

Business

Upmarket flats developer London Square invests in land for 908 homes

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Spending spree: Developer London Square is looking to build more homes in the capital *Oli Scarff/Getty Images*

Upmarket housebuilder London Square has invested in land for almost 1000 new homes despite clouds hanging over the luxury flats market, it emerged on Monday.

The property firm, which is backed by US private-equity group Ares Management, agreed deals for sites in Neasden, Lewisham, Wandsworth and Tadworth, Surrey, in the year to March, accounts just filed reveal.

It plans to build 908 homes worth a total of about £550 million.

The expansion follows a “robust performance in what was a year of uncertainty”, non-executive chairman Mark Pain said.

Like rivals, London Square has been grappling with investors delaying buying decisions since the Brexit vote. New stamp duty changes have also hit some sales.



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However, it benefited from Help to Buy, and increased sales to £121.4 million from £95 million. Pre-tax profits fell to £8.9 million from £13.2 million.

Meanwhile, developer Strawberry Star has secured a £21 million loan from challenger bank OakNorth and £5 million from RM Secured Direct Lending to create 77 homes and offices in Wandsworth.

OakNorth, which was founded in London in 2015 by former investment bankers, said concerns that “developers would stall project plans and delay borrowing decisions” following the referendum result, “have come to no real avail”.

OakNorth has lent £410 million for housing projects in the past 14 months. ■

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