

High-end parking

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The German company CarLoft's loft scheme offers apartments with an adjacent car parking space

It is no longer enough to have a swimming pool, roof terrace and 24-hour home security. For today's top-end property buyers, the most sought-after luxury is private parking.

One space, measuring just 12ft by 23ft recently went on the market for £200,000 in London. This particular lot can accommodate two small cars – one behind the other – or one big vehicle, and is conveniently located near Harrods and Harvey Nichols. Managed by Harrods Asset Management, it has a separate entrance and exit, 24-hour remote-controlled access and security.

At just 284 sq ft, its price tag is more than £700 per sq ft. But while this is not cheap, it is a lot less than the cost of property in that area, which can reach up to £5,000 per sq ft.

As well as location, wealthy buyers also want luxury. Developers are now offering garages with licence plate recognition, leather walls to protect the car's paintwork and rotating turntables which cut out the need to engage reverse gear. Others provide key fobs which take car owners to their designated car park floor, floor lighting and heated driveways.

Louise Hewlett, managing director of Aylesford International, says wealthy buyers don't just want a high-end place to live, they want somewhere equally luxurious to park their car. "Private parking is very important, especially for those from overseas who tend to regard it as a standard facility and all have expensive cars," she says. "Parking in central London is hard and the uber-rich do not want to struggle to park their car and then walk to their house."

A parking space can add at least 5 per cent to the value of the property, according to Savills. The UK estate agent currently has a 5,000 sq ft house behind Belgrave Square on the market at about £14.25m. "It doesn't have parking but even one space could add £500,000 to the price," says Noel De Keyser, head of house sales at Savills in Sloane Street. "Even in Kensington, if a flat has a garage, it could easily add £200,000 to £250,000 to the value."

Aylesford International gives the example of a four-bedroom property on Elystan Place in Chelsea for sale at £3.85m, which it says is seeing a great deal of interest because it has an integral garage. Then there is also the case of One Hyde Park, which is selling car parking spaces at an additional £300,000 each.

"Strictly speaking, the price you pay for parking does not necessarily add to the bottom line in valuation terms but it increases the saleability of your apartment, which will result in an overall better price," says Martin Bikhit, managing director of estate agent Kay & Co.

Other factors affect price, however. Bikhit says that the withdrawal of the western extension of the congestion charge zone in London has had a big effect on parking values on the Hyde Park Estate in W2, just to the west of Edgware Road. "I estimate the value of parking spaces to have risen by up to 25 per cent overnight, particularly if they can be sold separately from a property," he says.

The desire for parking spaces is not just a UK phenomenon, however. "In many cities around the world parking is a major issue," says Trevor Abrahmsohn managing director of London estate agent Glentree Estates. "A lot of developers are getting around it with car parks in basements or lifts to garages."

In Moscow, prices for parking lots in elite residential complexes vary from about \$80,000 (£50,000) to \$200,000, depending on the location of the complex and the total number of spaces that are available in it. The most expensive lots are located in Ostozhenka Street, where they can cost the same as a one-bedroom flat. "Developers often apply the following scheme; when buying an apartment, there is a limit of two or three parking spots. If the client needs more he or she is put on a waiting list until all the apartments in the complex have been sold," says Olga Sandler, for Knight Frank Moscow. "Most parking spots are situated underground, where the whole area is heated."

It is the same story in certain American cities, where residences with parking are rare. "A townhouse with parking in New York could trade for as much as \$1m more," says Kirk Henckels, a director of the Savills New York associate. "Indeed, Madonna wouldn't consider any property that didn't have one. There are many parking garages all over New York, but a well-located one off Fifth or Park Avenues would run at \$850 a month," he adds.

Kathleen Cook, owner of Atlantic Associates Real Estate in Boston, says she is frequently asked by people who live in the Back Bay neighbourhood of the city to be alerted about parking spaces that come on to the market. "In Beacon Hill and Back Bay, where brownstone living prevails, a parking space can sell for as much as \$300,000," she says. "Full-service buildings include valet garage parking with all units. A recent space went for the record price of \$300,000 on Commonwealth Avenue."

Some developers get around the problem of parking by installing a car lift either down to a car park in the basement, or up to sky-level garages. Leonard Steinberg at Prudential Douglas Elliman is currently marketing a penthouse apartment for \$12.5m in a recently completed complex called 200 Eleventh Avenue in New York City. It has 14 apartments, each of which comes with a sky-level garage. Here, the units are staggered vertically, with the kitchen and living space of one adjacent to the bedroom space of another. Residents drive into the car lift, ride up to the appropriate level and into their private garage.

In Berlin, developers have taken this concept even further. For car lovers who want to keep a close eye on their vehicle, developers Topos have built the drive-in apartment. Here, an elegant but heavy-duty lift elevates your car directly to your loft-style apartment where it is then parked in a kind of conservatory, with only a glass wall separating it from your living space. If you need to leave at 7am sharp, you can programme the lift the night before and your car will be ready and waiting for you.

This kind of car parking convenience doesn't come cheap, but for some the price tag will be worth the privilege of parking outside your front door.

London tops the global parking rate survey

£200,000 might seem a high price to pay for a parking space near Harrods, but compare it to the cost of using a metre in central London and it starts to look more reasonable.

In terms of costs, the City of London is the most expensive place in the world to park a car, at £533 per month, according to the global Central Business District (CBD) parking rate survey.

"The increase in parking rates in 2010 highlights the bounce back in a number of financial centres. Rates in the city of London increased 2.1 per cent in 2010, while the capital's west end saw rates increase 2 per cent from 2009 levels," says Ross J Moore, chief economist USA at Colliers International, who carried out the research.

Two Australian cities also made the CBD top 10 list; Sydney at number seven and Perth at number eight. Martin Schiller, in the Sydney office for Savills residential sales, is not surprised by these figures.

"With an average of two cars per family, it is no wonder that parking adds a premium here," he says. "That is why it's so important for people to have private parking with their properties. Individuals can look at paying an additional 10 per cent if the property offers some form of parking."

Property experts agree, predicting that private parking spaces linked to residences will hold their value over the next 12 months as the economic recovery continues and there is more demand than

supply.

Hong Kong, Tokyo, Rome, Zurich and Brussels are also among the most expensive places to park a car. **LW-C**

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