

Standing to attention

The MoD has sold many of its grandest buildings to developers, including Eisenhower's wartime base, where flats will start at £4m. **Emily Wright** takes a roll call

From the most prestigious new addresses in the capital to the developments transforming run-down towns around the country, the great Ministry of Defence property sell-off is kick-starting a wave of residential schemes steeped in military history.

Defence Estates has a property portfolio that represents 1% of the UK's landmass, making it one of the biggest landowners in the country. Since 2011, however, it has been disposing of land with the capacity for tens of thousands of new homes.

Whether it is affordable family houses on decommissioned provincial army bases or the once-in-a-lifetime release of some of London's most sought-after buildings, the MoD has many sites that could make a significant contribution to our housing needs — and create unique homes to boot. The highest-profile site

to come onto the market is 20 Grosvenor Square, in Mayfair, where Eisenhower famously established a military HQ during the Second World War. Flats there are set to start at £4m, with prices rising to more than £35m.

MoD figures released in July revealed that there are 81,700 full-time servicemen and women in the Army — down from 102,260 in 2010. RAF numbers have fallen by more than 8,500 over the same period, while the Royal Navy has cut 5,500 posts. As personnel numbers have shrunk, barracks and bases across Defence Estates' 900 sq mile portfolio of land holdings have been left empty — and in some cases ripe for redevelopment.

Yet while the MoD is sitting on a huge estate — a fair chunk of which has already been sold off, with more expected to go as part of George Osborne's anticipated £20bn worth of public-sector cuts — not all of it is suitable for residential redevelopment. Sprawling army bases are often deliberately placed in remote locations, to ensure there is enough space around them for training and to minimise the impact of noise on neighbouring communities.

"The MoD's surplus land portfolio is vast," says Adam Challis, head of residential research at the property agency JLL. "But within it there is a huge range from prime central sites to more rural locations. The latter will require significant infrastructure before they can be turned into homes."

For this reason, the biggest residential wins are likely to be at either end of a pretty broad spectrum. On the one hand, there will be unique developments in cities — particularly London — that will lend themselves to luxury flats, thanks to their desirable locations and impressive buildings. On the other, there are the rural bases with good



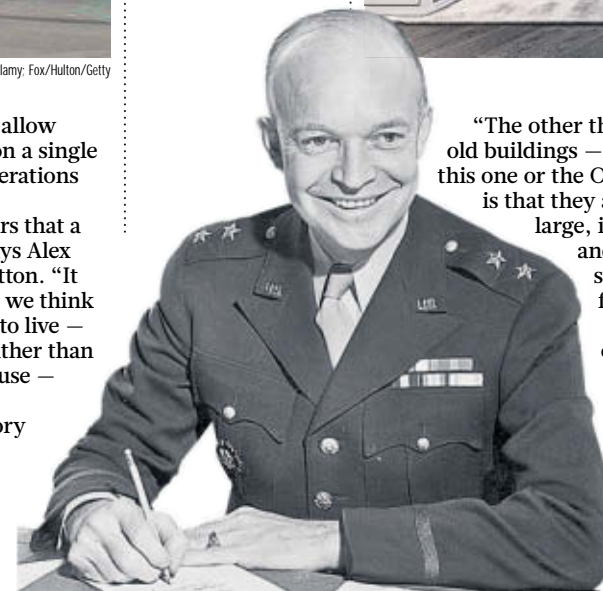
Wellesley is a development of 3,850 homes on former army land in Aldershot, Hampshire



World Travel/Naamy Four/Hulton/Getty



Dwight Eisenhower, below, had his wartime HQ at 20 Grosvenor Square, above. It is now being turned into 36 flats, in a style similar to the Finchatton project pictured right (020 7349 1120, finchatton.com)



"The other thing about these old buildings — whether it is this one or the Old War Office — is that they are extremely large, in great locations, and a bit unloved, so they are ripe for regeneration. "The nature of war has changed. Technology means that we don't need as many staff any more, so we have the opportunity to bring

these amazing, powerful buildings back into use."

The MoD sell-off is by no means limited to the capital. The sale of bases and barracks up and down the country since 2011 has released land that could, in theory, provide space for 37,000 homes. This space, in some cases, is already being redeveloped to create entire communities.

In Suffolk, a former naval training college, HMS Ganges, has been acquired by Galliard Homes, which has plans to develop 285 properties, a nursing home, a hotel, a shopping centre and a museum on the site. And in Hampshire, the housebuilder Grainger is overseeing the development of Wellesley, a 630-acre site that was formerly the South Camp

of Aldershot Garrison. This scheme will include two primary schools, 110 hectares of green space and the refurbishment of six listed buildings.

There will also be 3,850 new homes — 35% of which will be affordable — by 2027. Of these, 228 are due for completion by 2018, with prices starting at £425,000 (01252 916886, bellway.co.uk).

"The MoD is a great example of a public body having a large amount of land that is underused," says Kurt Mueller, Grainger's director of corporate affairs. "A few years ago, it went to the Treasury to prove it was getting 'best value' from its sites. By that, I mean short-term, hard-cash returns.

"This has changed. Our past two housing ministers have been much better at helping the government understand long-term value — for example, tackling the housing shortage by planning these sorts of developments. It's a slower but arguably even more valuable return."

There are more benefits to creating homes on these otherwise empty sites than simply helping to ease the housing crisis. "These schemes can be hugely beneficial to the local community," Mueller says. "One of our main aims is to integrate Aldershot into the Wellesley scheme. We want it to be aspirational but attainable — and there will be a clear nod to its military history. The parade ground running through the middle of the development will be turned into a walkway with a bandstand. It's a perfect example of how we can

make the most of the surplus land while honouring these sites' pasts."

As the MoD continues to dispose of its holdings, opportunities for residential development will only increase — and not only in the short term. With schemes as big and bold as Wellesley promising to deliver thousands of homes in the next two decades, the long-term prospects also look good.

Because suitable sites require particularly careful selection, the great Ministry of Defence sell-off might not result in the creation of those 37,000 homes overnight. When it comes to creating a wave of new residential schemes steeped in history, however, it looks as if this will be delivered with military precision.

infrastructure connections. These are the projects that could deliver cheaper homes on a grand scale, and perhaps breathe life into neighbouring provincial town centres, especially those that have suffered economically after the Army moved out.

First up, the trophy sites. The sell-off has launched some of the most exciting projects in London. The Old War Office at 57 Whitehall, for example, was sold to the Hinduja Group for £300m last year and is due to be turned into 580,000 sq ft of luxury apartments. And, though it has seen its fair share of controversy, the £3bn Chelsea Barracks scheme will eventually deliver 448 new homes. The first 74 flats, scheduled for completion by 2018, are expected to cost between

Corridors of power The Old War Office, on Whitehall, is only 200yd from Downing Street. After being sold for £300m, it is to be turned into flats

£2m and £50m, but the plans include 123 designated affordable homes.

When it comes to the capital's best addresses, however, you can't get much more prestigious than 20 Grosvenor Square. The US navy's former London HQ has been lying derelict since 2007, but is being transformed by the luxury developer Finchatton into 36 apartments, with prices starting at £4m for a one-bedder and reaching more than £35m for a five-bedroom flat. This development, also due for completion in 2018, will include a pool, a gym, a cinema, a personal screening room and a car lift to its subterranean parking.

Apart from the size and shape of the building lending itself particularly well to high-end residential conversion —

its 20,000 sq ft floorplates will allow 5,000 sq ft flats to stretch out on a single level — it has the cachet of generations of military history.

"It is once in hundreds of years that a building like this comes up," says Alex Michelin, co-founder of Finchatton. "It offers a layout that reflects how we think families of the future will want to live — horizontally across one level, rather than over six floors in a thin townhouse — and it is where Eisenhower was based during the war. The history is phenomenal. Think of the phone calls that happened here. We are discussing the possibility of calling one of the apartments the Eisenhower Suite in his honour.

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