Super-prime London could pick up in its own sweet way

Super-prime is not a word we have heard much of in recent months. In 2007, it slipped off the tongue of every central London estate agent on a regular basis; now it's in danger of becoming obsolete. An internet search for "super-prime" led me to Superprimelondon.com. The website claims to provide "news and opinion on the super-prime London property market" but hasn't been updated since April 2008; when I tried phoning, the line was dead.

According to Ollie Hooper, of buying agency Huntly Hooper, the top end of London's property market is in a state of "controlled delusion".

"People are keeping quiet about it for a reason. Prices are all over the place at the moment," he says.

Robert Bailey, a buying agent in central London, agrees. "The top end of the market is very, very quiet," he says. "The people that fuel it are captains of industry and, while they're seeing a return to profitability, they don't want to be seen to be spending large sums of money on luxury property."

> *'People don't want to be seen to be spending large sums of money on luxury property'*

This week's announcement that Stamp Duty is to be increased from 4 per cent to 5 per cent for houses priced more than £1 million won't help matters. Liam Bailey of Knight Frank believes the changes will be no more than a minor irritation for the super-rich but says they amount to a tax on London: "Well over 60 per cent of all £1m+ transactions affected by the new 5 per cent rate take place in the capital."

Last April, Superprimelondon.com was extolling the virtues of One Hyde Park in Knightsbridge, the Candy Brothers' development. The glass structure containing 80 apartments will be finished this autumn. Sheikh Hamad, the foreign minister of Qatar, was rumoured to have paid £100 million for one of the four penthouses, making it the most expensive apartment in the world.

One Hyde Park is in the limelight again; on April 12, the show apartment will open and the second phase of apartments will be released. The question is whether London's property market is ready for an explosion of such decadence. "It's a different world these days; people don't like so much flamboyance," says Hooper. According to the rumour mill, only half the apartments have sold, and not one sale has completed.

Robert Bailey is optimistic: "It will sell. If you're super-rich, London is still the place to be – and globally this is one of the best buildings."

Ed Lewis, who is marketing One Hyde Park agrees: "There are a lot of places in the world still awash with cash and a strong unsatisfied demand for London property," he says. "Transaction levels at the very top of the London market have remained low this year, but that's largely to do with a real shortage of the properties the global super-wealthy are looking to buy."

We'll have to wait and see whether there really is an appetite for trophy property in London. Knight Frank's wealth report has put New York above London as a destination for the super-rich (see right). Perhaps we should have confidence in London and the Candys, who have more than doubled their fortune from £120 million in 2008 to £330 million in 2009, according to the *Estates Gazette* Rich List. "Once people get to London, they love it – even if it is a bit more expensive," says Bailey.

For those on a budget, Ollie Hooper recommends investing in Nine Elms, where the new American Embassy is being built. "Presumably the Americans will buy houses there, which will push up prices. It's a good long-term investment," he says.