



# THE KENSINGTON SOCIETY

AUTUMN NEWSLETTER 2016



The picture:

When the Lancer Square complex on Kensington Church Street was demolished in 2016, passersby could suddenly see the imposing 3A Palace Green and even the back of the fire station. But soon it will all disappear again, behind a complex much larger than the previous...

The chairman's report  
The planning report  
London's short-let disaster  
Upcoming society events

pages 2-3  
pages 4-7  
pages 8-11  
page 12



# The chairman's report

On 14 April 2016 we held our 62nd AGM. David Cameron, the Prime Minister, following his own party's manifesto, had given notice on 20 February for a referendum to be held on 23 June. The citizens of the UK were to vote for whether the United Kingdom remained or left the European Union. Very few people were talking about the vote at the AGM. The Odeon and the Dukes Lodge appeals were a prime topic, as was the refusal of the planning application for the redevelopment of Newcombe House.

Then things started to change. Sadiq Khan, the Labour candidate, was elected Mayor of London on 9 May. He promised that 50% of all new homes would be "genuinely affordable", Londoners would have "first dibs" on new homes and there would be a crackdown on the sale to overseas investors. He also recognised the unsound policy of allowing offices to convert to residential without planning permission. These all are sound plans for London.

But what was to happen with Europe? The day after our AGM, Vote Leave announced its official campaign. It all heated up with promises and threats flying back and forth. On 24 June the unthinkable happened and the vote to leave the European Union was decided.

So much has happened since that day and so much more is to happen in the coming months and years. Many were

despondent and fearful of the future. It seems one could not turn on the news in any form of media without being shocked. No one could have envisaged the changes and actually the opportunities we could have.

## What has past

The planning system under David Cameron, and particularly at the direction of George Osborne, was geared towards development, almost at all cost. With the cry for more houses, which we do not deny is needed, offices turned to housing without planning permission, pubs became high-end houses and many of our local shops became estate agents selling to an ever increasing foreign market. Affordable housing became a thing of the past, with only 13% of planning permission for new homes last year classified as affordable.

The RBKC 2010 Core Strategy promoted housing for three or more bedrooms, which ultimately favoured the large developments which were priced outside the level of even the most well-heeled Londoner and openly targeted to the Asian and Middle Eastern investors. At the same time Kensington & Chelsea saw a reduction of registered voters. Following the proposed boundary changes, we have barely held on to our own MP as our housing stock was soaked up by non-residents, non-voters. Our open spaces were lost to deeper, taller and larger developments. Developments such as the Odeon and the multiple ones along Warwick Avenue



*The week after the referendum, on 2 July 2016, some 30,000 unhappy anti-Brexit protesters marched from Park Lane to Parliament Square. Some of them demanded a second EU referendum, some a vote by MPs in Parliament, and some a general election - but all of them firm in their determination to see the UK remain inside the European Union. Photo by Alisdare Hickson. CC BY-NC 2.0 A*



*What will happen with the Forum Hotel? The owners have recently announced new plans but very few details. Photo by Geoff Pick. CC BY-SA 2.0*

were granted permission for less open/green space since they were within walking distance of Holland Park. Holland Park has suffered and if even half of these units were occupied, its viability will be threatened. Then there is the crude weapon, so ineptly introduced by George Osborne, of the stamp duty land tax (SDLT). The current threshold of 2% for housing over £125,000 is barely applicable for a home in London. The threshold of £1.5m is in our lowest range and it has a 12% tax = £180,000. The result is that most Londoners cannot afford to move even if they want to down-size and property values have fallen this year by 9%. The residents have lost their voice.

### **What may come**

Our new Prime Minister, Theresa May, has moved quickly and there are many opportunities for change. What is needed is a conscious decision to recognise the causes and effects of the previous government policies. SDLT and the reduction in property values, permitted development without any controls, even such statutory legislative proposals as allowing the planning process to be privatised should be reviewed. Equally challenging is how to control density, the loss of our city green spaces, the need for housing which locals can afford and, of course, foreign property investment in the residential market.

The RBKC Core Strategy, now known as the Consolidated Local Plan, will be reviewed this autumn. It is a review where the planning department wants local input and we can achieve changes if organised and forceful. We have continued to work with our affiliated societies and our next task is to ensure that major issues are addressed in the plan. However, there is also the consultation on health and

## In memoriam

On 28 September, the Kensington Society lost a dear friend: Sir Ronald Arculus.

Sir Ronald, born 11 February 1926, moved to Kensington in 1983, when he returned from his last diplomatic post as the ambassador to Italy. Fortunately for the society, our founder Mrs Gay Christiansen met Sir Ronald at a dinner party and as he later told me, she said "you are joining the society". She did not mean merely becoming a council member. There was only one problem, Sir Ronald wanted something to do and the council was too sedate for him. In short order, he joined the executive committee and then in 1991 he became the chairman. He was our president from 2001 until 2012.

Shortly before I became chairman, I was introduced by Robin Price to the ceremony of lunch with Sir Ronald, which was usually held at the Muffin Man. During lunch one was grilled about everything Kensington. His mind never wavered and was constantly testing and reviewing how to make Kensington better. He is greatly missed.

Amanda Frame

wellbeing, where there is very little mentioning of our air-quality problems. RBKC has the second highest proportion of deaths attributable to air pollution in London and the consultation paper makes scant mention of how this problem should be tackled. The rewriting and representing of our conservation area planning statements into the new form of the conservation area appraisals is well underway.

We have recently met with the consultants who represent the owners of the Forum Hotel on Cromwell Road. They have given up on the casino idea but their brief is all too familiar to us; they want to put a quart into a pint pot.

With the change in the luxury market and the effect of SDLT, CapCo has made moves to increase the Earl's Court development from 7,500 homes to 10,000. We fear that since most of the early development is in our borough, most of this increase will be on our side of the railway lines. There is a major question as to how these increased pressures on transport, schools, doctors' surgeries and utilities will be managed.

The planning system is a cumbersome process which does not change easily. There is no way to undo the past. The large developments for the luxury market will be with us forever. With our members' support, our hard working and dedicated trustees and by working with our affiliated societies to form a powerful force, we can change the future. We are busy, the challenges continue but our voice is stronger and we will be heard.

Amanda Frame





# The planning report

It is hard to believe how much the landscape has changed since our AGM in April, let alone since writing the annual planning report in January.

## New mayor – new priorities

The political landscape in London has totally changed with the vote to leave the European Union and with a new London mayor. The new mayor, Sadiq Khan, has announced a change of direction. Housing is set to be a key priority with housing Londoners rather than promoting investment properties. We are hopeful this will be reflected in the borough's review of the Local Plan by reducing the present 80% of new market housing for 3-bedrooms or more which has been the policy for over the last decade.

Sadiq Khan has proposed a review of the issue of tall buildings, beloved of Boris Johnson's deputy mayor. Perhaps critically, Sadiq Khan has indicated he will be less inclined to overrule a borough's refusal of a tall building. The legacy of the last 8 years means that the borough will be encircled by tall buildings from Hammersmith and Fulham's White City through Earl's Court to the Thames. Sadiq Khan seems to be truly concerned about what local communities opinion on this issue.

Tackling air quality and traffic congestion will also be a priority, which given the situation in this borough should be very welcome. These issues were not a priority for the last mayor and the current state reflects that neglect. It will mean a big push for cleaner vehicles and lower traffic levels in central London.

Much of this will be reflected in the forthcoming consultation document "Towards the London Plan".

## New government

The Brexit referendum came as a shock to many residents whichever way you voted. The change of Prime Minister and a major reshuffle of the cabinet will result in a reordering of priorities, but what will it mean for Kensington? Some of the Conservative government's flagship policies such as "starter homes", enforced disposal of council housing and the right-to-buy for housing association tenants could change the mix of residents over the next decade. At the moment with the concentration on the EU, many of these policies will remain.

The appointment of Gavin Barwell as minister for housing, planning and London could be a promising sign. Gavin Barwell is the MP for Croydon Central, so he understands that central policies that often do not fit and often damage London. We will see when it comes to implementing some of the worst ideas, such as "building upwards". The key issue will be the degree of influence that No 10 and Treasury have on pursuing these issues through despite their damaging effect on London.

## Continuing government initiatives

**"Building Upwards in London"** is one of the daftest ideas to come forward from the previous government for a long time. The proposal was to allow an additional, separate flat on top of existing buildings where adjoining buildings are taller. The flat must have separate access so terraced housing is not an obvious candidate. We could have a return to additional storeys on blocks of flats. However since the late 1970s much has changed with long-lease residents taking over their freehold. Owners of buildings such as council housing, housing associations and office blocks may want to redevelop with additional flats on top. Building upwards is not a short-term fix for the housing crisis and if it were to proceed, it could be damaging. We are working with our MP, Victoria Borwick, to oppose this.

**New permitted development rights**, which allow change of use without the need to obtain planning consent, came into force in April, despite our efforts to resist them. The borough retains its exemption from the permitted development right to change offices to housing until May 2019. By that time the council will hopefully have introduced an article 4 direction which removes that right and requires planning permission.

We strongly support the council's position that this article 4 direction must cover the whole borough, but are aware that the government has resisted such attempts in other boroughs. However, after an initial rush the number of offices changed to housing hasn't been very large in the London boroughs that aren't exempt from this right. In addition, the reduced office supply has led to rising office rents. There are signs that this, coupled with a faltering luxury housing market, is leading to more office developments again.

The government has also introduced a right to turn light industrial buildings into housing for an experimental period of three years. The council is very concerned that a reduction in premises for small and medium-sized firms could be damaging, and we agree.

The only bit of good news is about the right to change launderettes to housing without needing planning consent if they are outside conservation areas. For this right to apply, the government has stipulated that the developer must first deliver an assessment application which shows that the loss of the launderette will have very little impact on the local neighbourhood. Rather than wait for such applications, which could be difficult to disprove, the council has proposed an article 4 direction to remove this right for seven launderettes in the borough. Change of use would thereby need planning consent, which, since it is against the Local Plan, would be resisted. There are at least twenty launderettes in the borough, but seven of them are in conservation areas and a further seven are now effectively

dry cleaners rather than launderettes. A small victory with the help of our MP and the council.

## Revised Local Plan

The council consulted early this year on proposed revisions to the Local Plan. The consultation draft of revised policies to the Local Plan is provisionally set for late October. We hope the changes will be quite extensive and include strengthening of the “place” chapters, as well as changes of the policies for housing and employment. We are encouraging our local associations to work together to focus on the opportunities to improve the plan.

The current housing policies, which have actively supported the provision of 80% of market housing being large flats or houses (defined as having three or more bedrooms), have played straight into the international second-home and investment markets. Only a small proportion of the homes built over the last decade have gone to people for whom it would be their primary residence. We have seen this in many of the recent luxury developments, which have massive three bedroom units certainly not intended for local residents. These sites have been “wasted”, as they could have provided many more flats of the sort that would have better met the needs of Londoners.

This has not as yet been factored into the council’s policy, but if we are going to increase the housing output and provide choice for those who downsize, and thereby release larger houses and flats, the proportion of new large flats will need to be reduced further. And “large” should not be defined by number of bedrooms, but by the actual size of the units. The proposal appears to reduce the large units in the housing mix to 50%.

Another policy which is under review is the loss of residential units caused by deconverting houses that have been divided into flats back to large houses, and by amalgamation of two or more houses or flats into one unit. The borough has a demanding target set in the London Plan of 733 net additional units per year. Losing between 50 and 100 units a year through deconversion or amalgamation works against that target. The main problem is not a lack of large units, but a shortage of attractive, reasonably sized family size units and smaller units for those who want to live and stay in Kensington.

## Neighbourhood plans

The neighbourhood plan for St Quintin and Woodlands passed its examination but has been challenged by the landowner and developer of Nursery Lane. The Kensington Society is supporting the Neighbourhood Forum in resisting this legal challenge, which is the only barrier to the plan going



*Following an intensive online campaign against the plans for the large Newcombe House scheme, the planning committee refused the application. The developer has appealed and there will be a public inquiry on 14 February 2017.*

to a local referendum.

The society is also taking an interest in the proposed Knightsbridge neighbourhood plan, which, although entirely within Westminster, could affect adjoining areas such as Exhibition Road and Brompton Road. The most ambitious element of the plan is a planning brief for the redevelopment of Knightsbridge Barracks.

## New developments

**Notting Hill Gate:** The society supported the proposal for the redevelopment of Newcombe House. We supported it, along with three other local societies, because of its proposed community benefits: a major pedestrian public square, a new NHS group practice surgery, provision for step-free access to part of the underground and the retention of shops and, in particular, offices. We had tried to engage with the Hillgate Village community. Their specific opposition was reflected in the planning committee's refusal. The developer has appealed to the Planning Inspectorate and the appeal hearing will be start on 14 February 2017.

Meanwhile, proposals by Frogmore for the refurbishment of three major blocks on Notting Hill Gate have been submitted as three separate planning applications: one for United House and the two buildings on either side of Campden Tower, one for David Game House and one for Astley House. All proposals add additional floors and new facades above ground floor level. Unfortunately, the proposals contain no plans to address the mishmash of shop fronts or to coordinate the poor graphic signage on the ground levels. Although it may be difficult to change this with sitting tenants, a plan for the shop fronts would be useful, as it could be implemented in stages when the shops change hands.

We are pleased to have been consulted and to have been

*(continues next page)*





*After two failed attempts by locals to save the Odeon by having the cinema made an asset of community value, the chances of preventing it from becoming a luxury residential block seem very slim. In the middle of October, the owner began erecting scaffolding in preparation for demolition. In the scheme favoured by the owner, the magnificent front will be retained as one of two entrances to the handful of flats inside, while the new underground cinemas will be accessed from Earl's Court Road and the former post office site.*

able to help improve the schemes, but we are far from satisfied with the proposals. We have commented that the additional storeys are oversized and disproportional to the base building. Most all, we oppose Frogmore's position that they need not make any financial contribution to the improvement of Notting Hill Gate's public realm.

**South Kensington Station:** We are actively involved in the Transport for London (TfL) working group on developing a scheme for South Kensington Station. The station has over 60 million travellers per year, more than Gatwick Airport. There are two proposals: one to improve the capacity and safety of the station and one to redevelop the existing exterior around the station. The redevelopment will maintain and furbish the historic fabric of the station and the Thurloe Street terrace, and develop new housing and shops along Pelham Street with a office building on the corner of Pelham Street and Thurloe Square. TfL are adamant that step-free access will be provided in the next phase of the interior refurbishment. We and the six other societies have all objected and continue to insist that step-free access is a priority. We are not sure whether or how the scheme might be affected by the mayor's demand for TfL sites to provide a high proportion of affordable housing.

**Natural History Museum:** For two years representatives from seven local societies have been consulted by the Natural History Museum on the development of the museum grounds. The working group has been lead by the

Kensington Society and the Brompton Association. The museum now has over five million visitors per year and the new scheme will improve access from both Exhibition Road and Queen's Gate, raises the East Lawn with a dedicated grasses area above and shop, ticketing and café below. The Wildlife Garden at the Queen's Gate will also be redesigned in order to be accessible the whole year. The planning application was approved by the planning committee on 26 July. Objectors to the Wildlife Garden plan presented their concerns to the committee.

### On-going sagas

**Design Museum:** The society is looking forward to the opening of the Design Museum. We do, however, have some concerns about the discrepancy between the limit on the number and scale of big events. There appears to be some confusion over the conflicts between conditions within the planning permission, the approvals by the licensing committee, the leases, the local expectations and those of the museum. The Design Museum has produced an events management strategy, which we have discussed with them and neighbours. We are excited that the museum will be in the borough and look forward to the improvements to Kensington High Street.

**Odeon:** Following the developer's successful appeal and the approval on appeal of a previously refused scheme, the developer did some demolition work at the back, but then



stopped and instead actively marketed the entire site. Meanwhile, a group of locals, called The Friends of the Kensington Odeon, asked the council to make the cinema an ACV (asset of community value). The council, after a debate in the full council meeting on 24 May, refused to grant a certificate, largely based on concerns that the group could not afford to buy the site. A further attempt to get an ACV certificate was made by the group in August, accompanied by a long list of supporting letters from film stars and various organisations, but on 3 October this application was refused as well.

In the middle of October, the developer began scaffolding the site and the demolition of the old cinema is scheduled to begin in March 2017. Asbestos removal has apparently begun inside.

**The stripey house:** After her appeals had been quashed by the High Court in early 2015, the owner of 19 South End painted the front of the house with red and white stripes. The council took enforcement action as it was considered to be an eyesore. The owner went to the magistrate's court in January and lost, then followed this with an appeal to the Isleworth Crown Court in June, which she again lost. Meanwhile, her five planning appeals were heard by the Planning Inspectorate. Her three applications to replace the former office building with a residence with a 2.5 storey deep basement were refused, but the assigned planning inspector approved change of use to a house but without a basement. In July she covered the whole front with plywood and a couple of months later the demolition began, hidden behind the high plywood front. According to the neighbours, some 15 skips of soil were removed from the site in late September, leading some to suspect that she's actually digging a basement although she has no consent to do so.

Then, on 12 October, following a legal challenge instigated by the next door neighbour, a High Court judge found that the planning inspector had been wrong in allowing the change of use. Permission to appeal the judgement has been granted, and it is expected that the owner will make use of this. Should the Court of Appeal dismiss that appeal, the decision goes back to the Planning Inspectorate for re-evaluation. This is a saga with no end in sight...

**Pubs:** The Kensington Society is concerned about the number of pubs which are under pressure, despite in two cases ACV listings and article 4 directions to counter change of use freedoms. Those two are The KPH (Kensington Park Hotel) on Ladbroke Grove and The Academy in Princesdale Road. The KPH has reopened, but there have been alterations to the first floor function room and its long term future remains uncertain. The owner of The Academy has informed the council that they intend to sell the pub. The Norland Conservation Society, who applied for The Academy ACV, must now decide whether they and the local community can raise the funds to save the building as a pub.

**Basements:** Following the adoption of a new basement policy in 2015, a new supplementary planning document (SPD) to guide the development of basements, and the adoption of the streets and transport SPD policies, an article 4 direction came into effect in April which removes the permitted development right to build a basement under the footprint of a building. This has tied up a loophole and brings all basement development under planning control. However, we still struggle with the volume of soils removed and the clear definition of what "one storey" means.



*After having lost her appeal, the owner of the stripey house boarded it up and began demolition. In late September some 15 skips of soil was removed, indicating that a basement may be being built although not allowed. In mid October, a High Court judge ruled that the Planning Inspectorate was wrong in allowing the change of use, so another appeal is to be expected.*

## Enforcement

The society strongly welcomes the council's commitment to strengthen the planning enforcement service. It is now one of the best in the country

## Conservation

The borough's list of "Listed Buildings of Architectural or Historic Interest" is now over 30 years old and needs revision, both in terms of adding more buildings to the list and improving their description, in order to help planners understand what their key features are. Currently the only additions made to the list happen through "spot listing" in response to imminent threats, such as the traditional K6 telephone kiosks in front of the V&A and Kensington Palace, or because of major events, such as the listing the two Silver Thimble shelters in Kensington Gardens between the Broadwalk and the Round Pond (though actually in Westminster) to commemorate the First World War. We think there needs to be a way to identify further candidates and improvements to the descriptions.

In the absence of a "local list", something many local authorities have for locally important buildings, we had hoped that the conservation area appraisals (CAA), which are currently being produced for our conservation areas, would identify potential candidates for listing, but unfortunately they do not. Another shortcoming of the CAAs, which are replacing the former conservation area proposals statements (CAPs), is the failure to identify opportunities for enhancing our conservation areas, which is one of the legal duties imposed on local authorities. Thus, whilst we strongly welcome the commitment of resources to produce new CAAs for each conservation area, we feel that the council is missing opportunities by not identifying candidates for listing and enhancement possibilities.

The Kensington Society planning committee  
Michael Bach (chairman), Amanda Frame, Anthony Walker,  
Henry Peterson, Sophia Lambert and Thomas Blomberg

# London's short-let disaster

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When the Cameron government removed the London short-let ban in May 2015, in order to remove “unnecessary red tape” and “enable London residents to participate in the sharing economy”, there were a few thousand short-let offerings in London, whereof a few hundred in Kensington and Chelsea. Today, a year later, there are more than 70,000 in London, whereof some 4,000 in our borough. Although now formally legal, many of those are in breach of tenancy agreements and may also be in breach of mortgage terms and buildings insurance. Many are also in breach of the new short-let regulations and most of them are part of the black economy.

The London short-let ban was introduced in 1973 in order to deal with what had become known in the early 1970s as “creeping conversion” of residential accommodation to hotel accommodation, causing an erosion of residential accommodation in boroughs such as Westminster, Kensington & Chelsea, Camden and Paddington. The ban required an application for change of use if someone wanted to let his/her home for less than 22 consecutive nights. In 1982, the London Boroughs Association managed to get the short-let ban expanded to 90 days, as especially Westminster and Kensington & Chelsea had found the 22 day limitation to be “ineffective in dealing with instances when lets of one month or more for supposed residential purposes are holiday lets to foreign visitors. In other words, there is a bit of a racket going on, about which we are all bothered”, as MP Jock Stallard, later Baron Stallard, said in the House of Commons on 13 May 1982.

But 30 years later, when Airbnb and other web-based short let facilitators had managed to tempt several thousand London home owners to illegally offer their homes to tourists, the response from the government wasn't to help the under-sourced boroughs to chase and convict the culprits, but to scrap the London short-let ban altogether.

## **Pushed through for "the sharing economy"**

Although a majority of the London boroughs, resident associations and hotels voiced their strong concern over this, fearing the creation of a free-for-all, untaxed and unregulated lettings market that would deprive Londoners of much needed homes and hoteliers of customers - and in spite of the fact that several cities around the world already had or were planning to introduce legislation against short letting - the government pushed the legislation through, in order to “modernise this out-dated legislation, so that residents can allow their homes to be used on a short-term basis without unnecessary red tape. We want to update these laws to help boost the sharing economy, in light of the popularity of websites like Airbnb and Onefinestay, to help people rent out their property for a short-term basis. The government wants to enable London residents to participate in the sharing economy”, as housing minister Brandon Lewis stated. As part of the Deregulation Act 2015, the lifting of the London short-let ban became law on 26 May 2015.

The government's love affair with the “sharing economy” didn't happen by chance. Under the guise of being good-

hearted enthusiasts who just want connect people who occasionally want to let their spare bedroom with backpackers who can't afford a hotel or want to get closer to the locals by living with them and share their meals, or just want to connect car-owners on their way to work with people who want a ride in the same direction, companies like Airbnb and Uber spend millions each year to lobby local governments to ease up any rules that may hamper their business expansion.

However, more and more cities around the world are trying to curb the expansion of unregulated short-term letting, as they find it hurts neighbours, removes homes from the regular lettings market, boosts the black economy and thus criminality, and increasingly hurts their tax-paying and regulation-abiding hotel industry.

But when US cities try to introduce rules to limit the growth of short-term lettings, Airbnb sue them. The company has recently began litigation against San Francisco, Santa Monica and Anaheim for introducing short-let bans, arguing that such bans are unconstitutional. Next in line is probably New Orleans, which is also contemplating a ban, and then perhaps New York State, as its senate in June 2016 passed a bill that will make it illegal to offer an entire home or flat for short-term letting. New York Governor Andrew Cuomo has until the end of the year to either sign or veto the legislation.

## **Tougher laws in Europe**

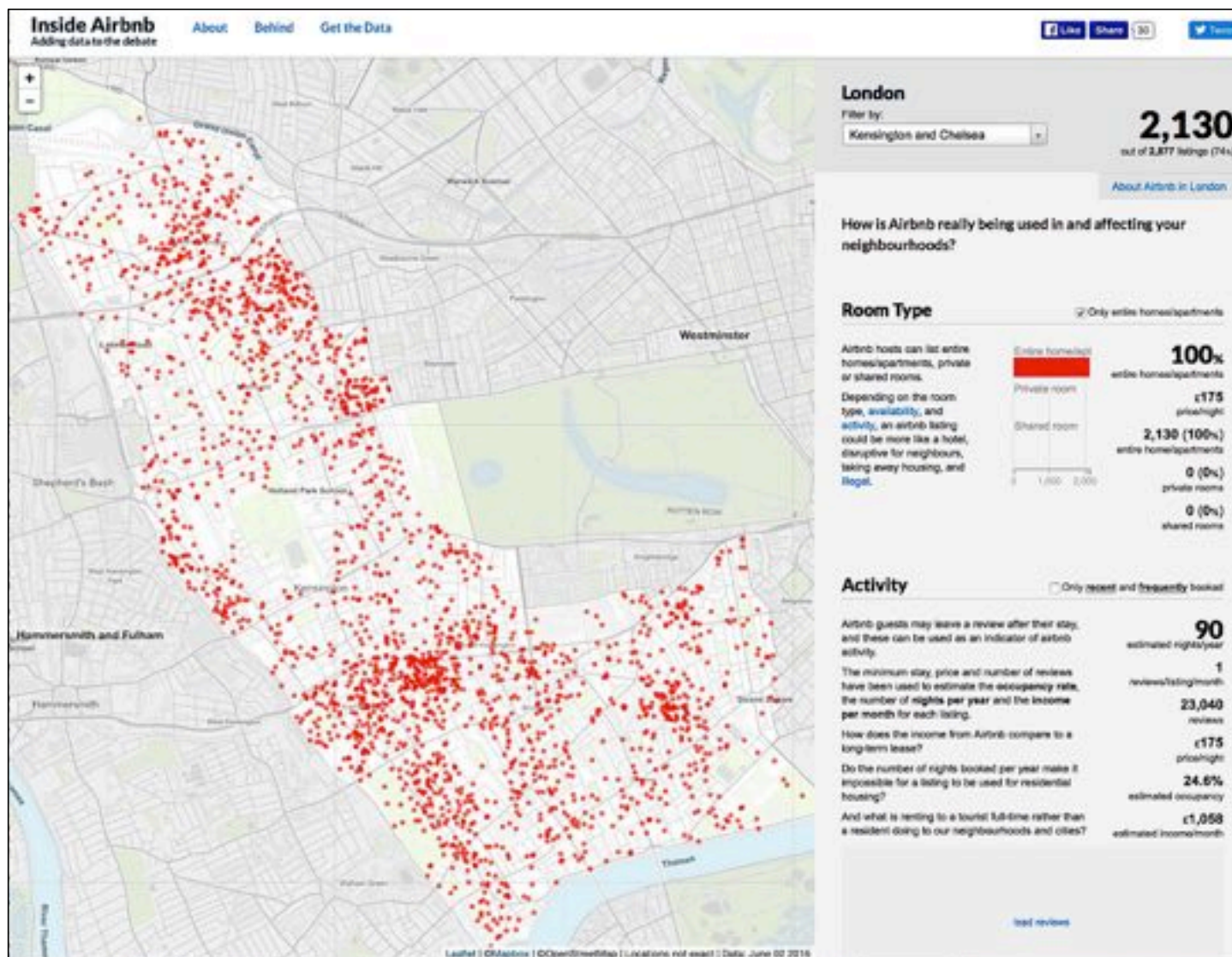
The attempts to curb the short-letting frenzy aren't limited to the US. On 1 May 2016, a new law which bans short letting of whole flats began to be implemented in Berlin. Berlin and Munich already impose a tax on income earned from Airbnb-style rentals, and in Paris, Airbnb was recently forced to charge its users a tourist tax after coming under fire from hotel owners in the city. In Vienna, an amendment to the Vienna Tourism Promotion Act was passed 30 September 2016. It means that short-term landlords who advertise online are now obliged to provide information necessary to establish whether they are liable to pay tax on their income. If a Vienna property is used commercially - by a landlord/host who have multiple offerings and/or employ staff - a business license must also be obtained.

In late September 2016, the Los Angeles Times reported that a Moody's Investor Service report noted that Airbnb has grown from 300,000 worldwide listings in 2014 to more than 2 million listings two years later. In comparison, the conventional hotel industry offers 15.7 million hotel rooms around the globe. In New York, Airbnb rentals now represent nearly 25% of all lodging, and its \$30 billion valuation exceeds the market cap of every major hotel company.

While the occasional letting of individual rooms by home owners who reside in the homes themselves seldom is a problem, the short letting of whole homes is, especially when done on a more or less permanent basis, as it bars locals from renting them, causes inconvenience for neighbours and competes with the local hotel industry.

The main complaint is that Airbnb is quickly turning into a vehicle for professional companies who have multiple listings on the website while hiding under innocent sounding host names like “Tom”, “Mike” or “Luisa”. In June 2014, a





The [Inside Airbnb](#) website shows that there were 2,130 whole homes in Kensington listed as short lets by Airbnb in June 2016. Each red dot represents a house or a flat, and when clicked it links to that property's page on Airbnb.

report from the New York attorney general found that 6% of Airbnb hosts in the city earned a disproportionate 37% of the revenue and accounted for 36% of the bookings.

In October 2016, the Sydney Morning Herald reported that many "older" Airbnb hosts in Melbourne are dismayed, as the rapid growth of Airbnb listings in the city (a 40% increase in nine months) had led to a 32% decline in average monthly income for existing Airbnb hosts. They are noticing the same development as in New York City: owners of permanently available flats and houses, especially those in attractive areas, are taking over the short-let market while those who occasionally let their homes or just a room are seeing less and less bookings.

"While Airbnb likes to talk about the middle-class family that's making some extra cash, the reality is that people making the majority of the revenue on the platform are commercial operators," Rosanna Maietta, a spokeswoman for the American Hotel and Lodging Association (AHLA) recently said in an interview with US business news website Quartz.

### Already 70,000 short-let listings in London

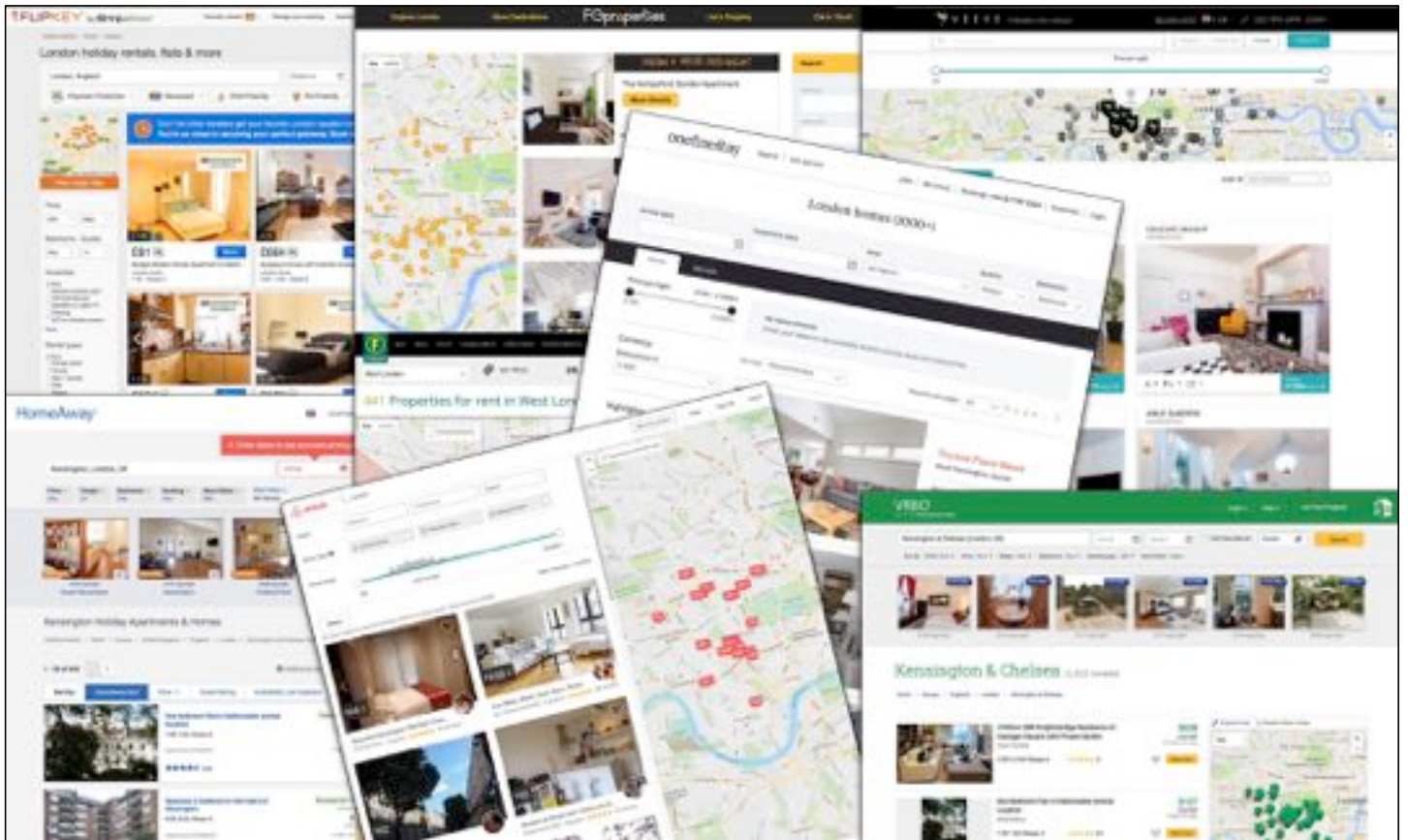
So what about London? There were only a few thousand short lets offered on websites when the short-let ban was scrapped in May 2015, but today there are more than 42,000 London listings on Airbnb alone, a further 7,200 on FlipKey,

5,000 on HomeAway, 6,200 on VRBO, 1,100 on Onefinestay, and 1,000 on Veeve, just to name a few of the many websites which offer short lets in London. Although some of these properties are marketed on several websites, there are undoubtedly more than 70,000 different short-let rooms and properties listed in London one year after the ban was scrapped.

The hotel industry in London has started to hit back. In January 2016, members of the parliamentary business, innovation and skills committee were told by Ufi Ibrahim, CEO of the British Hospitality Association, that 40% of Airbnb properties in London are professional landlords who use Airbnb to circumvent planning regulations, "avoid taxes and other things that have an impact on public safety". Andy Harrison, the boss of Whitbread, who owns Premier Inn, said the same thing already in November 2015.

In New York, a group of housing activists have set up a website, called [Inside Airbnb](#), which scrutinises the Airbnb listings around the world. Using various tools that extract the data on the Airbnb website and then turns it into useful information, the group behind Inside Airbnb has been able to reveal the extent of the operation. Anyone can browse through the findings of Inside Airbnb in order to get good picture of the property listings in a specific area.

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*The number of websites offering short lets for London visitors have mushroomed since the short-let ban was scrapped.*

Inside Airbnb reveals that there were 42,646 Airbnb listings in London in June 2016 (their most recent London research). Of these, more than half (21,646) were for whole flats or houses, while the rest were lettings of single rooms. Of the 21,646 whole homes, 13,320 were “highly available”, meaning that the owner probably doesn’t live there. And half of those, 6,859, were listed by hosts who have multiple listings on Airbnb. These are often management companies which handle the homes on behalf of the owners. However, there can also be sub-letting tenants who rent several flats and list them on Airbnb and other sites without the knowledge or approval of the flat’s leaseholder.

### 777 professional short lets in RBKC

The Inside Airbnb data shows that there were 2,877 Airbnb listings in Kensington & Chelsea in June 2016. Of these, 2,130 (74%) were whole flats or houses, and 1,390 of these were highly available. And of the highly available ones, 777 were listed by hosts who own or manage several Airbnb properties.

One of these hosts calls himself “Guy”. He has 34 listings spread across the borough and a further 52 in other London boroughs. Just like “Tom”, who has 95 listings in our borough and 432 in the rest of London, “Guy” is undoubtedly an alias for one of the many new companies that manage short-let properties for absent owners.

The new regulation for London short lets stipulate that a home owner may not let more than 90 days per year without applying for planning permission, but how is this to be controlled, as nobody is obliged to report the lettings? It is up to the local boroughs to ensure that this 90-day limit isn’t exceeded, but as they don’t even know who is letting or when, this is an impossible task. When the ban lifting went through Parliament, Westminster council lobbied very hard for a requirement that short letters should be registered and

be required to notify their council, perhaps just through clicking a button on a website, the number of nights whenever they got a booking, but the government felt that this was unnecessary “red tape”.

Another problem is the untaxed income. In March 2016, the then chancellor, George Osborne, announced that individuals who let property can earn up to £1,000 tax free. Those who let a single room were already in the July 2015 budget given a “rent-a-room” allowance of £7,500 a year. However, with no controls in place, one must assume that there is a risk that some won’t declare incomes above these allowances. Many of the websites boast that their hosts make an average of £1,000 a week. Hostmaker, one of the many management companies handling hosting on Airbnb, promise that the owner of an available three bedroom flat in central Kensington will make around £77,000 per year. According to an article in USA Today in April 2014, one of the FlipKey hosts earned more than \$90,000 a year from his “condo in London” which sleeps 6 - and that was while short lets still were illegal.

### Short lets in breach of contracts and leases

Then we have the problem with secret sub-lettings, which is increasingly common. A person rents one or several flats and turns them into a short lets, totally unbeknownst to the owners of the flats.

There are also many leaseholders who are jumping on the short-let bandwagon without realising that they may be breaking conditions in their lease. In September 2016, the Upper Tribunal’s Land Chamber ruled that homeowners whose leases state that their properties can be used as “private residence only” cannot let their homes short-term if they don’t live there with “a degree of permanence going beyond being there for a weekend or a few nights in the week”. The ruling came after a lady in north London had been



# The size of London's short-let market after the deregulation

The unregulated short-let market in London has exploded since the short-let ban disappeared in May 2015.

## **Airbnb**

According to Inside Airbnb there were 42,646 short-let listings on Airbnb for London on 2 June 2016. Of these, 2,877 were in Kensington and Chelsea, whereof 777 were entire homes available to book more than 90 days per year and offered by hosts who have several properties listed (i.e. businesses). The equivalent figure for all of London was 6,859 highly available homes offered by hosts who run their activity as a business.

## **Flipkey**

In early October 2016 there were 7,000 short-let listings in London on Flipkey, the short-let site owned by TripAdvisor. The number of offerings in Kensington and Chelsea are difficult to estimate, as their website doesn't allow searches for specific areas. However, the website map indicates that there must be several hundred.

## **HomeAway and VRBO**

In early October there were some 5,000 short-let offerings in London on HomeAway and some 6,200 on VRBO, both owned by Expedia. HomeAway lists some 1,500 in Kensington and Chelsea and VRBO lists 1,300. The listings on these two sites are largely identical, however.

## **Onefinestay**

In early October there were some 1,100 short-let properties listed for London on upmarket site Onefinestay, whereof some 350 in Kensington and Chelsea.

## **Veeve**

In early October there were some 1,000 short-let listings for London on Veeve, whereof some 200 in our borough.

## **StopSleepGo**

In early October there were some 262 short-let offerings in London on StopSleepGo, whereof 12 in our borough.

## **FG Properties**

In early October there were some 125 short-let offerings in London on the FG Properties website, whereof 84 in Kensington and Chelsea.

## **The traditional letting agents**

Traditional letting agents have also jumped on the bandwagon, especially Foxtons. In early October 2016, Foxtons offered some 1,200 short-lets in London, whereof some 200 in Kensington and Chelsea. Other traditional letting agents, such as Knight Frank, Chestertons and Hamptons, only offer a handful of short lets - so far.

## **The rest**

There are also a number of smaller websites trying to get in on the London short-let market, with names such as London Short Let, London Short Letting, Easy London Accommodation, and A Place Like Home, but so far they have very limited offerings.

## **The professional hosts and managing companies**

A number of companies have emerged which act as middlemen between the actual home owners and the large websites, especially for the Airbnb listings. They are typically used by owners who never live in the properties themselves and let them permanently. These companies typically front as being the host, and clean and maintain the properties for the actual host. One example is Veeve, which list half of their offerings on Airbnb as well as on their own website. However, when the properties appear on Airbnb the host is called "Tom", who turns out to be Tom Wilkinson, Veeve's sales team leader.

Another example is FG Properties and City Relay, two companies owned by French former Morgan Stanley trader, Maxime Leufroy-Murat. City Relay is his Airbnb management services arm (operating under the host name "Ana, Davide, Romain & Maxime"), while FG Properties is his own short-letting company which often offer the same properties at a slightly higher rate per night.

Easy Rental Services, which operates in London, Paris and Milan and manages 85 properties listed on Airbnb, and Hostmaker, which operates in London, Barcelona, Rome and Paris, and manages 903 Airbnb properties in London, are both examples of pure management companies.

listing her flat on several short-let sites and only stayed in three or four days a week herself. The judge decided this didn't constitute a permanent residence, and was therefore in breach of her lease.

However, the most troubling thing about the short-let frenzy is the disruption it causes neighbours. This is especially true in blocks of flats, where neighbours suddenly find that one or several flats have been turned into small hotels, with new and unknown persons coming and going all the time, often partying all night long and totally disregarding the fact that people in the other flats expect to live in peace and quiet.

Hopefully, with both a new mayor of London and a new government which has signalled that it is different from the former Conservative government, things may improve. In September 2016, Iain Wright, the chair of the Parliament's business, innovation and skills committee, wrote to the mayor of London, Sadiq Khan, highlighting the negative consequences of temporary lettings operations run by companies such as Airbnb, including their potential to drive up prices. In the letter, he said that "while companies such as Airbnb can enable homeowners to unlock economic value by

temporarily letting spare rooms, extensive use of Airbnb by professional landlords, contrary to the current law, can help to drive up property prices, compounding issues of affordability in the capital."

Wright also wrote: "You will be aware that a number of investigations into temporary property letting companies such as Airbnb have found that many landlords appear to be operating illegally by letting properties out for more than 90 days per year. Several of these report that the current law is unenforceable."

Wright ended the letter by asking Khan for his personal assessment of these kinds of companies and whether or not the current law should be amended.

In a comment to the Guardian, Wright said that "landlords who use companies like Airbnb to illegally let properties for more than 90 days are driving up prices and leaving tenants vulnerable. These landlords are hoteliers in all but name and gain an unfair competitive advantage by dodging regulations and taxes which hotels are required to pay."

Thomas Blomberg

Don't miss these important Kensington Society events!



## Planning enforcement

What would you do if this artfully painted makeover appeared next to your house? Breaches of planning control can consist of work done without consent, work done without observing conditions in the planning permission, land left un-tidy or a building left derelict, or adverts displayed without consent. Anyone can report a possible breach of planning control. Please join us for an informative talk about enforcing planning control by RBKC's planning team.

Date: Monday 14 November 2016

Place: The Small Hall, Kensington Town Hall



## Private tour of the Design Museum

Join us for a private tour of the new Design Museum in the Grade II listed former Commonwealth Institute exhibition hall directly south of Holland Park. There will also be a chance to see the museum's brand new exhibition "Fear and Love: Reactions to a Complex World". Wine and bar nibbles will be served.

Date: Tuesday 29 November 2016

Place: The Design Museum

**For more information and booking of these important events, please visit the Kensington Society website:**  
[www.kensingtonsociety.org](http://www.kensingtonsociety.org).



# SAVE THE DATE!

Tuesday 25 April 2017, 6:30 for 7:00pm

## The Kensington Society AGM

On 25 April 2017, you are all welcome to our annual general meeting.

As usual it will be held in the Kensington Town Hall's Great Hall, and it will be followed by a wine reception in the Mayor's Parlour.

The guest speaker will be the Lord-Lieutenant of Greater London, Mr Kenneth Olisa OBE. He was appointed in March 2015 to this illustrious position, where he serves as the Queen's representative in Greater London.

Ken, as he prefers to be known, is a computer technology businessman and philanthropist, and was earlier this year voted Britain's most influential black person.



Formed in 1953, the Kensington Society strives to ensure that our part of London retains its magnificent heritage of buildings, parks and gardens alongside the best of contemporary architecture and design.

With our 700 members and 33 affiliated societies, we are very active in planning issues and able to exert a real influence on planning decisions in the Royal Borough of Kensington & Chelsea. We also have a programme of lectures and talks, which covers a wide range of subjects, both historical as well as informative. The events offer the chance to meet your Kensington neighbours.

Interested in joining? It only costs £15 per year.

Membership form and booking form for events can be found on the Kensington Society website.

### How to reach us:

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Kensington Society is a registered charity (number 267778)

*The views expressed in this newsletter are those of the individual contributors and not necessarily those of the Kensington Society*