

Life in an Alpha Territory: Discontinuity and Conflict in an Elite London 'Village'

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Abstract: This paper forms part of a larger study of the social implications of London becoming the location of choice for the global 'super-rich'. The study examines how members of new wealth elites organise their day-to-day activities and the impact their growing numbers have on the prestigious neighbourhoods from which they are displacing pre-existing elites, and the disruptive effect they have on previously taken-for-granted mores, networks and places of association. The aim of the paper is to situate this wider study within a geographic and historical context by framing it within the arguments of Piketty, namely that increased levels of inequality since 1980 are best understood not as a secular trend but as signifying a return to the pre-existing conditions that characterised western society prior to 1914. To analyse the evolution of - what geodemographers have termed - the Alpha Territory in London over a period of 500 years the paper takes Highgate Village as a case study area, identities the manner in which the Village's varied housing stock appeals to different manifestations of this Alpha Territory and uses three recent planning disputes to bring to the surface otherwise hidden conflicts between the interests of global capital and the defenders of more traditional elite values. Returning to the issues raised by Piketty the paper concludes with an analysis of social change through the use of archive material which enables the lifestyles of those who currently occupy Highgate's most prestigious properties to be compared with those who occupied them a hundred years ago.

Keywords: Elites, London, Geodemographics, Housing, Piketty, Neighbourhood, Housing

Introduction

Piketty's (2014a) *Capital in the Twenty First Century* has generated an unprecedented level of interest. Rather than merely focussing on abstract distributional issues, it has made clear that as a larger share of global wealth comes to be held by an ever-smaller group of people the development of a more profound understanding of the functioning of über-wealthy elites is now an essential prerequisite for anything approaching an

adequate social science. The statistics in this regard are stark, and becoming ever more so. In 2010 some 388 individuals had accumulated the same amount of wealth as the bottom 50 per cent of the global population, by 2012 it was 159, and in 2014 it was just 80 (Oxfam, 2015: 4). The most recent annual *World Wealth Report* (Capgemini and RBC Wealth Management, 2015) estimates that there were some 14.6 million, of what they term High Net Worth Individuals (HNWIs) distributed around the globe in 2014; a figure almost 70 per cent greater than it was in 2008.

A central element in Piketty's thesis is his contention that the concentration of larger amounts of capital in ever fewer hands which has characterised the period since around 1980 does not signal so much a secular new trend as a return to the level of inequality which before 1914 was considered 'normal' in many European societies. Viewed in this light the assumption held by many commentators that the period since 1918 would be one of ever increasingly equality, is increasingly challenged by the notion that the period between 1918 and 1980 may be more accurately interpreted as an aberration from historically typical conditions.

Though Piketty's analysis of these trends is compelling in many ways both Jones (2014) and Savage (2014) have recently pointed out that it offers little in the way of sustained historical explanation of the *geographical* implications of the processes that it documents. Piketty (2014b: 741-742) is willing to accept this critique, agreeing with Jones 'that the geography of capital – including the North-South, city-countryside, core-periphery dimensions - should have been addressed more explicitly.' In response to Savage, he also concedes that the 'geographical dimension' of 'the transformation of top elites from land to urban centres...should...have been stated in a more explicit manner.' In this paper we aim to explore aspects of the historical geography of such 'top elites'

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via a detailed case study of just one emblematic locality. Patterns of socio-spatial wealth inequality are changing dramatically, and in order to better understand them we need to focus not just on relationships between rich and poor, but also on how the relationship between pre-existing and newly emergent wealth elites, both in terms of territorial displacement and conflicts in value systems, are implicated in these changes.

Wealthy Elites in Contemporary London

Of the 14.6 million HNWIs living across the globe in 2014, it is estimated that some 550,000 reside in the UK, most of them in London and its environs. Given that the names and addresses of such individuals are not available for analysis here, instead, we make use of data developed by the commercial geodemographics industry which provide a workable proxy for a granular understanding of the residential locations of the different segments of the wealthiest elites. *Acorn* and *Mosaic* are examples of such systems. They attribute a geodemographic classification to every residential address in the UK using a diverse series of spatially referenced data obtained from commercial and official sources (Burrows and Gane, 2006).

The *Mosaic* classification, released in 2009 and developed by the first named author, uses over 400 different data values held against almost 49 million adults in the UK to place each adult into one of 67 different 'types'. Many thousands of other behavioural variables are then cross-tabulated against these categories to provide the basis for understanding the preferences and values of their residents. The four most prestigious of these types¹ are collectively labelled the *Alpha Territory* – and are defined as 'groups of people with substantial wealth who live in the most sought after neighbourhoods in the UK'. Although such labels may not always be to the taste of all social scientific sensibilities the veracity of the statistical clusters upon which they are

based have been found to correspond closely with the descriptions of neighbourhoods developed within ethnographic studies (Parker *et al.*, 2007).

The locations of the postcodes associated with the *Alpha Territory* provide an effective means of identifying the neighbourhoods in which to study the wealthiest elites throughout the UK and this corresponds closely with maps of elites produced using the recent Bourdieusian inspired BBC Great British Class Survey (Cunningham and Savage, 2015). In this paper we select just one instance of a neighbourhood so defined, Highgate Village in north London. By virtue of its physical location and environmental qualities, Highgate has possessed a form of *Alpha Territory* for over five hundred years, offering rich opportunities for observing continuity and change in the behaviours of the extremely wealthy during different historical periods. Because rising land prices have encouraged the sub-division of land parcels at many different points in time, the study area contains housing dating from different periods, built in very different styles and suited to many different segments of wealthy elite populations. This differentiates it from elite suburbs, such as Bedford Park, Hampstead Garden Suburb or Mill Hill, most of whose housing was built to a broadly similar specification and within a narrow window of time.

Likewise because of its lower residential densities, the evolution of housing preferences is more visibly reflected in Highgate by adaptations to the external structure of residential properties than it is in more centrally located elite neighbourhoods such as Kensington and Chelsea. For these reasons Highgate also provides good opportunities for studying the co-existence of different manifestations of the *Alpha Territory* since here, as is common in other London villages such as Dulwich or Blackheath, members of different wealthy elites tend to reside in relatively close

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proximity to each other.² However, unlike Hampstead Garden Suburb, Dulwich and Richmond, Highgate is not subject to any local schemes of management³ which have the power to control conflicts of interest and taste, these being more likely to be played out within the provisions of local authority planning legislation.

There is a danger that we treat what has been happening in London in the first decades of the twenty-first century as, in some senses, 'epochal' (Savage, 2009) - a wholly new and uniquely contemporary phenomenon associated with the emergence of new global wealth elites. Here we want to suggest that whilst there are many aspects that are specific to this particular time and place, others are better interpreted as revivals of patterns of behaviour associated with the years that preceded the outbreak of World War I. To a degree the vicissitudes of those living in the Alpha Territory of Highgate between 1914 and 1980 reflect objective changes in British political, economic and cultural circumstances of that period. But they also reflect changes in sentiment and the expectations of the 'super-rich' – and, more recently, their professional advisers - regarding their likely long-term financial prospects. For most of this period this sentiment was highly pessimistic, and not without good cause. As has often been rehearsed, the decline in the relative position of established elites during the first three quarters of the twentieth century can be attributed to any number of political, economic and cultural factors. Without the progressive widening of the franchise during the nineteenth century it is unlikely that there would have been parliamentary support for the introduction of Death Duties in 1894 and of Estate Duty in 1914, both credited by Girouard (1978) with the decline of Britain's historic landed estates. World Wars resulted in shortages of labour, higher real wages, upward social mobility and a decline in social deference. Particularly after World War I the rich found it increasingly difficult to recruit servants in sufficient numbers to sustain the lifestyles to which they had

previously been accustomed. Cultural change - the establishment of the BBC in 1922, the NHS in 1945, and the expansion of higher education following the Robbins report in 1963 in particular – all contributed to a democratisation of culture and a levelling out of taste which found expression in the demise of the formal dress codes and modes of speech which previously distinguished those from privileged backgrounds. The dramatic extension of the powers exercised by the state during World War II gave force to the belief that a new meritocratic managerial elite could run the country more efficiently than the opaque and informal networks which characterised what from 1955 became commonly referred to as the 'establishment' (Jones, 2015).

The election of Margaret Thatcher in 1979 marked the onset of a very different set of assumptions – those of neoliberalism – which manifested themselves, *inter alia*, in decisions: to reduce the rate of tax on higher incomes; to deregulate financial markets; to privatise state owned enterprises; to marketize parts of the delivery of public goods; and, to reduce barriers to international flows of capital, trade and labour. Each of these contributed to a change in the sentiment of the very rich and of the emerging cadres of agents acting on their behalf - an increasingly complex infrastructure of wealth managers, portfolio and tax specialist, family offices and so on (Beaverstock *et al.*, 2013). It fostered a new assertiveness with which they lobbied for public policies which might provide further opportunities for their enrichment and resulted in a significant increase in their numbers and political influence. A new orthodoxy took hold - a form of 'cognitive capture' (Mirowski, 2013) - where the interests of finance and the rich were seen to be synonymous with the needs and principles of economic growth and economic prudence.

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Nowhere in Britain has this revival of an ultra-rich elite been more evident than in London. The annual 'rich-lists' produced by *The Sunday Times* (2015) confirm this; as of 2014, there were 80 individuals with wealth of more than £1 billion resident in London, far and away the city with the greatest number in the world (compared to New York with 56, San Francisco with 49, Moscow with 45 and Hong Kong with 43). This is the apex of the 0.5 million or so HNWIs who now reside in London, attracted by the English language, its relative safety, its position as the leading global centre for finance and the unparalleled range of high quality support services, advisers and places of entertainment it provides. By and large the non-indigenous super-rich are not subjected to onerous or restrictive social or bureaucratic regulation and in London, compared with Paris for example, there is also a less demanding code of manners, tastes and other distinctions that 'outsiders' have to learn if they are not to suffer discomfiture (Bourdieu, 1984).

Whereas before 1914 Britain's elite was still likely to consist of owners of landed estates, today's *Alpha Territory* is primarily a metropolitan phenomenon (Cunningham and Savage, 2015: 338-339), far more concentrated than it used to be in London than in regional centres. If Piketty is correct in claiming that inequality is returning to the levels experienced during the years prior to 1914 this raises a number of interesting questions. How closely does the concentration of extreme new wealth in metropolitan settings influence the manner in which wealth is consumed and displayed compared with pre-1914 elites, and what impact has time and location had on the manner in which the wealthy engage with the local neighbourhoods in which they reside?

In addressing these – and related - questions we draw upon data from a number of sources. First, we make use of rich postcode level data contained in *Mosaic*. This data

has been cross-tabulated with other data on over one thousand different behaviours; some based on quantitative surveys and others from the analysis of customer and client files.⁴ Next, over 100 qualitative interviews and group discussions – with residents, developers, planners, estate agents, leaders of voluntary organisations and others – undertaken as part of a broader study of London's *Alpha Territories* have been drawn upon to the extent that they pertain to the Highgate case study. Archival materials from the Highgate Literary and Scientific Institution (HLSI) have supplemented these sources of data. However, another important source of analytic insight derives from the first named author's 25 year involvement in the neighbourhood whilst also working as a 'commercial sociologist' (Burrows and Gane, 2006). It might not be fair to characterise this as a pure 'participant as observer' role (Gold, 1958) but without this informal positioning many of the insights offered in this article – such as they are – would not have been possible.

The Historical Development of Highgate as an Alpha Territory

It may seem strange to use of the term 'Village' to describe a very well established suburban population, but many of the characteristics associated with rural villages are still evident in London neighbourhoods such as Highgate, Barnes, Blackheath and Dulwich which, until the encroachment of suburban development ended their physical separation from the capital, were self-standing rural communities. Highgate Village owes its existence to its position on the coaching route from London to the Midlands and the North. Situated 400 feet above sea level and five miles from the city of London, it was here that a testing climb from the city necessitated the first change of horses. Drovers of cattle and sheep travelled in the opposite direction and it was in Highgate butchers' shops that livestock were prepared for onward delivery to the City's retail

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markets. Travellers sought entertainment in local taverns and overnight accommodation in local inns. Today the continuing physical presence of inns, taverns and, in particular, the distinctive canopies over butchers' shops act as important visual markers of the imagined community residents have elected to belong to (Wright, 1985).

Coach connections to the City, fresh water and clean air attracted wealthy Londoners to Highgate as early as the sixteenth century by when its artisans and traders were joined by a new class who built for themselves small country houses set in extensive grounds. Professional practice was a more common source of the wealth of these new owners than land or trade. For example it was a former Lord Justice, Sir Roger Cholmeley, who in 1565 founded Highgate School, one reason why many wealthy families now choose to settle there (Richardson, 1983).

Despite its wealth Highgate has from its earliest years possessed a 'liberal' - even a 'radical' - edge. In 1655, when it was forbidden within five miles of central London to preach other than according to the liturgy of the Church of England, a wave of nonconformists settled in Highgate (Thompson, 2001). *Cromwell House*, a 'super-prime' property when it was built in the seventeenth century, was among the first homes in England to be owned by a Jew since their expulsion in the thirteenth century (Richardson, 1983). In the eighteenth century it was in the salons of nearby *Kenwood House* that Lord Mansfield organised the first systematic opposition to the slave trade (English Heritage, 2001). In the nineteenth century Sir Arthur Crosfield, the owner of *Witanhurst*, led the campaign to preserve Hampstead Heath from residential development. In the first decade of the twentieth century Dame Henrietta Barnett employed Raymond Unwin to mastermind her vision of one of Britain's largest and most successful experiments in garden city living, Hampstead Garden Suburb, from her

summer cottage in Hampstead Lane (Watkins, 2011). The campaign to save Hampstead Heath from development drew inspiration from local memories of early Romantic artists such as Constable, Keats and Coleridge, the latter renting rooms at *The Grove*, one of Highgate's most prestigious addresses (Richardson, 1983: 69). In discussion, many established residents assert that the legacy of these social reformers and artists continues to influence the character and ethos of the neighbourhood (Wright, 1985).

Between 1867, when a new railway linked Highgate to the City of London, and the outbreak of war in 1914, a community previously composed of classic seventeenth and eighteenth century small country houses, was increasingly overtaken by a denser pattern of streets of speculative, two and three storey terraced houses suited to the needs of the more affluent sections of the middle classes. Another new form of development started to appear from 1880 on land previously belonging to the ecclesiastical commissioners. This consisted of roads of very large detached houses, many in the Arts and Crafts style and each of a unique design. Merchants, industrialists, lawyers, doctors and partners in professional practices acquired houses on these roads. John Sainsbury, the founder the supermarket business, and a Mr Tavener, who built a confectionery business bearing his name, were early occupants (Richardson, 1983: 147).

At this time, however, the most sought after residential locations were those situated on the ridge linking Highgate and Hampstead villages. These sites enjoyed uninterrupted views over Hampstead Heath and the Thames Valley. Here former farmland was sub-divided first into large estates and then into what became the grounds of some of London's most spectacular residences.

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Witanhurst, acquired by Sir Arthur Crosfield MP in 1912 and whose first reconstruction was completed by 1920, is believed to be the largest residential property in London after Buckingham Palace. The Crosfield family business, built up by Arthur's father, exploited the application of new technology to the manufacture of soap. Based in Warrington, it was later acquired by Levers and became part of Unilever plc.

Beechwood was built in 1870 by Nathaniel Basevi on land obtained from the break-up of the Fitzroy Estate. Nathaniel married the niece of Sir Robert Peel and is believed to be the first British lawyer of the Jewish faith. In 1910 it was acquired by Edward Perronet Sells (Richardson, 1983), the owner of a coal distribution company. By 1929 it had been acquired by Oswald Lewis, son of John, the founder of the John Lewis Partnership.

Athlone House was constructed in 1870-2 on behalf of Edward Salomons whose fortune was made from the manufacture of aniline dyes. His business was acquired by Francis Reckitt son of the founder of the Reckitt family business which subsequently became part of Reckitt Benckiser. In 1909 it passed to the ownership of Arthur Cory Wright, also a coal merchant, and in 1929 to Sir Robert Waley-Cohen, Managing Director of Shell (Richardson, 1983).

Kenwood House overlooks perhaps the finest country estate in London. William Murray, a Lord Chief Justice, who subsequently became the Earl of Mansfield, bought the original seventeenth century house. He commissioned its redesign to Robert Peel and the landscaping of its estate to Humphry Repton. By 1914 the house had been acquired by Lord Iveagh, heir to the Irish family fortune based on the Guinness brewery.

The fifth house, demolished in 1923, was *Holly Lodge*. This was for many years owned by Dame Angela Burdett-Coutts, heiress to a banking fortune and in her time believed to be the richest woman in England after Queen Victoria.

Notwithstanding the colossal prices these mansions (might) now command in 1914 these mansions were considered relatively modest compared with the great landed estates outside of London. They were occupied by a cadre of entrepreneurs whose fortunes were founded on mass production and mass distribution, men who, despite their wealth, were obliged to move among different social circles to those whose for whom inheritance of landed estates was their primary source of wealth.

From 1918, as it became more expensive to employ servants, life became more problematic for the upper middle class occupiers of the spacious pre-1914 terraces. Many were subdivided into small flats rented by mobile single people, their former occupiers opting for the more compact properties with larger gardens, garages and modern amenities that were being developed in London's outer suburbs.

During World War II many of the very large detached houses in the roads developed between 1871 and 1914 were requisitioned for institutional uses. Death duties, the cost of employing servants and the expense of modernisation and repair contributed to at least three of the very large houses overlooking Hampstead Heath ceasing to be viable for single-family occupation. One found itself in the ownership of the NHS, one was gifted to the nation, and one fell into a state of such disrepair that it was assumed that it could no longer be used as a family home; but more on this below.

The fate of the heritage homes at the centre of the village was rather different. This segment of *Alpha Territory* continued to be occupied by what we might think of as the 'great and the good', distinguished by their education, taste and commitment to the

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leadership of village institutions such as St Michael's parish church, the HSLI and the Highgate Society. The Institution's series of weekly evening lectures, presented by distinguished academics, still forms a key fixture in the social calendar of a socially influential community of retired people of intellectual and professional distinction. The concentration of such a large, cultured and intellectually curious group of older people creates its own incentive for others to stay. *Highpoint*, developed in 1936 by international modernist Berthold Lubetkin, is one of many blocks of luxury flats developed between the wars to which members of this age group can downsize without leaving the locality.

From 1960 until 1980 many less architecturally distinguished older houses with extensive grounds were replaced by new estates of private houses in whatever architectural style was fashionable at the time. Geodemographically these new developments tended to attract what might more recently be referred to within the *Mosaic* schema as *Liberal Opinion*, ⁵ members of the creative professions working in the cultural industries - advertising, publishing, public relations, journalism and design - to whom peripheral suburbs, with little sense of culture or community, had little appeal. These newcomers, many of whom had arts and/or social science degrees, tended to pioneer less differentiated gender roles, graduate wives returning to work after childbirth with the help of au pairs and nannies (Savage, 2010).

As for the great houses along the Highgate – Hampstead ridge it was widely assumed that these houses and their grounds would never again prove affordable for a private individual. At various times proposals were put forward to demolish them, a fate that did indeed befell *Holly Lodge*, turn them into hotels, in the case of *Witanhurst* or, in the case of *Athlone House*, additional facilities for the pupils of Highgate School.

Kenwood was gifted to the nation. Thirty years ago it would be inconceivable that all these buildings would present highly sought after opportunities for trophy homes. For us, the revival of demand for houses of this size certainly supports Piketty's contention that wealth and inequality in the last thirty years is returning to the levels that characterised the period prior to 1914.⁶

Highgate Village Since 1980

During the period since 1980 the emergence of London as the world's leading location for the global rich is reflected in Highgate both in terms of physical change and territorial displacement. Nowhere has this been more evident than in the emblematic super-prime properties which overlook Hampstead Heath.

After remaining unoccupied for many years, in 2008 *Witanhurst* was purchased for £50 million by a person until recently believed to be the wife of a former mayor of Moscow. Not until an article appeared in *The New Yorker* in June 2015 (Caesar, 2015) did it become apparent that the company that purchased *Witanhurst*, Safran Holdings, based in the Virgin Islands, was, via a complex series of holding companies, in the control of Andrey Guryev, majority owner of PhosAgro, a Russian fertiliser company, and worth some £2.6bn. Since 2009 the property has been subject to a further £50 million redevelopment. On completion the new house will contain 25 bedrooms, a five storey underground development containing spaces for 25 cars accessed via a car lift, a 70 foot pool, a cinema complex, a media centre and a hair salon.⁷ Like *Witanhurst*, *Beechwood* is currently in foreign ownership, that of the Uzbek steel and telecommunications magnate Alisher Uzmanov. He is thought to be worth over £52 billion and, according to *Forbes*' 2015 ranking, the 58th richest person in the world. The future of *Athlone House* is currently subject to the outcome of a planning appeal,

discussed in more detail below. The outcome preferred by the owners would be the construction of a \pounds 50 million mansion.⁸

Fifteen years ago Highgate's spacious late Victorian or Edwardian terraced houses mostly fell into, what in the past, *Mosaic* classified as *New Urban Colonists* - 'younger, high-achieving professionals, enjoying a cosmopolitan lifestyle in a gentrified urban environment.'⁹ Today, the escalation of house prices has resulted in ther displacement of this segment of population by beneficiaries of globally sourced capital and the very top echelons of the middle classes that service it. Whereas before 1980 the principal earner of a prosperous Highgate family would be engaged in an occupation at the upper end of public service pay scales, from self-employment or a partnership in a legal, accountancy or architectural practice, since 1980 access to family houses is increasingly restricted to the senior employees of the large scale professional and advisory businesses on which global finance and property relies for its support, in fields such as management consultancy, legal, accountancy, risk management and investment advice; indeed, they are part of the infrastructure that supports some of their überwealthy neighbours (Beaverstock *et al.*, 2013).

This transition is manifested in a shift in the dominant aesthetic amongst the wealthy, but also more generally in the UK. Thus before 1980 most new owners in such neighbourhoods would have sought a property displaying 'period features' have limited improvements to decorative makeovers - the upgrading of a kitchen or bathroom, the installation of central heating or the creation of a through living room. However, since 1980 the analysis of planning applications shows that incomers who once scoured architectural salvage yards to restore original fireplaces and doors are now persuaded – often by their retained advisors - to commission high-end designers to undertake often-

brutal structural conversions of older properties into state-of-the art living spaces. Maximising the size of all interior spaces and infusing them with exterior light, houses are stripped of the previously valued decorative details that enable the period of the original house to be identified.

Interviews with leaders of Highgate's voluntary organisations suggest that the more prestigious larger period properties continue to be occupied by the aforementioned 'great and the good', many of whose social networks are known to have started with an Oxbridge education and evolved seemingly without much effort via membership of advisory committees and executive boards in the public and private sectors. In the opinion of groups from the Highgate Society and from the interiors of the heritage homes visited under the Highgate Society's house tour programme this cohort is more motivated by a sense of public service than by financial reward and expresses taste through ownership of unique objects rather than prestige brands or product categories. Many live in listed buildings which have yet to be subjected to serious makeovers. Many are active in the local parish church and are trustees of local voluntary organisations. Interspersed with them are a growing number of international celebrities, many of whom cluster together in and around *The Grove*.

Many nineteenth century detached houses further from the village core - and in particular a couple of private roads where residents fund a permanently staffed security barrier - remain in the occupation of owners of successful family businesses. But as their houses come up for sale it is those who have acquired capital through the sale of tradable financial assets who are most likely to replace them. Where the annual contribution towards the cost of private neighbourhood security exceeds £4,000, most of these homes are now beyond the financial reach of salaried professionals other than

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those who receive bonuses from top end city financial organisations. According to *Transparency International* (2015), Camden ranks the third highest among London boroughs for properties registered in overseas tax havens,¹⁰ many of whose owners are foreign nationals shielding money syphoned from business ventures in politically unstable countries. Some foreign owners are permanent residents; others make only occasional use of what, to them, are principally financial investments.

Disruptions to the Values of Established Elites

The acceleration in the financial resources of the new financial elites chronicled by Piketty and the growing disparity between their resources and those of established Highgate elites are reflected not only in territorial displacement but also in conflicting interpretations regarding the behaviours from which status is derived. Whilst in London in particular it has been noted that different social groups, whilst physically using the same space, can nevertheless coexist with minimal physical and social contact (Jackson and Butler, 2014), our study repeatedly returns to planning disputes, particularly planning appeals, as the focus for clashes between the values of the incoming global elites and those of the more established residents or the recent newcomers whose moderate resources restrict them to less expensive properties. These clashes originate in part from changed expectations regarding the facilities and fabric a house is expected to possess if it is to meet the needs of the new elites but these then reflect themselves in conflicting attitudes towards the village's historic heritage, in attitudes towards the natural environment, and gardens in particular, aesthetics and in engagement with neighbourhood-based voluntary organisations.

Analysis of the membership lists of the Highgate Society and HLSI show that few members of globally moneyed elite move to Highgate with the intention of involving

themselves in a 'community', whether real or imagined. Some are certainly motivated by proximity to Highgate and Channing Schools. But, in general, the fact that their new property happens to lie in Highgate seems to be largely incidental. The locational decisions of this group of über-wealthy elites, we suggest, are driven by a much narrower set of considerations than the (merely very wealthy) elite they are replacing. They are attracted to properties that meet or can be adapted to meet the exacting requirements that their property advisers recommend as appropriate for people in their financial position and which often conform to a widely accepted but narrowly defined aesthetic (of modernist designs norms, rather than full-blown modernism). That these requirements cannot be met by the adaptation of an older terraced property is an important marker that differentiates them from the social group that moves into Highgate gutting and remodelling prime Victorian terraces.

Whilst the lower strata within the new global elite appear happy to restrict themselves to the interior refurbishment of older properties, at the highest level newcomers' demands can only be met by significant external modification or, in many cases, 'tear down and rebuild'. In the opinion of local estate agents the most important requirement of these higher-level newcomers is not a property's heritage, grounds or orientation but its interior space and physical arrangement. The minimum interior space requirement of 6,000 square feet and above can seldom be extracted from older properties, particularly given the preference for lateral rather than vertical expansion. Sales particulars demonstrate that exterior space - which once enabled children to play in the garden or provided the kitchen with freshly grown produce - becomes valued for defensive qualities such as ensuring security or protecting privacy. Personal security requires direct access from the garage to the house interior and, where permitted by the

planners, remote controlled gates opening onto a 'carriage driveway'. Four off street parking spaces is now a minimum requirement of buyers from this social group.

Planning applications to further enlarge homes already containing 6,000 or more square feet are justified in terms of the need to satisfy an increasingly standardised list of 'new functional requirements'.¹¹ The remodelling of existing properties typically involves the removal of currently unfashionable period details in favour of an inoffensive minimalist aesthetic. Such demands can be interpreted as a consequence of the short termism endemic in neoliberal business culture as a result of which residential property becomes just one additional class of liquid asset within the owner's investment portfolio. As a result the market for high end Highgate property increasingly divides between development opportunities, involving comprehensive gutting or 'tear down and rebuild', and 'turnkey' properties, suitable for immediate occupation by the peripatetic international business manager who seeks an asset which is easy to dispose of. Sales particulars which once gave coverage to architectural values now give prime position to the brands used for the fitting out of kitchens and bathrooms. The dimensions of the principal rooms take precedence over any information about their aspect. Valuers, who previously used as comparators properties with a similar plot size and number of bedrooms, now use internal floor space as the principal basis for comparison. This has contributed to the sharp increase in the size of the footprint of proposed new houses relative to the size of the plot on which they stand. The garden becomes a dispensable feature that can no longer be justified in an era of increasing land values.

Conflicts Revealed by Planning Disputes

Examination of local planning appeals is a highly effective way of highlighting otherwise hidden conflicts between the values and financial interests of existing elites and those of developers acting on behalf of the interests of new holders of global wealth. These conflicts are particularly well illustrated by three recent planning disputes each of which went to appeal.

The first relates to the future of Athlone House - already noted above. Built in 1870 and requisitioned in 1942 by the RAF, by 1945 it was assumed that the upkeep of its 22,000 square feet would be beyond the resources of any private individual. An alternative use was found as a home for elderly patients and the NHS acquired the building. Eventually, unable to comply with ever more demanding requirements of nursing home operation, the NHS moved patients out and put the house up for sale. Under pressure from the local community Camden Council resisted an application by the new owners - whose identity was never known - to replace the house with a contemporary mansion of 49,000 square foot but entered into a section 106 agreement with them instead. The granted developers permission to build some twenty-luxury flats in its grounds subject to the obligation to restore the principal house to its original condition. Though the developers eagerly profited from the permission to build and sell the luxury flats they did not honour their obligation to restore the historic building. In time, and as a result of neglect, the house was sold to a new firm of developers - identity again unknown - who now claim that the condition of the house has been so damaged by its previous neglect that it is no longer capable of adaptation to meet the demanding specifications of the 'super-rich'. A new application was lodged for its replacement by a neo-classical mansion with a much larger footprint. Notwithstanding the campaign of a consortium of local groups, supported by respected national conservation organisations, the advice of Camden's legal officers was that the council had no power to

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enforce the provisions of the 106 agreement. A new application was rejected, and reappealed. In the summer of 2015 this appeal was dismissed by the planning inspector resulting in a further attempt to have the inspector's decision overturned by the Supreme Court; the result of this was unknown at the time of writing.

A second example is 21 Broadlands Road. Part of a Conservation Area, the southern frontage of the road contains a series of houses, collectively characterised by assorted Arts and Crafts designs with leafy and spacious gardens. The founder of one of Britain's most successful property companies acquired one of these houses and applied for approval to replace it with a much larger and more obtrusive mansion incorporating a basement, extensive structures in the rear garden to support his business activities and a façade which extended across the entire width of the plot. This new owner then acquired for a further $\pounds 5$ million the neighbouring house in which he installed himself and his family to better facilitate oversight of the work. The scale and intrusiveness of the development was strongly opposed both by local amenity societies and by neighbours - one of them a former Labour deputy mayor of London; not someone without knowledge or power. At the planning appeal the imbalance in financial resources between the owner and the local planning authority was evident. The appellant was represented by a barrister and ten different technical specialists and opposed by a recent recruit to Haringey's conservation department and an officer who had recently been given notice of redundancy. This appeal was lost.

The third example involved a former garden centre situated on back land behind the High Street. This forms part of a green cordon that separates the village core from more recent suburban development. For years the owners of this particular business had been unable to justify the modest trading performance of their outlet hidden away

down an alley leading off the High Street but kept the business going in the hope that the local authority would reverse a land use designation which precluded any more profitable use. Despite the garden centre having been designated as 'public open space' in earlier policy statements, an accidental omission of this designation in a new style planning policy document resulted in the land being sold to a development company registered in the British Virgin Islands which then submitted an application to erect three luxury family homes valued at £7 million or more. On the refusal of this application by Haringey's planning department the case became the subject of an appeal hearing by the planning inspectorate. When the inspector dismissed the appeal, the site was sold to a new owner who prepared a further application which again, on refusal by the planning authority, became subject to a further appeal.

These three disputes illustrate some of the systemic conflicts between the interests of global wealth elites and their agents and the neighbourhood's self-appointed representatives. In each case the prospect of financial gain justified the investment by developers of resources across a very long period of time and hugely in excess of those available to local authorities or local groups to counter planning applications. In two of the three cases the identity of the ultimate owner was concealed and in all three the owner had a history of tax avoidance and/or operating from a tax-free haven. Each case illustrated the method by which the prevailing neoliberal ethos resolves conflicts of interest, the state self-consciously stepping back to a role of judging cases on the basis of the strength of the arguments presented to it by opposing parties. The supposedly independent technical specialists who put these arguments forward are paid for by wealthy elites to achieve a particular result. This makes it attractive to negotiate payments on the basis of results. Actors need patience, sufficiently deep pockets and an appetite for risk. Their calculations of the profit that could be achieved

from planning permissions have to be counter-weighted against the cost of hiring professional advocates persuasive enough to achieve sought after outcomes. Where patience and resources are in limited supply development opportunities can be monetised and then traded with parties with greater patience and/or appetite for risk in a manner not dissimilar to the way derivatives are traded in financial markets.

From these and other planning appeals we identify three recurring areas where the values of wealthy incomers and established elites clash. These are attitudes towards the aesthetics of the local heritage, attitudes toward the natural environment and attitudes towards community engagement. According to estate agents many newcomers choose to live in Highgate because that is where they can find the type of house that meets their exacting specification. Such people, it is reported, are generally impatient of instruments of local authority control, such as Conservation Area designation. When newcomers do not buy into a shared imagination of the 'community' they elect to live in, the requirement to respect a historical aesthetic is experienced as an onerous and unreasonable restriction on individual freedom and opportunity for private gain.

Following on from this is conflict over the importance of the natural environment, over trees, which can easily obstruct proposed property extensions, gardens, which have modest recreational value for many incomers, and the sightlines between houses, which are a source of conflict when developers want to extend footprints to cover the near entirety of their plots as for instance in the contest over the application to enlarge 21 Broadlands Road. It could be argued that this source of conflict is exacerbated by local authority design standards being based on traditional English interpretations of the qualities of the natural environment that should be conserved.

The third source of conflict is the attitude towards the local community itself. Whereas lack of involvement may be an inevitable consequence of new sources of financial wealth (Atkinson, 2015) the reluctance of many developers to acknowledge their identity publicly and to consult with representatives of the local community estranges would-be developers from established elites and entrenches conflicts which might otherwise have been resolved by negotiations on design issues, for instance using the free design surgery offered by the Highgate Society's Planning Group.

Conclusion: Back to the Future?

Whilst the sources of new and old wealth are broadly similar, high volume production of basic products that serve mass markets - oil, coal, beer, soap, steel, cement, telecoms - the places from which occupiers derived their fortunes have extended geographically from London, in the case of pre-1912 *Witanhurst* and *Beechwood*, to Ireland and the North of England in the Edwardian and early inter war period, where wealth was created from the manufacture of stout, dyes and soap. It is now from more distant places such as Russia, Uzbekistan and, in the event of *Athlone House* being replaced, probably the Middle East, that new owners derive their wealth.

It is easy to suppose that the tearing down and replacement of properties, the gutting and the refurbishment, which characterises the *Alpha Territory* during the past thirty years, is a relatively modern phenomenon. However, consideration of *Witanhurst, Beechwood* and even *Kenwood* suggests that this practice was common among owners of trophy properties before the decline of the super-rich and often for similar reasons - land, even in those days, had increased in value relative to the costs of labour and it was

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clearly difficult to retro-fit into older houses the new technologies of plumbing and electricity that contributed to the easing of domestic life during the first third of the twentieth century.

Respects in which old and new elite differ more greatly include the engagement of domestic staff and a sense of responsibility for the welfare of those less fortunate than themselves. Even before *Witanhurst* had been built, *Parkfield*, its predecessor, had a staff of eleven, including a cook, kitchen maid, scullery maid, butler, footman, parlour maid, two housemaids, a nursemaid and a governess. Sale particulars in 1910 reveal that the rooms in which the servants slept and worked were separated from those of the family by use of a separate entrance and a separate servants' staircase. They also show that provision was made not just for the accommodation of live-in servants but also for four gardeners and a coachman who were housed in staff accommodation in the grounds or in tied accommodation nearby. Though such homes still required a substantial servicing team in 2014 most staff now live off the premises and are recruited by suppliers appointed by a private office.

By far the greatest difference between the Highgate super-rich of 1914 and 2014, however, is the decline in engagement with the local community. No doubt much of this is the consequence of concerns, common among London's wealthy émigré population, over the risk of assassination or abduction. Symbolic of the privacy sought by the new cadres of super-rich is the effort which the owners of *Witanhurst* and of *Athlone House* have taken to prevent their identities from being known, and the transformations of existing gatehouses from 'reception desks' to 'security barriers'. This lack of engagement is reflected not just in the lack of support for local causes – for which the celebrities resident in *The Grove* are honourable exceptions – but in the loss of the wider sense of responsibility which motivated the more influential members of the *Alpha Territory* in 1914 to agitate for political and social reform.

The comparison between the lifestyles of the owners of Highgate's most prestigious homes in 1914 and 2014 fits very well then with the contentions of Piketty and demonstrates the many lifestyle characteristics that contemporary super-rich share with historic elites. But there are, of course, huge differences. The biggest is the loss of any sense of cultural leadership within the established local community. Whilst the old elites drew status from their role as trustees of local charities and champions of community initiatives, the new elites identify far more with 'London' than they do with 'Highgate'. They live where they do because it is where they can find a property that meets their exacting requirements, because their children will have good access to high performing independent schools and because they can physically distance themselves from groups that make them feel insecure.

A focus on this local historical geography of elite formation and competition adds, we hope, to the broad macro, national and historical account of contemporary capitalism offered by Piketty (2014) that so many commentators have recently found so compelling. Savage (2014) and Jones (2014) are correct; a renewed focus on the geography of capital and elites is likely to offer up additional analytic insights to understanding growing inequalities, class and the role of urban space in the constitution of both.

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Notes

1. Details about the *Alpha Territory* can be found here: <u>http://goo.gl/sKClat</u>. The four types are: *Global Power Brokers* - 'wealthy and ambitious high flyers living predominantly in the very best urban flats' (<u>http://goo.gl/fHuRcc</u>.); *Voices of Authority* - 'influential "thought leaders" living predominantly in comfortable and spacious city homes' (<u>http://goo.gl/H8YFQA</u>); the *Business Class* - 'business leaders, often approaching retirement and living in large family homes in the most prestigious residential suburbs' (<u>http://goo.gl/YPr82C</u>); and *Serious Money* - 'families with considerable wealth living predominantly in large, exclusive detached houses in outer suburban areas and with large amounts of disposable income' (<u>http://goo.gl/1L4eyM</u>).

2. This can be demonstrated by spatially mapping out the four types of *Alpha Territory* across London. Highgate contains a good mix of all four types.

3. As one of the referees of this paper helpfully pointed out, these areas are each governed by a 'Scheme of Management' through a Trust and over which Planning Departments have different jurisdiction than other parts of London.

4. Examples of this sort of data can be found within the *Mosaic* summaries provided online (see note 1).

5. Details of the contemporary Mosaic characterisation of *Liberal Opinion* can be found here: <u>http://goo.gl/awOyxf</u>.

6. The changes over this period are reflected in a persistent decline in the political fortunes of the Conservatives in the neighbourhood. Not since 2002 has either of Highgate's two wards elected a Conservative councillor.

7. An image of the supposed plans for the house can be found here: <u>http://goo.gl/wBohFH</u>.

8. It is telling that the HLSI records offer more detailed information about the former owners of these properties than can be obtained about their present owners.

9. This geodemographic type was part of the 2006 version of *Mosaic* (Webber, 2007).

10. See the report in the *Hampstead and Highgate Express*, 6 March 2015. Available at: <u>http://goo.gl/QJvsWP</u>.

11. Even more contentious are proposals to dig out basements. The nuisance and disturbance to water channels caused by such developments and the destruction of freestanding oak trees is a long-standing source of conflict with established residents.

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