LONDON MIDCITY
BLOOMSBURY, CLERKENWELL, FARRINGDON, BARBICAN 2018
Significant improvements to local infrastructure, not least the opening of the Elizabeth Line, which will augment Farringdon’s credentials as one of the best connected areas in London, have been the catalyst for developers beginning new projects. The eight largest schemes under construction or in the pipeline will deliver more than 2,000 private units over the next three to five years (Figure 4).

These new developments will bring more residents to an area which, due to its central location, has always been economically diverse. The residential community includes homeowners and renters working in the nearby technology, media, legal and financial hubs as well as students from three of the UK’s top ten-ranked universities.

**Connectivity**

Midcity is one of a handful of locations in London where regeneration and transport upgrades have created new demand and underpinned residential market performance in recent years. The Elizabeth Line, also known as Crossrail, opens in late-2018, making Farringdon, at the heart of Midcity, one of the busiest train stations in the UK. The upgraded station will link Midcity with outer London, the home counties, the City of London, Canary Wharf and three of London’s five airports.

The new links add to more than a decade of continuous improvement to transport infrastructure in Midcity, which began in 2007 with the opening of the Eurostar terminus at St Pancras International that ferries passengers to Paris and Brussels. The choice of destinations has since been expanded, and passengers can now catch direct trains from the terminus to locations including Avignon and Amsterdam.

For journeys further afield, London City, Heathrow, Gatwick and Luton airports can all be reached within 45 minutes on the train or underground from Farringdon station.

Local transport infrastructure also includes nine tube stations (see Figure 6), though Midcity’s central location means that workers, shoppers or those seeking entertainment in the West End can walk to their destination (Figure 8).

**Prices and supply**

Average residential property values in Midcity have broadly followed the trend of prime central London, while outperforming...
Despite the rise in development activity, data suggests Midcity may remain undersupplied when it comes to housing.

Midcity spans sections of the four boroughs of Islington, Camden, Westminster and the City of London. Housing delivery is failing to keep up with official estimated need in all four boroughs (Figure 2). Taken together, 3,231 additional dwellings were delivered during 2016-17, while estimated annual need is 5,766.

Commercial Hubs
Factors underpinning residential demand have also supported office and retail activity, and Midcity spans three commercial districts, each with its own distinct character.

The northern section of Midcity is particularly popular among businesses from the technology, media and telecommunications sectors, who have sought out alternatives to more established office locations due to a variety of factors, including the relative value and varying styles of architecture.

Recent tenancy agreements have been signed by companies differing in size, from growing start-ups like Monzo Bank to global technology firms like Google, which is developing a £1 billion campus on Midcity’s northern fringe in King’s Cross (Figure 4).

Midcity is also a hotspot for coworking, and serviced office provider WeWork has leased six locations in Midcity totalling more than 500,000 square feet since 2015.

The southern quarter of Midcity is home to London’s legal industry, with the Royal Courts of Justice at the centre, surrounded by the Inns of Court – the associations for barristers that have been present in the area since 1320. The legal district, which contains many barristers’ chambers and solicitors’ offices, stretches from Lincoln’s Inn Fields, the largest public square in London, through to Temple on the north bank of the River Thames.

Heading east, the legal community begins to give way to financial services firms on the Eastern fringe of the City of London, where Goldman Sachs is establishing its new European headquarters.
Demand for housing comes from a variety of sources that includes international students.

**Education**
Kings College London, London School of Economics and Political Science and University College London are all in Midcity or on its fringe. They are rated 7th, 5th and 4th respectively in the Times Higher Education UK rankings.

The London School of Economics and Political Science has the highest proportion of international students in the UK, at 70%.

**Amenity**
Midcity’s central location means amenities are within easy reach. Oxford Street, with approximately 300 shops and restaurants, is around a 20 minute walk from Russell Square tube station (Figure 8), or ten minutes on the underground. Once the Elizabeth Line opens, a trip from Farringdon to Bond Street will take four minutes.

Within Midcity itself, Exmouth Market, with 32 stalls and an array of bars and restaurants occupies the district, while to the east sits the Barbican Centre, a performing arts centre for music, theatre and dance.

One New Change, a shopping centre, with a roof terrace overlooking St Paul’s Cathedral, sits on the eastern fringe of Midcity, while Kings Cross is a brand new retail destination on the northern fringe.

Amenities are likely to continue to proliferate as local infrastructure continues to improve, bringing increasing numbers of visitors to the area. The commencement of Elizabeth Line services at Farringdon station, which is itself surrounded by London’s primary shopping and business districts, is likely to underpin demand for further development over the coming decade.

**Prime Central London prices in context**
Average prices in prime central London are 9% below their peak in 2015, amid pricing adjustments to new stamp duty rules introduced in 2014 and 2016. However, values are still 22% above the previous peak of the market in 2008. There are also pockets of outperformance.

Average values for homes within ten-minute walk of Farringdon station, for example, have outperformed the wider Prime Central London market by 34% since Crossrail was granted royal assent in 2008.

Prices in prime central London East are projected to climb by 0.5% during 2018, with cumulative growth of 13.1% by 2022, according to Knight Frank’s latest forecasts.
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If you’re thinking of buying or selling, or would just like some property advice, please do get in touch.

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