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The best build-to-let properties for billionaires



Mayfair House CREDIT: SAVILLS

By Zoe Dare Hall
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Mayfair isn't short on eye-poppingly luxurious properties, but the two-storey penthouse at Mayfair House – a classic late 19th-century red brick building, next door to The Connaught hotel - comes as a surprise in more ways than one.

First there's its show-stopping modern design. In the huge, open-plan reception room, which spans more than 1,600 sq ft, the eye is instantly drawn to the glass spiral staircase that leads to a floating mezzanine floor, its glazed roof flooding the living space with light. Up here you enter a secret garden that looks – and feels, on a baking day during the

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Downstairs is a presidential-style office, five of the six lavishly dressed bedrooms (including the master suite, which overlooks Mount Street's forthcoming Dean & DeLuca) and bathrooms each decked out head to toe in a different exquisite marble.

The penthouse, like the other three apartments in Mayfair House, has been designed by Derek Williams, the architect of homes for the super-rich from Moscow to Mustique. And the "soft" interior design – all the items you can pick up and move – comes courtesy of the ultra-luxury developers/designers Finchatton, who are currently turning the old US Navy HQ in neighbouring Grosvenor Square into Four Seasons residences.

Such names aren't unusual in these parts. Nor is the fact that Mayfair House's apartments are available as seen: fully furnished, everything bespoke, with the penthouse displaying £590,000 of furniture (that's not including the artwork and accessories).



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What's rare, however, is that these properties aren't designed to be sold; they are London's poshest version of build-to-rent, built to an

extreme level of luxury expressly for the super-prime rental market. Unlike many central London property owners who are hedging their bets in this era of mid-Brexit volatility by putting their homes on both the rental and sales markets, Mayfair House's Dubai-based owners have no desire to sell. They wanted to hold on to their asset and create some plush rental pads instead.

The apartments are on for £15,000 a week and the penthouse for £35,000 a week. That's around £1.8m a year – just in rent – but it's no deterrent to the super-rich, who are averse to paying extreme levels of stamp duty in a market that's likely to see little growth for a few years. "You could rent these properties for three or four years before you've spent the amount you'd have paid in stamp duty," says Izzy Birch Reynardson, head of lettings at [Savills Mayfair](#).

Mayfair House doesn't offer its residents the facilities you get at One Hyde Park, say – where Savills have a three/four bed apartment to rent for £84,500 a month – but you can use The Connaught's gym and spa. "That's a significant benefit that sets Mayfair House apart from the rest," Birch Reynardson assures. And ultra-rich renters like the discreet, boutique set-up of a building with just four apartments and a round-the-clock concierge, she adds.



Mayfair HOUSE CREDIT: SAVILLS

It's also the first time Finchatton have been commissioned to interior design a rental property. "And I've never come across a rental property before that has its own hard-backed brochure, website and video - but you're dealing with people all over the globe so it needs to warrant them catching a flight to come and see it," adds Birch Reynardson.

So what kind of top-end tenants are these properties likely to attract? "Some people are waiting to complete on a purchase nearby and are looking to rent in the meantime. Others may stay at The Connaught for a few months a year and cost-wise, it might be cheaper to take a flat here," she says. "Generally, renters at this level yo-yo in and out of London. They may just be here for a few weeks and they want a property they can use as an office too." She also expects the opening of Eaton House's new secondary school on Piccadilly in September to introduce a new family market to Mayfair's prime rental scene.



St James's Street

“It’s not a needs-driven market. These kinds of properties are trophies, so you have to tailor their quality to that. Renters at this level want what end-users want and it’s often the extra little touches that count. They expect a media room, but they like having a projector screen in the master bedroom too – and tons of storage,” Birch Reynardson comments.

High-end agents report a growing trend for developments designed for high-end tenants. “Due to stamp duty, many purchasers are no longer happy to make multiple moves in the sale market, preferring to bide their time in the lettings market,” says Lucy Morton, head of residential agency at JLL, who are marketing the £8,500-a-week penthouse at 30 St James’s Street. The historic building, which has London’s oldest chemist and perfumers, D R Harris & Co. on the ground floor, was rebuilt behind its original Portland stone façade to house four high-end rental properties.





St James's Street

Meanwhile, some private landlords are feeling the need to compete with unsold prime new-build stock that is going on the rental market. “It’s driving a new breed of ultra luxury living for ultra high net worth tenants”, says Oliver Mellotte, head of lettings for Savills Chelsea. He cites one landlord who has gone above and beyond to attract a tenant, including hiring the prestigious Levy Gorvy gallery to curate the property’s art.

The property in question is a six-bedroom house – home and art studio of the late artist Augustus John - in Chelsea’s Mallord Street, available for £41,000 a month. “The house now incorporates all the modern technology you would expect from a prime home in Chelsea, including Lutron-controlled lighting and integrated AV and Cat 6 wiring, and top quality materials such as Hermès wallpaper and bespoke joinery,” says Mellotte. “Couple this with outstanding furniture and art work from Levy Gorvy and you have a property at the forefront of the super prime rental market. This is the first time we’ve seen a landlord partner with such a highly regarded gallery, setting a new standard for high net worth tenants.”



Mallord Street

Those tenants, incidentally, are likely to be under 40 and wealthy, transient entrepreneurs. “They would rather not be tied down to one location and renting in London makes more financial sense than buying,” Mellotte explains.

It’s a sentiment that many super-rich share right now. And when rental properties like this, who’s in a hurry to settle down?



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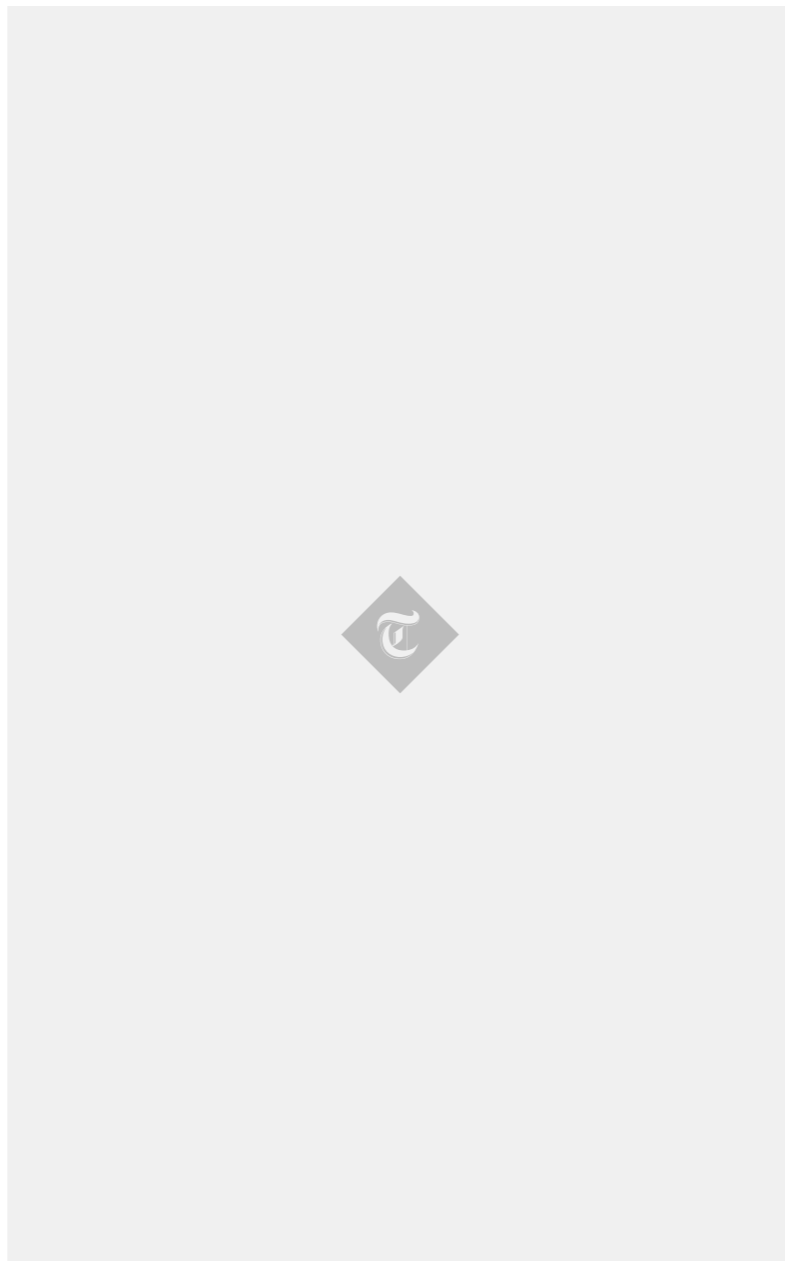
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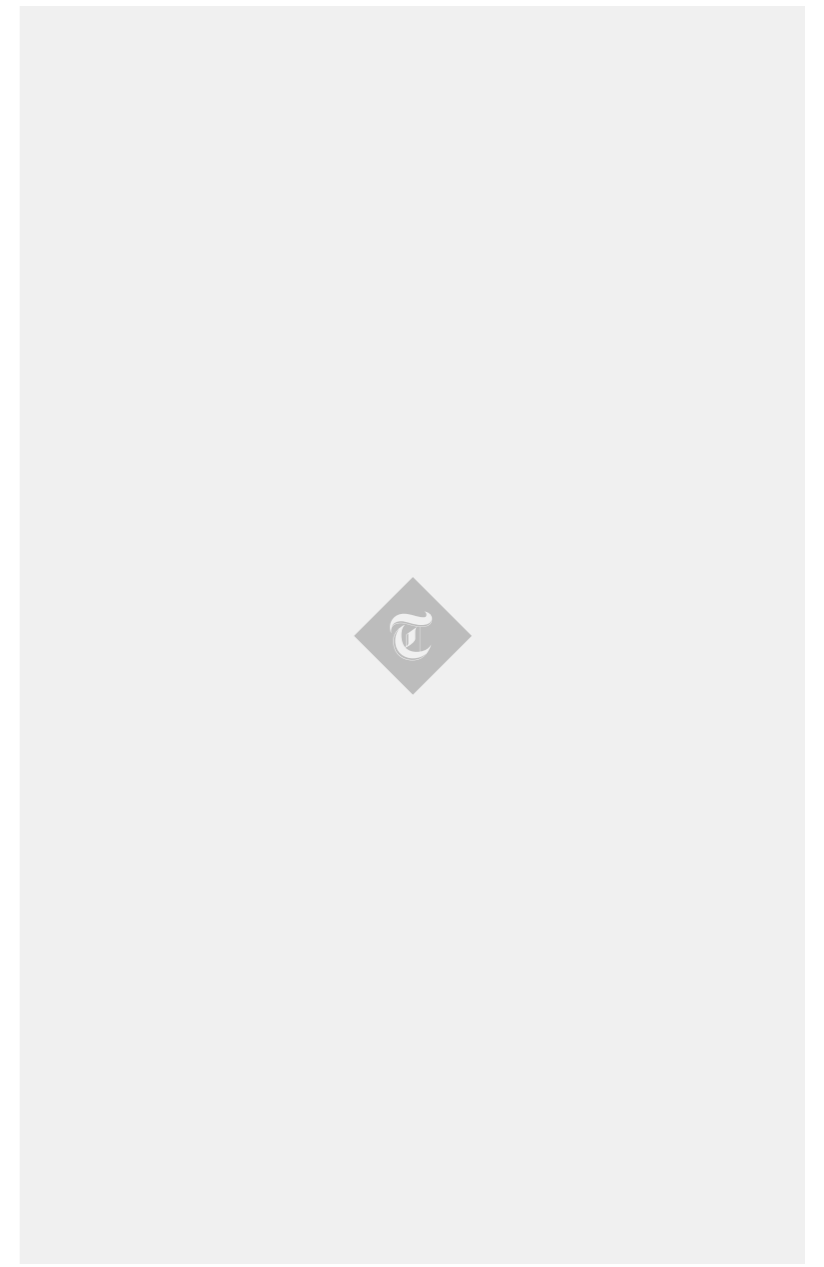
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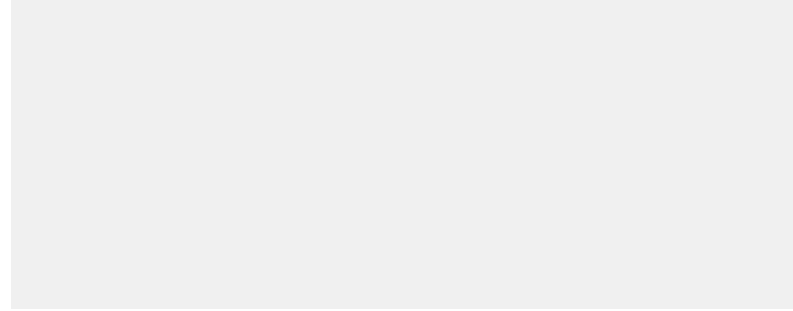




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