

The impact of Crossrail on property: *an update*

Crossrail is currently Europe's largest infrastructure project and its impact on London will be far reaching. It will cut journey times into Central London by 15 minutes on average and up to 40 minutes and will open up new parts of London. This will have a huge impact on house prices – our research shows that a 10% reduction in commuting times can cause house prices to increase by as much as 6%. In fact, since Crossrail received the go-ahead, prices around its host stations have increased by 31% over the wider market, which exceeds our original estimates. As a result, we have revised our forecasts and we now calculate that property prices around Crossrail stations will increase by 3.3% per annum – over and above wider house price growth – until the full effect of Crossrail has been realised. By the time Crossrail is operational in 2018, it will have added up to £35bn to the residential property sector around the 37 stations.



Increase in house prices near stations since Crossrail was announced

31%

A 10% reduction in commuting times can cause house prices to increase by

6%

Annual additional increase in residential property prices around affected stations up to 2018

3.3%

Expected total uplift in an average residential property near a Crossrail station

£133k



1,500 people

will be able to fit onto each train

Total further increase in prices up to 2018

10.2%

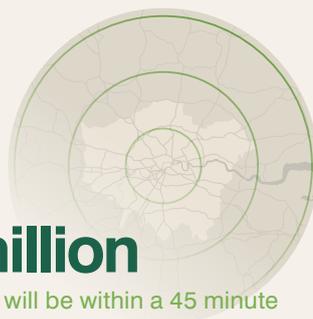
Total expected increase in residential values around Crossrail stations

£35bn



200 million

passengers will travel on Crossrail every year



1.5 million

more people will be within a 45 minute commute to central London



15 minutes

The average reduction in travel times to central London



Crossrail trains will be **200 metres** in length

Impact on house prices

The impact of Crossrail will be felt most acutely in the central part of London stretching from Paddington to Canary Wharf. We expect prices here to increase by an average 4.8% per annum over and above wider price inflation. The on-going development around the central stations will transform these areas, particularly at Tottenham Court Road where significant regeneration is already underway. However at 6.6%, Farringdon is likely see the largest uplift in residential values given the drastic increase in accessibility and potential to develop as a prime business district.

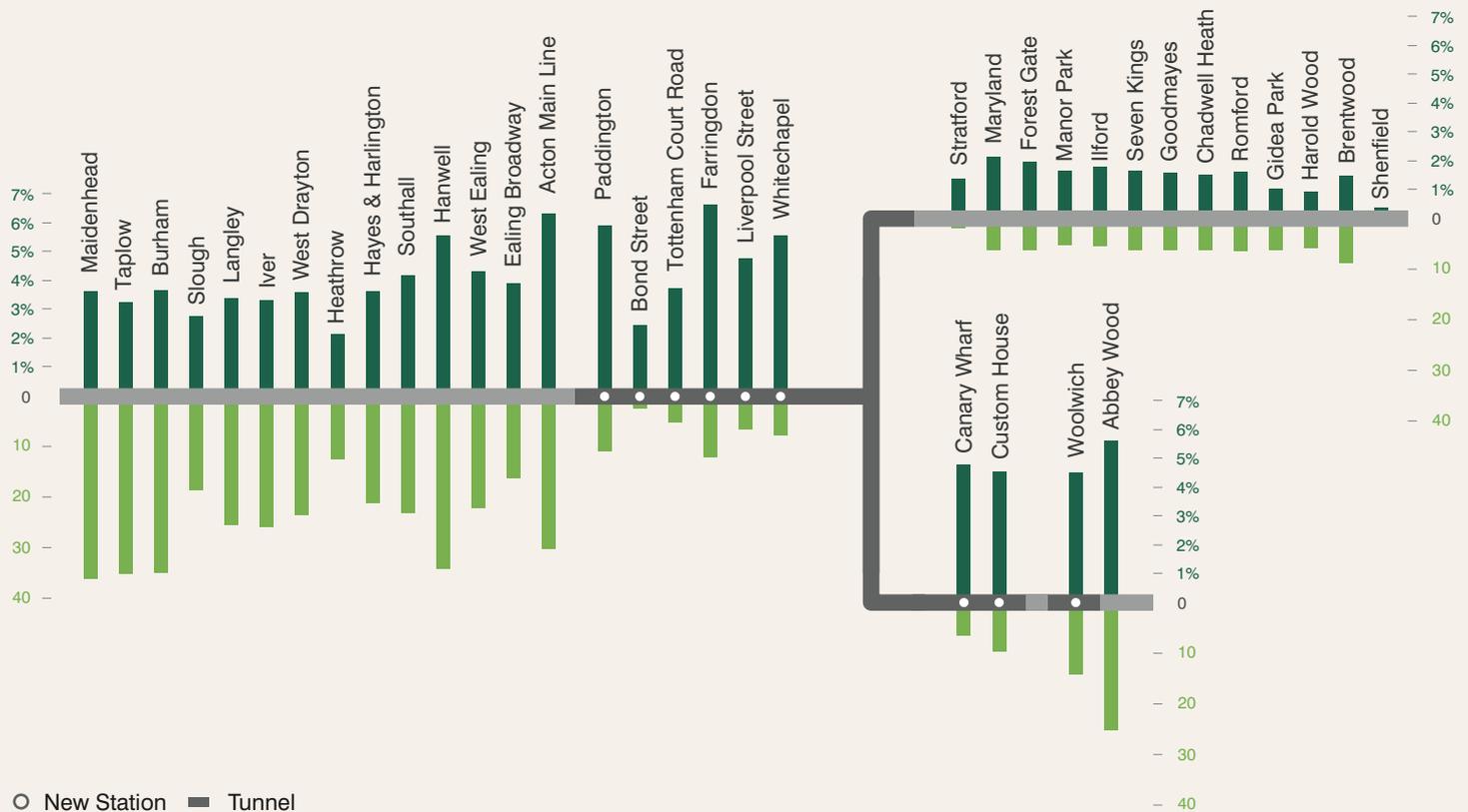
The housing market in the western section is already reaping the benefits of Crossrail and, with journey times here set to be reduced by an average of 25 minutes, we forecast a 3.8% per annum price growth over and above wider house price inflation. At Acton Main Line we expect this figure to reach 6.3% per annum.

Along the eastern stretch, the travel time saving is less pronounced being just seven minutes on average. As a result, we anticipate an average uplift of 2.1% per annum. Here, Abbey Wood is the exception with a 25 minute average time saving to Central London and a projected price increase of 5.8% per annum.

Of course, we won't see the full impact of Crossrail upon house prices until a year or so after it opens in 2018. But it will be exciting and interesting to see what unfolds – especially with the promise of Crossrail 2 close on its heels.

House price increase
(%)

Time saving into Cental London
(minutes)



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