

FOCUS ON: EARL'S COURT

2016





“The Earl’s Court master-plan is likely to see a migration of values from Kensington & Chelsea further into Earl’s Court”

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OVERVIEW

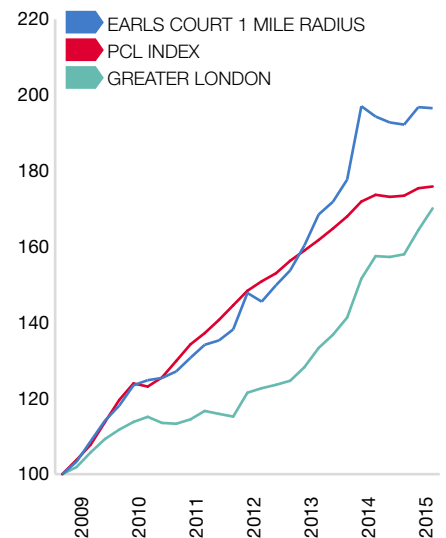
Earl’s Court is in the early stages of large scale regeneration. Investments in place-making will change the residential market in Earl’s Court over the coming years.

Residential prices across London have grown strongly in recent years, but many areas which have seen large-scale regeneration and redevelopment have seen out-performance pointing to the potential for future growth. The inclusion of parts of Earl’s Court and Fulham in the Knight Frank Prime Central London (PCL) definition reflects that the area is increasingly seen as a prime London neighbourhood.

The map below highlights the differential between pricing in Kensington & Chelsea compared to Hammersmith & Fulham. The regeneration of Earl’s Court is likely to lead to higher values moving from east to west as the development attracts buyers who would traditionally have focused on Kensington and Chelsea.

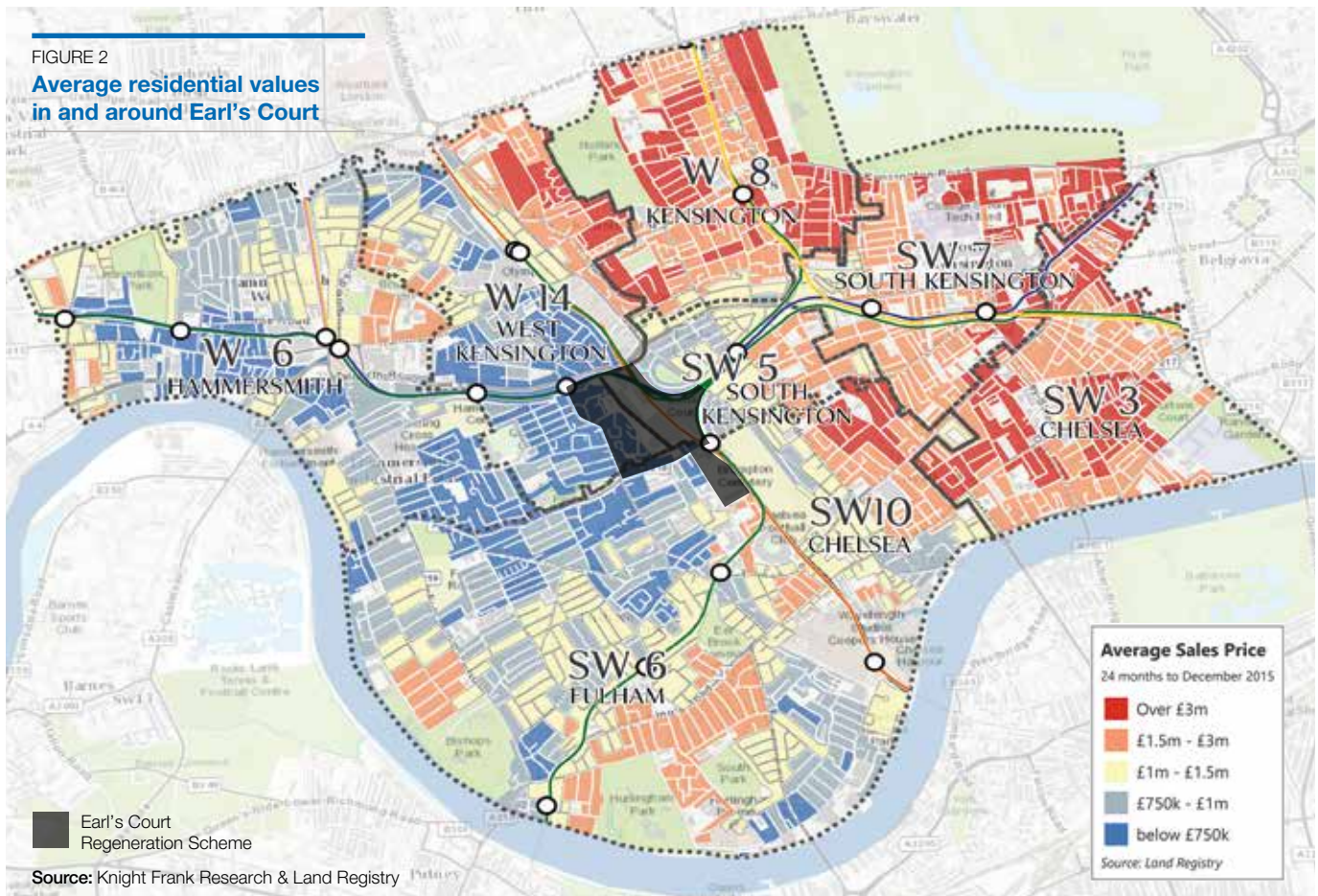
From Q2 2013 Earl’s Court has seen stronger house price growth than prime central London as a whole and has seen a 96% increase in house prices over the 7 years as seen in figure 1.

FIGURE 1
House price growth Index
Indexed 100 = Jan 2009



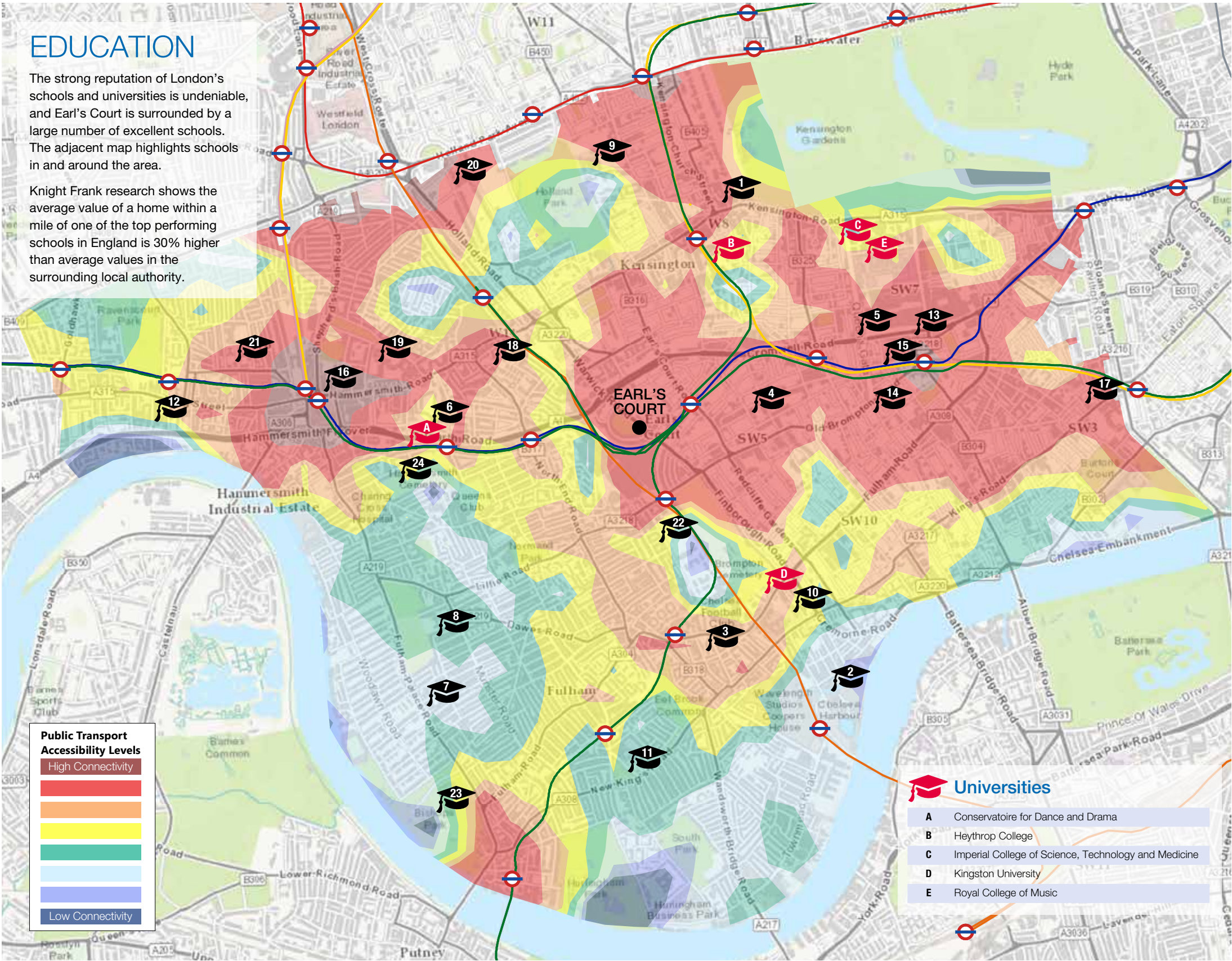
Source: Knight Frank Research

FIGURE 2
Average residential values in and around Earl’s Court



Source: Knight Frank Research & Land Registry

FIGURE 3
Connectivity
Public Transport Accessibility Levels (PTAL) and key education hotspots



CONNECTIVITY

The adjacent map shows the level of connectivity based on the Public Transport Accessibility Level. This measure scores different areas of London from 6b High - 1a Low in line with relative access to overground rail, underground rail and bus services.

Research from our [Tenant Survey](#) confirms that public transport accessibility is a critical issue for tenants when selecting locations for rental. The Earl's Court area is very well connected with Western side of its boundaries being given the highest connectivity level.

Not only is Earl's Court already very well connected, but with further enhancements and improvements to public transport planned for the area in line with the existing Earl's Court masterplan the connectivity and ease of use of public transport will be further improved.

Travel times from Earl's Court Station

Victoria Station in 9 minutes
Oxford Circus in 12 minutes
Heathrow in 35 minutes
Canary Wharf in 36 minutes

Beyond the planned public transport improvements will be additions of new access roads, and through roads, better pedestrian access and investment in cycle hire and storage as well as cycle lanes.

Schools

1	Ashbourne Independent School
2	Chelsea Academy
3	Chelsea Independent College
4	Collingham
5	Duff Miller College
6	Ealing, Hammersmith and West London College
7	Fulham College Boys' School
8	Fulham Cross Girls' School and Language College
9	Holland Park School
10	Kensington and Chelsea College
11	Lady Margaret School
12	Latymer Upper School
13	Lycee Francais Charles de Gaulle
14	Mander Portman Woodward School
15	Queen's Gate School
16	Sacred Heart High School
17	Saint Thomas More Language College
18	St James Senior Girls' School
19	St Paul's Girls' School
20	The Cardinal Vaughan Memorial RC School
21	The Godolphin and Latymer School
22	The London Oratory School
23	The Moat School
24	William Morris Sixth Form

REGENERATION

Continued investment

The large scale investment promised for Earl's Court has the potential to improve the local residential market performance. This investment into Earl's Court is supported by several new developments in the area contributing to infrastructure and transportation enhancements and additions of new shops, restaurants schools and recreational facilities.

THE EARL'S COURT MASTERPLAN


77

acres (including Lillie Square)


340

residential homes from Empress State Building conversion


290K

sq ft retail space


£5.5M

of investment in bus service enhancements and bus stops


7,500

new homes (including 1,500 affordable homes)


310K

sq ft of hotel and leisure space


8.8M

sq ft residential


36M

of investment in a brand new primary school, community, leisure and health facilities


1

new health centre


7.5

acres of green space - a district garden square


£1M

of investment in cycle hire hub cycle storage and lanes


£38.2M

of improvements to local tube stations


1M

sq ft of office space

CASE STUDIES: What continued investment and thoughtful management can achieve

Mixed use regeneration

When looking at the impact of a large mixed use regeneration project we can see several impacts or changes it has on the local area. Below we look at some of those and see how it can serve as an example for what changes the Earl's Court Regeneration could have on the Earl's Court area.

"Kings Cross is a good example of what large scale regeneration can do for a London location. The uplift in residential values seen across the Kings Cross area has been significant, 120% since 2010, coinciding with the main phases of development. The value uplift has been very strong even when compared to the rise in the wider London market. The change in stock type and quality of stock being delivered in Kings Cross has played a

big part in this uplift due to the increase in quality stock being offered as well as the type of properties being sold and the environment it is being created in.

Furthermore the regeneration has served to create a new destination in London, the placemaking undertaken at Kings Cross has created a place for people to live, work and spend leisure time, with new office space, shopping districts and entertainment and dining experiences, Kings Cross has become a distinct London destination.

The proposed development at Earl's Court seeks to provide all these elements, space for people to live, to work and to spend their leisure time in parks restaurants, shops, cafes etc. and Kings Cross serves as a great example of how well this can be done."

Retail led regeneration

Public realm improvements, new tenants and a strategy by landlord Grosvenor working with local businesses on promoting Mount Street as a luxury destination has transformed Mount Street in Mayfair from a relatively secondary thoroughfare into one of London's, and the world's, leading luxury brand destinations. In 2010 the Grosvenor Estate undertook the restoration of the street and began the creation of higher quality the quality space and streetscape that can be seen today. This process contributed to drawing in the leading luxury brands that now see Mount Street as the ideal address in Mayfair to showcase their brands.

Along with the retail came world class Scott's restaurant offering fine dining, the delightful Mount Street Deli which all compliment the existing tenant mix from Allen's Butchers to Purdey and Sons which has been on Mount street since 1882.

This restoration and place making exercise undertaken by the Grosvenor estate not only changed the retail and

restaurant element of Mount Street but had an impact on the residential prices on the street.

Since 2010 Mount Streets prices have outperformed the wider Mayfair average, asking prices have risen 81% since 2010 compared to wider Mayfair 19% since 2010.

As part of the Earl's Court Regeneration, a large emphasis has been placed on public realm improvements and the addition of a new high street as the retail and social heart of the district.



Proposed New High Street, Earl's Court

LOCAL MARKET OVERVIEW

Figure 4 below illustrates how volumes and values in the surrounding area have changed in the past four years. Volumes decreased in all but one postcode sector, SW6. Average prices however grew in 5 of the 8 selected postcode sectors, with W8 seeing the largest increase in prices and SW7 the largest drop in average prices.

In **Figure 5** we break down the types of properties that were sold in the period Jan 2014 – Dec 2015. The Earl's Court area is dominated by flats and terraced properties, making up 99% of transaction for that period. It is also interesting to note the dominance of Victorian housing stock in the area – 67% of the properties pre-date 1900.

FIGURE 4

Average price and sales volumes in Earl's Court and surrounding area

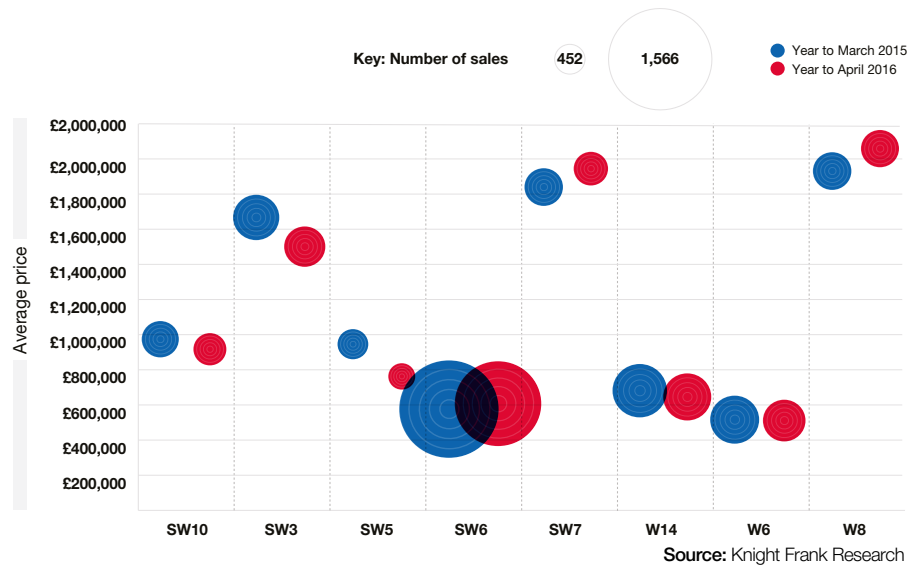
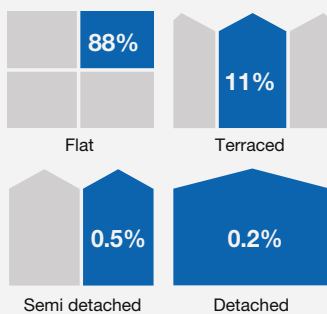


FIGURE 5 EARLS COURT FACT SHEET

0.3%: Price growth in the year to February 2016
-2.9%: Rental value growth in the year to February 2016

PROPERTY TYPE

(All Sales:
Jan 2014-Dec 2015)

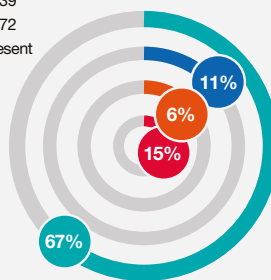


Source: Knight Frank Research

Population: 9,921

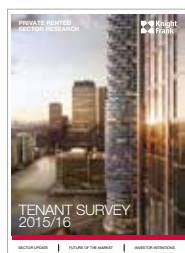
AGE OF HOUSING STOCK

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



Front cover image: West Brompton CGI by Capital and Counties

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[Tenant Survey - 2015/2016](#)



[The Wealth Report - 2016](#)



[London Hotspots - 2015](#)



[The London Review - Spring 2016](#)

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