London living 2016
A borough by borough review
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Overview

This is CBRE’s second annual Borough by Borough showcase which gives a detailed analysis of each of London’s 33 boroughs.

We have outlined the local housing market for each borough and provided an overview of the individual characteristics which differentiate one borough from another. Using a range of metrics, we have focused on the aspects which may be of interest to people considering living or investing in the historic city of London.

We hope you enjoy reading it.

Jennet Siebrits
Head of Residential Research
CBRE
London

London is one of the world’s most vibrant and influential epicentres: large, exciting and cosmopolitan. With a history spanning back 2,000 years, London has continued to blossom strength to strength.

While best known internationally as a leading financial centre, London also has strengths in the arts, commerce, education, entertainment, fashion, healthcare, media, professional services, research and development, and tourism. In addition, its 40 universities form the largest concentration of higher education institutes in Europe, and more than 300 languages are spoken across its diverse range of communities and cultures.

Average house price

£470,025

Despite originally being only the size of Hyde Park, these days London sprawls across more than 600 square miles, with the River Thames running through its centre and the cranes on its horizon ensuring an ever-evolving skyline. It is home to 8.8 million people, 37% of whom were born overseas. The population is forecast to increase by 12% over the next decade.

In turn, London’s supply of housing continues to be heavily outweighed by demand. This combination of vibrance, industry and an ever-expanding population has resulted in London consistently robust residential market. Having rebounded post global financial crisis far quicker than many other markets, today average house prices in the capital are £470,025. This reflects growth of 15% over the last year. Average rents are among the highest across the globe at £2,129 pcm.

However, these broad averages mask wide price discrepancies between individual boroughs. In this report we examine these differences.
Earmarked as one of East London’s most significant growth boroughs, Barking and Dagenham is in the midst of an extensive £1 billion regeneration that will completely change the face of this outer London borough. There have already been vast improvements to Barking Town Centre and development has begun at Barking Riverside, a scheme which will provide 10,800 homes upon completion. In addition, the area is becoming increasingly well connected with several new infrastructure projects ongoing. In particular, Crossrail is due to open a station in Chadwell Heath in 2018 and the London Overground is set to be extended to Barking Riverside by 2020. All of these changes are transforming Barking and Dagenham into an increasingly attractive location for London residents.

Perhaps that is the reason for the borough’s strong population growth; currently home to 207,000 residents. This is expected to increase by 18% over the next decade, which is the second highest growth of all boroughs.

Barking and Dagenham is a relatively young borough and has an average age of 32.9. The average salary is £30,038 which, while the lowest of all London boroughs, is balanced out by the fact that it also has the lowest average house prices in London at £271,828, which compares with the London average of £470,025. This follows above average growth of 22% over the last year.

Rents too are affordable; they average at £1,118 pcm following growth of 6% over the last year. Overall, therefore, Barking and Dagenham remains an affordable choice for those looking to take their first steps onto the housing ladder, with the average resident requiring 41% of a sole income in order to service an average mortgage. This would become even more affordable should the expense be shared between a couple.
Barnet

Located on the outskirts of Northern London and surrounded by rolling countryside, Barnet offers residents affordable prices, reasonable rents, and that elusive quality so seldom found in London: space.

Popular with both families and commuters, Barnet is well connected and allows easy access into Central London, but still offers enough open space to enjoy family life. Average house prices in the borough are £512,316, following growth of 9% over the last year and 81% over the last decade. This is 9% higher than the London average of £470,025. Average rents, on the other hand, are a significant 29% lower than the London average at £1,512 pcm.

Average annual salary
£41,960pa

Barnet is also the site of extensive regeneration. Brent Cross Cricklewood is one of the borough’s most ambitious projects. In 2010, this development was granted planning permission for a masterplan to create a new town centre including 7,500 new homes, three re-built schools, new parks, recreation and leisure centres, an additional mainline train station, and major road and transport improvement including better pedestrian connectivity. All of this will boost the areas attractiveness.

As might be expected from the strong family focus of the area, 60% of the housing stock in Barnet comprises houses and the average age of a Barnet resident is 44.2 – the highest average age across London. Essentially, this borough offers an alternative to the more well-trodden track of moving to a commuter town after having a family.

Average house price
£512,316

House price growth over last decade
81%

House price growth over last year
9%

Average annual salary
£41,960pa

Average rent
£1,512 pcm

Rental growth over last year
2%

Current population
388,000

Population growth over next decade
14%

Average age
44.2

Employment
68.5%

Average salary
£41,960
Situated in outer South East London, Bexley stands out as one of the most affordable places to live in London; it has the lowest average rents across the capital at £968 pcm and the second lowest average house prices at £311,587. In addition, growth across the local market is strong – rents increased by 8% and capital values increased by 19% over the last year alone.

In addition, Bexley benefits from direct rail links to London Cannon Street, Waterloo East and Charing Cross. However, Bexley is also set to benefit from the new Crossrail link from Abbey Wood, located right on the border of Bexley and Greenwich, a factor that will make the borough increasingly attractive to those that work in Central London. We estimate that this will add 5.6% per annum (on top of underlying capital growth) to house prices surrounding the Abbey Wood station. Bexley will also benefit from the proposed regeneration at Thamesmead.

As one of the most affordable places to live in London, Bexley is an attractive option for first time buyers and families. This suburban gem is surrounded by nature, and gives its residents the opportunity to have one foot in the city and the other in the countryside.

Average earnings
£40,230pa

Bordered by the River Thames, this borough is home to over 100 parks and open spaces, ranging from small gardens to larger woodlands, including the popular Danson Park with its boating lake and flower gardens. Bexley’s current population of 245,000 people is expected to increase by 12% over the next ten years and is a borough of owner occupiers, 78% of all residents fall into that category. The residents have an average age of 38.9, enjoy a high employment rate of 75.1%, and the council’s four grammar schools attract a number of parents to the area.

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Average house price
£311,587

House price growth over last decade
65%

House price growth over last year
19%
Brent

Best known for the iconic Wembley Stadium, Brent is also an epicentre of cultural diversity, green spaces and connectivity. And with strong growth and major regeneration, it is fast becoming far more than just a footballer’s paradise.

Characterised by its cultural diversity and social atmosphere, Brent forms the heartland of many of London’s ethnic communities. It boasts numerous parks and green spaces including Queen’s Park, and the Brent Reservoir and nature reserve. Already well connected, Brent will soon benefit from the 24 hour Jubilee line service together with a rail link between Wembley Central and Old Oak Common. The proposed Crossrail 2 route may bring with it a new station.

On top of that, Wembley is currently undergoing major regeneration. North West Village, a 1,000 unit residential development with private gardens, local shops, restaurants and leisure spaces, is due to complete towards the end of 2016. This development forms a major part of the overall regeneration.

Private renters 30%

These aspects, when combined, paint the picture of a borough that is as functional as it is liveable. This is reflected not only in the strong house price growth of 13% experienced across the borough over the last year, but by the fact that 72% of all units currently under construction in Brent have already been sold off plan. In addition, average prices across the borough sit at £485,870, which makes them 3% higher than London overall. This filters through to the rental market, with average rents across Brent being £1,718 pcm - some 19% lower than London. This follows growth of 6% over the last year, outperforming the London average of 4%.

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Located in London’s South West, Bromley is the largest borough in the capital. While the North is largely built up and urban, the South consists of a large swathe of green belt land. It benefits from strong connectivity with 23 train stations, three London Overground stations and five Tramlink stops. Bromley is also a relatively affluent borough, with high employment of 75.3% and average salaries that are 17% higher than the London average £50,351.

Average house prices across the borough are £423,901 after increasing by 14% over the last year. This is 10% lower than the London average of £470,025, making Bromley relatively affordable given residents fairly high earnings. This contributes to the high level of home ownership in the area.

The rental market is equally affordable, with average rents in the borough being £1,243 pcm, some 42% lower than the London average. This figure follows growth of 3% over the last year and places Bromley as London’s fifth most affordable borough to rent in.

Bromley

Proportion of owner occupiers

77%

Perhaps the most rural borough in London, with its Southern section more akin to the greenery of Kent, Bromley remains particularly attractive to those wanting to put down roots and have a family.
Camden

Known internationally for its thriving music scene and outdoor market, Camden also sports another side: affluence. And with 16% average house price growth over the last year alone, this looks set to heighten.

As well as its edgy and eclectic reputation, the borough of Camden is now increasingly known as one of The City’s more expensive boroughs.

With the fourth highest house prices (£872,369), rents (£2,672 pcm) and salaries (£55,185) in London, Camden is fast losing its ‘rough around the edges’ reputation.

And its average house price growth of 128% over the last decade, makes it one of the strongest local markets in London.

Aesthetically, Camden is rich in architectural heritage, being home to a number of buildings and places of architectural or historic importance – including Hampstead village and Georgian Bloomsbury. In addition, it benefits from a plethora of parks and open spaces, ranging from Hampstead Heath and Primrose Hill, to Regent’s Canal and smaller local historic squares.

But as much as Camden is a borough seeped in history, it has seen more than its fair share of regeneration over recent years. In addition to the extensive redevelopment of King’s Cross currently underway, Camden will also benefit significantly from the opening of the Tottenham Court Road Crossrail station, currently scheduled for 2018. The £1 billion spend programme at Tottenham Court Road is the biggest transport investment in the West End for decades and the most extensive over-site development across the entire Crossrail network.

Our research indicates that the properties surrounding this new Crossrail station will increase in value by 3.75% per annum above and beyond local embedded value.

However, there is significant price discrepancy within the borough; properties in Fitzrovia are achieving values in excess of £1,450,000, and those in Primrose Hill over £1,300,000. Conversely, those surrounding St Pancras and University College are valued at closer to £400,000.
Historically, The City of London has always been a place to work, not a place to live or play. Despite 370,000 people working in the borough, only 8,000 people live there, the least of any London borough by a gaping margin. However, this trend is starting to reverse itself. Slowly but surely, an increasing number of Londoners are choosing to live close to the office, thereby cutting down on travel time and adding to their leisure time. This increase in the borough’s population has fed into growth in other areas, and its retail, leisure and entertainment offering growing in order to keep pace with growing residential demand.

As a borough, The City is well connected, despite how small it is, with 11 underground stations and five rail stations. In addition to major banks and businesses, it is home to a number of universities, including The College of Law in Moorgate and The Guildhall School of Music and Drama. As a result, it attracts not only city workers, but students as well.

However, supply in The City is limited, and growing demand coupled with the acute underlying lack of supply has resulted in unprecedented price growth. Average property prices in The City of London have increased by 190% over the last decade and 27% over the last year. In both cases this represents the highest growth across any London borough, outperforming areas such as Kensington and Chelsea and Westminster. Current property prices in The City of London average at £928,217.

The City of London has a markedly high proportion of private renters, with 43% of all residents falling into this category. In line with the overall market, the rental market in the borough is strong and average rents are currently £3,361 pcm. That is second only to those found in Kensington and Chelsea and higher than those found in Westminster.
Croydon

Previously somewhat maligned and overlooked, Croydon is currently undergoing a major face-lift. A cluster of residential towers and a significant council-led regeneration has seen prices in the borough increase by 17% over the last year.

Despite being only 20 minutes by train from Central London, Croydon has historically suffered from a poor reputation. However, as London’s population continues to expand, and the edges of its epicentre move outwards, areas such as Croydon are being given new life. Already the second most populous borough in the capital, it is expected that it will grow by 11% over the next decade.

Much of Croydon’s growing popularity can be attributed to the large scale, council-led regeneration of the area; £1 billion has been committed to transforming the economy and rejuvenating the town centre. This broad rejuvenation aims to draw a significant number of young professionals to the borough who are fast being priced out of other areas. In addition, Croydon has evolved as one of the four major high rise clusters in London, and the only cluster outside of inner London. Our research has shown that towers command an average price premium of 36% over local embedded value.

The overall improvement of the general façade of Croydon has had a measurably positive impact upon the property market; over the last year, average house prices have increased by 17% in comparison with the London average of 15%, bringing them to £345,858. Similarly, the rental market is strong, with average rents in the area being £1,254 pcm after growth of 5%. That is significantly lower than the overall London average and places the borough as the 6th most affordable to rent in.

Looking forward, we expect the market in Croydon to continue to grow. This reflects the ongoing regeneration, shown by our research as increasing property prices by an average of 4.7% per annum over and above wider growth. The underlying population growth is increasing demand and this is boosting the number of private rental schemes being constructed in the area.
Located in the West of London and cited as the birthplace of the Rolling Stones, Ealing has the third highest population of any London borough; 349,000 residents currently call it ‘home’. This number is expected to rise by a further 7% over the next decade, increasing pressure on the borough’s local market. Of the units currently under construction in Ealing, 65% have already been sold off plan.

Average house price
£477,627

Well connected, the borough currently has 19 tube stations and nine railway stations within its bounds. This will be further bolstered by the opening of Crossrail in 2018. This will boost prices; our analysis shows that residential values in the areas surrounding Crossrail stations are likely to increase by an average of 3.3% per annum, over and above wider house price growth. Average house prices in Ealing are currently £477,627, following growth of 14% over the last year. That puts them marginally above the London average. A particular pocket of opportunity lies within Acton. Average prices are relatively low, at £602,875, compared with its surrounding higher value areas of Chiswick to the South (£948,633) and Hammersmith to the East (£870,282). As a result, Acton is likely to benefit from value overspill in the coming years.

One scheme of particular interest within Ealing is Dickens Yard. This scheme will provide 547 private homes and is priced at £1,200 psf. This far outperforms the overall average for new build properties in the borough which is currently £788 psf.

Ealing with house price growth of 14% over the last year alone, extensive regeneration in the works and Crossrail’s promise of shorter commuter times soon coming to pass, we expect to see Ealing’s residential market go from strength to strength in the coming years.
Enfield

Ongoing significant regeneration, 18% house price growth over the last year, and an off-plan sales rate of 76%, all point to a bright future for Enfield.

The average property price in Enfield is currently £379,174, which is 19% lower than the London average of £470,025 and follows strong growth of 18% over the last year. Comparatively, when taking a longer term view, average prices have grown by 77% over the last decade, revealing that Enfield’s rise in popularity and consequent value uplift are a relatively recent phenomenon. This is a trend shared with a few other outer London boroughs, the result of a ripple out from the more central locations.

Demographically, Enfield is a stable borough, its mix of affordability and connectivity appealing to those looking to put down roots. It has an average age of 36.1, the majority of residents (65%) own their own home, average salaries are £36,435 and 73% of the population are in employment.

There is also a significant amount of regeneration planned for the borough which will provide housing, business space, jobs, improvements to overall infrastructure and a primary school. Meridian Water, is one of the key development and investment opportunities in North London. The £1.5 billion investment will create 5,000 homes and up to 3,000 jobs by 2026. Our research has shown that regeneration results in an average 4.7% per annum uplift on the price of properties surrounding the site, above and beyond underlying growth.

In essence, Enfield offers prospective buyers relatively affordable properties with a strong hope of substantial growth in the coming years.
Greenwich

Best known as the place by which the world sets its clock, Greenwich is also a popular tourist destination. With its historical sites drawing over 18 million visitors every year and with several massive redevelopments already underway, it looks set to attract many new residents too.

Located to the East of Central London, Greenwich is home to the O2 Arena and historic sites such as the Royal Observatory, the Maritime Greenwich World Heritage Site and Greenwich Park. It has historic links to the Royal family and an old-world town centre: cobbled streets, quaint little pubs and a thriving market. However, its proximity to Canary Wharf, together with extensive local development, means that Greenwich’s impressive reputation is not just a thing of the past.

Off plan sales

74%

Perhaps the most notable development taking place in this borough is Greenwich Peninsula. This scheme will provide 15,000 homes and completely rejuvenate the formerly vapid area surrounding the O2 Arena. And with predicted population growth of 14% over the next decade, it is expected that these units will sell fast; of all units under construction in the borough, 74% have already been sold off plan.

However, despite its bright future and easy access to Canary Wharf for commuters, Greenwich is still a relatively affordable borough by London standards. Average house prices are currently £366,517, some 22% lower than the average price across London overall. This follows growth of 17% over the last year. Similarly, the rental market is still reasonably affordable, with average rents being £1,585 pcm after growth of 3% over the last year. That puts them 26% lower than the London average of £2,129 pcm.

We expect this growth to accelerate in coming years; our previous analysis has shown that regeneration results in a 4.7% per annum increase in the value of properties directly surrounding a regeneration site.
Once dominated by social housing, Hackney is now one of London’s fastest growing markets, with Shoreditch forming the heart of thriving Tech City. Average property prices across the borough are currently £533,875, following growth of 8% over the last year. However, this overall average veils the significant discrepancy that exists between higher value areas such as Shoreditch, and more affordable areas such as Dalston and Stoke Newington. In context, a flat in Shoreditch costs about £781,000 while one in Dalston costs £549,192. It is only a matter of time before prices in Shoreditch catch up with historically more costly boroughs such as Westminster and Kensington and Chelsea.

Aesthetically, Hackney has retained much of its original character, and this is part of what attracts its young, trendy, creative and tech-savvy demographic. The average age in the borough is 32.8, and the average earnings are £38,859 per annum.

Hackney boasts a lively café culture alongside its many clubs and bars, and has a deep-rooted community culture. It has a strong private rental sector, with 30% of its residents falling into that category and average rents being £2,046 pcm.

One scheme of particular interest is 250 City Road: an ambitious project which looks set to transform the area and link the current hubs of Old Street and Angel. Designed by world renowned architects Foster and Partners, it will deliver 993 new homes in addition to cafes, restaurants, retail outlets, creative workspaces and a four star hotel.

Hackney’s transformation from rundown East London borough to trendy, up-and-coming hot spot, has seen its average prices increase by 127% over the last 10 years. And with East London growing in popularity, we expect this trend to accelerate in coming years.
Hammersmith and Fulham

With its central location, river views, and stable local market, Hammersmith and Fulham is a firm favourite for Londoners. This small south-west London borough continues to have a very big future.

A small borough in the South West of London, Hammersmith and Fulham has long benefited from a stellar reputation as a good place to put down roots and invest. It offers its residents green spaces, good schools and riverside walks; all just a 21 minute tube ride from Bond Street. More recently, it has appealed to cosmopolitan, European families, attracted partly by the French School. It is an affluent place; average salaries are £51,602, some 20% higher than the London average, and the borough’s house prices are £780,863, 66% higher than the London average of £470,025.

The rental market echoes this strength, with price growth of 4% over the last year, and current rental values of £2,228 pcm – 5% higher than the overall London average. In addition, Hammersmith and Fulham boasts a decidedly high proportion of private renters at 48%. This, together with the nation’s general trend towards long term renters, means private rental schemes look set to flourish in coming years.

A large part of Hammersmith and Fulham’s appeal can be attributed to its proximity to the river. Our research has found that river facing units achieve a premium of around 10–15% above similar units without the view.

Hammersmith and Fulham has benefited from extensive redevelopment over recent years, and shares one of London’s largest regeneration projects, the Earl’s Court redevelopment, with Kensington and Chelsea.

This regeneration project will cover 77 acres and provide 7,500 new homes. It will offer 41 acres of open spaces together with leisure, education, health and community facilities. This will be in conjunction with a hotel, shops and private hospital making this the most extensive redevelopment seen in the borough in memorable history. It is expected to totally revitalise Earl’s Court, with the resultant increase in prices having a knock-on effect throughout the borough.

Average house price

£780,863

Other schemes of interest within the borough include: Queen’s Wharf, and Fulham Riverside which both offer a gym, concierge, secure parking and outside space.

Hammersmith and Fulham

Current population

182,000

Population growth over next decade

5%

Average age

35.4

Employment

77.5%

Average salary

£51,602

Underground/overground stations

17

Railway stations

00

DLR/Tramlink stations

00
Located in the North of London, Haringey borders the popular areas of Islington, Hackney and Camden. It is an area of mixed landscapes, with beautiful wooded high ground in the South West surrounding Highgate and Muswell Hill, and more open, low lying areas along the River Lea in the East, near Tottenham. Finsbury Park and Clissold Park form part of the green areas that cover more than 25% of the borough. In addition, Alexandra Park, with its historic entertainment venue and panoramic views over London, attracts over a million people each year while White Hart Lane, home to Tottenham Hotspur Football Club, is the borough’s most famous sporting venue.

With three major tube lines and an extensive overground network under its belt, Haringey is a well-connected borough. This makes it one of the most convenient choices for commuters looking to balance budgetary constraints with travel times into commercial hubs. Its population is relatively young at 34.8, the average salary is £39,000 per annum and it enjoys off plan sales of 67%, reflecting its growing popularity.

This recent surge in popularity is further evident in its local market: average house prices are, at £537,527, 14% higher than the London average. This follows strong growth of 18% over the last year and 112% over the last decade. However, as is often the case within boroughs, this broad average masks the discrepancy between more expensive parts of the borough such as Highgate, where properties routinely fetch in excess of £1 million, and more affordable parts such as Tottenham. With the population expected to increase by 11% over the next decade, and the higher values currently being achieved in neighbouring boroughs slowly rippling out to affect those in Haringey, it is expected that this growth will simply accelerate in coming years.

Located in the North of London, Haringey borders the popular areas of Islington, Hackney and Camden. It is an area of mixed landscapes, with beautiful wooded high ground in the South West surrounding Highgate and Muswell Hill, and more open, low lying areas along the River Lea in the East, near Tottenham. Finsbury Park and Clissold Park form part of the green areas that cover more than 25% of the borough. In addition, Alexandra Park, with its historic entertainment venue and panoramic views over London, attracts over a million people each year while White Hart Lane, home to Tottenham Hotspur Football Club, is the borough’s most famous sporting venue.

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Harrow

One of the city’s most ethnically diverse boroughs, Harrow offers its residents a combination of rich cultural diversity, good transport links and open spaces. Alongside this, it boasts the strong heritage associated with Harrow School, and the village atmosphere of Pinner and Stanmore.

Harrow is most notable for its eponymous school, which boasts Winston Churchill and Benedict Cumberbatch as alumni. It is an area that offers families a home base close enough for a London commute, but far enough away to have access to ample green spaces. In addition, Harrow is underpinned by a strong transport infrastructure, with access to railway, underground and overground services.

Aesthetically, it is typified by the 1930s semi-detached houses and the flats archetypical of the suburbia of North-west London. The suburban nature of the borough is taken through to its demographic profile, with 36% of the population falling into the category ‘suburban mindsets’. As might be expected, therefore, 70% of its residents are owner occupiers, with only 18% of the Harrow population choosing to rent privately.

Affordability in Harrow is in line with London overall; average house prices are £451,907, 4% lower than the London average, and average salaries are £40,369, 6% lower than the London average. In addition, the borough’s value growth is strong, with values increasing by 15% over the last year alone.

However, while the average age of a Harrow resident is 37.9, the borough has become increasingly popular with a younger cohort over recent years. As rental values and property values in more central locations continue to inflate, young professionals and first time buyers are becoming increasingly attracted to areas such as Pinner and Stanmore.

Harrow

Employment

73.9%

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73.9%

Aesthetically, it is typified by the 1930s semi-detached houses and the flats archetypical of the suburbia of North-west London. The suburban nature of the borough is taken through to its demographic profile, with 36% of the population falling into the category ‘suburban mindsets’. As might be expected, therefore, 70% of its residents are owner occupiers, with only 18% of the Harrow population choosing to rent privately.

Affordability in Harrow is in line with London overall; average house prices are £451,907, 4% lower than the London average, and average salaries are £40,369, 6% lower than the London average. In addition, the borough’s value growth is strong, with values increasing by 15% over the last year alone.

However, while the average age of a Harrow resident is 37.9, the borough has become increasingly popular with a younger cohort over recent years. As rental values and property values in more central locations continue to inflate, young professionals and first time buyers are becoming increasingly attracted to areas such as Pinner and Stanmore.
Havering

Situated on the Eastern side of outer London, Havering has long been the sort of place one buys a home for its size and space. But now, strong average house price growth and the coming of Crossrail mean that Havering is fast becoming a place of interest for investors too.

In outer East London, Havering has the highest share of owner occupiers of any London borough. This is driven, in large part, by its relative affordability: current average house prices are £333,446, some 29% lower than the London average, while average wages in the area are only 10% below the London figure. In addition, Havering experienced the seventh highest house price growth across all London boroughs over the last year, with values increasing by 19% over that time. That accounts for a third of its growth over the last decade – a reflection of the growing interest in this area.

In addition, the continued growth of London as a ‘world city’ in the next 15 to 20 years will bring unprecedented opportunities to East London as a whole. In line with this, Havering is already experiencing significant regeneration and this looks set to continue; the government’s Sustainable Communities plan, the Mayor’s London Plan and more recently, the London Thames Gateway Development Corporation, identify Havering as a priority area for regeneration. Schemes of particular interest within the borough include Kings Park, which has full planning permissions and will provide 799 private units, and Beam Park which is currently in pre-planning and will provide 903 private units.

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Owner occupiers
79%

This general strengthening of the local residential market will only accelerate with the opening of three Crossrail stations in 2018: Harold Wood, Gidea Park and Romford. Crossrail is expected to significantly reduce travel times into Central London, thereby increasing the area’s attractiveness to commuters. This is expected to raise the value of those properties surrounding stations by an average of 3.3% per annum above and beyond usual growth.

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Hillingdon

Best known for Heathrow Airport, Hillingdon is London’s most westerly borough. Characterised in equal parts by industrialisation and countryside, it is well connected to Central London and home to a number of thriving localities and communities.

Well connected to the rest of London via both tube and national rail, Hillingdon is fast becoming a favourite with commuters who want easy access to Central London but cannot afford to live in the heart of the capital. Currently home to 304,000 people, it is estimated that this figure will increase by a further 14% over the next ten years. Hillingdon is home to Heathrow Airport and it is estimated that one in five of its residents works there; any growth experienced by London Heathrow will directly impact the growth of the borough.

Hillingdon remains a relatively affordable borough by London standards: average house prices sit at £395,562, some 16% lower than the London average, while salaries are only 14% below the London average. In addition, it is a borough of growth, with average property values increasing by 16% over the last year alone: that represents the second highest growth of any London borough and a massive surge when compared with historic trends.

It is largely this affordability that has resulted in Hillingdon’s status as a borough of owner occupiers – 68% of Hillingdon residents own their own home in comparison with the London average of 49%. However, despite it representing a smaller segment of the market, the rental sector too remains attractive to those looking for value for money: rental values in Hillingdon are, at £1,267 pcm, 40% below the London average.

In answer to this increase in demand there are currently 1,492 new build units under construction in the borough across 17 schemes, with 51% of them already sold off-plan. The largest of these is Drayton Garden Village, a large scheme of 714 units of which at least some have been earmarked for private rental purposes.

House price growth over last year
16%

Average rent
£1,267 pcm

In answer to this increase in demand there are currently 1,492 new build units under construction in the borough across 17 schemes, with 51% of them already sold off-plan. The largest of these is Drayton Garden Village, a large scheme of 714 units of which at least some have been earmarked for private rental purposes.

Average house price
£395,562

House price growth over last decade
75%

House price growth over last year
16%

Average rent
£1,267 pcm

Rental growth over last year
3%

Current population
304,000

Population growth over next decade
14%

Average age
36.2

Employment
73.2%

Average salary
£37,252

Underground/ overground stations
15

Railway stations
04

DLR/Tramlink stations
00
Hounslow

With strong transport links to both Central London and Heathrow airport, Hounslow is home to several well-known multinational companies. In addition, its strong local residential market is growing fast. Over the last year, Hounslow experienced the highest rental value growth of any London borough.

Bordering a long stretch of the river and spanning all the way from the leafy areas of Chiswick to the area surrounding Heathrow Airport, Hounslow’s residential market is a varied one; prices range from just over £300,000 in areas near the airport to over £1 million in Chiswick. When taken as a broad average, house prices for the borough are £382,648 after growth of 13% over the last year.

Hounslow’s current population is 275,000 and is expected to increase by 12% over the next decade. That equates to 33,000 extra people, all of whom will need somewhere to live. Comparatively, there have only been an average 344 housing starts per year since 2009, a rate that will need to accelerate dramatically in order to meet this demand; there are currently 1,088 units under construction in the borough.

Of those schemes currently under construction, those that are closest to the river are achieving the highest premiums, with Chiswick Gate asking £1,000 psf and Kew Bridge £936 psf. In contrast, other schemes in the borough that are not situated along the river are asking between £400 psf and £635 psf. This highlights the value of river views in pricing; our previous analysis has shown premiums of 10–15% for river view apartments over comparable units without the view.

In addition, Hounslow Local Authority is actively supporting Build to Rent Schemes. These large-scale private rented sector developments will be crucial in providing a boost to new building supply. This is underpinned by a strong rental market; Hounslow experienced a 12% uplift on average rents last year, the greatest growth of any London borough. That brings current rents to £1,431 pcm. As London residents seek out convenient yet affordable locations, we expect to see Hounslow flourish in coming years.
Islington

Attracted by its traditional housing stock, proximity to The City and the vibrance of Tech City, this thriving borough is a favourite among families, young professionals and students alike. And with its projected population growth of 13% over the next decade, this looks set to continue.

Almost a third of all households in Islington comprise of only one person with no dependents, and the most dominant sociodemographic group in the area, by a significant margin, is ‘Urban Cool’. This group is made up of a diverse mix of people who tend to be well educated and working in creative industries. Despite being a young population, it is an affluent one: average earnings are £49,416, some 15% higher than the London average. The average age of an Islington resident is 34.6, while that of London overall is 36.1.

This strong local economy is echoed in the residential market. Following annual house price growth of 4%, average prices currently sit at £665,791 – that’s 42% higher than the London average. The rental market too is strong, with 39% of all residents falling into that sector and the borough achieving average rents of £2,168 pcm, following growth of 4% over the last year. That is broadly in line with the average rent across London.
Kensington and Chelsea

Despite being the smallest London borough, occupying less than 1% of the city's total area, Kensington and Chelsea often grabs the headlines with news of its exclusive residents and multi million pound mansions.

With the highest average house prices in London at £1,314,702, the highest average rents of £3,405 pcm and the highest average salaries at £94,416, Kensington and Chelsea remains London's most affluent borough. This is a long standing trend; it experienced house price growth of 126% over the last decade.

Despite the high rents, Kensington and Chelsea has a decidedly high level of private renters within its bounds, with 51% of all residents falling into that category. That is only marginally lower than the levels found in Westminster, 52%, which has the highest level of private renters in the capital. It is a relatively mature borough, with an average age of 38.9 and attracts a high level of interest from high net worth international buyers.

In an effort to cater to this buyer demographic, many of the developments within Kensington and Chelsea are built to a very high standard, offering extensive amenities, views, concierge, top interior designers and state-of-the-art security systems. In addition, there has been a recent trend towards hotel branded residences within prime locations. Developments aligned with prestigious hotels fetch average premiums of 30% over comparable unbranded units. Local examples of hotel branding of residential developments can be seen with Chevalier House, The Knightsbridge and One Hyde Park, all of which are in Knightsbridge.

Average rent

£3,405 pcm

Kensington and Chelsea

Average house price

£1.31m

House price growth over last decade

126%

House price growth over last year

2%

Share of owner occupiers

28%

Share of private rental sector

51%

Off plan sales

42%

Average rent

£3,405 pcm

Rental growth over last year

4%

Current population

158,000

Population growth over next decade

2%

Average age

38.9

Employment

68.2%

Average salary

£94,416

12 Underground/overground stations

0 Railway stations

0 DLR/Tramlink stations
**Kingston upon Thames**

**Bordering Richmond and lining the river Thames, Kingston upon Thames retains all the charm of a medieval English village but is only 12 minutes from Central London by rail.**

Once the ancient market town where Saxon kings were crowned, Kingston upon Thames is now a colourful little riverside borough. Its cobbled streets lined with an eclectic array of boutiques, cafes, bars and restaurants. But despite its country charm, Kingston upon Thames is actually very well connected; it is only 12 minutes from Central London and 25 minutes from Waterloo by train.

**Average salary**

£50,351 pa

An affluent borough, the average salary of a Kingston upon Thames resident is £50,351 pa, some 17% higher than the London average. Despite this property is relatively affordable, average house prices are £484,213, only 3% higher than the London average; rents are £1,408 pcm, some 34% lower than London overall. However, as is often the case, prices vary considerably within the borough. Properties bordering Richmond are achieving average values of over £650,000, which is significantly higher than those in the South of the borough which are closer to £400,000.

As might be expected from its favourable earnings to house price ratio, Kingston upon Thames is a borough of home owners, 65% of all residents fall into that category, compared with 49% across the capital as a whole. It has strong predicted population growth, with its current population of 177,000 expected to increase by a further 14% over the next decade. In addition, the borough is undergoing extensive regeneration. The Kingston Futures project aims to provide two riverside developments which will offer a hotel, housing, restaurants and public space for performances and events.
Lambeth

Home to the National Theatre and London Eye, Lambeth includes the popular residential neighbourhoods of Clapham, Brixton and Streatham. It is also benefiting from the extensive Vauxhall, Nine Elms and Battersea (VNEB) regeneration, with tower clusters forming along the river's edge.

Lambeth covers a large swathe of the Southbank that, despite its proximity to both The City and the West End, has historically been overlooked by developers. However, this has changed in recent years, at least in part due to the VNEB. This is London’s largest regeneration zone which covers 195 hectares from Battersea Power Station in the North up to Lambeth Bridge. It will provide 18,000 new homes, 22,000 jobs and numerous public realm improvements. In addition, a garden bridge that crosses the Thames has been proposed.

Average house prices in the borough are currently £526,337 following 18% growth over the last year and 121% growth over the last decade. This makes them 12% higher than the London average over all.

We expect these values will grow further as the VNEB regeneration proceeds; our research has shown that regeneration can boost local property prices by 4.7% per annum, over and above wider capital growth. The rental market is also strong in Lambeth, with current rents of £2,019 pcm after growth of 11% over the last year. Comparatively, rents across London overall rose by 4%.

This strength of the local market and overall rejuvenation has resulted in a high level of off plan sales, 61%, as well as a significant increase in development in the area – particularly riverfront towers. One scheme of particular interest is One Nine Elms. This scheme offers amenities such as sauna, steam room, treatment room concierge, gym, pool, river views and onsite Sainsbury’s.

Tower schemes have been shown to command premiums of 36% above embedded values.

Average rent
£2,019 pcm

Rental growth over last year
11%

Off plan sales
61%

Share of owner occupiers
34%

Share of private rental sector
39%

Employment
78.5%

Average salary
£40,570

Current population
328,000

Population growth over next decade
9%

Average age
34.2

House price growth over last year
18%

House price growth over last decade
121%

Underground/overground stations
09

Railway stations
12

DLR/Tramlink stations
00
**Lewisham**

**Historically undervalued despite its proximity to Canary Wharf, things are looking up for Lewisham: over the last year alone, this London borough experienced house price growth of 20%.

Lewisham, situated in the South East of London and neighbouring Greenwich, Lewisham is what might be described as ‘up and coming’. Historically undervalued, despite its enviable proximity to Canary Wharf, as the Wharf has increased in size and relevance, so too have the property markets of its nearest neighbours; employment in Canary Wharf quadrupled between 2003 and 2013.

The population of Lewisham is currently 302,000, and this is expected to increase by a further 13% in the next decade. As as a result of its increasing popularity, Lewisham experienced the fifth highest house price growth of any London borough over the last year, with average house prices growing by 20% over that time. Comparatively, prices across London as a whole increased by 15%. That brings current house prices to £410,126, 13% less than London overall, making it a relatively affordable borough. This trend extends to the rental market, with current rents being £1,361 pcm after growth of 8% over the last year.

<table>
<thead>
<tr>
<th>Average house price</th>
<th>£410,126</th>
</tr>
</thead>
<tbody>
<tr>
<td>This has been further driven by the strength of the Central London market, the strong growth and high capital values of which have seen many of its prior residents being priced out and forced to move from inner to outer London. Lewisham is a borough in the midst of extensive rejuvenation. Lewisham Gateway and the extensive refurbishment of the town centre form a large part of this.</td>
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<tr>
<td>Share of owner occupiers</td>
<td>44%</td>
</tr>
<tr>
<td>Share of private rental sector</td>
<td>24%</td>
</tr>
<tr>
<td>Off plan sales</td>
<td>66%</td>
</tr>
<tr>
<td>Average rent</td>
<td>£1,361 pcm</td>
</tr>
<tr>
<td>Rental growth over last year</td>
<td>8%</td>
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<tr>
<td>Current population</td>
<td>302,000</td>
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<tr>
<td>Population growth over next decade</td>
<td>13%</td>
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<tr>
<td>Average age</td>
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<tr>
<td>Employment</td>
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<td>Average salary</td>
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<td>Underground/overground stations</td>
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<td>Railway stations</td>
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<td>DLR/Tramlink stations</td>
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Merton

Every year Merton plays host to Wimbledon Tennis Tournament, attracting over 500,000 people and putting an otherwise quiet residential borough on the international map. However, with 84% of units under construction already sold off-plan, and house prices that are 8% higher than those across London overall, its property market is now another reason for Merton to set to step into the spotlight.

Bordering the affluent areas of Richmond, Putney and Wandsworth, Merton is the inconspicuous residential borough that moonlights as host to the annual Wimbledon Tennis Tournament. But behind the high profile media attention that this event garnishes, there is more to Merton than tennis: it also has a flourishing property market, with 16% house price growth over the last year alone. That brings current values to £505,712, some 8% above those across London as a whole.

Merton is economically sound, with the joint second highest employment rate across London at 78.8% and an annual average earnings of £48,284. Comparatively, employment across London as a whole is 72.9% and annual average earnings are £43,154. It also has a relatively high level of home ownership at 60% and its current population of 209,000 is expected to increase by 10% over the next decade to 230,000.

The increase in demand that this will create will put further pressure upon the already strained supply in the area. Reflective of this demand/supply imbalance, 84% of units under construction have already been sold off plan. That is the second highest proportion of all London boroughs.

Recognising this impending housing shortage, Merton Local Authority is actively supporting Build to Rent schemes. These large-scale private rented sector developments will be crucial in providing a boost to new housing supply. One such scheme currently under construction is The Tower (Brown and Root House), which will provide 173 new units to the market.
Newham

Traditionally a relatively deprived borough, Newham has benefited extensively from the Olympics regeneration and its ensuing legacy. It experienced house price growth of 21% over the last year and has an off-plan sales rate of 87% – the highest in London.

Stratford in Newham received a huge regenerative boost from the Olympics and its associated redevelopment. So far, this includes the £17 billion worth of transport links installed ahead of the games. But it has and will continue to benefit from the long term vision for the park, the so-called: ‘Olympic legacy’. This long term vision includes two new schools, 8,000 new homes, 1.9 million sq ft of retail and entertainment areas, 32 miles of cycle and footpaths, nine miles of new roads, four miles of waterways and five world-class sporting venues.

Off plan sales

87%

East Village, which welcomed residents from early 2014, is one of London’s new breed of rental schemes - designed and built specifically for renters. We expect these sorts of private rental schemes to grow in number over the coming years, in line with the national trend towards long term renting as opposed to buying.

In line with this, Newham has a relatively high proportion of private renters at 36% compared with the London average of 28%. It remains an affordable borough for both renters and buyers, with current rents of £1,501 pcm, some 29% lower than the London average. Current house prices are at £347,584, 26% lower than the London average. These sales values follow growth of 21% over the last year, the fourth highest growth across any London borough.

At least part of this can be attributed to the extensive regeneration taking place, with our previous researching showing average uplifts of 4.7% per annum on properties surrounding a regeneration site, above and beyond usual house price growth.

At 87%, Newham has the highest level of off plan sales across London, further reflecting the strong latent potential of this borough.
Redbridge

**Known for its swathes of green space, affordable house prices, good connectivity, abundant primary schools and libraries, Redbridge is tailor-made for families with young children.**

The North Eastern outer London borough of Redbridge, which spans to include Woodford and Ilford, is known for its many parks, playgrounds and open spaces – six of which have attained the prestigious Green Flag Award. The borough is also well connected via both tube and rail and has 13 libraries and 79 primary schools. The picture that these combined aspects paint is one of a London borough tailor-made for families with children.

In addition, it is affordable; average house prices, having increased by 17% over the last year alone, are now £386,014 – some 18% lower than the London average – while salaries are broadly on a par with the London average. As a result, Redbridge is a borough of owner occupiers, with 73% of all residents falling into that category.

Current projections estimate that over the next decade, the population of Redbridge will increase by 15% from its current figure of 304,000. That is the third highest projected growth across London and translates as 46,000 extra people living in the borough. The current level of unit delivery, averaging at 112 over the last eight years, falls woefully short of being about to meet this impending demand.

In response to this impending shortage of housing, the Redbridge Local Authority is actively supporting the development of Build to Rent schemes. Pioneer Point, a scheme providing 267 units purely for rent, is the largest of these such developments constructed in the borough in recent times. Given London’s growing population and the increasing unattainability of taking those first steps onto the property ladder, it is expected that the move towards private rental schemes is a trend that will continue.

**Average salary**

£42,579pa

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**Average salary**

£42,579pa
Richmond upon Thames

An affluent, mature, beautiful borough in London’s far south-west, Richmond offers its residents the best of both worlds: good proximity to Central London and the tranquility of a village lifestyle.

Located in outer West London along a wide expanse of river, Richmond’s leafy streets, picturesque riverside, and vast array of bars and restaurants, have long made it a London favourite. It also boasts Richmond Park, home to 630 Red and Fallow deer that roam freely and have done so since 1529. In addition, it is a well-connected borough, only 28 minutes from Waterloo and 35 minutes from Oxford Circus by train. Essentially, Richmond marries the charm of country life with the convenience and culture of the city.

Average salary

£58,476pa

It is equally unsurprising that house prices are currently £650,955 – 38% higher than London over all. This follows growth of 8% over the last year and 92% over the last decade.

However, comparatively speaking the borough remains affordable, its higher than average house prices counterbalanced by the fact that Richmond is an affluent borough: average salaries are £58,476, which is 36% higher than the London average. In addition, it has the highest level of employment in London at 79.6% and has an average age of 38.5.

But despite the strength of its residential market, enduring popularity and obvious charm, there is very little residential development underway in the borough. While the peace and quiet this lack of construction yields may be welcomed by current residents, it won’t go far in terms of housing the 13% population growth forecast for the borough over the next decade.
Southwark

Traditionally undervalued despite its convenient location, this inner London borough’s image is being completely revamped by significant regeneration.

Over the last few years, Southwark has benefitted from extensive infrastructural improvements, totally revitalising areas such as Canada Water. Parts of the borough, including The Cut, Borough Market and Maltby Street Market, are becoming well known as a creative and cultural hub. Some areas, particularly in the South of the borough, such as Surrey Quays, Rotherhithe.

Just a stone’s throw from The City, home to the Shard, Tate Modern and Borough Market, this stretch of river is benefiting from an overspill from the ambitious Vauxhall, Nine Elms and Battersea regeneration. Probably the pinnacle of the area is the tower cluster currently being developed. It includes prime tower schemes such as the 50 storey One Blackfriars and the 42 storey Southbank Tower.

These schemes are achieving much higher values than their counterparts further down the river. At this top stretch of the Southbank, units are achieving prices of around £2,000 psf. This compares with around £1,500 psf in the Lambeth part of the Southbank, while on the Wandsworth river front the average is nearer £1,000 psf. However, common across all these tower schemes is the premium they achieve.

Our analysis shows that towers achieve a price premium of around 36% over the local embedded value. Within the individual scheme there is also a per floor price premium of 2.3%, and this increases to 3.5% above 20 floors. In addition, the borough’s location enables significant river views, which have been shown in our previous analysis to add 10–15% to a property’s value.

At its most northerly tip, Southwark covers arguably the most valuable stretch of the Southbank of the River Thames. Just a stone’s throw from The City, home to the Shard, Tate Modern and Borough Market, this stretch of river is benefiting from an overspill from the ambitious Vauxhall, Nine Elms and Battersea regeneration. Probably the pinnacle of the area is the tower cluster currently being developed. It includes prime tower schemes such as the 50 storey One Blackfriars and the 42 storey Southbank Tower.

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Sutton

Epitomising the British norm, Sutton is an outer London borough that offers a quintessential village charm in conjunction with a strong and growing market.

Sutton is one of the Southernmost boroughs in London and home to a number of areas designated as conservation sites. Once made up of rural villages, and associated with feudal and royal estates, its streets are steeped in heritage and places such as Carshalton, Cheam and Belmont continue to be referred to as villages.

Described as ‘the most normal place in England’, Sutton has twice been chosen by the Government as one of its ‘vanguard’ areas, most recently one of 19 areas trialling NHS integration. While currently the sixth smallest borough in London by population, this figure is expected to increase by 12% over the next decade, equating to an additional 25,000 residents. Average house prices are £357,563 after strong growth of 14% over the last year.

A borough of homeowners, 74% of Sutton residents own their own home, that is significantly higher than the London average of 49%, and the fourth highest level of ownership across London overall.

Despite historically being a nation of aspiring home owners, the constraints imposed by recent rising prices have seen a general trend towards long term renting.

Unsurprisingly, therefore, the rental market in Sutton is performing well. Rents increased by 6% over the last year, outperforming the London average of 4% and bringing them to £1,134 pcm; the private rental sector accounts for 12% of the market. Demographically, the average age of a Sutton resident is 38.6 and average earnings are £36,827. In addition, employment is high at 78.2%, the fifth highest of any London borough.
The borough of Tower Hamlets lies in the heart of London’s East End, bordered by The City of London on its west side and the River Thames, which curls around its southern peninsula. Covering an area of just 20 sq km, Tower Hamlets is one of London’s smallest boroughs, but at 20% has the highest forecast population increase of any London borough over the next decade. As a result of this growing popularity, the area has the highest level of residential development across the whole of London; there are 9,401 units currently being built and a further 15,592 in the planning pipeline.

Tower Hamlets is a well-connected, young borough, with the average age of its residents being 31.2, the youngest in London. In addition, it has a proportionately high percentage of private renters. Of the 304,000 people currently resident in the borough, 44% of them rent privately, despite having the fifth highest average rent of any London borough of £2,135 pcm. It is also relatively affluent, with average annual salaries of £47,127, 9% higher than the London average.

Average house prices are broadly in line with London overall at £468,478, a figure which follows 15% house price growth over the last year. However, this overarching average masks great discrepancy between the values of different areas within the borough. Most significantly, the area that spans between the city and Canary Wharf is achieving far higher prices than the wider borough, with average values in this area being over £700,000 in comparison with around £430,000 to the North of the Isle of Dogs. As Canary Wharf continues to grow, and with it its workforce, we expect this overspill of demand to become even more prevalent and seep into currently under-priced areas.

The opening of two Crossrail stations in the borough in 2018 will have a marked impact on property prices. Our analysis forecasts growth of 5.56% per annum on property prices surrounding Whitechapel and 4.76% around Canary Wharf station. These figures are above and beyond usual house price growth.
Situated in the North of London and bordering Hackney and Newham, Waltham Forest experienced house price growth of 25% over the last year - second only to The City of London. That brings current values to £424,663, which is 10% lower than the London average. Rents in the area are even more affordable; at £1,284 pcm they are 40% lower than the London average. However, these values are rising fast; they increased by 6% over the last year alone. When taken in context of current average salaries in the borough, which are only 23% lower than the London average at £33,301, the resulting picture of Waltham Forest is one of affordability and growth.

Currently home to 276,000 people, this figure is due to rise by 10% to 304,000 over the next decade. Despite this impending demand there is relatively little construction taking place in the borough; 814 units under construction and 1,573 in the planning pipeline. The Mayor of London has earmarked a number of areas as ‘housing zones,’ Waltham Forest being among them. These are areas where, in an effort to meet London’s growing housing requirements, a public-private partnership will see surplus land made available for developers to build new housing. The resulting units will be a combination of for-sale and for-rent properties, and will certainly be met with adequate demand.

Overall, Waltham Forest provides a good option for families, with a number of primary schools within its bounds and good transport links to Oxford Circus (20 minutes), Liverpool Street (17 minutes) and Canary Wharf (42 minutes).
Wandsworth

The greenest borough in London and blessed with a central location, Wandsworth is one of three boroughs included in the VNEB along the Southbank – a regeneration that will create 18,000 new homes and 22,000 new jobs.

Bordering the River Thames and home to 670 hectares of green space in the form of commons, parks, cemeteries and allotments, Wandsworth is London’s greenest borough. As a part of the VNEB regeneration which spans from Chelsea Bridge through East Battersea, Nine Elms and Vauxhall, through to Lambeth Bridge on Albert Embankment, the VNEB is London’s largest regeneration. It will provide 18,000 new homes, 22,000 jobs, two new schools, 50 acres of public space, and infrastructural improvements.

Our previous analysis shows that regeneration can boost local property prices by 4.7%, over and above wider capital growth. We expect VNEB will have a similar impact on the local market in Wandsworth. As it stands, average prices in the borough are £606,611 following growth of 8% over the last year. This is 29% above the average London property price of £470,025.

In line with the current regeneration in the area, there is significant construction taking place; 4,660 private units currently under construction and 11,520 units are in the planning pipeline. The most significant scheme is Battersea Power Station. The third phase of which is reportedly achieving in excess of £1,600 psf.

In addition, Wandsworth has the second highest rate of employment at 78.8%, and a very strong rental sector with that segment accounting for 45% of the market. In line with this, rental values are strong, with current rents in the borough being £1,863 pcm. As the regeneration truly takes hold and more people flock to the borough, attracted by its centrality and beauty, we expect both the sales and rental markets to strengthen even further.

Average house price
£606,611
House price growth over last decade
102%
House price growth over last year
8%

Share of owner occupiers
44%
Share of private rental sector
45%
Off plan sales
61%

Average rent
£1,863 pcm
Rental growth over last year
4%

Current population
321,000
Population growth over next decade
8%
Average age
34.8

Employment
78.8%
Average salary
£54,676

Underground/overground stations
07
Railway stations
08
DLR/Tramlink stations
00
Westminster

Westminster is home to all that is quintessentially thought of as ‘London’: Big Ben, the Houses of Parliament, the West End Theatre and the restaurants, bars and galleries of Soho, and Covent Garden.

Westminster is well known for its affluent, super-prime villages such as Mayfair and Belgravia, and this is reflected in its property prices. It has the second highest average prices across London at just under £1 million and steady, stable growth at 3% over the last year. Similarly, it has the third highest rents at £3,130 after 5% growth over the last year, and a decidedly high level of private renters at 52%, the highest of any London borough.

House price growth over the last decade 129%

These price levels are underpinned by a wide range of factors: centrality, housing stock and local amenity offering being among them. Westminster has over 80 five star restaurants and numerous Michelin starred restaurants within its bounds, significantly higher than any other borough. Westminster benefits from a historic aesthetic, with much of its stock made up of small refurbished developments of under 15 units. These retain their Georgian exteriors while their interiors are modern and built to a high specification. More recently, there has been a surge of office to residential conversions taking place in the borough. However, caps have been placed upon these by Westminster council, meaning that supply will run short in the coming years.

Schemes of particular interest in Westminster include Great Minster House, offering a concierge, onsite Sainsbury’s and secure parking. This scheme has largely already sold out, but the remaining three bedroom properties are fetching £4,750,000. While Mayfair and Belgravia remain some of the priciest areas within the borough, and the most popular with international high net worth buyers, other parts of Westminster are quickly following suit. Covent Garden appreciated by 97% between 2010 and 2015, and Soho increased by 84% within the same time frame.
### Inner London: data compendium

<table>
<thead>
<tr>
<th></th>
<th>Islington</th>
<th>Kensington and Chelsea</th>
<th>Lambeth</th>
<th>Lewisham</th>
<th>Southwark</th>
<th>Tower Hamlets</th>
<th>Wandsworth</th>
<th>Westminster</th>
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<td>328</td>
<td>302</td>
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## Outer London: data compendium

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<th>Barking and Dagenham</th>
<th>Bexley</th>
<th>Brent</th>
<th>Bexley</th>
<th>Croydon</th>
<th>Ealing</th>
<th>Enfield</th>
<th>Harrow</th>
<th>Haringey</th>
<th>Kingston upon Thames</th>
<th>Lewisham</th>
<th>Merton</th>
<th>Redbridge</th>
<th>Richmond upon Thames</th>
<th>Sutton</th>
<th>Waltham Forest</th>
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<td>334</td>
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<td>451,907</td>
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<td>66</td>
<td>81</td>
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<td>1,718</td>
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<td>1,310</td>
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<td>1,568</td>
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<td>8</td>
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<td>8</td>
<td>30</td>
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<tr>
<td>Off plan sales (%)</td>
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<td>27</td>
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<td>40</td>
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<td>65</td>
<td>76</td>
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## The boroughs in numbers

### Current population

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<th>#</th>
<th>Borough</th>
<th>Population</th>
</tr>
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<tr>
<td>1</td>
<td>Barnet</td>
<td>388,000</td>
</tr>
<tr>
<td>2</td>
<td>Croydon</td>
<td>386,000</td>
</tr>
<tr>
<td>3</td>
<td>Ealing</td>
<td>349,000</td>
</tr>
<tr>
<td>4</td>
<td>Newham</td>
<td>341,000</td>
</tr>
<tr>
<td>5</td>
<td>Enfield</td>
<td>334,000</td>
</tr>
<tr>
<td>6</td>
<td>Brent</td>
<td>331,000</td>
</tr>
<tr>
<td>7</td>
<td>Bromley</td>
<td>329,000</td>
</tr>
<tr>
<td>8</td>
<td>Lambeth</td>
<td>328,000</td>
</tr>
<tr>
<td>9</td>
<td>Wandsworth</td>
<td>321,000</td>
</tr>
<tr>
<td>10</td>
<td>Southwark</td>
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### Average house price

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<th>#</th>
<th>Borough</th>
<th>Average Price</th>
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<tbody>
<tr>
<td>1</td>
<td>Kensington and Chelsea</td>
<td>£1,314,702</td>
</tr>
<tr>
<td>2</td>
<td>Westminster</td>
<td>£975,595</td>
</tr>
<tr>
<td>3</td>
<td>City of London</td>
<td>£928,217</td>
</tr>
<tr>
<td>4</td>
<td>Camden</td>
<td>£872,369</td>
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<tr>
<td>5</td>
<td>Hammersmith and Fulham</td>
<td>£780,863</td>
</tr>
<tr>
<td>6</td>
<td>Islington</td>
<td>£665,791</td>
</tr>
<tr>
<td>7</td>
<td>Richmond upon Thames</td>
<td>£650,955</td>
</tr>
<tr>
<td>8</td>
<td>Wandsworth</td>
<td>£606,611</td>
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<tr>
<td>9</td>
<td>Haringey</td>
<td>£537,527</td>
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<tr>
<td>10</td>
<td>Hackney</td>
<td>£533,875</td>
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### Rental growth over last year

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<th>Growth</th>
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<tr>
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<td>Hounslow</td>
<td>12%</td>
</tr>
<tr>
<td>2</td>
<td>Havering</td>
<td>11%</td>
</tr>
<tr>
<td>3</td>
<td>Lambeth</td>
<td>11%</td>
</tr>
<tr>
<td>4</td>
<td>Merton</td>
<td>9%</td>
</tr>
<tr>
<td>5</td>
<td>Bexley</td>
<td>8%</td>
</tr>
<tr>
<td>6</td>
<td>Lewisham</td>
<td>8%</td>
</tr>
<tr>
<td>7</td>
<td>Barking and Dagenham</td>
<td>6%</td>
</tr>
<tr>
<td>8</td>
<td>Sutton</td>
<td>6%</td>
</tr>
<tr>
<td>9</td>
<td>Harrow</td>
<td>6%</td>
</tr>
<tr>
<td>10</td>
<td>Waltham Forest</td>
<td>6%</td>
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### Average rent

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<td>1</td>
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<td>2</td>
<td>City of London</td>
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<tr>
<td>3</td>
<td>Westminster</td>
<td>£3,130</td>
</tr>
<tr>
<td>4</td>
<td>Camden</td>
<td>£2,672</td>
</tr>
<tr>
<td>5</td>
<td>Hammersmith and Fulham</td>
<td>£2,228</td>
</tr>
<tr>
<td>6</td>
<td>Islington</td>
<td>£2,168</td>
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<td>7</td>
<td>Tower Hamlets</td>
<td>£2,135</td>
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<td>Hackney</td>
<td>£2,046</td>
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<td>9</td>
<td>Lambeth</td>
<td>£2,019</td>
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<td>10</td>
<td>Wandsworth</td>
<td>£1,863</td>
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### House price growth over last year

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<td>City of London</td>
<td>27%</td>
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<tr>
<td>2</td>
<td>Waltham Forest</td>
<td>25%</td>
</tr>
<tr>
<td>3</td>
<td>Barking and Dagenham</td>
<td>22%</td>
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<tr>
<td>4</td>
<td>Newham</td>
<td>21%</td>
</tr>
<tr>
<td>5</td>
<td>Lewisham</td>
<td>20%</td>
</tr>
<tr>
<td>6</td>
<td>Bexley</td>
<td>19%</td>
</tr>
<tr>
<td>7</td>
<td>Havering</td>
<td>19%</td>
</tr>
<tr>
<td>8</td>
<td>Haringey</td>
<td>18%</td>
</tr>
<tr>
<td>9</td>
<td>Lambeth</td>
<td>18%</td>
</tr>
<tr>
<td>10</td>
<td>Enfield</td>
<td>18%</td>
</tr>
</tbody>
</table>

### Share of private rental sector

<table>
<thead>
<tr>
<th>#</th>
<th>Borough</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Westminster</td>
<td>52%</td>
</tr>
<tr>
<td>2</td>
<td>Kensington and Chelsea</td>
<td>51%</td>
</tr>
<tr>
<td>3</td>
<td>Hammersmith and Fulham</td>
<td>48%</td>
</tr>
<tr>
<td>4</td>
<td>Wandsworth</td>
<td>45%</td>
</tr>
<tr>
<td>5</td>
<td>Tower Hamlets</td>
<td>44%</td>
</tr>
<tr>
<td>6</td>
<td>City of London</td>
<td>43%</td>
</tr>
<tr>
<td>7</td>
<td>Camden</td>
<td>41%</td>
</tr>
<tr>
<td>8</td>
<td>Lambeth</td>
<td>39%</td>
</tr>
<tr>
<td>9</td>
<td>Islington</td>
<td>39%</td>
</tr>
<tr>
<td>10</td>
<td>Newham</td>
<td>36%</td>
</tr>
</tbody>
</table>

### Highest

- Current population: Barnet (388,000)
- Population growth over next decade: Tower Hamlets (20%)
- Average age: Barnet (44.2)
- Employment: Richmond upon Thames (79.6%)
- Average salary: Kensington and Chelsea (£94,416)
- Average house price: Kensington and Chelsea (£1,314,702)
- House price growth over last year: City of London (27%)
- Average rent: Kensington and Chelsea (£3,405)
- Rental growth over last year: Hounslow (12%)
- Share of private rental sector: Westminster (52%)
- Share of owner occupiers: Havering (79%)
- Off plan sales: Newham (87%)

### Lowest

- Current population: City of London (9,000)
- Population growth over next decade: Kensington and Chelsea (2%)
- Average age: Tower Hamlets (31.2)
- Employment: Westminster (65.6%)
- Average salary: Barking and Dagenham (£30,038)
- Average house price: Kensington and Chelsea (£271,828)
- House price growth over last year: Kensington and Chelsea (2%)
- Average rent: Bexley (£968)
- Rental growth over last year: City of London (-6%)
- Share of private rental sector: Bexley (8%)
- Share of owner occupiers: Tower Hamlets (15%)
- Off plan sales: Kingston upon Thames (0%)
London’s population has now surpassed its previous 1939 peak, with ONS estimates placing the population at 8.7 million, an increase of 21% since the 2001 census. This has led to subsequent household growth of 17% from 3 million in 2001 to an estimated 3.5 million today – that equates to an increase of approximately 36,000 households a year. However, over this 14 year period there has only been an average of 19,000 new homes completed each year. And going forward, the level of population and household growth in the city is expected to be just as strong: over the next decade, London’s population is expected to reach 9.7 million resulting in an additional 800,000 households by 2025.

This persistent under-delivery of new homes has caused a substantial deficit of housing across London, leading to overcrowding and high house price inflation. In response, the city constantly revises its housing target, which currently stands at 42,000 new homes per year. However, we estimate that closer to 52,000 need to be delivered in order to address the current deficit and future household growth.

More positive is the fact that the city’s planning pipeline is now at record levels. There are currently 62,500 units under construction across London, 158% more than the previous market peak in 2007. In addition, the actual number of units with planning permission is almost three times this amount at just under 178,000. Collectively this equates to almost a quarter of a million homes in the current planning pipeline. However, although high, this pipeline is still translating into completions which are significantly short of the requirement. Over the last five years the ratio of household growth to housing completions across London has been approximately 2:1. Obviously, not all new households will be forming in the owner-occupied sector with some falling into the social and private rented sectors, but this serves to illustrate the imbalance of supply across the city.

This overall imbalance also masks differences across individual boroughs, with some delivering a greater volume of new homes than others. Again, looking at the last five years the worst borough for new supply has been Kingston upon-Thames: here, for every seven new households that have formed only one new home has been built. At the other end of the spectrum is Kensington and Chelsea, which has actually experienced a decline in the number of households over the last five years meaning its housing delivery has outpaced household growth.

London’s current pipeline is also not uniform across the city, with some boroughs having a significantly higher share of the pipeline than others. For a start, the majority of the current pipeline is focussed in inner London which accounts for two-thirds of units. In addition, 32% of the inner London pipeline, and a fifth of the total pipeline, is accounted for by just two boroughs: Tower Hamlets and Newham. In fact, over half of the city’s pipeline is concentrated in just seven boroughs.

Across the boroughs, Tower Hamlets currently has the highest number of new homes in the pipeline, totalling almost 25,000 units. Conversely, The City of London has the lowest level, with 800 new homes in the pipeline. However, with significantly different projections of household growth both boroughs have a similar ratio of household growth to future housing delivery. Presently, Redbridge is the borough with the highest projected household growth compared with future housing pipeline: currently there is only one new home in the pipeline for every 17 future households. At the other end of the scale, Hammersmith and Fulham has a current planning pipeline of 11,000 units, compared with projected household growth of only 4,800.

In the face of high population and household growth, London suffers from a persistent and chronic under-supply of housing. This is one of the main drivers of the city’s high house price inflation.

### Units in the planning pipeline

<table>
<thead>
<tr>
<th>Borough</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tower Hamlets</td>
<td>24,993</td>
</tr>
<tr>
<td>Newham</td>
<td>23,059</td>
</tr>
<tr>
<td>Barnet</td>
<td>18,188</td>
</tr>
<tr>
<td>Greenwich</td>
<td>17,498</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>16,180</td>
</tr>
<tr>
<td>Southwark</td>
<td>12,345</td>
</tr>
<tr>
<td>Hammersmith and Fulham</td>
<td>11,171</td>
</tr>
<tr>
<td>Barking and Dagenham</td>
<td>10,883</td>
</tr>
<tr>
<td>Ealing</td>
<td>10,749</td>
</tr>
<tr>
<td>Lewisham</td>
<td>10,567</td>
</tr>
<tr>
<td>Brent</td>
<td>8,114</td>
</tr>
<tr>
<td>Westminster</td>
<td>8,113</td>
</tr>
<tr>
<td>Hackney</td>
<td>7,865</td>
</tr>
<tr>
<td>Lambeth</td>
<td>6,786</td>
</tr>
<tr>
<td>Croydon</td>
<td>5,938</td>
</tr>
<tr>
<td>Camden</td>
<td>4,839</td>
</tr>
<tr>
<td>Hounslow</td>
<td>4,832</td>
</tr>
<tr>
<td>Harrow</td>
<td>4,424</td>
</tr>
<tr>
<td>Hillingdon</td>
<td>4,123</td>
</tr>
<tr>
<td>Haringey</td>
<td>4,033</td>
</tr>
<tr>
<td>Kensington and Chelsea</td>
<td>3,749</td>
</tr>
<tr>
<td>Sutton</td>
<td>2,523</td>
</tr>
<tr>
<td>Havering</td>
<td>2,503</td>
</tr>
<tr>
<td>Islington</td>
<td>2,424</td>
</tr>
<tr>
<td>Waltham Forest</td>
<td>2,387</td>
</tr>
<tr>
<td>Enfield</td>
<td>2,142</td>
</tr>
<tr>
<td>Bexley</td>
<td>1,970</td>
</tr>
<tr>
<td>Kingston upon Thames</td>
<td>1,818</td>
</tr>
<tr>
<td>Bromley</td>
<td>1,622</td>
</tr>
<tr>
<td>Merton</td>
<td>1,434</td>
</tr>
<tr>
<td>Redbridge</td>
<td>1,318</td>
</tr>
<tr>
<td>Richmond upon Thames</td>
<td>1,012</td>
</tr>
<tr>
<td>City of London</td>
<td>814</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>240,416</strong></td>
</tr>
</tbody>
</table>

London supply

The city’s high house price inflation serves to illustrate the imbalance of supply across the city. This is one of the main drivers of the city’s high house price inflation.