point many commentators felt it was the next big thing in prime London property. However, since then the market has stagnated. In the past

three months prices have dropped, transaction levels are falling, and no inroads have been made into closing the price gap with Prime Central London. In 2007 LonRes found Paddington was 33 per cent cheaper than areas such as Kensington and Mayfair; it remains the same today. Yet even in difficult times, there can be some spectacular sales. For example, this week a 5,200 sq ft house in a Victorian block in Lancaster Parkside, overlooking Hyde Park, sold to an American buyer for £15.2 million.

Despite these sales, James Barker, a sales manager at Foxtons, is unsurprised by Paddington's general failure to launch. The roads abutting the station are still "quite gritty" and the area does not appeal to overseas buyers, who prefer established postcodes and

new-build properties. This is bad

news for boutique luxury developers who billed

Paddington as a key

location from about

2011. "Developers

were latching on to

these units at about

£900 to £1,000 a

square foot and are

selling at about

£1,500 to £1,600 a

square foot," he says.

What maychange

things is Crossrail.

Martin says it will be a

catalyst for shops and

restaurants to smarten up the area.

Barker says that British buyers are still interested in Paddington, because of its period houses and the fact that it is still good value for central London.

Breffit says planned developments such as The Cube, on Praed Street, a £775 million mixed development designed by Renzo Piano, the creator of the Shard, will also boost the area.

A micro-market within Paddington that has already changed is Paddington Basin, the mini-village springing up at the intersection of Regent's and Grand Junction canals. Flats at Berkeley Homes' West End Gate start at £680,000 and at Meritas Real Estate's Paddington Gardens, a scheme of 335 flats, prices start at £825,000.

**Ruth Bloomfield**

