

Residential

Galliard signals intent at Marconi House

Making waves: Marconi House (far left) on Strand has been converted into 86 luxury flats

Landmark renovation is the start of developer's "Platinum Collection". Emma Haslett reports

Stephen Conway, the CEO of developer Galliard Homes, points to the 2,000 sq ft marble-lined lobby at the company's latest development on Strand in central London.

"We really went overboard here. It was £500,000. I've never spent £500,000 on an entrance hall before. I think it's probably as nice as One Hyde Park."

Marconi House, developed by a joint venture between Galliard and Frogmore, was unveiled on Wednesday this week. The building, the former London headquarters of the Marconi Wireless Telegraph Company and famously the site of the BBC's first radio broadcast, has been transformed from offices into a block of 86 flats.

The units range from a 347 sq ft "suite" to a 1,932 sq ft three-bedroom flat and have been snapped up – only 18 are left. It is believed that pop music mogul Simon Cowell has taken a three-bedroom penthouse: rather conveniently, the apartment is within bellowing distance of the Corinthia Hotel London near Trafalgar Square, where *X Factor* contestants stay during filming.

Marconi House's launch concludes something of an ordeal for Galliard. The building was ravaged by fire in 2010 when a spark from a drill next door was blown into an open window, causing £10m worth of damage. Fourteen fire engines needed 1.5 million gallons of water to quell the flames. By the time the fire had been put out, the building, which had been months from completion, was so damp the walls had to be stripped back to the brickwork to dry out.

Miraculously, none of the original buyers asked for a refund, despite a clause in the contract that stated that if the development were delayed by more than a year, they were entitled to their money back.

"We had the right to make them back out – but our name would have been shit if we'd insisted on giving them their money back," says Conway.

Marconi House is the first of Galliard's "Platinum Collection" – a £500m portfolio of new-build, conversion and refurbishment projects that will also include Great Cumberland Place in west London and Red Lion Court in the City. Conway plans to expand the portfolio even further. He is on the hunt for £200m of development finance with which to make further acquisitions and diversify (box, right).

This might suggest Galliard is confident London's prime residential market will continue to charge ahead in the value stakes, but Conway says he does have some concerns about the number of new entrants that are flooding into the market.

"A lot of inexperienced purchasers are paying too much," he says.

"They're being convinced by the agency world that end values are actually higher than has been proved."

"It's becoming very difficult to buy buildings at the right price."

Premium rental a 'stepping stone'

In January next year, Galliard will launch a "premium rental business".

Conway says the new business will provide rental apartments within some of its upmarket portfolio, and will focus on services such as gyms, hotel-style concierge services, and even a team to look after tenants as they move in and out of their homes.

If the new company goes well, Galliard will search for a partner to enter the build-to-rent market.

"[It] will be a stepping stone to a build-to-let-type arrangement," he says. "We would be interested in a partnership with a fund, where we have the capability of obtaining planning, building, renting, doing the whole vertical operation. We'd love to do that."

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