



“Steady as she goes!”

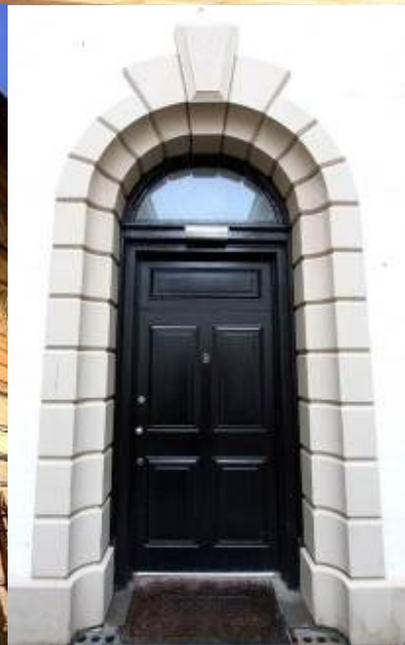
LIVERPOOL RESIDENTIAL UPDATE
QUARTER 2
2012



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Market Summary

Sales

- Prices down -0.25% on quarter and -3.49% on year.
- Higher level of repossessions continuing from last quarter.
- Owner occupiers continuing to buy in the decent quality developments.
- Slow period during June caused by extended Jubilee holidays.

Lettings

- Percentage of international students in city increasing.
- Demand from tenants continues to remain strong and slightly up on last year.
- Slight concern of supply with large increase in number of student pods/rooms.
- Slow period during June caused by extended Jubilee holidays.

Population Analysis

- Population numbers hold steady although increase expected next quarter.

Sales and Completions Analysis

- Completions down to all time low both quarterly and annually.

Student Market

- University of Liverpool improving/expanding their student portfolio.
- Continued strong level of investment in student sector (Mansion Group purchase).

Finance & Mortgage

- Mortgage rates continuing to rise especially variable and short term fixed rates.
- Interest only mortgages under attack from lenders looking to lessen risk.
- Best buy lists dominated by smaller mutual building societies.

Auction Results

- Minimal activity with only two high yielding sales.

Liverpool Development Update

- Successful launch of Courtyard Apartments at The Albany.

Future Schemes

- Unesco threat of losing World Heritage Status over Peel Liverpool Waters scheme.

Facts and Figures

AVERAGE PRICES

SALES City Centre				
Apartment Type	Size (Square ft)	Average Price	% Change 3 Months	% Change 12 Months
1 Bed	550	£88,800	-0.22%	-4.52%
2 Bed	625	£109,100	-0.91%	-4.30%
2 Bed 2 Bath	725	£122,000	-0.65%	-3.02%
2 Bed Duplex	900	£143,500	-0.69%	-3.04%
2 Bed Penthouse	1200	£206,000	0.00%	-7.83%
Average		£133,880	-0.50%	-4.54%
SALES Docklands				
Apartment Type	Size (Square ft)	Average Price	% Change 3 Months	% Change 12 Months
1 Bed	550	£105,000	0.00%	-3.40%
2 Bed	625	£131,000	0.00%	-1.87%
2 Bed 2 Bath	725	£148,700	0.00%	-1.52%
2 Bed Duplex	900	£178,000	0.00%	-1.39%
2 Bed Penthouse	1200	£251,000	0.00%	-4.02%
Average		£162,740	0.00%	-2.44%

Figures include parking where available

LETTINGS City Centre				
Apartment Type	Size (Square ft)	Average Rental	% Change 3 Months	% Change 12 Months
1 Bed	550	£557	0.36%	2.20%
2 Bed	625	£636	0.32%	2.42%
2 Bed 2 Bath	725	£688	0.15%	1.03%
2 Bed Duplex	900	£734	0.14%	1.52%
2 Bed Penthouse	1200	£1,055	0.00%	0.00%
Average		£734	0.19%	1.43%
LETTINGS Docklands				
Apartment Type	Size (Square ft)	Average Rental	% Change 3 Months	% Change 12 Months
1 Bed	550	£549	0.00%	0.92%
2 Bed	625	£612	0.00%	2.17%
2 Bed 2 Bath	725	£658	0.00%	1.54%
2 Bed Duplex	900	£713	0.00%	1.13%
2 Bed Penthouse	1200	£1,030	0.00%	-0.48%
Average		£712	0.00%	1.06%

Figures assume parking where available and furnished to a decent standard

Liverpool City Centre Averages

Apartment Type	% Change 3 Months	% Change 12 Months
Sales	-0.25%	-3.49%
Lettings	0.10%	1.25%

The sales figures are based upon a sample of apartments in the city/docklands and the prices that would be achieved in today's market conditions. They are not based on completed sales as the sample size would be too low and could well result in wild variations in price. The lettings figures are based upon market evidence. For each location a sample of 5 developments is used ranging from luxury to basic.

Residential Sales

After a sluggish first quarter of 2012 we entered the usual busier second quarter with more trepidation than expectation! Although the city centre market is less influenced by the seasonally strong April to June period than the suburbs it is still the best selling period for the market. As expected the market struggled to make much progress with low levels of activity and prices barely moving from the previous quarter. Whilst the figures from Halifax (prices up 0.5%) and Nationwide (prices down 1.6%) provide a mixed message our analysis would suggest somewhere between the two with a small decline in prices of 0.25%.

Interestingly once we were past the Easter period at the start of April the market did pick up reasonably strongly only to fall back towards the end of May as the traditionally quieter half term holiday approached. Unfortunately the extension of this holiday period with the Diamond Jubilee celebrations resulted in many potential purchasers extending their time off from work. This resulted in a particularly quiet early/mid June period. Thankfully the last two weeks of June have seen the market recover quite sharply which would indicate there is still some decent sales interest out there for the right stock at a sensible price.

We reported last quarter on the continuing issues of repossessions in the city having a dragging effect on prices and particularly in those blocks where there has been a substantial amount of investor purchase during the "heady" days of 2007/2008. This has continued during the quarter with some developments experiencing that vicious circle of repossessions lowering prices and thus forcing more lenders/distressed owners to bring properties to the market as loan to values deteriorate substantially.

A couple of positives in the market are the continued interest from genuine owner occupiers who want to live and work in the city. Attracted by the vast improvements we have seen over the last few years these buyers are choosing those quality developments where there is a low level of tenant numbers or where they can see some real value for the long term. A great example of this is The Albany development on Old Hall Street where the scheme has benefitted greatly from a multi-million pound redevelopment transforming it into some of the best residential accommodation in the city. Interest levels are strong with buyers reserving nearly 50% of the available apartments in the first few weeks at the recent release of The Courtyard Apartments.

Another positive in the market is the increasing interest (albeit from a very low base) in the city from developers. Slowly but surely developers are starting to look at sites in and around the city centre with a view to developing residential accommodation. Whilst a substantial amount of this interest is concentrated on student development at present we are starting to see interest in more traditional housing and even "build to rent" schemes. As always availability of land at the right price is holding back some of this interest but at least developers are looking!

Talking of developers Peel continues to come up against hurdle after hurdle with their exciting proposals for Liverpool Waters. After the English Heritage issues they now find the proposed redevelopment being used as an excuse by Unesco to place Liverpool on the danger of losing World Heritage Status list. Without wishing to be political and with no bias towards any developer we are firmly in support of Liverpool Waters even if we lose World Heritage Status.

Residential Lettings

The lettings market in the 2nd quarter is always the most challenging as May/June sees the end of the academic year with many students returning home or off on their travels. As noted over the last few quarters we have seen a dramatic increase in the number of tenants renewing their AST agreements rather than run the risk of not finding an apartment in the mad late summer/early autumn rush however this has not totally insulated the market with a substantial number of move outs during the quarter.

With a few issues (see below) providing potential headwinds for the market the third quarter of the year is always the busiest but we normally start to see uplift in activity as we head through June towards July. In a similar fashion to the sales market late May/early June was reasonably quiet and definitely a little “softer” than last year with regards to activity levels. Thankfully the last 3 weeks of June have seen a dramatic increase in interest, viewings and lettings to the extent that we ended the quarter marginally up on the same period twelve months ago.

In respect of potential issues the majority of these are centered on student demand. Firstly is the often discussed subject of fees. Initial views from the universities are that the introduction of the £9000 fees for this year does not appear to be having an adverse effect of the total number of students we are likely to see in the city come September. Whilst some of the city’s universities are seeing a slight drop in demand some are seeing an increase resulting in no real loss to the residential market. In fact overall numbers may have even increased slightly by the time September arrives.

Our only real concern for the start of this term is the substantial increase in the number of student pod rooms that have been built over the last 12/18 months. We estimate that around 600 rooms have been added to the supply in the city and no doubt these will be aggressively marketed by their respective landlords to ensure full occupancy for their first year of operation. This may have a slight effect on the number of students that look to rent non purpose built student accommodation but is unlikely to be that noticeable in the overall general scheme of things.

A strong positive relating to the student sector is the large and ever increasing overseas student population that is being attracted to Liverpool as their place to study. Whilst all of the UK appears to be benefiting from this phenomenon Liverpool appears to be one of the most successful cities outside of London in attracting this type of student. The city appears to be particularly effective at attracting international Chinese students given its strong Chinese links. Apart from increased numbers international students are particularly favoured by many landlords as they very often pay all of their rent up front and are prepared to pay a decent rent for good quality accommodation. This is a direct opposite compared to some UK based students who are struggling to afford some of the better properties on offer.

With demand still strong rents are continuing to stay strong. Whilst there have been some reports of tightening rents around the UK we are yet to see that happen in Liverpool City Centre. Indeed the landlords of some of the better buildings in the city are able to continue to nudge up rents if they are becoming vacant at the right time of the year.

Population Analysis

City Centre Core: This area is what is considered to be the actual city centre by Liverpool Vision/Liverpool City Council and is enclosed by the Mersey to the west, Upper Parliament Street to the south, Grove St/Low Hill to the east and Islington/Leeds St to the North.

CITY CENTRE CORE	
Number of built PROPERTIES (city centre core)	11,487
Number of OWNER OCCUPIED properties	3,876
Number of TENANTED properties	6,071
Number of VACANT Properties	1,040
VACANCY Rate	13%
Number of Properties UNDER CONSTRUCTION	376
Number STUDENTS (living in non PURPOSE BUILT units)	2,525
Number STUDENTS (living in PURPOSE BUILT units)	8,779
Number of Units let to SERVICED APARTMENT operators	500
Total Number of City Centre Residents	26,661

City/Docklands Living: The area detailed above are but also includes areas which we consider to be part of city living namely south docklands (City Quay, South Ferry Quay etc) and those developments adjoining the roads named above (for example The Reach, The Quarter, The Collegiate, Gloucester Place etc).

ALL AREAS	
Number of Properties Built (all areas)	13,961
Number of OWNER OCCUPIED Properties	5,143
Number of TENANTED Properties	7,030
Number of VACANT Properties	1,288
VACANCY Rate	9%
Number of Properties UNDER CONSTRUCTION	376
Number of STUDENTS (living in non PURPOSE BUILT units)	3,069
Number of STUDENTS (living in PURPOSE BUILT units)	10,866
Number of Units let to SERVICED APARTMENT operators	500
Total Number of City Centre Residents	32,507

Sales and Completions Analysis

(Information to 12th April 2012)

This section shows the number of legal completions registered with land registry in both the last 3 months and 12 months

Last 3 Months

Postcode	No of Completions
L1	5 properties
L2	0 properties
L3	25 properties

Last 12 months

Postcode	No of Completions
L1	37 properties
L2	6 properties
L3	213 properties

Last 3 Months

Postcodes	Completions	Total Stock	As % of stock
L1, L2, L3	30 (-19)	11,487	0.26%

(Compared to last quarter)

Last 12 months

Postcodes	Completions	Total Stock	As % of stock
L1, L2, L3	256	11,487	2.22%

The information above is taken from www.nethouseprices.com and whilst is accurately recorded may not actually represent all of the properties that have been registered during the quarter. The actual figure may be higher than that shown as some sales (repossessions etc) are not always shown on Land Registry.

Student Market

Student Numbers

The facts and figures

University and student figures:

UNIVERSITY/TYPE	Post Grad	Under Grad	Full Time	Part Time	Total
The University of Liverpool	3,995	16,595	16,340	4,250	20,590
Liverpool John Moores University	4,860	21,000	18,650	7,205	25,855
Liverpool Hope University	1,830	5,575	5,265	2,135	7,400
The Liverpool Institute for Performing Arts	55	665	665	55	720
TOTAL STUDENTS	10,740	43,835	40,920	13,645	54,565

Student bed numbers:

Number of Student Beds (Large schemes)	
Student Beds Built	11,260
Core City Centre	9,097
Non Core City Centre	2,163
Under Construction	1,397
Planning Approved	1,504
Proposed/Rumoured/In planning	1,864
TOTALS	16,025

General Market

Whilst most of the activity in the student development market has been concentrated on student pods/rooms over the last 12 months we are starting to see the universities having to consider their place in the market and evaluate their existing accommodation provision towards the ever changing student requirement in the market.

As we have noted previously the overseas student market continues to grow rapidly and this has encouraged particularly the University of Liverpool to invest heavily in their own residential portfolio for the future. Hot on the heels of the under construction Vine Court is the recent announcement of the redevelopment of land adjacent to the junction of Brownlow Hill/Crown with more than 1,200 new en-suite bedrooms. The development forms part of a £600m campus redevelopment which was announced last year. Further to this is a requirement for more bedrooms for the start of the 2014 academic year. A shortlist of student developers are currently tendering to be selected by the University.

Investment and interest levels in the student sector remains strong from the sale of student pods/rooms through to the large schemes. This was typified with the purchase of Parkmoor's Windsor Court scheme on London Road by The Mansion Group (who are one of the fastest growing student operators/investment funds in the UK) recently.

DEVELOPMENTS

Under Construction

Vine Court, Chatham Street/Myrtle Street, Liverpool –University of Liverpool



Liverpool University's new building on the corner of Crown St/West Derby St will accommodate 710 students in one of the most eco friendly student schemes being built. The development, costing £45million, will offer all ensuite rooms in predominately cluster rooms with a small number of studio and 2 bedroom rooms. The West block will be offered as catered (and conference venue in summer) and the East block as self catered. The scheme is being built by Ocon Construction and will be complete for the start of the 2012/2013 academic year.

Alexandra Terrace, Hatton Garden, L3 – Middle England/Penlake

Situated adjacent to Downing's Eden Square development the proposed redevelopment of the former fire station is now nearly finished in plenty of time for the coming September 2012 academic year.

The scheme offers a total of 98 ensuite rooms together with an on site gym, communal lounges and kitchens, media centre, laundry facilities and management office. Prices ranged between £43k to £48k and were sold with the benefit of a 10% net yield for the first year.



St Andrews Church, Rodney Street, L1 – Middle England/Penlake



Originally built in 1823 the former Grade 2 listed St Andrews Church on Rodney Street was a controversial choice for a student scheme but has helped rescue a site that had lain empty since 1976 and suffered bad fire damage in 1984.

The redevelopment comprises a total 100 student rooms, all ensuite, which have been sold for £48k each and again with the benefit of a 10% net yield for the first year. The development will be complete for the start of the September 2012 academic year.

Maple House/Arts School, Myrtle Street, L7 – Urban Sleep



The redevelopment of the former LJMU Arts building on the corner of Myrtle Street also includes an adjoining new build structure. This well located building is situated in the heart of the university district.

Developed and run by upmarket boutique student operator Urban Sleep the scheme will offer a total of 228 rooms and will be completed in time for the start of the 2012 academic year. All rooms are ensuite with rents starting at £99 per week.

Kent Street/Grenville Street South, Liverpool, L3 - Iliad

Planning has now been received for Iliad's 262 bedroom scheme on the corner of Kent Street/Grenville Street South. The designs by Manchester-based Formroom Architects for the new building also include 36 individual studios which include their own kitchen.

There will also be on site management facilities, 28 under-croft parking spaces and communal student facilities such as a common room and launderette. The scheme will be run by Cosmopolitan and is expected to be completed ready for the start of the 2013 academic year.



Prescot Street, Liverpool, L7 – Parkmoor Group



After the completion of the Windsor Court scheme on London Road, Parkmoor are pushing on with their next scheme a little further up the road at Prescot Street, nearly opposite the Royal Liverpool Hospital.

The development will comprise a total of 49 rooms in a 5/6 storey building and will be completed for the start of the academic year in September 2012.

Recently Completed

Chatham Lodge, 140 Chatham Street, Liverpool, L7 7BA – Urban Sleep



Targeting the post graduate market in Liverpool this attractive new build scheme is located in a particularly convenient position opposite Liverpool University on the corner of Chatham Street/Myrtle Street.

The development comprises a total of 50 ensuite rooms in clusters of 1, 2, 3 and 4 bedrooms with rates from £99 for a classic ensuite (51 week) through to £130 for a studio (51 week)

Windsor Court, 118/128 London Road, L3 - Parkmoor

Located close to the universities on London Road this new build scheme from Parkmoor has delivered over 100 studios and 2 bed apartments at the upper end of the market. The development was completed in September 2011.

Rents start from £160 per week which, whilst at the upper end of the pricing for the city, offers the choice of a double share arrangement with single beds available. Broadband, TV licence and bills are all included.



Proposed/Possible

Brownlow Hill/Crown Street – University of Liverpool



The University of Liverpool has submitted plans to build more than 1,200 new en-suite bedrooms. The development which is situated adjacent to the Brownlow Hill/Crown Street junction forms part of a £600m campus re development which was announced last year.

Ocon Construction have been chosen and the preferred partner to deliver this latest phase which sits on the site of the existing Veterinary Science Building. The site extends to 1.6 hectares overall.

Oldham Street, Liverpool, L1 - Tara House Ltd

The proposals for the former BCP car park on Oldham Street comprise two hotels (a three star and a budget hotel) with 270 rooms in total and 113 post graduate student rooms. Designed by Liverpool architects Falconer Chester Hall, the development also includes a basement car park with 247 spaces available on either a long or short stay basis. There is the possibility of an increase in the number of student rooms.

Enabling works have started on site with completion for the scheme anticipated in early 2014.



The Paper Mill, Henry Street, L3 - Middle England/Penlake



The next development in the Penlake/Middle England portfolio comprises the conversion of the former paper mill on Henry Street in Ropewalks into 99 ensuite student rooms. Located close to Liverpool One the rooms are being sold at £48,000 each offering guaranteed first year net yields of 10%.

The development, like many of Penlake's schemes, will offer communal kitchens/lounges, on site gym and laundry facilities as standard.

Finance & Mortgage

(As at 2nd July 2012)

In association with



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Looking back 12 months there is no doubt we have seen the lowest ebb for mortgage rates. Once again this quarter we saw an increase in rates (particularly for variable and short term fixed rates) by around 0.3%. Lenders continue to worry about the effect of the euro crises on their balance sheets but are also "fattening" the margin they are making. Interestingly the best buy tables below are dominated by the smaller mutual building societies with the exception of HSBC who seem keen to grow their market share in the variable rate sector for term mortgages.

The list of available mortgage offers detailed below is purely intended as a guide and is sourced from Moneyfacts. It is not intended to be a "best buy" table or offer advice it simply highlights some of the mortgage deals that were available on the date shown above.

Normal Mortgages

(Buying and remortgaging)

Type	Rate	Period	Fee	Max LTV	Lender
Variable	2.99%	Term	£0	60%	HSBC
Variable	3.29%	Term	£599	80%	HSBC
Fixed	3.15%	2 Year	£999	75%	Leeds
Fixed	3.23%	2 Year	£699	75%	Cumberland BS
Fixed	3.25%	3 Year	£999	75%	Leeds
Fixed	3.49%	3 Year	£599	80%	Monmouthshire
Fixed	3.96%	5 Year	£699	75%	Cumberland BS
Fixed	3.99%	5 Year	£195	85%	Monmouthshire
Fixed	4.58%	10 Year	£999	75%	Leeds

Buy to Let Mortgages

Type	Rate	Period	Fee	Max LTV	Lender
Variable	3.89%	2 Year	£999	60%	Principality
Variable	4.09%	2 Year	£1999	75%	Nottingham BS
Variable	3.88%	Term	£1895	75%	Bank of China
Variable	3.89%	Term	£1999	60%	Woolwich
Fixed	3.99%	2 Year	£1999	65%	Coventry
Fixed	4.09%	2 Year	£1995	70%	Northern Rock
Fixed	4.39%	3 Year	£999	65%	Leeds BS
Fixed	4.89%	5 Year	£1495	70%	Skipton

Source: Moneyfacts (www.moneyfacts.co.uk)

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE. Written quotations are available from individual lenders. Loans are subject to status and valuation and are not available to persons under the age of 18. All rates are subject to change without notice. Please check all rates and terms with your lender or financial adviser before undertaking any borrowing.

Auction Results

Listed below are the auction results for properties (apartments) sold in the quarter in the main city centre postcodes (L1, L2 and L3) or close periphery - city centre side of (L5, L6, L7 and L8)

Address	Auctioneer	Date	GUIDE £	SOLD £	FLOOR	Beds	Baths	Parking	Ant Rental*	Yield
26, Irwell Chambers, Union St, L3 9UA	Harmen Healy	15/12/2010	£30,000	£30,000	1st	2	1	No	£425	17.00%
6 Flats at View 146, Conway Street L5 3BA	JLL	03/05/2012	£240,000	£260,000	var	2	1	Yes	£3,285	15.16%



View 146



Irwell Chambers

If you wish to buy properties at this level of pricing City Residential Ltd offer a buying service which will enable you to purchase at levels normally only available to seasoned investors and landlords – ring us for more details.

Liverpool Development Update

UNDER CONSTRUCTION

Mann Island, The Strand, L3 – Countryside/Neptune

Completions of the residential apartments are now well advanced with a good mix of owner occupiers and tenants taking residence. The atrium between the two buildings is now complete as are the majority of the public realm works and the pre-sold commercial building.

The two blocks have been named Longitude and Latitude and Countryside have recently introduced a shared equity scheme which has lowered the entry price. Interest remains strong and sales continue to be steady. The 2nd phase release of apartments is due shortly.



The Quarter, Sefton Street, L8 – Development in administration.



This large mixed use scheme is located on the edge of the city centre core at the junction of Parliament Street/Sefton Street and is an important strategic scheme for the city.

Phase 1 of the scheme was completed but with only 28 completions the development fell into administration a few months after the credit crunch hit. The administrators BDO have now placed the entire site on the market with Allsop/CBRE at an asking price of £6.65 million to include the freehold, 82 flats, the part built block and the remainder of the site.

Kings Waterfront, Kings Dock, L3 – Artisan

The development had originally stalled due to the credit crunch/poor market. The developer has now completed the apartments. The scheme benefits from a good range of 1 & 2 bed apartments and its close proximity to the Arena and Albert Dock.

The apartments were originally offered to the rental market with one of the blocks being run as a serviced apartment operation but the majority of the apartments are now included in the serviced element, trading under the name "The Block".



Moss Street, L6 – Developer in Administration

Located close to the university/hospital this development was another hit by the credit crunch when the developer quickly fell into administration. The scheme is now finished.

Moss Street offered 36 large 2 bed (mostly with 2 bathrooms) and was sold onto the open market (with prices from £101,950). All of the apartments are now sold to a mix of owner occupiers and landlords. Its location close to the hospital/university also appealed to key workers and students.



Kings Dock Mill, Hurst Street – LAG Prichard



With the hotel element (as a new Hampton by Hilton) now open the scheme is helping to breathe life into this regeneration area of Baltic Triangle and highlighting the convenience of the location midway between Liverpool One and Albert Dock/The Arena.

Approximately one third of the scheme has now been completed to purchasers (predominately investors) and over 100 either exchanged or let with the remaining units available for either sale or let. Planning has now been obtained for the next phase.

Hamilton House, Pall Mall, L3 – Development in Administration

Located opposite the proposed new business district of Liverpool on Pall Mall this recently completed scheme comprises a total of 129 apartments.

Hamilton House was another scheme affected by the collapse of the contractor; and has now fallen into administration. The apartments sold have been bought by a mixture of owner occupiers and investors. The remainder of the apartments are now being sold (by the administrator) and let onto the open market.



MAJOR SCHEMES COMPLETED

Alexandra Tower, Princes Dock, L3 – Millennium Estates (in administration)



The scheme which was developed by Millennium Estates went into administration in late 2008. It has subsequently been brought back to the lettings market offering a range of 1 and 2 bed apartments with stunning views out across the river and back in towards the city centre. The building also offers adjoining car parking in a car stacker.

The scheme has proved extremely successful with tenants looking for a quality scheme and a good choice of apartments with the building now let at close to full occupancy.

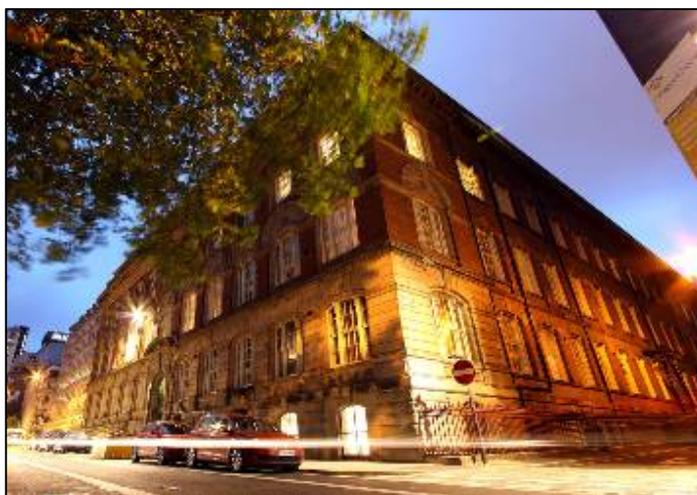
One Park West, Liverpool One – Grosvenor Developments

Having formally opened in 2009 One Park West, Grosvenor's flagship residential building is located in a prime location adjoining Liverpool One, with many of the apartments affording views across the newly created park or to the west over the river.

310 out of the 326 apartments in the scheme have sold or let on and has helped relieve some of the tight supply in the lettings market with a range of studio, 1 and 2 bed apartments available to rent. Demand remains positive for both lettings and sales.



The Albany, Old Hall Street, L3 – Infinity/53N



One of Liverpool's finest buildings The Albany originally suffered with the administration of the developer and a dispute with the contractor. The new buyer made a substantial investment in the building and was rewarded by a strong rental demand with rising rents and minimal voids.

The building continues to attract strong interest from owner occupiers with buyers snapping up the limited release of apartments for sale. The recent launch of the courtyard apartments saw nearly 50% of those released sold within the first few weeks. A show apartment and sales office are due to open in the next few weeks.

Hilton Hotel Apartments, Liverpool One – Ability Group

The stunning new Hilton Hotel at Liverpool One opened its doors in November 2009 and has already further enhanced Liverpool's hotel offering. The building also boasts 47 apartments (mixture of 1 and 2 beds) on its upper floors with panoramic views over the development towards the city/river.

The scheme was released for let late last year with asking prices around £700 for a 1 bed apartment and £900 for a 2 bed apartment and is now nearly full.



West Tower, Brook Street, Liverpool, L3 – West Tower/Maplefield (in Administration)



West Tower is Liverpool's tallest building and 18th tallest in the UK. It was Beetham's second tower in the city. Unfortunately the scheme became another victim of the property crash falling into administration in February 2011 after its owners had failed to sell the majority of the apartments.

After issues with "oversailing rights" were resolved with Liverpool City Council in late 2011 the development was placed onto the market with JLL at an asking price of £12.5million. A sale has been agreed.

St Paul's Square, Old Hall Street, L3 – English Cities Fund

This 50 unit scheme is located in the heart of the new business district of Liverpool; St Paul's Square and comprises a mix of 1 and 2 bed units spread across 10 floors. The development benefits from having adjoining car parking in the St Paul's Square multistory car park.

The scheme which initially struggled to sell was transformed by the introduction of the Homebuy Direct scheme resulting in most of the remaining units being sold. The square has benefited from some of the empty commercial units now becoming occupied.



STALLED/UNFINISHED SCHEMES

L1, The Strand – Windsor Development (Liverpool) Ltd in administration



Probably Liverpool's most high profile "problem site" owing to its strategic location at the corner of Baltic Triangle and facing The Strand/Albert Dock. After the collapse of Windsor Developments (Liverpool) Ltd the site was marketed without great success and its future seemed bleak.

Thankfully Liverpool based Neptune announced plans to redevelop the site into a £45million mixed use scheme comprising a building of service/rental apartments, a 4 star hotel and a further commercial building. Planning was passed in July 2012 and work on the site should start shortly.

Herculaneum Quay, Riverside Drive – Herculaneum Developments Ltd

The residential tower scheme is located fronting the river adjacent to Brunswick Business Park and was to provide over 100 apartments with views across the river and city. The collapse of the contractor has left the future of the project and the site in the balance (and in the hands of the bank).

Knight Frank had agreed a sale but this then fell through with the site having been placed into an Allsop auction on October 27th 2011 in London but then subsequently withdrawn. We await developments.



POTENTIAL/FUTURE SCHEMES

Stanley Dock, Regent Road, Liverpool, L3 – Harcourt Developments



The announcement that one of Liverpool's most famous and well known landmarks will finally be developed was made in November 2011, hopefully bringing an end to many years of false dawns and uncertainty.

Irish based Harcourt Developments (developers behind Titanic museum in Belfast) are to undertake a £50million redevelopment of the site (including the famous Tobacco Warehouse) into apartments, shops, bars, restaurants and a hotel. The scheme will benefit from a £25million investment, courtesy of the regional growth fund.

Queens Dock, Chaloner Street, Liverpool, L3 – Investec/Vinci

Exciting news recently with the announcement by Investec Bank to develop the Queens Dock site (adjoining Leo's Casino) in a JV with Vinci Construction.

The proposed development will comprises 13 and 15 storey high towers housing a total of 192 apartments in addition to 100 car parking spaces. The site had previously benefitted from planning permission for a 22 storey tower which was never implemented.



Liverpool Waters, Central Docks, Liverpool – Peel Holdings



Peel Holdings proposed £5billion Liverpool Waters scheme occupies 150 acres of prime waterfront to the North of the Three Graces and promises to transform this redundant area of docklands into a vibrant mixed use scheme.

After many years of planning, discussions and changes (to appease English Heritage) the scheme finally obtained planning permission in March 2012. Although good news, the scheme is still potentially threatened by the prospect of being called in by the government and a public enquiry. Peel has announced their intention to "walk away" from the scheme if this happens.

Summary

The second quarter is never the most spectacular time of the year for sales and Q2 2012 proved to be just that. Sales are still hard to come by and transactions are as low as they have ever been. Repossessions continue to hit the market keeping a lid on any potential price increases although at least there is an encouraging amount of interest from owner occupiers. Funding continues to prove difficult to the majority of buyers especially those with limited deposits.

The lettings market continues to prove very resilient and whilst rents are not moving up much there is a decent supply/demand equilibrium. There has been concern that a drop in student numbers may affect the market however initial indications are that 2012 intake is likely to be strong especially from international students.

So with no major obstacles or potential stimulus in the market at present it really is a case of “steady as she goes” for the rest of the year and perhaps the foreseeable future?

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