

WIMBLEDON MARKET INSIGHT 2016

The Wimbledon property market will benefit as demand grows for its well-proportioned houses, high-quality schools, proximity to central London and relative affordability, says Tom Bill

Wimbledon has benefitted as demand for prime property has spread from central London in recent years.

It followed price growth of 48% in prime central London between 2009 and 2012, cementing the area's global reputation as a safe-haven during the financial crisis.

Since this period of strong growth, buyers have increasingly sought better value and families in particular are looking for more space beyond the zone 1 central London area.

The trend has benefitted south-west London in particular and a series of prime property markets along the River Thames are a natural destination for those seeking a less urban lifestyle. A third of people moving from the borough of Kensington & Chelsea in 2014 headed to south-west London, government data shows.

This displacement of demand has been compounded by an increase in stamp duty on £1.1 million-plus properties in December 2014. The impact of the new rates has been less marked in areas like Wimbledon, where a family house costs upwards of £1 million and Victorian or Edwardian conversion flats range from £500,000 to £1.5 million.

Furthermore, domestic demand is traditionally strong in Wimbledon, which has been bolstered by the strength of the UK's economic recovery.

Buyers moving to the area typically come from Chelsea, Fulham and Surrey and Wimbledon is particularly well-positioned to benefit from this fresh wave of demand because one of the key drivers is a desire for more space.

Wimbledon has a predominance of Edwardian, Victorian and Arts and Crafts housing, which means properties tend to have more lateral space and larger gardens and the area has the second highest proportion of

FIGURE 1
Wimbledon house prices

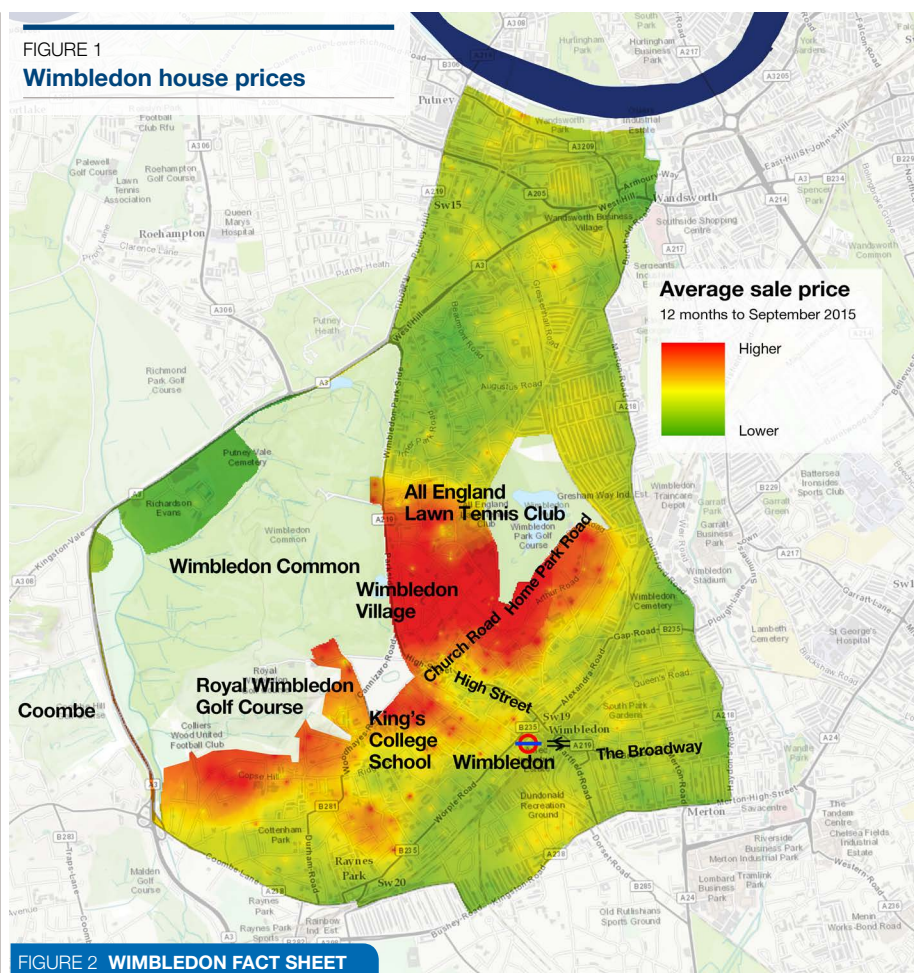


FIGURE 2 WIMBLEDON FACT SHEET

£650 to £1,300: Price per square foot

1.3%: Price growth in the year to December 2015

1.4%: Rental value growth in the year to December 2015

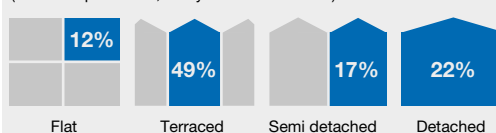
17 minutes: Wimbledon to London Waterloo

Blue Plaques

Dame Margaret Rutherford actress
George Eliot author

PROPERTY TYPE

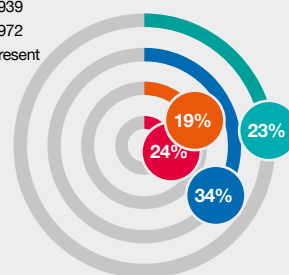
(£1million-plus sales, two years to June 2015)



Population: 98,588

AGE OF HOUSING STOCK

Pre-1900
1900-1939
1945-1972
1973-present



Source: Knight Frank Research

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detached properties in south-west London after Richmond. While the 460-hectare Wimbledon Common is larger than Hyde Park and Regent's Park combined, it is 17 minutes from London Waterloo and 25 minutes from London Victoria on regular train and tube services.

Average prices range between £650 and £1,300 per square foot and modernised five and six bedroom houses in or near Wimbledon Village priced between £2 million and £3.5 million are in strong demand. Other in-demand areas include streets close to Wimbledon Common and Coombe.

In similar fashion to other prime London markets, demand has become more subdued in recent months due to the stamp duty increase and in some instances it has led to a stand-off between buyers and sellers.

However, where sellers have taken into account the new stamp duty rates, property has traded well and underlying demand remains strong. Indeed, there were early signs of momentum returning to the market in early 2016.

Annual growth of 1.3% in the year to December 2015 was relatively muted due to the current conditions and marginally above the 1% recorded in prime central London.

Rental values grew 1.4% in the year to December 2015, which outperformed the wider prime outer London market, which rose 0.7%.

Overseas lettings demand is buoyed by a Norwegian school, which makes the area popular among oil executives, who typically look for four or five bedroom family houses. However, the recent oil price instability has dampened demand.

Demand in Wimbledon is also driven in large part by the quality of the schools, including King's College School, which has one of the best academic track records in the country. The Wimbledon name also resonates with buyers of all nationalities because of the world-famous tennis tournament.

Despite a recent period of short-term uncertainty and heightened price sensitivity, which means vendors need to be increasingly realistic when setting asking prices, Wimbledon's well-proportioned properties, high-quality schools, connectivity and extensive green spaces provide a sound longer-term basis for its property market.

FIGURE 3
Where have prices grown fastest?
Price performance versus Wimbledon average

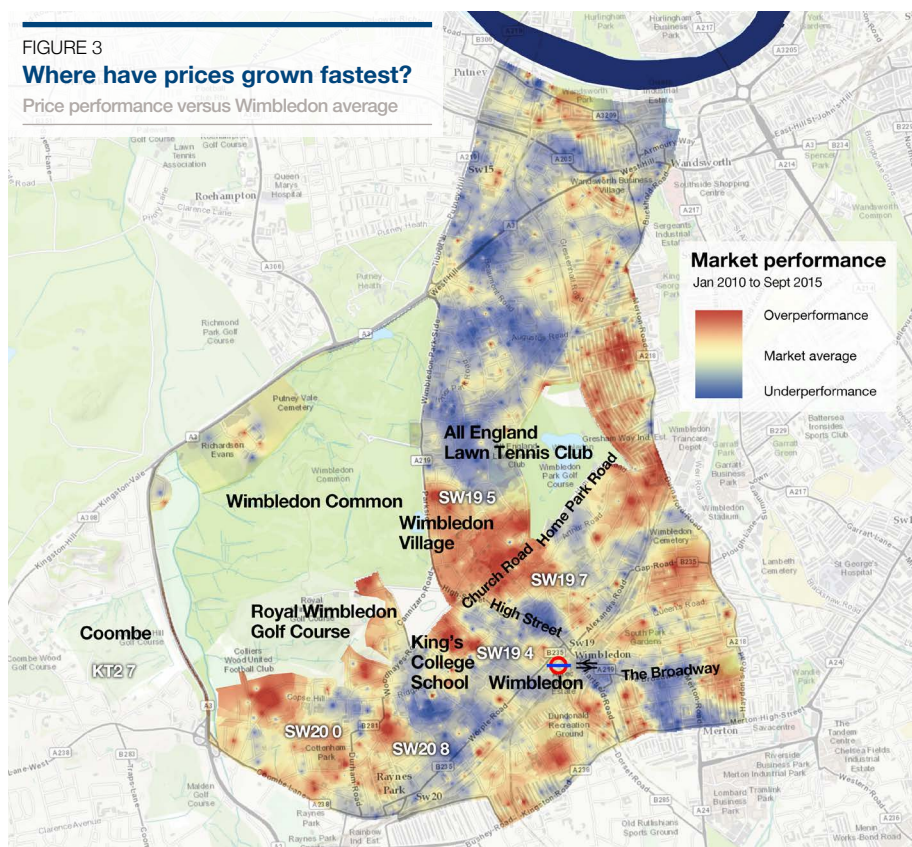
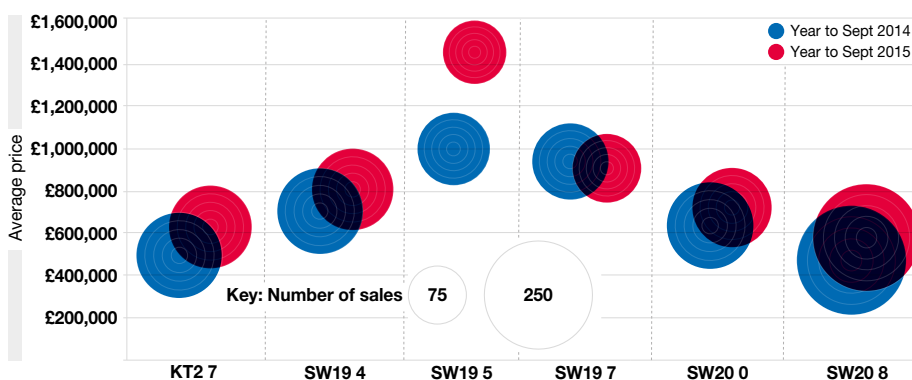


FIGURE 4
Average price and sales volumes in Wimbledon by neighbourhood



Source: Knight Frank Research

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