

LONRES . LOWDOWN . CANARY . WHARF .

Setting the scene in Canary Wharf



78%
Properties which are purpose built apartments
London average 31%

30%
 Households with one occupant
London average 22%

81%
 Residents aged under 45 years
66% in SW1 and W1 postcodes

33%
Properties which are privately rented
26% in Greater London

23%
Residents of E14 living 2 km from workspace
London average 12%

4 x HIGHER
Planning applications in Tower Hamlets in 2014 than in other London boroughs

Source: Census, EGI and ONS

The value gap between E14 and PCL

SALES

With average values still some way below prime central London, Canary Wharf offers significant value to both investors and owner occupiers alike and prices are rising faster than established west London locations.

Source: LonRes and Land Registry

	1 Bed Flat		2 Bed Flat		3/4 Bed House	
	E14	PCL	E14	PCL	E14	PCL
Average price (2014)	£401,146	£851,974	£608,275	£1,624,815	£1,087,350	£4,020,047
Capital growth (2009-14)	23%	71%	30%	72%	4%	58%

13.4%

Tower Hamlets latest annual house price growth compared to **5.2%** in Kensington & Chelsea

51.8%

Proportion of new build properties sold in **E14 8.4%** across London

LETTINGS

A large proportion of households in Canary Wharf live in privately rented properties. Its modern towers, relatively large apartments and attractive amenities, including retail and restaurants appeal to London's young and expanding pool of renters.

Source: LonRes

	1 Bed Flat		2 Bed Flat		3/4 Bed House	
	E14	PCL	E14	PCL	E14	PCL
Average price (2014)	£381	£533	£531	£813	£542	£2,332
Rental growth (2009-14)	13%	23%	14%	22%	-1.5%	31%
Average Epsf per year (2014)	£37	£50	£37	£48	£28	£56

43%

Average discount in rental value for **Canary Wharf** flats compared to PCL (2009 to 2014)

13.7%

Rental growth of 2 bed flats from 2009 to 2014

Outlook: will there be a post-election surge?

The conclusive election results should help ease the uncertainty that vendors and buyers faced. As per other election years, we would expect a welcome return of liquidity. However, we are cautious about the impact on average values as the market needs stability rather than another price bubble.

Evidence suggests that there is considerable scope for price growth in Canary Wharf as the differential between this area and other parts of prime central London narrows. London's population is forecast to expand by between 75,000 and 100,000 per annum, which will continue to drive demand for new homes.

Moreover, London's business geography is shifting eastwards as its tech sector flourishes.

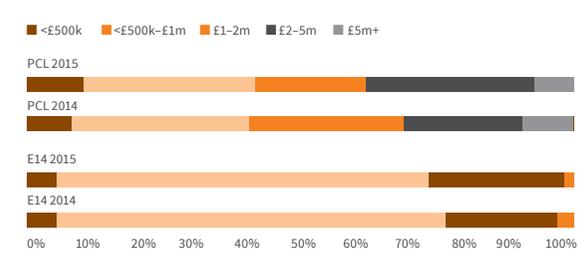
- Canary Wharf prices are at a significant discount to PCL
- Buyers are now more open to opportunities outside of PCL
- Stock is priced well for the investment market
- The lifestyle on offer is attractive to both tenants and owners
- Infrastructure improvements such as Crossrail, and high-value new developments, together with the regeneration of neighbouring districts, will enhance values.

Average sale and Epsf prices



Source: LonRes

Volumes of sales by price bracket (2014 & 2015 to date)



Source: LonRes and Land Registry

LonRes is the premier data source and network for top property professionals who do business in London. To find out more, please contact: **Chris Welch, 020 7924 6622, christopher.welch@lonres.com**