

One Kensington Gardens: buy-to-leave gentrification in the Royal Borough

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Abstract

One Kensington Gardens is a large nine-storey luxury apartment building on High Street Kensington. Rarely are there any lights on. The building exemplifies the many buy-to-leave homes in Kensington and Chelsea, the richest local authority in the UK. Looking at these homes from the perspective of residents and councillors who live and work in the borough, I explore how buy-to-leave housing hollows out community, increases the cost of living, sanitises public space and results in exclusionary and physical displacement. I also identify what role the local authority has in the process of financialising housing in the borough, including how councillors work with developers to make decisions that do not meet the needs of the residents they have been elected to serve. By concentrating on the voice of residents, I show how buy-to-leave homes reinforces the super-gentrification of the borough and becomes another form of gentrification that contributes to displacement.

Introduction

One Kensington Gardens, a white brick complex of luxury homes (see fig. 1), has a gymnasium, swimming pool, health spa, sauna and steam room, private treatment rooms and valet car parking. A 2-bedroom flat is advertised for £6 million while a 5-bedroom flat overlooking the park is between £23 and £30 million.ⁱ Some evenings only a few lights from the top floor chandeliers can be glimpsed from inside its dark windows, but otherwise it is mostly empty (see fig. 2). They are luxury homes for the transitory rich.



Figure 1. One Kensington Gardens



Figure 2. The building at night hardly ever has any lights on.

Following extensive geographical scholarship on empty homes, buy-to-leave and the mega-rich (Atkinson 2020, Atkinson et al 2016a, 2016b; Beaverstock et al 2004; Hay 2013; Glucksberg 2016; Pow 2011), I identify the many ways that empty homes destroy communities and create exclusionary and physical displacement. While this does not conform to the traditional definition of gentrification, meaning middle-class gentrifiers moving into and investing into a working-class area, the consequences of empty properties such as One Kensington Gardens are similar, if not the same. This paper however goes further than existing buy-to-leave scholarship by also examining the role of the local authority in facilitating the housing market of the mega rich. I draw on Beswick and Penny's (2018, 629) work on speculative property financialisation by exploring the role that many local councillors play in

facilitating the interests of global financial capital over and above those of the residents they are elected to represent.

Why One Kensington Gardens?

One Kensington Gardens is a conspicuous example of the many empty and underused properties in the borough, a condition that has become endemic. The history of its construction is also typical for the type of land banking and housing investment (in conjunction with the council) that I refer to. The Candy Brothers, billionaire luxury property developers, bought the existing site for £69 million. They won planning permission in 2007 from Kensington and Chelsea Council to knock down the former Victorian buildings to create a larger complex, designed by architect David Chipperfield. The Candy Brothers then sold the development in 2008 to an Abu Dhabi consortium for £320 million. The consortium is managed by developer Lancer Asset who run the property interests of the family of former Abu Dhabi president, Sheikh Zayed Bin Sultan Al-Nahayan. The construction of the 500,000 square feet development caused several issues from the extensive construction work under Kensington High Street which impacted traffic to complaints from residents about the noise of construction and the architecture of the building not being ‘in keeping with the character of the area.’ⁱⁱ Also, legally obliged to build 43 affordable units, the developers proposed this on a completely different site, a £35 million office building in World’s End, Chelsea, notable for being in the same area as the largest council estate in Chelsea.

Living in high-rise buildings equipped with all modern conveniences means the wealthy can look out over the city far removed from the community, homelessness, or poverty below (see Harris 2015; Graham 2016; Atkinson 2020). The super-rich are physically and psychologically separated from the everyday lives of residents. At One Kensington Gardens passers-by can only see a vast, empty reception room while the luxury facilities remain either below or above us concealed within the building. Slanted windows prevent people from looking in (fig. 3) and reflective windows give the impression that passers-by are being observed instead (fig. 4) (see Beaumont 2018). Security guards stop begging, busking, protesting, loitering and taking photos from happening outside. When Kensington resident Angelina took photos of One Kensington Gardens, the concierge asked her to stop. When she referred to the building as being empty, the concierge responded by saying ‘it’s not empty, people live here, otherwise why would I be working here?’ In complete contrast when we asked a receptionist if we could leave flyers for

residents, she replied by saying there was no point as there was ‘nobody here.’ Firstly, we can see from these encounters that security, both covertly and directly, controls the facade and sanitises public space around the building. The houses of the rich are often completely distinguishable because of these security elements. Secondly, even those who work in the building wrestle with the building’s ambiguity. These encounters can be understood as a form of mega-rich spatial living that is hard to read or understand because it is so hidden and mediated. These exchanges between residents, receptionists and the concierge tell us a little about the disjunctive and ambiguous social life of the mega-rich gentrifiers.

Despite extensive research, I could not find any information on who currently lives in the building or how many of the flats had been bought or rented. I perused property websites to monitor the number of flats on sale at any one time (most flats stayed on Frank Knights website for at least three years). I found that the property is one of 6,000 buildings in Kensington and Chelsea that is registered in an offshore tax haven – more specifically the British Virgin Islands (Who Owns England 2021). But finding out who lived here was not the intention of my research. Residents in Kensington refer to One Kensington Gardens when talking about empty homes, land banking and the planning decisions made by the council. I use One Kensington Gardens as my centrepiece in which to consider the many ways empty homes owned by the mega-rich result in buy-to-leave gentrification.



Figure 3. Reflective windows give the appearance one is being watched.



Figure 4. The dormant reception area.

Buy-to-leave gentrification and speculative financialisation

Since the term ‘super-gentrification’ (Lees 2003) the literature on the super-rich and indeed the mega-rich has compounded. Lees coined the term ‘super-gentrification’ in the 2000’s to refer to a higher order of re-gentrification of inner-city neighbourhoods by higher worth individuals she called ‘financifiers’. Super-gentrifiers were found to bring in a higher level of economic investment than previous first and second wave gentrifiers. Minton (2017 xiii-xiv) argues that the ‘speed of capital flows into places between the 1960s and the early 2000s bears no comparison to what is happening today’. For Minton (2017), the transformations produced by overseas investment, globalisation and the role played by the mega-rich means that the classic notion of gentrification ‘lost its real meaning long ago’ (p.xiii). In Kensington specifically, Minton (2017, xi, xiii) wrote how this ‘alpha elite’ neighbourhood’ is the perfect place for the foreign investors, oligarchs and the super-rich who change places ‘out of all recognition’ so ‘even the wealthy are displaced from Kensington.’ While the scale of capital and investment may be different to that captured by classical gentrification theory, the everyday consequences for lower-income populations remain largely the same.

In many contexts, the emergence of the mega-rich has resulted in buy-to-leave gentrification, a process that occurs when expensive properties are bought as investment vehicles and are left empty while the land value increases (Glucksberg 2016; Atkinson 2020). Empty homes do not support local services or facilities, and this negatively impacts community life in these areas.

Meanwhile, such investments drive up house prices, preventing working or middle-class residents from moving into the area and those who have grown up in an area from being able to stay – a form of exclusionary displacement. While this may differ from the classic gentrification model, there is a different kind of rent gap (see Smith 1986) which involves the use of safe-havens and investment, ‘the agents are not traditional gentrifiers’ because they are less attached to the specific area but are more focused on profit that can be made from this investment (DeVerteuil and Manley 2017, 1308). The size of the rent gap can vary depending on the area, but there are still changes in the socio-cultural and economic landscape that result in direct, indirect and exclusionary displacement.

For many scholars (DeVerteuil and Manley 2017; Minton 2021) there has been a reluctance to use the word ‘gentrification’ when describing the empty homes of the mega-rich because this often non-residential phenomena is seen to exceed gentrification. DeVerteuil and Manley (2017) give this process a new word: ‘pied-a`-terre urbanism’. However, since Ruth Glass coined the term in the 1960s, the definition of gentrification has constantly evolved and expanded in reference to processes across different urban and rural landscapes around the world. In the mid-1980s, Neil Smith (1986, 3) recognised that gentrification was ‘a highly dynamic process ... not amenable to overly restrictive definitions’ and not confined to the small-scale urban takeover of the bourgeoisie. Some scholars argue that we should stick to gentrification’s purest definition - pertaining only to the middle-class residential invasion of working-class areas of Inner London (see Lambert and Boddy 2002 and Bernt 2016). Shin and López-Morales (2018, 14) have criticised these arguments as being unimaginative, ‘associated only with specific spatio-temporal contexts.’ Rather than viewing gentrification as a constantly evolving concept, gentrification is being ‘effectively fossilised’ in a specific historical time and place, i.e., inner-city London in the 1960s (Shin and López-Morales 2018, 14). Gentrification scholars (e.g. Wyly and Hammel 2001; Slater et al 2004, 1145; Lees, Slater and Wyly 2008) have often complained that gentrification research has become stuck in definitions and debates and argued that urbanists need to focus more on critical and progressive scholarship that considers the effects of gentrification, rather than obsess over definitions (Slater et al 2004, 1145). Critically, Lees, Slater and Wyly (2008, xxii) argue that it is important to ‘hold onto the label ‘gentrification’ because of its political connotations in urban studies which implies class-based displacement. By losing this charged definition of gentrification, the political importance and weight of the term would be lost. I agree that there needs to be ‘less definitional deliberation and more critical, progressive scholarship’ (Slater, Curran and Lees, 2004, 1145)

and that this critical scholarship of gentrification should focus on the lived experiences of the variegated processes that affect those most vulnerable to them. In the context of buy-to-leave gentrification, this may not always be a residential phenomenon, but one that certainly incorporates commercial and environmental change and crucially results in direct, indirect and exclusionary displacement among lower-income populations.

There has increasingly been more research on the lives of the mega-rich in London. Glucksberg (2016) researched how the capital is being used as a money laundering facility, which is why the mega-rich prefer London with over 6,000 ultra-high net-worth individuals and 72 billionaires dwelling in/occupying the city. More recently, McKenzie and Atkinson (2020) looked at offshore financial processes of housing development across London. Nonetheless, the impact of tax havens on residents and a summary of councillor's responses has only very recently been explored in McKenzie's (2022) wealth chains report in which I was the qualitative researcher. In this paper however I focus on resident experiences to show how empty luxury homes for the transient mega-rich is not just a product of super-gentrification but can also be described as a form of buy-to-leave gentrification that increases house values, impacts the everyday experiences of residents, and ultimately creates displacement.

I also look at the interest of the local authority (the council) in this speculative financialisation of housing. Beswick and Penny (2018) examined how Lambeth council in London took the role of property speculator and entrepreneur of public land, despite claiming to have the interest of social housing tenants. The council's goal was to deliver more housing, but they used speculative council owned social purpose vehicles (SPV's) which replaced existing public housing with mixed tenure.ⁱⁱⁱ SPV's enabled the council to govern housing. Essentially 'the council acts as a property developer' (Beswick and Penny 2018, 614). I examine to what extent that has occurred in Kensington. In the 1970s and 1980s the state's role as builder of social housing diminished but Beswick and Penny (2018, 614) argue that local authorities are again building housing in London but through private-developer partnerships in which land is treated as a financial asset. Since the Thatcher era and the politics of privatisation, there has been more partnership with the private sector as the solution to housing shortages (Beswick and Penny 2018, 614).

Methodology for researching empty homes

Arguably, geographers have not focused solely on the contemporary super-rich because they are ‘inaccessible’ and remote’ to most researchers (Beaverstock, Hubbard and Short 2004, 405). Equally my accessibility to these high-end buyers and landlords proved impossible. I registered for a viewing of ‘One Kensington Gardens’ but did not receive any information from the management company. The developer of One Kensington Gardens protected their identity with non-disclosure agreements.^{iv} The plutocratic super-elites’ dwell in places where they are to be both seen and unseen (see Knowles 2017), protected by institutions that aim to conceal their identities. In this way the transient global elite both exist and do not exist. Similarly, to Knowles’ (2017) research in Mayfair, I walked and inspected these high-end areas of Kensington, navigating through their worlds from below (Knowles 2017, 300). I also describe encounters with security guards and receptionists who work within these luxury dwellings and therefore are the nearest to this transient and powerful social group. The aim of the research was not to write solely about the lifestyles of the mega-rich but to explore the impact that they and their housing investments have on residents in the borough.

While existing literature considers the motivations and movements of the super-rich, my research however examines buy-to-leave gentrification from the perspective of residents and local authority members who live among or next to these empty homes. I did this by using a combination of phone, zoom and face-to-face interviews (n=29) alongside questionnaire responses (n=97) with residents. I also conducted 11 interviews with five Labour councillors, five Conservative councillors and one Liberal Democrat councillor in RBKC. These elite interviews (see McDowell 1998) with councillors were designed to question people in positions of (political) power about their decision making (see Lilleker 2003). I included different questions when interviewing councillors, moving away from experiences and encounters to attitudes on policy and housing. All interviews took place between 2020 and 2021 and unless stated otherwise, all names are pseudonyms.

I am a lifelong resident of Kensington. The ‘insider’ position in this context meant I had the benefit of local knowledge and access to residents (Adler and Adler, 1987, Dwyer and Buckle 2009, 58). I found participants through snowballing techniques and advertising my research on social media. During the Covid pandemic I created the online questionnaire which was a quick and cost-effective way of disseminating research questions to a larger audience even if they did not result in the same in-depth responses as interviews (see Rerat and Lees 2011).

While this paper contributes towards the ongoing exploration of empty homes occupied by the mega-rich in gentrification studies, it goes further by researching the real-life impact they have on residents. More specifically the paper shows how empty luxury homes like One Kensington Gardens contribute towards buy-to-leave gentrification.

Inequality and spatial-political housing decisions across Kensington

There are more than 1,857 empty homes, 6,600 plus Airbnb's and at least 9,300 second homes in Kensington (Dent-Coad, 2020). Yet 2,300 people live in temporary accommodation, 75% of them out of the borough, and there are 3,500 households on the social housing waiting list. Kensington and Chelsea is worse than the London average in regard to both housing affordability (63.6% median rent as a percentage of medium pay) and rough sleeping (316 people recorded by outreach workers). While many people wait for suitable and affordable homes, vast numbers of properties are empty. Furthermore, north Kensington has among the highest poverty rates in London, while the wards in the south are some of the richest in the country. Widening inequality in the borough is increasing as the transient mega-rich continue to use property as investment opportunities. Empty properties have risen by 40% each year and Kensington is the only London borough to have had a declining population between 2001 and 2011 (Dorling, 2014). Kensington was historically a place for gentry and now the more recent mega-rich. The self-fashioning of the borough is that of a place of money but demographically it's much more. There are mixed-income residents across the borough (including council and regulated tenants) and consequently, underlying tensions between who the borough is for and how that is represented in its lived and built environment.

The responsibility for housing development in the borough largely falls to the Conservative-led council. A councillor's role is to develop an understanding of their ward its issues and needs, to support these communities and 'deliver outcomes that make a difference.'^v However, Beswick and Penny (2018) found that the councillor's role has transformed from being a supportive one that champions the interest of the residents to an active property speculator finding ways of investing in available land. In this context, the RBKC council have the authority and power to work alongside private developers to create new homes and decide where they will be built. Local councillors use the Community Infrastructure Levy (CIL) in which they are allowed, although not required, to charge developers for new infrastructure (Greater London Authority 2019) The CIL is used on a wider range of developments but in

theory must be used to support local communities. The political divide in Kensington and Chelsea is geographically represented with the Labour councillors representing the far north of the borough and the Conservative councillors in the south (see fig. 5).

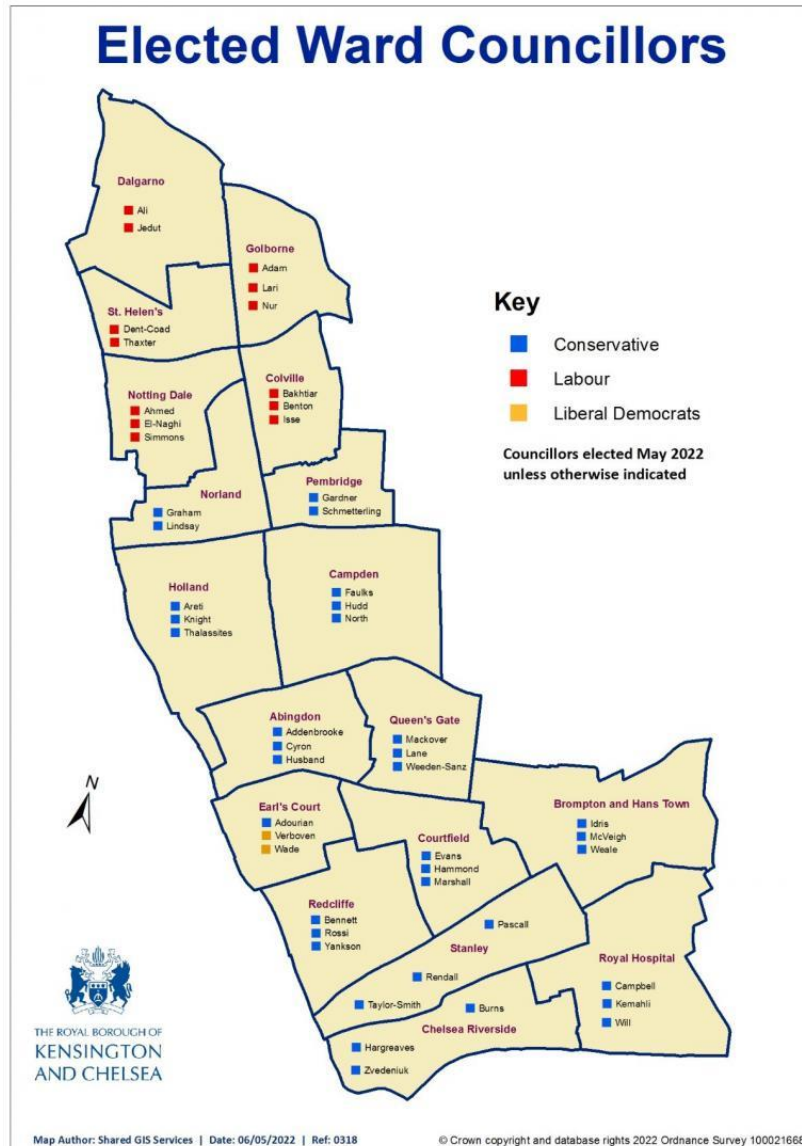


Figure 5. Local elections 2022, showing 35 Conservative council wins in the south of the borough and 13 Labour wins in the north.^{vi}

The spatial-political divide is also reflected in housing decisions made by the council. For example, Labour councillor Nasir (interview 2020) said that when it came to building homes, ‘it’s a political decision since it all goes back to who owns those properties and who is the demographic, how and who they will vote for.’ Indeed, proposed mixed tenure new-builds (apart from one in Cheyne Road) are being built in the more densely populated northern parts

of the borough where more residents are politically inclined to vote Labour in comparison to the south.^{vii} Former Labour MP Emma Dent-Coad (interview 2021)^{viii} said that the new-build site on Acklam Road is where the railway diesel fumes from the Westway are the worst: ‘I’ve got a personal pollution monitor and I went down there and it was black, basically off the scale, right on that spot where they’re going to build.’^{ix} She felt that the Conservative council did not want to permit mixed tenure homes to be built in Chelsea for the fear of alienating their key voters, and was told by one local Conservative, ‘don’t be silly, your lot nearly won Chelsea Riverside 6 years ago, we’re not going to build social housing there’ (interview 2021). The council’s decision over housing is therefore seen to be not only an economical partnership with developers but also a political one, with Chelsea being largely untouched by new mixed tenure and social housing while the north of the borough is their key target for this development despite having an already densely populated residency.

While new mixed tenure developments are being planned and constructed for the north of the borough, in the south there has however been a large propensity in the past for the council to permit towering new-build structures that are completely private and bought up by overseas buyers, investors, developers or the mega-rich. Consequently, buildings like One Kensington Gardens, remain primarily empty. The deputy leader of the council acknowledged that every empty home is a lost opportunity or resource as it can be used to accommodate the homeless or key workers (ethnographic note from RBKC housing meeting on 25 May 2021). Yet little is being done to reclaim empty homes for residents or to prevent more overseas investors from buying properties. While strategies about reclaiming empty home continues in RBKC scrutiny meetings, new-build luxury developments in the south remain in construction. Ultimately it seems that mega-rich investment in housing – led by and in partnership with the local authority – continues to be a key aspect of both super-gentrification as well as buy-to-leave gentrification in Kensington. Experiences of gentrification, including fears about transient community and displacement, were expressed by many residents.

Fears about change, injustice, and displacement

Transient, un-occupied, dull and anonymous investment properties represent ‘pure exchange value, and convenience for the transient few’ (DeVerteuil and Manley 2017, 1308). In her blog, ‘Dark Buildings,’ Dent-Coad (2016) described how One Kensington Gardens is ‘blighting Kensington High Street’ and running it down ‘to the extent that only the phone shops and

brothels are prospering.’ Empty properties and boarded up shop fronts alongside chain shops, restaurants and estate agents has led to the sanitisation of some areas across the borough. Kensington residents discussed their fear that a vibrant urban social landscape with local and much-needed facilities is being turned into a transient nothingness. Dilbur (questionnaire 2020) from Gloucester Road said, ‘luxury flat builders, the number of expensive, empty properties, chain shops, it makes the streets seem sterile.’ DeVerteuil and Manley (2017) look at how overseas investments ‘price out certain people through knock on effects’ including the emergence of high-end supermarkets and restaurants, spas and gym facilities for the transnational super-rich, that are ultimately exclusionary. The residents who mentioned empty homes were primarily from the south of the borough who lived in close proximity to One Kensington Gardens. There were, however, also residents who lived in the north who discussed how useful amenities had closed (including corner shops and takeaways) because of increasing competition from commercial food chains and the leisure industry that cater to the super-rich. Neil (questionnaire 2021) from Notting Hill stated, ‘the pubs are all quite expensive and gone are the days you could go for a drink and a game of pool with a pint.’ Ladbroke Grove resident Sean (questionnaire 2021) stated ‘letting them [chain stores] take retail space has changed the character. I don’t blame homeowners from wanting a good investment, but there seems to be a hostility and lack of commitment to community and understanding how exclusionary certain behaviour is.’ In some of these discussions there was certainly more concern about the lifestyles of the super-rich residents who physically occupy and change the character of spaces (i.e., those who use the expensive pubs) rather than the absentee mega-rich. Firstly, this is an indication of the different stages of gentrification occurring across the borough (with the north still seeing the impact of the financial elites and other super-gentrifiers moving in while the south has more absentee owners). It also reveals the interconnectedness of super-gentrification with buy-to-leave gentrification with both creating displacement pressures on residents across the borough. Indeed, buy-to-leave gentrification in many ways strengthens this super-gentrification by adding to the plethora of ways that the mega-rich have displaced residents both in these physical spaces and symbolically through their connections with their homes and community.

In other cases, residents more directly referenced how empty homes via offshore money investments led to feelings of alienation and loss of community. Molly (questionnaire 2020) has lived in Ladbroke Grove for 51 years:

‘My whole street has become gentrified. Many of the properties are not occupied. The community that I moved into 50 odd years ago has been exterminated by offshore money! From a fun-loving friendly neighbourhood to a segregated non community. I would love to see squatters come back and retake the empty properties. When I think of the homelessness in the area, the breakdown of communities, the lack of support and the empty multi roomed properties, my blood boils!’

While the ‘slow subjects’ remain local and parochial, the ‘fast subjects’ dwell in ‘transnational space (Beverstock et al 2004, 405). Unoccupied homes reduce any sense of community. This was also expressed by Angelina’s former neighbour Linda who said there was a ‘real mix of society’ when she first moved to Kensington, ‘impoverished actors and artists living alongside more wealthy bankers and businessmen’ but with so many empty properties, ‘tenants seem to have little interest in contributing to the local community.’ Oliver (interview 2020) whose mother owns property in Kensington explains how mega-rich gentrifiers, meaning corporations, bankers, and the overseas investors, have a detrimental effect on all residents including on the way that residents experience space:

‘It changes the feel of a space to have people there who think of space so differently - as theirs alone, with the right to do what they wish under the law (or what they can get away with, or what they can use money to pay for), not as part of a mixed community where they should compromise. Many people would view this a level of gentrification that is rich people versus other rich people. But the reality is that an elderly academic such as my mother ends up wanting to move because the loud rich Goldman Sachs banker family rides roughshod over her needs and concerns, and even her rights.’

The financial power and dominance of the mega-rich transforms the ways residents experience their home. Kensington High Street resident Anita (questionnaire 2020) stated, ‘it seems to be the filthy rich who have no attachment or sense of what the borough is all about. Those conglomerates who seem to be able to buy up anything and everything they see may provide a profit for their shareholders or themselves oblivious to the needs and quality of life of those that live in Kensington. Who is actually monitoring this?’ Kensington homeowner of 55 years Arash (questionnaire 2020) explains that’s such investment is bound to occur in an already wealthy area: ‘the last decade, has found more overseas people settling in in this area, many from the Arabic countries, and Asia... an influx of people from overseas. Nothing stays the

same the same. That's life.' For some residents there is a sense of inevitability about what is happening and arguably an acceptance of it.

Some long-time residents identified the need for a burgeoning private market to boost social improvements. Connie (questionnaire 2020) who has lived in Kensington for 40 years acknowledged that investment homes— that is real estate purchased with the purpose of earning a financial return through the rental or future resale of the property- does 'price people out' but this was worth the risk since 'we do need money in the city, it helps develop London more as it spreads out - look how lovely Kensal is now compared to the 60s.' This alludes to the 'beautification' of a neighbourhood through financial investment. Yet more often than most, long-standing residents expressed concerns that because of this 'beautification', house prices increase and there is physical displacement. Stephan (questionnaire 2020), a resident of 62 years in West Brompton, south of the borough, states, 'it's priced out local communities who have to move out.' Lydia (questionnaire 2020), a former resident of Kensington High Street explains, 'it's rare that people I knew from my childhood still live here.' Other residents highlighted the decline or demolition of social housing that occurs while people continue to keep their homes empty. Matthew (questionnaire 2020) from Holland Park, wrote, 'people who need more accessible homes or who are homeless are forced to live in misery while perfectly fine properties are left empty at our expense.' What makes Kensington arguably distinct is the huge disparity of wealth. As north of the borough resident Jean (interview 2020) explains, 'when you are talking about gentrification in Kensington it's a really amazing example of extreme' because rather than having people from a different class background move in, here 'the super-rich are coming.' Again the discussions here revealed the ways that buy-to-leave homes were closely associated with super-gentrification and the takeover of the mega-rich thereby further highlighting the ways these processes interconnect and in doing so, continue to put displacement pressures on residents.

One Kensington Gardens is one of many luxury new-build homes in the borough that create exclusionary displacement. A five minute walk down the road from here is 'The Kensington', a luxury development which brought about the demolition of the Odeon cinema on Kensington High Street. Natasha (questionnaire 2020), who lived a few blocks from the building, recalled 'good memories of going to the cinema with my family.' Long-time resident Paul (questionnaire, 2020), echoed this: 'the Odeon Kensington was a beautiful cinema from the 1920s... it gave the area an elegance as well as a social venue.' Facadism, the conservation of

a building facade but the modernisation of its interior, took place on the neo-classical building in 2015 as the interior structure (featuring a neo-Greek style coffered ceiling) was torn down by Delancey, a real estate investment company. The site was then sold in 2018 to Minerva (Holland Park) Ltd. The initial planning report with the council stated that the developers must provide the equivalent to 43% social rented units off-site. The initial agreement on the Odeon development was later amended to 20 ‘affordable’ housing units on-site (Greater London Authority 2015). Yet there is no agreed definition of ‘affordable housing’ and the rest of the 45 units will be private homes sold at market rates, making them extortionate and unaffordable to middle and low-income residents or incomers. The development is still in construction, but the facade has since been completely torn down (despite the promises of the developers) and residents have been deprived of a much-loved and used local community space. Melanie (questionnaire, 2020) stated that there were ‘many protests against the old Odeon cinema being turned into flats, which they had the audacity to advertise as ‘affordable! I think the work is still ongoing on these flats, has been for many years.’ Stephanie (questionnaire 2020), who also lived near to the old cinema, noticed, ‘there was graffiti on the High Street cinema site’ in protest (see fig. 6). Resident’s frustration at the increase of unaffordable new-build housing solely intended for the super-rich led to this resistance. Not only have the developers destroyed a treasured, historical building, and an important social and leisure landmark shared by the local community, they also continue to prevent low-income people from being able to live affordably in Kensington.



Figure 6. UN-affordable housing board outside the former Odeon Kensington Cinema (2019).

RBKC councillors’ responses towards new developments: for and against

I found that many RBKC councillors recognised and sympathised with residents when it came to the detrimental effects of luxury empty homes. Conservative councillor Mike (interview 2020) said ‘you go into the new buildings that we’ve got and they’re what we refer to as lock and leave, they are empty and that does nothing at all for the local community.’ He recalled One Kensington Gardens as being that ‘awful thing...no lights on, no social housing and the history of planning was such that they gave capital to the council [but] it’s not accommodating people, they’re not contributing to the local community, they might well do for a couple of weeks a year when they’re coming on holiday but there’s no vibrancy.’ Labour councillor Jasar (interview 2020) similarly noticed that ‘only 3 apartments are actually occupied.’ The council’s plan to increase council tax for empty homes (at 200%) also does very little when the mega-rich have so much money at their disposal.

However, Conservative councillor Deborah acknowledged the benefit of empty homes from the purpose of the owner occupier. Deborah (interview 2020) said ‘London is seen as a safe place to stash your cash and the property market, in the last 25 years has only gone up so not only is it safe from foreign regulators, which I’m sure is some of the problem, it’s also safe as an investment, it’s not a bad investment. The government is more stable and less liable to tax you unnecessarily than another European government. So, it’s a safe place to put your cash.’ While investment can be beneficial for Londoners, it largely depends on how and where this investment is used. Another Conservative councillor, Sahil (interview 2020) said that empty homes were ‘sad’ but despite the ‘millions of people who are homeless, there’s exceptions to every case and maybe Kensington could be one.’ There was a mixed rhetoric regarding whether new-build luxury homes were positive investments or contributors of community breakdown, and much of these divisions were divided down party-lines. For example, some of the Labour councillors discussed the immorality of removing properties from the market and waiting for them to increase in value. Going back to One Kensington Gardens, Dent-Coad (interview 2021) was told that some of the flats were taken off the market ‘to retain the price and they will happily wait five years for the market to return and to sell them.’ Labour councillor Max (interview 2020) also discussed how this was ‘largely offshore investment in the borough, which is not marketed in the UK, but in the Middle East, the Gulf, Hong Kong where they seem to sell them to overseas buyers.’ While developers and the council accommodate foreign investors, this was described as ‘hugely damaging to the social fabric of the borough with shops, restaurants, churches and schools in decline.’

Conservative councillor, Harry (interview 2020) expressed completely opposing opinions, claiming that ‘the area is very mixed, it’s not owned by the super-rich or even rich.’ However, the increasing number of offshore ownership of properties worth millions of pounds in the borough does expose that the super-rich are certainly a factor in the social make-up of Kensington. McKenzie and Atkinson (2020, 22) found that ‘80% of all property purchased by foreign entities in Kensington are registered in tax havens’ (McKenzie and Atkinson 2020, 29). Despite this increase of offshore ownership, Harry felt that Kensington was not worth studying: ‘it’s a surprise you can spend three years studying this borough, I would have looked at Westminster.’

Conversely Labour councillor Ed (interview 2020) argued that there was a link between offshore money and social cleansing in Kensington:

‘Well Kensington and Chelsea has become the investment pot of the rich internationally. The Russians, the Saudis and the Mafia launder their money to the stock market and banks... they buy a mansion in Kensington for 70 million and then spend another 20 million doing it up. That immediately rockets out land values in Kensington and they get more money for their properties – the land values go up, it puts rents up, it puts everything up. The private renters, the poor people, the people in social housing who have no control over government policy and who are at the mercy of all this activity that is going on. That’s why social cleansing happens.’

Social segregation is evident even within new-build luxury homes that have some social housing units. For example, council tenants who were rehoused after the Grenfell Tower fire to ‘Kensington Row’ on the High Street reported having to access the building via a back door near the bins and their children were not allowed to use the shared communal garden.^x The seasonal homes of the super or mega-rich not only replace and exacerbate the decline of social housing but they divide and segregate between the rich and the poor. Next, I look at how residents and councillors make sense of the speculative financialisation of housing development in the borough, including who is responsible for selling land to the richest.

How do residents and councillors make sense of speculative financialisation?

The council are primarily responsible for housing planning in the borough. Although they may be restricted in part by the London mayor's housing policy of mixed tenure, they decided where homes will be built and crucially where the 'affordable' and social renters will live. All of these decisions impact the lives of residents, the ways they experience their homes, their relationship with the council and whether unintentionally or intentionally the council facilitates the interest of investors who create homes that end up empty because they are investment vehicles. It is important to know how residents view council plans because this is the only viable way (currently) that residents can express dissatisfaction or concern with their councils' intentions or actions. In this case, the majority of residents' views felt that the council are largely on the side of developers and therefore will continue to facilitate more super gentrification and buy to leave gentrification which further displaces residents from the borough. Indeed, I found that most residents saw the property developers, the investors and the super-rich as today's gentrifiers and some residents talked about the council and the larger state as being responsible for the ongoing financialisation of empty homes for the mega-rich. Lydia (questionnaire 2020) said 'big businesses are the gentrifiers today, as they are the ones purchasing buildings, renovating new flats and selling and renting for extortionate prices.' A lot of residents were also aware of the increasing amount of offshore money in Kensington. Homeowner of 7 years, Ayesha (questionnaire 2020) stated, 'overseas multi-millionaire purchasers use London property as a store of wealth and bolt-hole. Often corrupt, non-taxpaying and hiding wealth via offshore companies. They raise prices and prevent affluent locally employed, tax-paying residents from buying.' Making sense of the financialisation of the housing market, Nathaniel^{xi} (interview 2021) went further by stating that property developers and the council worked together to achieve state-led gentrification:

'The gentrifiers today are property developers and banks, working in conjunction with the local council. Gentrification has long ago ceased to be a spontaneous, ad hoc process driven by bourgeois bohemians moving into working class neighbourhoods where the housing is cheaper. It is now as much a tool of public policy as it is a planned commercial enterprise and is perhaps the nearest thing we have to an urban planning policy in this country. 'Regeneration' is effectively a form of state-led, or at least state-coordinated, gentrification, with developers cutting a deal with local councils in advance over what proportion of the existing working-class population to kick out in favour of private buyers and tenants. Councils are given no incentive to resist this and

every incentive to collaborate with it. Kensington and Chelsea, of course, needed neither.’

Nathaniel’s understanding of state-led gentrification is that the developers collaborate with the local authority to create vast numbers of unaffordable private housing which in turn reduces the amount of social housing or even replaces it. Oliver (interview 2020) also discussed the role of the council in allowing the super-rich to buy up and convert flats:

‘The council takes fees to grant building approvals but then steps back and says they have nothing to do with it unless the plans are actually materially changed... Building work has been constant since the council granted basement construction licenses. The idea might have been to keep families here, or to increase flat sizes, but what it has done is increase gentrification by turning homes into property development opportunities only fully realisable to the super wealthy.’

Oliver raised concerns about the council allowing development and renovation to occur without interference. He argued that the council seemingly favour the developers needs over the residents' concerns. For example, a Georgian terrace home in Durham Place, Chelsea collapsed on the street during building works next door that included a basement development, a development permitted by the council.^{xii} Oliver (interview 2020) described how ‘people are allowed to build basement digs which is completely insane; you’re literally putting massive stress on an old building.’ Such extensive basement developments are a sign of the super-wealthy occupation of the borough. Yet Oliver felt that the council permits them despite the physical damage that can occur. In contrast, Raphael (questionnaire 2020) from Earls Court felt that most of this development is ‘vested in overseas trusts and neither council nor neighbours can discover or communicate with anonymous owners.’ Buy to leave gentrification is a phenomenon that is experienced, and it is only by talking to residents about their viewpoints around council planning and development that we can understand how they comprehend and deal with these experiences. For example, Oliver’s understanding of the council is of an organisation that makes promises with developers over residents and therefore caters to the mega-rich. This comprehension of the local authority inevitably results in a feeling of being ignored, not valued and out of place. To further examine this relationship between speculative property investment and local authorities, I now turn to the ways that RBKC councillors make

sense of the speculative financialisation of new-build luxury apartments - including One Kensington Gardens.

In the Kensington housing plan, the council intend to use their ‘planning powers to push developers to provide more social housing, including on major strategic sites in private ownership’ (RBKC 2019). Any new-build developments in the borough would therefore adhere to the London mayor’s housing policy of mixed tenure, which includes a minimum of 30% low cost rented homes which is either London Affordable Rent or social rent housing (Greater London Authority 2019). However, attracting private developers to ensure a small percentage of intermediate rental or social housing still compounds the initial problem. The remaining percentage of market rent properties inflate costs of housing and living more generally and therefore negatively impact on existing private renters. Like Beswick and Penny’s (2018) research, the Kensington housing plan is evidence that the council are attempting to resolve the shortage of affordable housing by working with private developers and financiers. For example, councillor Harry (interview 2020) said Kensington and Chelsea could not afford to *only* build social housing: ‘Kensington is not in a position to subsidise these things anymore because they spent 235 million on the consequences of Grenfell Tower.’ While the council saved £300,000 on the cladding that ultimately fuelled the fire on Grenfell Tower, they have since spent over £500 million on its response and recovery efforts in the last four years after the disaster occurred.^{xiii} Labour councillor Andrew (interview 2020) said, ‘Kensington is the wealthiest local authority in the country. We still have huge reserves and it’s probably the only council in the country that doesn’t need the money.’ Kensington and Chelsea council had financial reserves of 1.9 million in March 2021 (RBKC 2022) and the amount of CIL funds collected from April 2021 to March 2022 was just under 19 million (RBKC 2022/23).

More important however is where and how this money has been used. For example, Booth (2023) reported how social infrastructure funds have been used for artworks, sculptures and security patrols around multimillion – pound homes. This money comes from property developers via neighbourhood CIL’s and Booth (2023) found that these funds are being spent 10 times more in the south than in the north. Indeed, when examining the details of the neighbourhood CIL allocations spent between April 2021 and March 2022, only two northern wards were allocated CIL funding, both still unspent (RBKC 2022). The allocation of spending is significant for a borough that has such high inequality. Councillors told me that it was only

with developer's money they could help to improve the borough and provide social housing. Nonetheless, the funding allocations show that developer's CIL money from large luxury homes is not trickling down into real community benefits like social housing or community infrastructure in the north. Essentially this funding is going back to the super-rich.

While these public-private relationships are created in an attempt to create more social housing, they have diminished much of the existing public housing stock and prevented actual affordable housing across the borough (Beswick and Penny 2018, 620). Dent-Coad (interview 2021) felt that the consequences of the council's plan to build luxury developments had started to affect their own experiences of housing in the borough: 'it is quite funny because they [the councillors] suddenly realise that their council are catering for the super-rich and they are being squeezed too.' Buy-to-leave gentrification reinforces this super-gentrification of the borough and impacts and excludes most residents who do not fit into the category of the mega-rich. Terms like social cleansing have been used by the opposition to describe how such large processes of speculative financialisation remove working-class residents and communities. Nevertheless, even the comfortably well-off are beginning to experience exclusionary displacement too.

Conclusion

In this paper I have considered how empty, or underused, investment properties that are bought up by the mega rich as examples of and contributors of buy-to-leave gentrification in Kensington. Discussions with residents and councillors also revealed the ways that empty buy-to-leave homes reinforced and strengthened the wider super-gentrification of the borough, and showed how the lived experiences and consequences of both are so closely interrelated. By focusing my questions around this one building, One Kensington Gardens, I was able to discover more widely how luxury homes have hollowed out communities by increasing the cost of living and housing prices in the area, as well as sanitising public space through stringent security intervention. Rather than looking at the motivations of the super-rich I view these changes through the eyes of residents and councillors across the borough, many of whom (although not all) reiterate how empty homes create physical and exclusionary displacement as well as exclusive spaces.

I considered the ways that residents and councillors respond to the speculative financialisation in the borough. While the Conservative-led council emphasise the limitations and restrictions they have on planning, I have also exposed some of the ways they are active producers of housing, working with developers to decide where homes will be built or avoided, and how and where community infrastructure levy money is spent. I have drawn on the spatial-political differences of the local councils plans for creating new developments. While some Labour councillors describe these new-build empty properties as yet another contributor of gentrification, some Conservative councillors recognised them as good investments, providing social benefits to the borough, that are arguably impossible without developers' money. Meanwhile many residents in Kensington have discussed their view that councillors work in conjunction with developers to reshape homes and spaces across the borough and this investment leads to displacement pressures among both working- and middle-class residents.

This paper is a rich explanatory account of what has and is going on in Kensington. While the Royal Borough continues to gentrify to make way for the mega-rich - with buildings like One Kensington Gardens exemplifying this trend - the residents described here, and many more, continue to be isolated from their community and displaced from their homes. This research contributes towards the ongoing and extensive exploration on the mega-rich (Beaverstock et al 2004, DeVerteuil and Manley 2017 and Atkinson 2020) and debates around gentrification and displacement. Yet it goes further by examining the real-life impact of buy-to-leave homes among those most affected by it: the residents themselves.

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ⁱ <https://www.struttandparker.com/properties/one-kensington-gardens-w8>.

ⁱⁱ <https://www.standard.co.uk/hp/front/huge-hole-in-kensington-will-be-ps600-million-apartment-block-6382865.html>.

ⁱⁱⁱ A Special Purpose Vehicle (SPV) is a separate legal entity created by an organization with its own balance sheet. The SPV is a distinct company with its own assets and liabilities, as well as its own

legal status. As it is a separate legal entity, if the parent company goes bankrupt, the special purpose vehicle can carry on.

^{iv} <https://www.independent.co.uk/arts-entertainment/architecture/want-impress-foreign-property-buyers-make-sure-your-address-starts-one-10493813.html>.

^v <https://bit.ly/3YLKTwL>.

^{vi} <https://www.rbkc.gov.uk/leisure-and-culture/arts-and-culture/popular-local-maps>.

^{vii} <https://www.electoralcalculus.co.uk/cgi-bin/seatdetails.py?seat=Kensington>.

^{viii} Not a pseudonym.

^{ix} <https://www.rbkc.gov.uk/housing/new-homes-consultation/new-homes-delivery-programme/acklam-road-site>.

^x <https://www.independent.co.uk/news/uk/home-news/grenfell-tower-latest-social-housing-segregation-luxury-apartment-blocks-poor-doors-lbc-james-o-brien-a7804561.html>.

^{xi} Not a pseudonym.

^{xii} <https://www.theguardian.com/uk-news/2020/nov/03/london-street-evacuated-after-two-houses-collapse-during-building-works>.

^{xiii} <https://www.theguardian.com/uk-news/2021/may/21/grenfell-costs-surpass-500m-as-council-bill-revealed>.