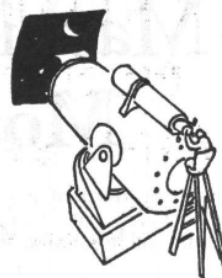


Birthday for the Prophets of Whitfield Street

By PETER RHODES



A previous article about the *London Property Letter* by Peter Rhodes, entitled "The Prophets of Whitfield Street," appeared in *LAND & LIBERTY*, April 1964.

THE *LONDON PROPERTY LETTER* is just entering its third year of publication at a time when its editor feels that the property market is "emerging from the fog of doom into the mist of hope." With the property share index up eight per cent since Christmas, recent rumblings which suggest that Labour is to modify its proposed Land Commission, and the likelihood of less stringent measures in the coming Rent Bill than were originally envisaged, the "Prophets" find it hard to conceal optimistic chuckles in the pages of their Anniversary Issue.

Pointing out that whether the Government likes it or not the population in the South East is going to increase rapidly in the future, the editors enjoy the joke on Mr. George Brown, who before the election spoke of rethinking the S.E. proposals. Mr. Crossman, Minister of Housing, has just announced the first instalment of an expansion programme that bears a strange resemblance to the propositions contained in the South East Study.

Chelsea is chosen for the month's property profile and the intelligence which the feature contains is well up to the usual LPL standard. Large houses for profitable conversion are to be found in The Vale with prices ranging from £18,000 to £26,000 freehold. Converted to two maisonettes and a flat with rents of £650 to £1,000 p.a. per unit these properties are "worth investigating." Tarted-up terraced premises, selling at £13,750, cost £9,500-£10,000 three years ago and only £900 before the war. One mews cottage sold recently for £20,000 for a fifty-eight year lease. Another house, in Smith Terrace, was sold for a mere £10,000, "in pretty bad nick," while "a cottage on the crumble in Shawfield Street has just fetched £12,000."

Pointing to a "long-shot," the survey mentions that the Borough Council is buying properties in the World's End area at £6,000-£7,000 each for ultimate inclusion in a large high density redevelopment project now before the Minister of Housing and Local Government for an appeal decision. If the Minister rejects the proposals these houses could be worth £12,000 each.

While all Chelsea prices are high, some are higher than others. Houses overlooking the squares are going at £25,000-£29,000 and a seven (small) bedroomed house in St. Leonard's Terrace sold for £45,000.

To those who are L.V.T. minded these figures are particularly interesting: A 19 x 64 foot shop with a 1,000 square foot ground floor plus 550 square foot base-

ment, and upper part let to a dentist at £750 p.a., with nine years unexpired lease, fetched £17,000. Ground rent payable to Church Commissioners: £20 per annum! A 3,500 square foot factory/warehouse fetched £30,000 for a twenty-eight year lease. Ground rent: £30 per annum!

There can be no doubt that a site-value tax in this part of London would soon produce some interesting results.

Returning to more sober and distant investment propositions the editors draw attention to their organised trips to the Costa Blanca and the Bahamas. The former excursion, to concentrate on low-cost flats between £1,830-£2,500, is offered to those with an eye for capital appreciation — a new airport proposed for Alicante will be opening in a year or so thus opening up a "ridiculously undervalued" area.

Back on the home front the Letter continues with advice on shopping for shopping sites and gives these things to look for: Marks & Spencers or Woolworths to find the peak value area; the side of the street the sun shines on; proximity to arcades, canopies, etc. where people may shelter from rain and, particularly, pedestrian crossings!

To conclude with a flourish, the Prophets give some quick pointers on the advantages of selling land by well publicised auctions rather by private treaty. The auction will always attract the larger developers and builders with the result that the realised price could be 50 per cent up on a purely local sale. Nevertheless, vendors are warned against "dealer rings" who may endeavour to keep bids low, having decided to "allocate" the land to one member of the group for a percentage of "savings" divided equally between them.

There is no doubt that the publishers are looking forward to another year of successful trading. Their witty fortnightly newsletter evidently fulfils a heartfelt need for information within the property world. There is little hope for converts here except for those who may be hastened into the property game by the descriptions of get rich stories. The difficulty of talking unemotionally of the property market and those who profit from it stems from the essential difference between land and buildings — a difference which is sometimes but rarely admitted and certainly never acknowledged. Until this is recognised and land is regularly assessed and taxed according to its rental value the Prophets of Whitfield Street will have many a happy birthday.