

Monaco developer set to paint London REDD

By [Guy Montague-Jones](#) | Thu 10 October 2019

Not many would dare to enter the prime London residential development market right now, for obvious reasons. Prices continue to edge downward and with Brexit just around the corner, there is a danger that things could get worse before they get better.



But the weak state of the market has not deterred Monaco-based developer REDD. This week, the company announced its UK launch, revealing that it had built up a £100m development pipeline in a matter of months.

REDD's focus is very much on the prime end of the market. It is buying in London's most exclusive postcodes – the likes of Mayfair, Knightsbridge and St James's.

Deals completed so far include the purchases of 10 flats around Berkeley Square and a five-storey, £15m mansion building in Balfour Place (pictured). REDD is buying for both development and

investment – although the latter will have a “development angle”.

Russell Smithers, managing director of REDD’s London operation, says he is not fazed by the weak market. Far from it.

“We’ve found it to be a good time to be buying,” he says. “Hopefully, we’ll be buying at a low part of the cycle and then selling at a high point.”

The company is not just relying on an improvement in the market. Smithers believes that its strong focus on design will help set its developments apart – he himself is a former architect. “With top-end product, a lot of the value comes from the design,” he says.

Steady income stream

Another distinguishing feature of the business is the combination of development and property management, which Smithers says ensures it can offer a top-end management service and provide a steady income stream to offset lumpier profits from development.

REDD’s property management arm offers everything from maintenance to hotel-style services such as concierges.

The company is backed by the Marzocco family, known for their luxury developments in Monaco, including the 49-storey Odeon Tower, where the penthouse was marketed for £249m in 2014.

This does not mean that REDD will operate like a family office, says Smithers. Instead, it will be a “freestanding development company” that looks to bring forward projects in joint ventures with others and offers development management services to third-party investor clients, he says.

REDD will also manage buildings for other landlords. Its property management arm is already managing one substantial portfolio and is looking to expand its client base.

There is no doubting REDD’s ambitions. “The brief I’ve got is that there is no limit to the size of the pipeline,” says Smithers.

REDD also plans to enter other new markets, adds founding director Jacopo Marzocco: “As part of our ambition to become an international brand, we are constantly reviewing other real estate opportunities in wealth destinations across the world.”

For now, though, it is taking the view that who dares wins and focusing on the UK.