



Whichever stripe the new UK government, Northacre chief executive Niccolò Barattieri di San Pietro says he won't be giving it too much thought. He talks to EG Radio about the company's priorities in the luxury market. Portrait by Will Bremridge

# HIGH-END MIGHTY

**T**he votes were being counted as *Estates Gazette* was being printed, but for one man it matters little which party makes it to Number 10.

For the first time in living memory, housing has been a key proposal in all the main parties' manifestos. Threats of mansion taxes, crackdowns on non-doms, and proposals to reintroduce Right to Buy have all been flung around.

Whatever their colour, each party has attempted to use the housing crisis as a vote-winner. But for Northacre boss Niccolò Barattieri di San Pietro none of that matters.

"If I spend one minute a day thinking about these things it

is a minute wasted, because there is nothing really I can do about it. What will be will be," says Italian-born Barattieri di San Pietro with a shrug.

Fresh from sponsoring *What is Luxury?* at the V&A Museum, an exhibition exploring how luxury is made and understood, Northacre's chief executive is feeling confident about the high end of residential real estate – despite talk of a recent slow down.

"The market has been going up in a straight line for 20 years with one negative quarter," he says. "With any asset class, when it goes up in a straight line for 20 years, a pause for thought is actually welcome, not a threat."

According to data from

Savills, prime central London house prices are due to dip by 1% this year, before returning to their upward trend in 2016 with 8% growth.

Barattieri di San Pietro says he does not spend time figuring out where the market is going, but instead focuses on what Northacre's clients want and delivering the best possible homes – some £1.5bn of them.

Right now, that work includes **1 Palace Street**, SW1, the redevelopment of the former offices of the Department for International Development into 72 luxury flats providing more than 300,000 sq ft of accommodation and views of Buckingham Palace's gardens.

The flats cost as much as £30m (£6,000 per sq ft for the penthouses) and around 15 have already been sold. No wonder Barattieri di San Pietro is not too concerned by a slowdown.

He is bullish on London. "It has everything to attract people to come here to live," he says. "It will be like this for quite some time."

But there is no denying that the London luxury residential market is becoming increasingly competitive for developers. Is Barattieri di San Pietro not worried about the volume of prime and super-prime homes being planned across central London?

"Because we are in a market



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where developers all see that the money is made at the high end, they are all piling in," says Barattieri di San Pietro. "People say to me, how much competition, number of units being developed, mansion tax, stamp duty being increased... Hang on. We need to slow down a little. Not everyone who is delivering in the high-end space will deliver, or deliver to be selling."

He adds: "What we are going to be seeing in the next two or three years is a market that is probably on the flatter side of things after 20 years of steep rise. It shouldn't shock anyone if the market does zero. But, like the stock market, if the market does zero not every stock does zero. You have plus 20% or minus 20% in there. I think that is what is going to be happening in the London residential market. You are going to have a flat market with great successes, but also great under-achievements."

And, of course, he believes Northacre will be one of the great successes. The company's latest financial results for the year ended 31 December 2014,

show revenues increasing by almost a third and development management fee income more than tripling.

Since 2012, Northacre has also had the backing of the Abu Dhabi Financial Group, which took a 66.8% stake in the firm and has since supplied it with access to some of the biggest residential opportunities in London.

Most recently, ADFG bought the Metropolitan Police's iconic New Scotland Yard at 10 Broadway, SW1, for £370m. Although a development manager for the 600,000 sq ft prime residential site has not yet been selected, the safe money would be on Northacre.

Barattieri di San Pietro is certainly proud of recommending the opportunity to the firm's biggest shareholder.

"In my short time here there have been two deals that I think were outstanding and I recommended to our shareholders - New Scotland Yard and the War Office," he says, lamenting that they both came to market at the same time. "I would have loved to be able to participate in both," he says. "The War Office is the one

that got away."

But with a portfolio of work under way which includes 1 Palace Street, Vicarage Gate in Kensington, W8, and 22 Prince Edward Mansions in

## WHO IS NICCOLÒ BARATTIERI DI SAN PIETRO?

Niccolò Barattieri di San Pietro was born in Washington DC but moved to his family's native Italy as a child. He went to boarding school in England before graduating from the American University of Paris with a BA in international economics. He also has an MBA in finance from Hawaii Pacific University. His career began in equity sales at Merrill Lynch, before moving to the asset allocation team at Barclays Global Investors in the US. He was also head trader at Theorema Asset Management, a \$600m European equity hedge fund, and Newman Ragazzi, a \$1bn European equity hedge fund. Prior to joining Northacre as chief executive in 2013, Barattieri di San Pietro cut his teeth in real estate at Estate Four, taking it from niche developer to a global company.

Notting Hill, W11, Northacre cannot do it all.

And nor does it want to. Barattieri di San Pietro says Northacre has always been very choosy in what it has done. For 25 years it has been consistently buying similar sorts of assets, he says. Typically island sites that are in a postcode that is not necessarily super-prime, but where it can create a destination.

And it is destination that is key for Barattieri di San Pietro. Luxury for him is about the where and the what, not the fabric and furnishings.

"Luxury buyers are used to the best of the best. They know what they should be expecting from a home," he says. "Simplicity should reign supreme in what we do. Sometimes developers are bit self absorbed in what they are putting in these apartments. Ultimately, I believe our buyers want a canvas to display their own personality. Many times these buyers have art that is more expensive than the flat itself and that is what it is all about. It is about them."

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Sit back, download and listen to the dulcet tones of broadcaster James Max as he interviews some of the biggest names in property and beyond in our monthly EG Radio show *Real Talk with James Max*. This month's recording is a

residential special featuring discussions with Northacre boss Niccolò Barattieri di San Pietro and the man who brought loft living to the North, Tom Bloxham. **To listen or subscribe to this free service, visit <http://bit.ly/egradiosubscribe>**