

Suddenly it's smart to live over the shop

The Chancellor wants more people to set up home above commercial premises. But, asks Lisa Freedman, who needs a tax bribe when it's already the trendy thing to do?



By Lisa Freedman

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WHEN fashionable London florist Stephen Woodhams put his two-bedroom Notting Hill flat on the market last year it went to sealed bids within a week, finally selling for nearly £500,000. Not surprising, you might think, considering the flat was a model of all that is sleek and desirable; not surprising, except that it was above a fish-and-chip shop in the Portobello Road.

Above-shop: for a truly urban lifestyle

The Chancellor's recent budget concessions to help those developing residential units above commercial space will undoubtedly be a useful fillip to much of the country, but for some of the cutting-edge corners of central London it may already be a redundant measure. "Location, of course, as in all things, is critical, but above-the-shop property in the best streets in Islington will sell at prices only fractionally below those elsewhere," explains Paul Williams, of Islington estate agency Holden Matthews. "In Upper Street, for example, if there is any discount at all it is scarcely noticeable and a one-bedroom flat will start at £200,000. In this area, those who have chosen an urban lifestyle often want it to be as urban as possible."

— ADVERTISEMENT —



In the most vibrant metropolitan districts, there are advantages to living above a shop, particularly if the shop itself is a cool reflection of the area. "In the past few months, as well as Stephen Woodhams's flat, we've have had several buyers competing for the flat above the jewellers Dinny Hall in Westbourne Grove," reveals Rob Atkins, of Foxton's Notting Hill office. "In the best shopping streets such as Ledbury Road, Kensington Park Road and Clarendon Cross, a lateral conversion above a shop will now start from about £400,000, a maisonette from £650,000. In Portobello Road, maisonettes go for about £450,000."

Looking up: Fiona Morley relishes 'the light, fabulous views of London and a loft in central Islington'

Indeed, former Spice Girl Geri Halliwell, who hangs out at St Tropez and in the Hollywood Hills, chooses to live above a shop in Notting Hill when she is in London. Some buyers even specifically demand such properties. "You must remember," says Mr Atkins, "a flat above a shop will usually have at least two floors and its own entrance, and will quite often have a roof terrace, while being generally quiet at night."

There are other advantages. Islington resident Fiona Morley, 42, who used to own one of the area's highly-prized Grade II listed Georgian houses, recently traded it in for a 2,500 sq ft loft-with-roof-terrace over a busy shopping parade fronting Islington Green. "A lot of people thought I was crazy, but in the house the kitchen was always dark and depressing. Here we get the light, fabulous views of London and a loft in central Islington," she says.

As a long-time owner with reasonable equity in her property, Fiona was not worried about her mortgage - traditionally, lenders have been cautious about such properties - or about re-sale. "Most people buying a flat like this would not be first-time buyers."

But even first-time buyers are finding the mortgage companies more sympathetic than they were. "Five years ago," confirms Peter Bennett, of Colleys Surveyors, which surveys for the Halifax, "building societies were reluctant to lend on such properties. Now they take a variety of factors into consideration, but location is the most important of all. A flat above a Pizza Hut in Highgate wouldn't give cause for concern, but a flat above a Pizza Hut in Tottenham might."

Above-the-shop living, of course, can have its downside, especially if - as in Fiona's case - the space beneath is scheduled for restaurant use. "From the back of the flat, admittedly, we have a delightful view of extractor fans - you do have to be into metal work," she says.

Smart inner-city areas out of London are experiencing similar demand for over-the-shop space. "Last year, we took on Shenton Court, a development just off Albert Square in central Manchester," said John Broadbent, of Knight Frank. "We sold all the units of mainly two-bedroom flats, which cost up to £285,000, within three months. People are obviously reluctant to buy into property which has a late-night licence, but a trendy operator beneath will add a little bit of cred."

Stephen Woodhams, whose trendy-operators-beneath included the famous stallholders of Portobello market, found his own over-the-shop life entirely to his satisfaction. "It was always a slight shock to find 3,000 people on your doorstep on a Saturday morning, but the rest of the week people just forget you can drive down Portobello. On Sundays, it was the nicest place to live."

Pictures: Christine Boyd

