

South East London

UK Living Research | March 2020



South East London

There is an exciting pipeline of residential development that will continue to positively impact the persona of South East London.





The story of South East London is one of improving and changing neighbourhoods, driven principally by housing development, and leading to enhanced residential performance.

Local story & outlook

An exciting mix of new, regenerated and rediscovered neighbourhoods are helping to shape a more dynamic future.

South East London is home to some of the most significant regeneration areas in London as well as some of the most exciting and upcoming neighbourhoods.

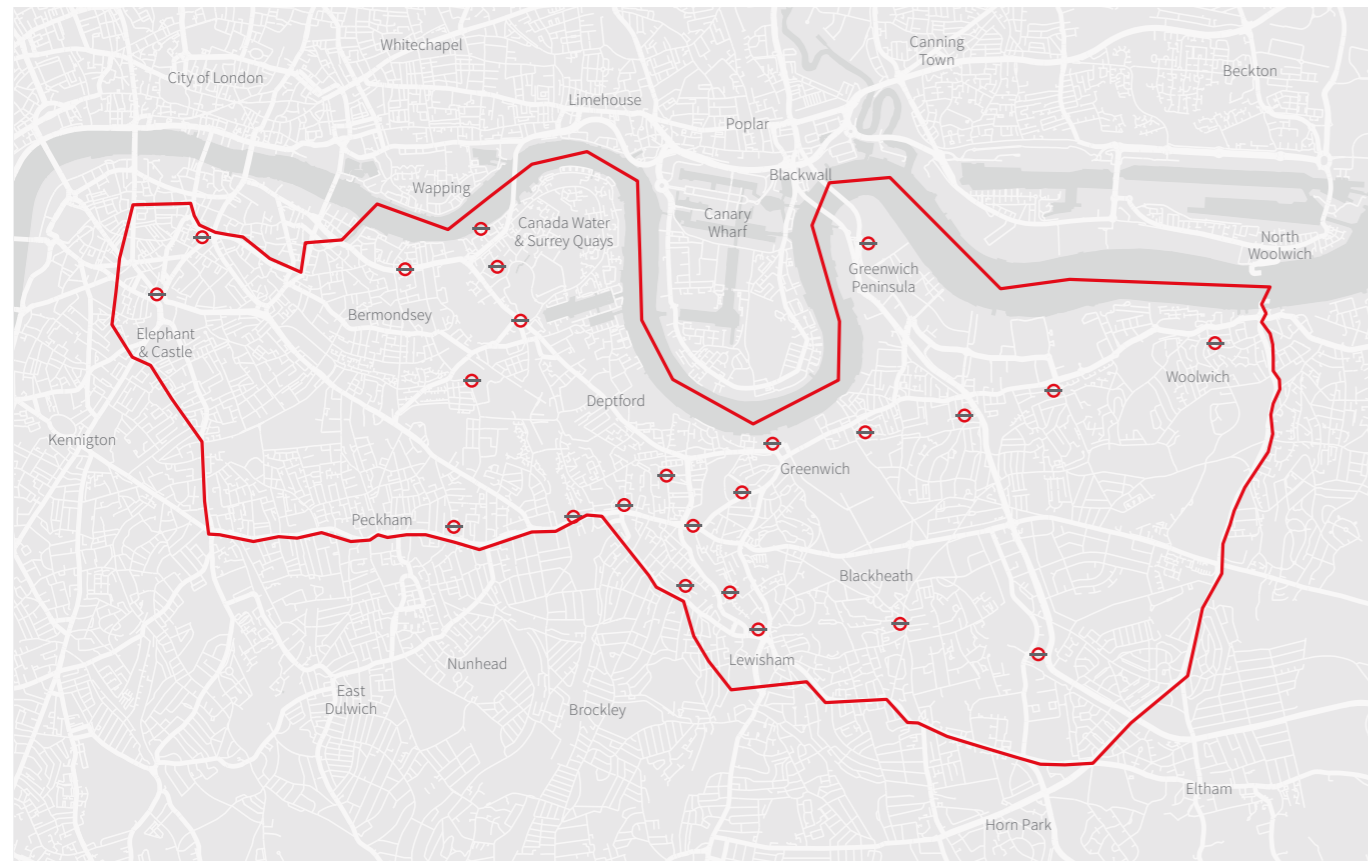
Among the notable regeneration areas are Elephant & Castle, Kidbrooke Village, Aylesbury Estate, Canada Water, Greenwich Peninsula and Greenwich Millennium Village. Add to this the unstarted Convoys Wharf and you have housing and public realm having a huge impact on the lives of those who live in South East London.

Included in the up and coming and rediscovered neighbourhoods are the Old Kent Road Corridor, where a number of towers are proposed that will alter the face and dynamic of the area. While Bermondsey will also see a new wave of development that will lift the profile and the energy of the area.

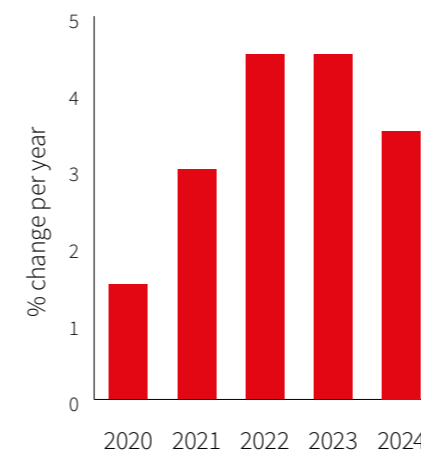
It is also exciting that the multifamily, purpose-built rental, sector is so prominent in submarkets such as Elephant & Castle and Lewisham.

While we expect some South East London neighbourhoods to see much stronger price and rental growth than others over the next five years, we predict that for South East London as a whole sales price and rental growth forecasts will be marginally stronger than Greater London.

Further ahead, the introduction of the Bakerloo Line Extension will improve the appeal, connectivity and residential performance in parts of South East London.



Price growth forecast to accelerate given greater certainty

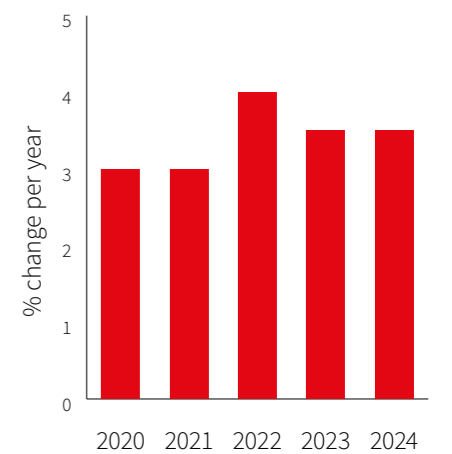


Source: JLL

18%
Five year sales price growth forecast

18%
Five year rental growth forecast

Rental growth expected to be strong and steady



Source: JLL

New-build market

Residential development is a key driver of an enhanced and improving South East London.

Greenwich & Deptford

The popular and established Greenwich & Deptford area has a vibrant heart at Greenwich which benefits from a busy village environment complemented by attractions such as the Cutty Sark, the National Maritime Museum and Greenwich Park.

The area has also benefited from extensive residential development over the last five years. 4,638 units have been completed during this time, making it one of the most active development markets in London. This feat is particularly impressive given that there have been no large regeneration schemes in the area.

Surprisingly, there are now just 537 private units under construction. Two key schemes are due to complete in 2020. These are the 372 unit Greenwich Square and the 276 unit Deptford Foundry. The final phase of The River Gardens, a scheme which has been more than ten years in the making, is due to complete in 2021.

Future development will be dominated by Convoys Wharf. Almost 3,000 of the 4,803 units in the Greenwich & Deptford planning pipeline are at this regeneration scheme.

Key developments

- Greenwich Square (UC,FS)
- Deptford Foundry (UC,FS)
- The Timberyard (UC,FS)
- Convoys Wharf (PP)

Old Kent Road Corridor

The Old Kent Road Corridor will change dramatically over the next decade. Not only will the Bakerloo Line Extension improve connectivity but significant residential development will change the face and dynamic of the area.

Several tall towers will dominate the skyline and enhance the residential offering along the A2. As a mark of how significantly the area is set to change, there are no schemes currently under construction with just 212 units completed in the preceding five years. But now there are 19 schemes in the planning pipeline, 14 of which will have 100 or more private units.

The four largest schemes, all of which are in excess of 500 private units and are named below, will also be over 40 storeys tall. The next two largest schemes, at 747-759 and 596-608 Old Kent Road will rise to 38 storeys.

In all, there are just over 5,000 private units in the planning pipeline.

Key developments

- Malt Street Development (PP)
- Avanton Ruby Triangle (PP)
- Cantium Retail Park (PP)
- Southernwood Retail Park (PP)

Elephant & Castle

Elephant & Castle has changed out of all recognition in the last decade. The first key completion was Strata in 2010, where the three wind turbines sit atop of the iconic skyscraper.

Over the past five years almost 3,500 private residential units have been completed. So, a significant chunk of the area's transformation has already taken place.

There now seems to be a pause for breath. There are just 876 private units under construction. 663 of these are purpose-built multifamily units at Lendlease's Elephant Park.

Indeed, the area has become a key London rental location, with schemes such as Elephant & Castle 1 and Uncle Elephant & Castle completing in recent years. These contain a combined total of 651 rental units.

Although there are more than 2,100 private units in the planning pipeline, the final piece of the Elephant & Castle jigsaw will be Get Living's redevelopment of the Shopping Centre. This will include a further 649 multifamily units, adding further to the area's rental prowess.

Key developments

- Elephant Park (UC,FS, MF)
- Aylesbury Estate (UC,FS,MF)
- Elephant & Castle Shopping Centre (PP)

C = Complete, UC = under construction, FS = for sale, PA = planning application, PP = planning permission, FA = Failed Application, MF = multifamily (rental)



Typical pricing of new-build apartments

<p>£675 - £725 psf</p> <p>Greenwich & Deptford</p>	<p>£675 - £725 psf</p> <p>Old Kent Road Corridor</p>	<p>£900 - £1,100 psf</p> <p>Elephant & Castle</p>
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Bermondsey has made the Sunday Times Best Place to Live for the last five years. Not only is it centrally-located and within easy reach of London Bridge and the City, but it is a trendy, cool and chic place to live and socialise in its own right. It is also somewhat of a hidden gem, flying under the radar until groups of friends discover its intriguing identity.

Holly Stock, Residential Development & Investment



Canada Water & Surrey Quays

This modern enclave of London will alter hugely over the next 10 years. British Land's masterplan includes 3,995 new homes, 2,595 of which will be private, as well as circa 1 million sq ft of retail and leisure space and 2 million sq ft of office accommodation.

This will include the redevelopment of the existing shopping centre and leisure facilities to create a new town centre.

British Land, which is presently seeking to sell a stake in the scheme, has detailed planning permission for the first phase of development. There will be two buildings of up to 34 storeys to include 178 private units.

Remarkably, there are no schemes under construction in the area at present, despite 1,450 units being completed in the last six years.

Other than the British Land masterplan, the only other scheme in the development pipeline is the Sellar Developments and Notting Hill Genesis scheme Porter's Edge. 234 units have already been completed but a further 565 units, 112 of which will be purpose-built multifamily, are still to be developed.

Bermondsey

The Bermondsey area has been rejuvenated over the past decade. It is now an exciting and vibrant place to live with excellent amenities and good transport links, courtesy of the Jubilee Line station.

The principal development over the past ten years has been Bermondsey Spa where six phases have delivered 449 private homes as well as 651 affordable units.

The outlook for the Bermondsey area is particularly bright. The London Square Bermondsey scheme, including the most recently launched phase The Pickle Factory, is underway and will deliver 271 private units. Furthermore, Matching Green will soon be developing their Dockley Apartments scheme. Four buildings of up to nine storeys will provide 111 units, of which 69 will be private for sale.

There are two further schemes in planning that will also improve the residential offering. Grosvenor's Biscuit Factory, which has a planning application for 1,020 private units, will all be multifamily (rental) homes. The current application was refused in early 2019 but is likely to come back in some form soon. The other scheme is by the Thames, where Chambers Wharf will provide 407 private homes.

Key developments

Canada Water Masterplan (PP)
Porter's Edge (PP)

Key developments

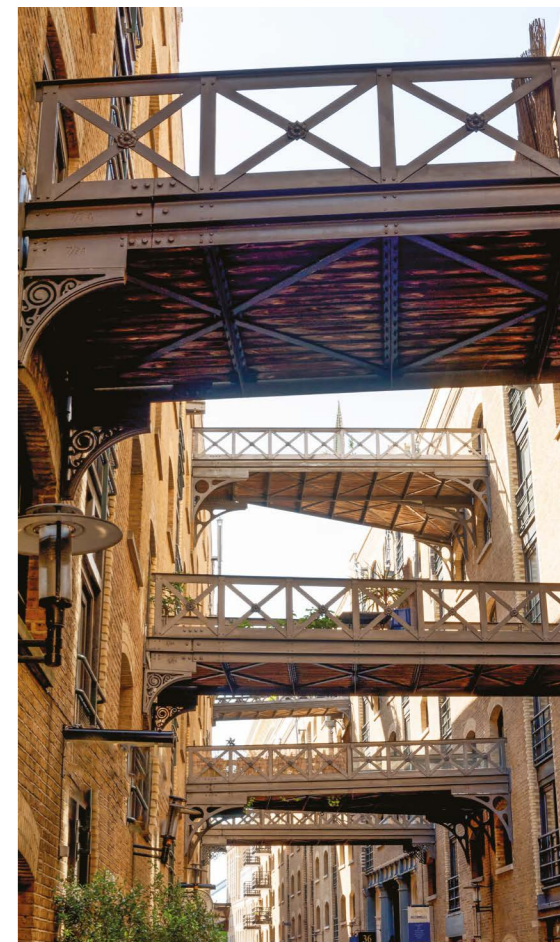
London Square Bermondsey (UC,FS)
Dockley Apartments (PP, FS)
Biscuit Factory (FA)

C = Complete, UC = under construction, FS = for sale, PA = planning application, PP = planning permission, FA = Failed Application, MF = multifamily (rental)

Typical pricing of new-build apartments

£800
-
£900
psf
Canada Water
& Surrey Quays

£700
-
£950
psf
Bermondsey



Lewisham

There are no residential units under construction in Lewisham at present but the area has altered significantly in recent years with residential development a key part of this change. Almost 1,600 new private units have been created over the past six years alone.

Peabody's Central Park redevelopment has contributed 324 of these and still has 345 units to build. Muse's Lewisham Gateway has also been an important development. Not only has it delivered 362 units to date, but 136 of these have been multifamily (purpose built rental) units. There are also a further 242 rental units to come in the final phase of this development.

Lewisham has become a pioneer of the multifamily sector. Once all consented schemes are completed, there will be more than 1,070 multifamily rental units in the area.

The other notable scheme in the pipeline is Legal & General's redevelopment of Lewisham Retail Park, where 440 private units are planned.

North Greenwich

The North Greenwich area, with the O2 Arena as its focal point, has benefited from significant development activity in recent years.

Despite this, even greater transformation and development lies ahead.

There are two key development sites in the area; Knight Dragon's Greenwich Peninsula and Countryside and Taylor Wimpey's Greenwich Millennium Village.

More than private 1,200 units have been completed to date at Greenwich Peninsula but there are around a further 8,500 units to come. 562 units are presently under construction.

At Greenwich Millennium Village a total of around 3,600 units of all tenures are scheduled to be built. Almost 500 private units of the circa 1,750 units in phases 3 and onwards have been completed to date while 136 units are under construction.

Blackheath

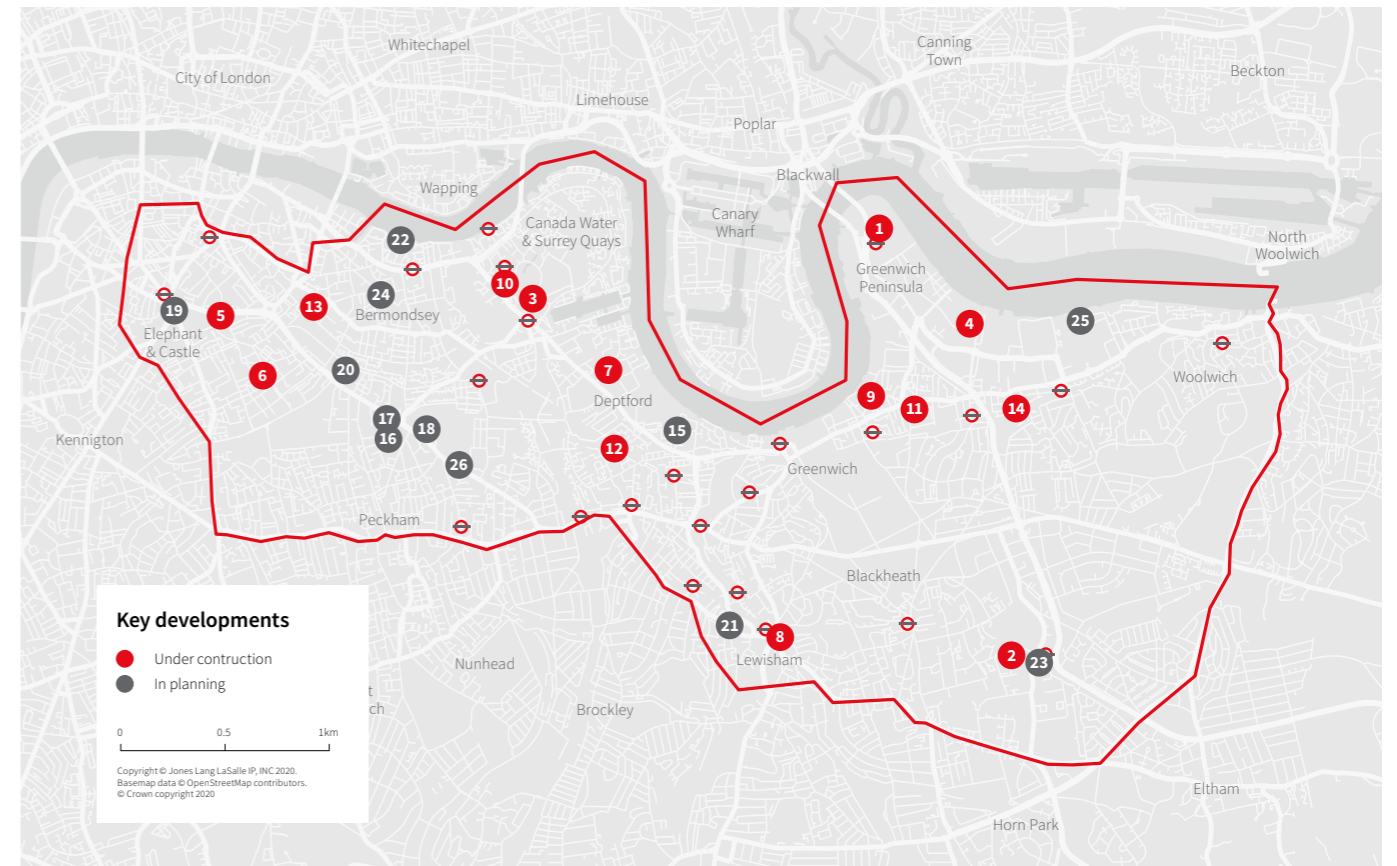
Blackheath is the most established and traditional housing market in South East London. There is not too much modern or new-build property.

However, Berkeley Homes is in the process of redeveloping the Ferrier Estate into a bright new neighbourhood at Kidbrooke Village.

In all there will be 4,572 private units at Kidbrooke Village. To date only phase 1, City Point, is fully completed but with several completions in phases 2, 3 and 4, more than 1,000 units at this project are now finished.

There are 503 under construction in phase 3 and just over 3,000 units still to be started.

The success of the scheme can be gauged by the circa 1,500 unit sales achieved to date.



Map ref	Scheme	Developer, multifamily operator	Private units	Status
1	Greenwich Peninsula	Knight Dragon, Knight Dragon	9,750	Part complete, part under construction, for sale, part multifamily
2	Kidbrooke Village	Berkeley Homes	4,262	Part complete, part under construction, for sale
3	Canada Water	British Land	2,595	Permission
4	GMV	Countryside, Taylor Wimpey	c2,000	Part complete, part under construction, for sale
5	Elephant Park	Lendlease, Lendlease	1,855	Part complete, part under construction, for sale, part multifamily
6	Aylesbury Estate	Notting Hill Genesis, Notting Hill Genesis	1,349	Part complete, part under construction, part multifamily
7	The Timberyard	Lendlease, Lendlease	1,273	Part complete, part under construction, part multifamily
8	Lewisham Gateway - 2	Muse, Muse, Fizzy Living	783	Part complete, part multifamily
9	The River Gardens	London & Regional Properties, Bellway	584	Part complete, part under construction, for sale
10	Canada Water - Porter's Edge	Sellar Developments, Notting Hill Genesis	453	Part under construction, part multifamily
11	Greenwich Square	Hadley, Mace	372	Part complete, part under construction, for sale
12	Deptford Foundry	Anthology	276	Part complete, part under construction, for sale
13	London Square Bermondsey	London Square	271	Part under construction, for sale
14	Synergy	Fairview New Homes	215	Under construction, for sale
15	Convoys Wharf	Hutchison Whampoa	2,975	Permission
16	Malt Street Development	Berkeley Homes	780	Permission
17	Cantium Retail Park	Galliard Homes	750	Permission
18	Avanton Ruby Triangle	Avanton	701	Permission
19	Elephant & Castle Shopping Centre	Get Living, Get Living	649	Permission, all multifamily
20	Southernwood Retail Park	Glasgow City Council	506	Permission
21	Lewisham Retail Park	Legal & General	440	Permission
22	Chambers Wharf	St James Group	407	Permission
23	Kidbrooke Station Square	Notting Hill Genesis	310	Permission
24	Dockley Apartments	Matching Green	69	Permission
25	Charlton Riverside	Hyde, Komoto, Rockwell	1,748	Application
26	Devonshire Square	Pearl & Coutts	367	Application

Source: JLL, Molior. Schemes of 200 or more private units, plus selected others.

Key developments

- Central Park (PP)
- Lewisham Gateway (PP)
- Lewisham Retail Park (PP)

Key developments

- Greenwich Peninsula (UC, FS)
- Greenwich Millennium Village (UC, FS)

Key developments

- Kidbrooke Village (UC, FS)

C = Complete, UC = under construction, FS = for sale, PA = planning application, PP = planning permission, FA = Failed Application, MF = multifamily (rental)

Typical pricing of new-build apartments

£600 - £650 psf

Lewisham

£700 - £950 psf

North Greenwich

£625 - £675 psf

Blackheath

Existing property sales market

This year has witnessed a marked change to the sales market with far greater activity and urgency, which bodes well for 2020 and beyond.

South East London benefits from a diverse range of neighbourhoods and therefore attracts a wide variety of buyers and residents. From the more tranquil traditional stock in Blackheath, to the modern high-rise apartment blocks in the busy Elephant & Castle, South East London really does have something for everyone.

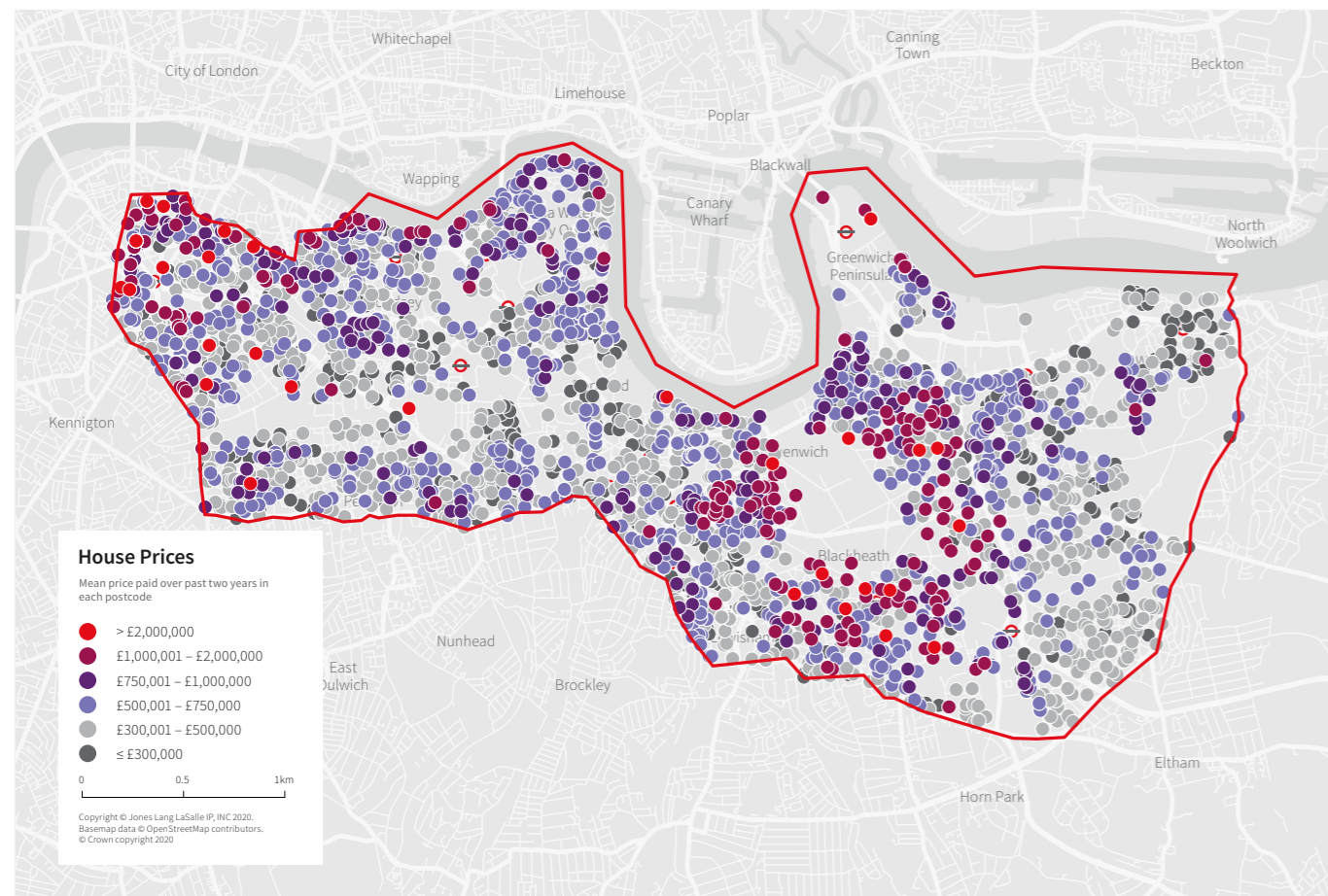
The existing (not new) property market has picked up significantly during 2020. With the market somewhat stifled over the

The housing market here has been rejuvenated in the past few months. Buyers seem liberated and eager to purchase while we have seen many homeowners return to the market to sell now that the logjam has been freed.

Graham Lawes, Residential Sales

past couple of years, the new Government and a clearer plan on Brexit have reignited interest from both home buyers and sellers. This renewed momentum is also gathering pace as more buyers and sellers re-enter the marketplace, creating greater urgency – something we have not seen for a number of years.

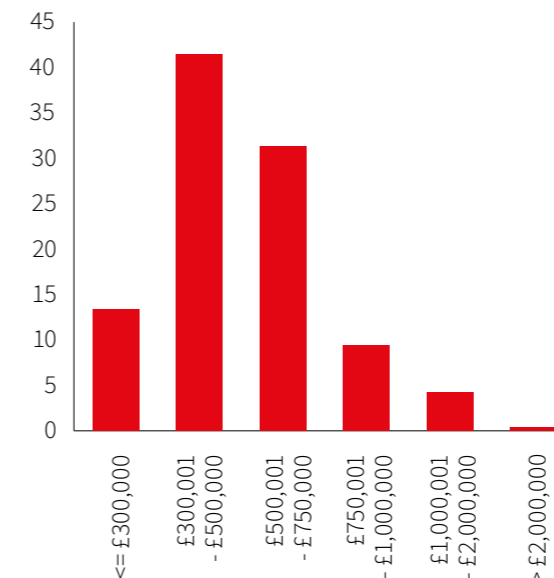
We are expecting a far more active housing market in 2020 and a brighter future, especially compared with the recent past.



Source: JLL, Land Registry

Local transactions by value

% of transactions in last 2 years



Source: JLL, Land Registry

The only fly in the ointment at the moment is cladding on non-new homes. Prospective buyers are finding it difficult to obtain a new mortgage on such properties while existing homeowners are not able to remortgage. This is creating issues in terms of completing transactions despite the will of buyers and sellers.

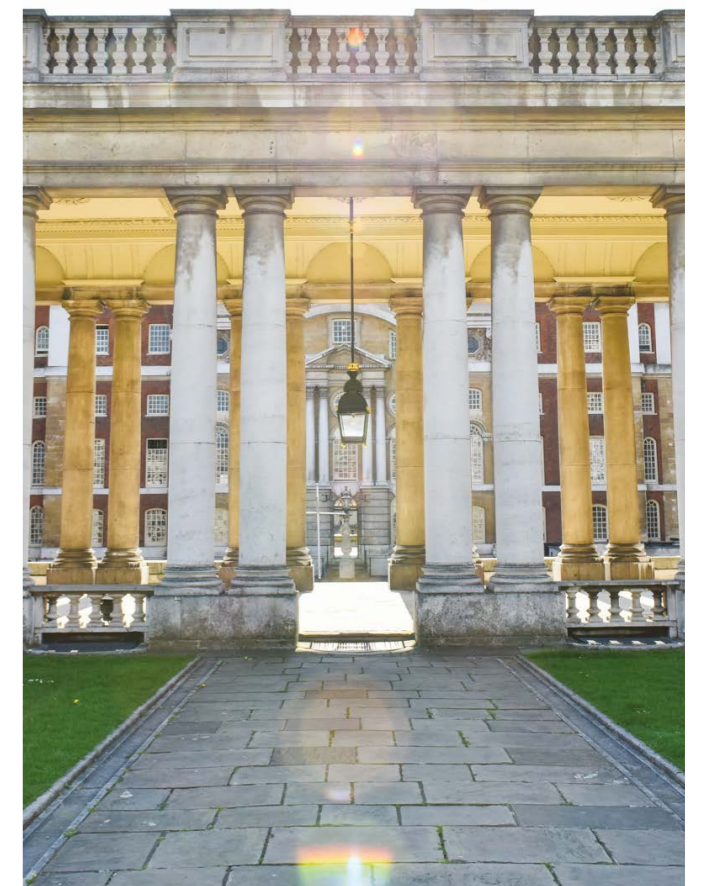
The highest value areas in South East London, as can be seen in the accompanying map, are in the Elephant & Castle area, along the Thames and around Greenwich Park and Blackheath.

The average price of an existing home over the past two years was £535,000. Around 41% of homes purchased were between £300,000 and £500,000 with 31% priced between £500,001 and £750,000. Just 13% of purchases were above £750,000, demonstrating the better affordability in South East London compared with many more-centrally located parts of London. 81% of purchases over the past two years have been apartments with the remaining 19% being houses.

House price growth in the London Boroughs of Greenwich, Lewisham and Southwark has been very strong over the past 20 years. Prices have increased by 308%, 352% and 308% in these three boroughs during this time, an average of 7.3%, 7.8% and 7.3% pa respectively. These compare with the Greater London average of 278% and 6.9% pa respectively.

352%
the 20 year house price growth
in LB Lewisham

Source: JLL, Land Registry



An undersupply of apartments to rent is the dominating characteristic of the South East London lettings market. Somehow we need to source more stock, otherwise rents will push notably higher.

Yasmin Forrester, Residential Lettings



Typical rental pricing of one bedroom apartments

£1,350 – £1,800 pcm Greenwich & Deptford	£1,400 – £1,750 pcm Old Kent Road Corridor	£1,925 – £2,200 pcm Elephant & Castle	£1,550 – £1,750 pcm Canada Water & Surrey Quays
£1,450 – £1,700 pcm Bermondsey	£1,250 – £1,550 pcm Lewisham	£1,350 – £1,750 pcm North Greenwich	£1,300 – £1,475 pcm Blackheath

Lettings market

Unprecedented level of demand and little available stock implies a very competitive lettings market.

Tenants are attracted to South East London for many reasons. High on the list are the excellent transport links into Canary Wharf and to other Central London employment hubs. Residents love the green spaces, especially around Greenwich Park and Blackheath. They also enjoy the tranquility of some areas and the buzz of others – which provide suitable activities available to all.

The lettings market is currently characterised by a severe shortage of available stock coupled with very strong demand. Renewal levels have been high for the past couple of years and this is stifling the availability of properties for those who want to move within or into South East

London. Rental stock is also dwindling slightly as more investors are choosing to sell their properties, even more so now that the sales market has started to pick up.

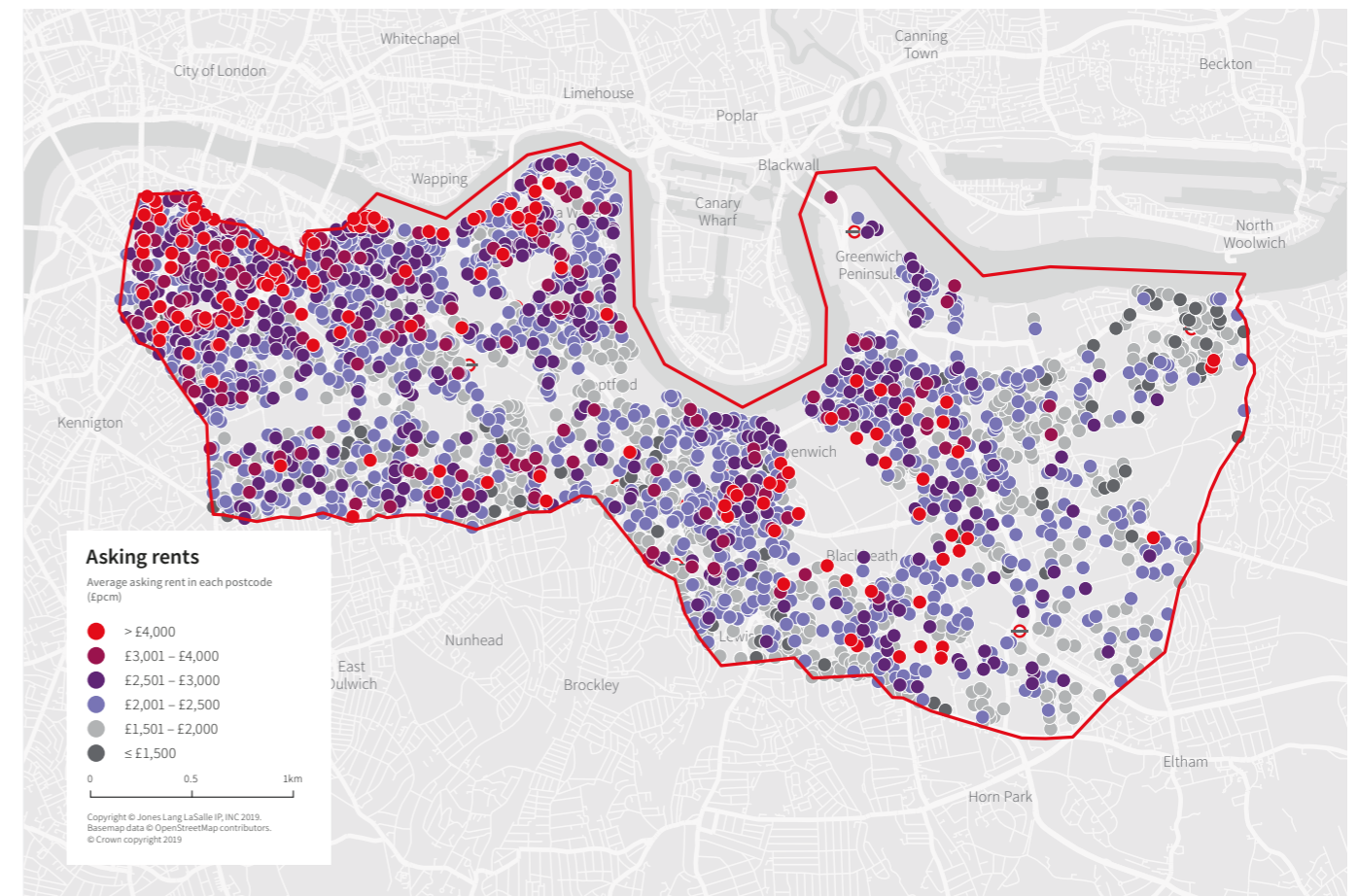
With an array of different areas providing a variety of locales, streetscapes, environments and property types, rental demand in the area is from the full spectrum of London residents.

Rents vary quite markedly across the neighbourhoods in South East London. As can be seen in the accompanying map, the highest rents are generally in the Elephant & Castle area and along the Thames, and also around Greenwich Park and

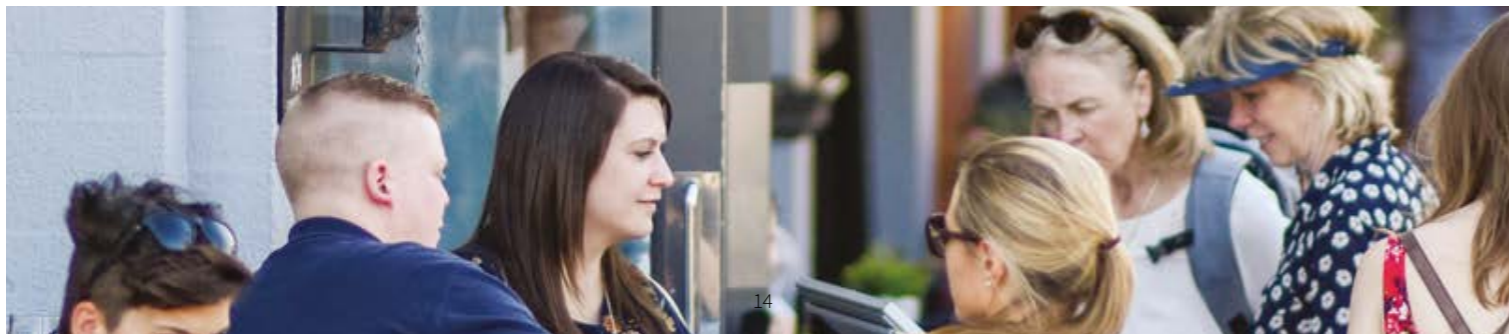
Blackheath with pockets of higher rents scattered elsewhere.

In terms of new-build, rents are highest in Elephant & Castle where a typical one bedroom apartment will rent for around £1,925 – £2,200 pcm. Rents in Greenwich & Deptford are typically in the £1,350 to £1,800 pcm range but slightly lower elsewhere in South East London.

There have been a number of multifamily (purpose built rental) developments in recent years. These have been mainly concentrated at Elephant & Castle and in Lewisham.










Source: JLL, Rightmove



Connectivity & landmarks

Train and underground stations

Service	Station
 Rail	Woolwich Dockyard, Charlton, Westcombe Park, Maze Hill, Greenwich, Deptford, South Bermondsey, Kidbrooke, Blackheath, Lewisham, St Johns, New Cross, New Cross Gate, Queens Road Peckham, Elephant & Castle
 Jubilee	North Greenwich, Canada Water, Bermondsey, Southwark
 Bakerloo	Elephant & Castle
 Northern	Elephant & Castle, Borough
 Overground	Rotherhithe, Canada Water, Surrey Quays, New Cross, New Cross Gate, Queens Road Peckham
 DLR	Cutty Sark for Maritime Greenwich, Greenwich, Deptford Bridge, Elveden Road, Lewisham
 Emirates Air Line	Emirates Greenwich Peninsula

Landmarks

- Greenwich Park
- Blackheath
- Royal Observatory
- Cutty Sark
- National Maritime Museum
- O2 Arena

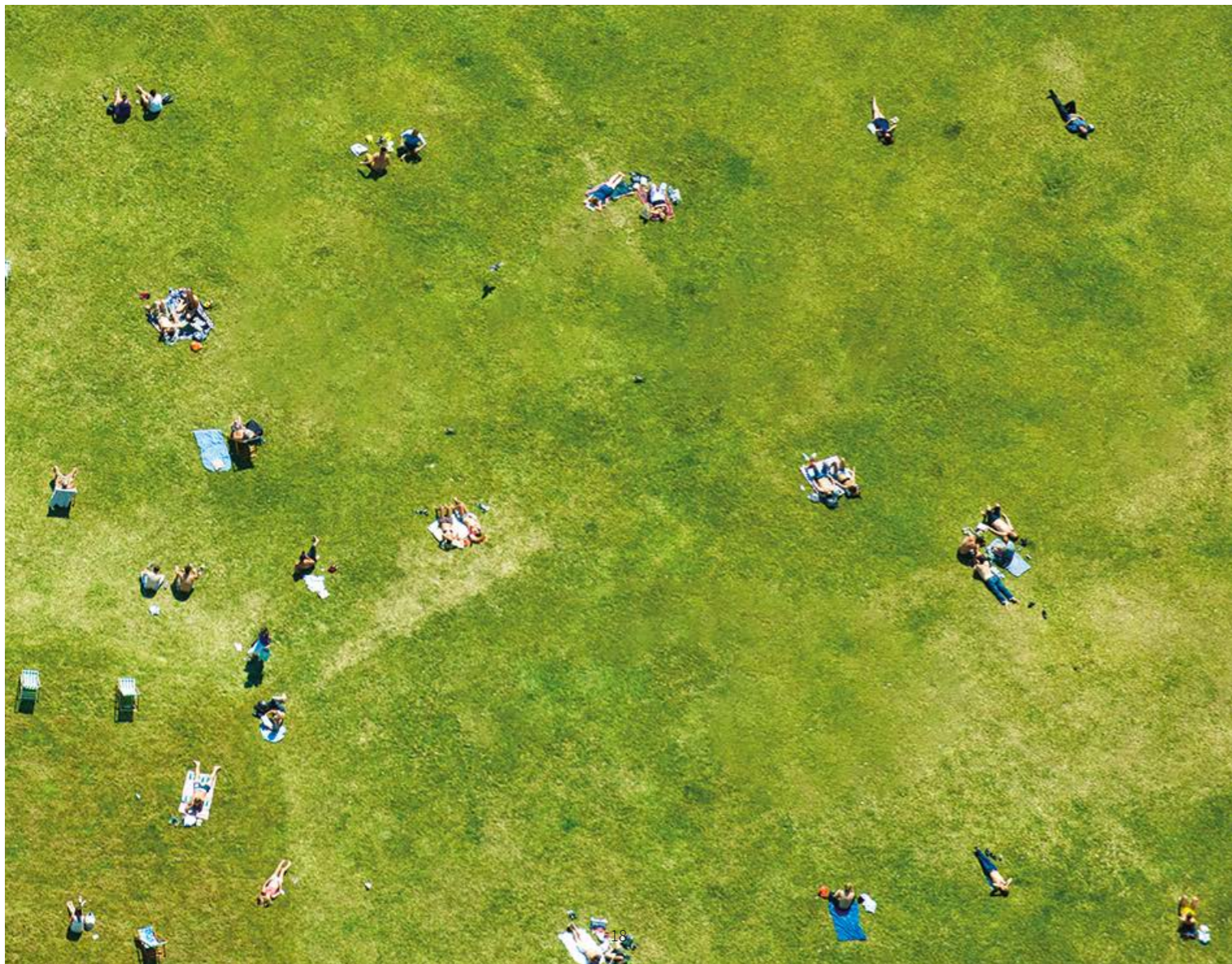




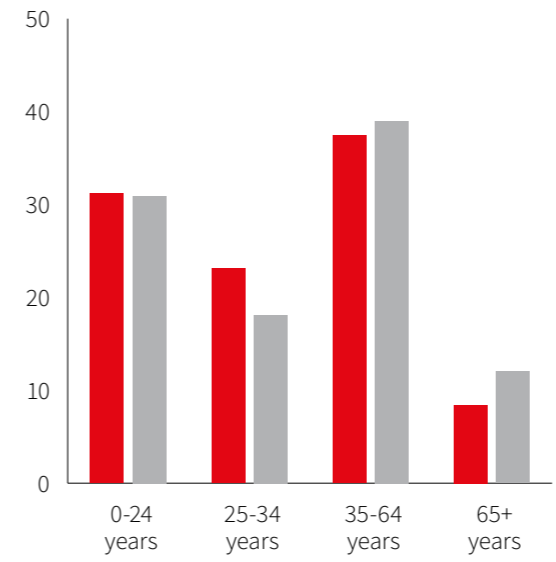
Who lives here?

South East London has a higher proportion of 25-34 year olds compared with Greater London and a slightly lower proportion of older residents. There is also a higher percentage of Rising Prosperity (young professional) households and a higher proportion earning less than £40,000 pa. A lower proportion of homes are owner-occupied compared with Greater London with a slightly higher percentage of private renters.

The population of South East London is forecast to increase by around 16,000 people to 388,000 over the next five years.

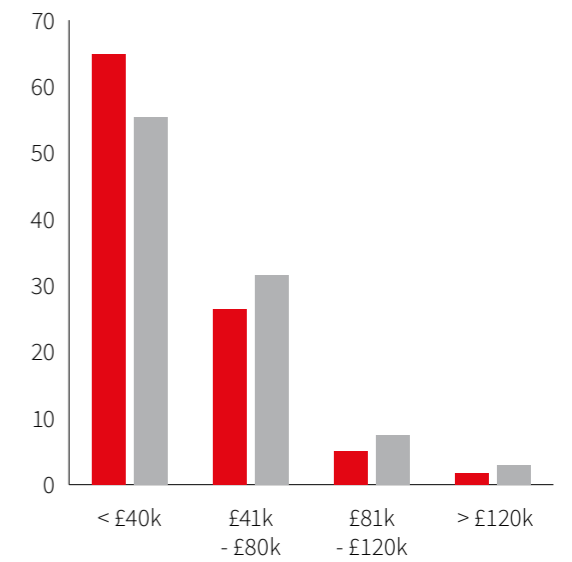


Age distribution
% of population



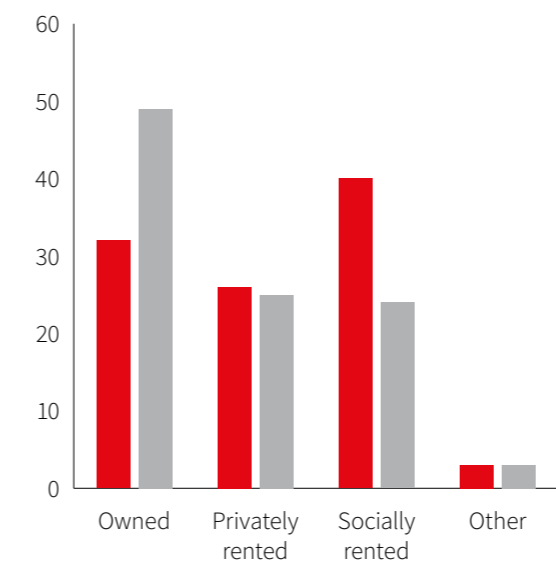
Source: JLL, CACI

Annual household income
% of households



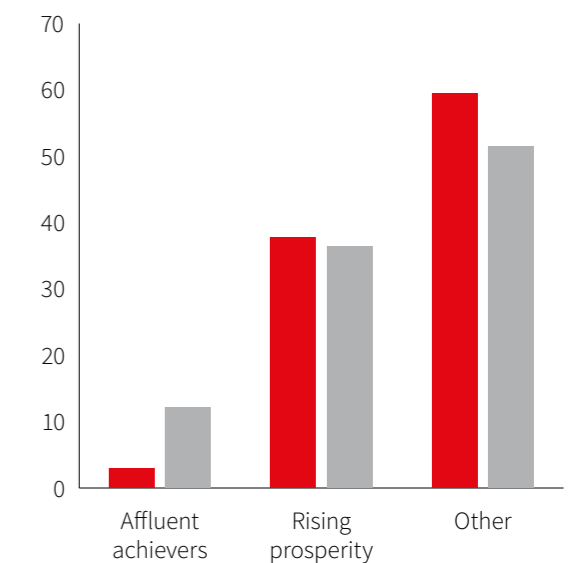
Source: JLL, CACI

Household tenure
% of households



Source: JLL, CACI

Household types
% of households



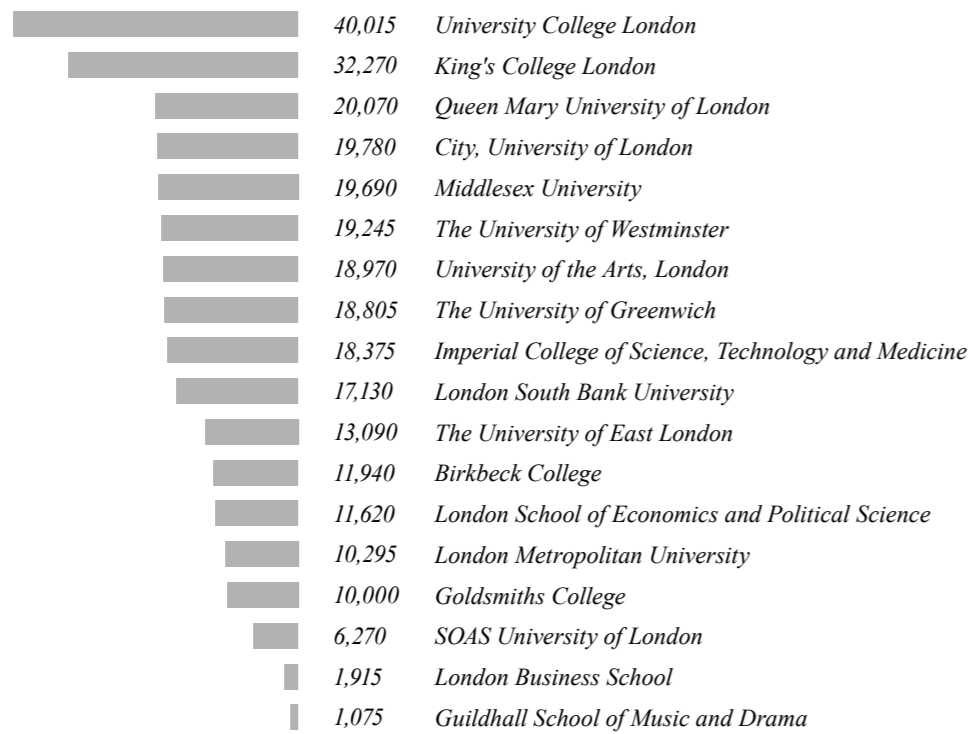
Source: JLL, CACI

■ South East London ■ Greater London

Universities and schools

Universities in South East London include The University of Greenwich, London South Bank University, The University College of Osteopathy, Ravensbourne University London and Trinity Laban Conservatoire of Music and Dance.

Selected universities across London (number of students)



Schools located within South East London

School	Age	Type
Addey and Stanhope School	Secondary, Post 16	Maintained School
Arco Academy	Secondary	Independent School
Ark Globe Academy	Primary, Secondary, Post 16	Academy
Ark Greenwich Free School	Secondary, Post 16	Academy
Ark Walworth Academy	Secondary, Post 16	Academy
Bacon's College	Secondary, Post 16	Academy
Bellerbys College London	Secondary, Post 16	Independent School
Blackheath High School	Primary, Secondary, Post 16	Independent School
Bosco Centre College	Secondary	Independent School
Cavendish School	Secondary	Special School
Charlton Park Academy	Secondary, Post 16	Special School
Christ The King Sixth Form College	Post 16	College
City of London Academy (Southwark)	Secondary, Post 16	Academy
Compass School Southwark	Secondary, Post 16	Academy
Corelli College	Secondary, Post 16	Academy
Deptford Green School	Secondary	Maintained School
Full Circle Education	Secondary	Independent School
Greenwich Steiner School	Primary, Secondary	Independent School
Harris Academy Bermondsey	Secondary, Post 16	Academy
Harris Academy Peckham	Secondary, Post 16	Academy
International Academy of Greenwich	Secondary, Post 16	Academy
Leigh Academy Blackheath	Secondary, Post 16	Academy
Liral Veget College London	Secondary, Post 16	Independent School
Marathon Science School	Primary, Secondary, Post 16	Independent School
Notre Dame Roman Catholic Girls' Schoolw	Secondary	Maintained School
Prendergast Vale School	Primary, Secondary	Maintained School
Riverston School	Primary, Secondary, Post 16	Independent School
Royal Greenwich Trust School	Secondary, Post 16	Academy
Saint Mary Magdalene Church of England II Through School	Primary, Secondary, Post 16	Maintained School
Spa School, Bermondsey	Secondary, Post 16	Special School
St Matthew Academy	Primary, Secondary	Academy
St Michael's Catholic College	Secondary, Post 16	Academy
St Saviour's and St Olave's Church of England School	Secondary, Post 16	Maintained School
St Ursula's Convent School	Secondary	Maintained School
The Charter School East Dulwich	Secondary, Post 16	Academy
The From Boyhood To Manhood Foundation	Secondary, Post 16	Independent School
The Halley Academy	Secondary, Post 16	Academy
The John Roan School	Secondary, Post 16	Maintained School
Thomas Tallis School	Secondary, Post 16	Maintained School
TLG Lewisham	Secondary	Independent School
Treasure House London CIC	Secondary, Post 16	Special School
Tuke School	Secondary, Post 16	Special School
University Academy of Engineering South Bank	Secondary, Post 16	Academy
Wize Up	Secondary	Special School

Primary Schools

In addition there are 85 dedicated primary schools in South East London.



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