Focus on: Newham

Autumn 2020
The borough of Newham, east London, which played host to the London Olympics, has been transformed over the past decade and is home to the new East Bank district which is already drawing in high-profile names such as the Victoria & Albert Museum and BT Sport, and leading to a significant shift east in London’s cultural centre of gravity.

The Olympics helped put east London on the global map. Newham gained tangible benefits including a major station upgrade at Stratford, faster connections into central London, as well as development plans for tens of thousands of new homes, and the transformative £1.1bn East Bank culture and education development in the Queen Elizabeth Olympic Park.

Newham has benefited from improved transport connections, mainly centred on the Stratford interchange, as well as a burgeoning arts and culture scene. Coupled with its relative affordability as a London borough, this has helped draw in younger residents.

Data from the ONS, which tracks migration around the UK, shows the number of people moving into Newham increased by 24% between June 2015 and June 2019. Closer analysis shows that, in the 12 months to June 2019, more than a fifth (21%) of these movers were aged between 25 and 29, followed by those aged between 20 and 24 (20%), and 30 and 34 (16%).

It means Newham is one of the youngest boroughs in the capital, with the median age of residents around 32 years, lower than London’s 35.6. This is reflected in the high number of renters in the area.

Newham has the fourth highest proportion of rental households of all the London boroughs at 36%, according to Experian.

Rents in the area are on the rise, with average asking rents for two-bedroom flats in the first half of 2020 reaching £1,467 pcm, up 20% from £1,244 pcm in 2015. Rightmove data shows. By postcode, the E3 pocket to the west of the borough close to the River Lea has seen the sharpest rise in rents for two-bedroom flats during 2015-2020 at 35%, followed by the E20 Olympic Park district at 21% and the nearby E15 area (21%) which also includes Stratford, as well as West Ham and Maryland.

Loughborough University, University College London and Staffordshire University all now have campuses at the Queen Elizabeth Olympic Park, helping contribute to a burgeoning student population.

The influx of younger residents comes as the borough faces an undersupply of new housing. Developers built 2,678 homes in Newham during 2016/19, according to official figures. The Mayor has said this number needs to increase by more than 20% in order to meet new demand.

The new draft London Plan, the Mayor’s key strategic document published in December 2019, suggests the borough of Newham will require 3,380 homes every year for a decade. This undeniably, coupled with the area’s attractive new amenities and recent investment into local infrastructure, has supported house price growth. The average house price in Newham has climbed from £219,432 in January 2010 to £356,915 by April this year, a gain of 65%.

Over the past five years alone, a period during which house price growth across the capital has been moderating, average property values in Newham have increased by 28%, compared to 19% across London and 18% in adjoining borough Tower Hamlets, which includes Canary Wharf.

Despite this growth, however, Newham still remains relatively affordable, with values 35% below the London average of £480,425.

Economy

Newham is well placed in east London to play a key role in the capital’s future – both in terms of economic and population growth. The borough is home to major development sites including in Stratford and the Olympic Park, Custom House and Canning Town; and the Royal Docks, where the council is working closely with the GLA in London’s only Enterprise Zone.

The borough’s population has also risen rapidly, partly reflecting the influx of new residents in recent years, climbing from 310,460 in mid-2011 to 353,134 by mid-2019, an increase of 14%.

This makes Newham one of the fastest growing London boroughs by population, only outpaced by Tower Hamlets, Camden, Westminster and Barking over that time frame.

The number of households in Newham is expected to grow 10.4% between 2018 and 2028, according to official figures, from 112,890 to 124,691. Households with two or more adults will represent the largest share at 39%, while households with children will represent 38%.

Regeneration boost

It has been nearly a decade since the Olympics accelerated regeneration in Newham. Since then, the borough has continued to grow into one of the capital’s biggest residential and commercial hubs.

The East Bank project is among a raft of mixed-use schemes still under development in Stratford alone.

One of the first to open in the East Bank district was Here East, which successfully adapted the Olympics press and broadcasting centre for commercial use. Here East also opened a Canalside restaurant and bar offering in the Olympic Park.

Other high-profile names to make the move to the East Bank include Sadler’s Wells Theatre, the BIC, UAL’s London College of Fashion, University College London and museum The Smithsonian Institution.

Meanwhile, East Village is one of the UK’s largest private rented sector neighbourhoods on the doorstep of the Olympic Park, with a plethora of largely independent retail and leisure operators.

Other initiatives include the mixed-use International Quarter London which is bringing 4m sq ft of commercial development for up to 25,000 people to Stratford, located between the site of the Westfield Stratford City shopping centre and the Queen Elizabeth Olympic Park. It is home to the likes of the Financial Conduct Authority, Transport for London, Cancer Research and the British Council.

Last year, UK real estate fund manager Frogners also secured planning for another mixed-use site in Stratford.

The proposal for the new site, known as The Yards, is a redevelopment of Morgan House and includes 423 residential PBS units, a 95,000 sq ft office building, a 299-bedroom lifestyle hotel and nearly 33,000 sq ft of independent retail space.

Green space

As well as ambitious regeneration plans, the borough has expansive green space with access to 23 parks and around 45 green spaces. There is also extensive access to quality education, with 85 schools rated good or outstanding by the schools watchdog Ofsted.
Residential and commercial projects to be delivered 2018–2038.

**WHAT’S IN THE PIPELINE?**

**QUEEN ELIZABETH OLYMPIC PARK**
The London Legacy Development Corporation aims to deliver 33,000 homes in the area by 2036, with 10,000 homes already complete. Chobham Manor and East Wick – two of the Park neighbourhoods – are under construction. Other upcoming developments include Pudding Mill Lane and Highbridge which together will deliver around 1,500 new homes and workspace for around 2,000 people.

**OXBOW**
A joint venture between EcoWorld London and Poplar HARCA, the development comprises 1,176 homes across six phases. East India DLR station is six minutes away, providing direct access into the City of London and Canary Wharf.

**TWELVETREES PARK**
Spanning 12 acres, this new development from Berkeley Group of over 3,800 homes is located a few minutes from West Ham Underground station.

**THAMESIDE WEST**
Plans to build 5,000 homes, a primary school and a new DLR station (Thames Wharf) were approved this summer. The first phase of the 5m sq ft development will include 401 homes and around 39,000 sq ft of workspace.

**UPTON GARDENS**
Some 842 properties are to be developed at Upton Gardens, the former Boleyn Football Ground where West Ham United played until 2016. It is just a six-minute walk from Upton Park Underground station which provides a 15-minute commute into the City.

**SILVERTOWN QUAYS**
Covering 62 acres Landlease will act as development and project managers on this £1.7bn mixed-use scheme which is set for 4.7m sq ft of development on a 35 acre site. Phase one has delivered around £30,000 sq ft of office space.

**ROYAL EDEN DOCKS**
This scheme from Mount Anvil will have 796 homes, a residents’ pool and rooftop running track. The scheme will deliver 901 units when combined with the homes delivered at Royal Docks West.

**ROYAL ALBERT DOCK**
Includes a £1.7bn mixed-use scheme which is set for 4.7m sq ft of development on a 35 acre site. Phase one has delivered around £30,000 sq ft of office space.

**NEW MARKET PLACE**
A new community of 277 homes, just a seven-minute walk to East Ham Underground Station and an 18-minute commute away from the City. Residents will also have access to the new Crossrail station at nearby Forest Gate.

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Prolific commercial development in Stratford has had a ripple effect across the borough

This summer, Linkcity, the property development arm of France’s Bouygues Construction, signed agreements with multiple partners for the £240m (GDV) third phase of the Hallsville Quarter, its regeneration scheme with the London Borough of Newham at Canning Town.

The development will provide 1,100 homes, 23,000 sq ft of leisure and retail space, and 32,000 sq ft of community space and public realm, as part of the £3.7bn Canning Town and Custom House regeneration.

Meanwhile, nearby Green Street and Queen’s Market next to Upton Park Underground station, already offer a vibrant food and restaurant scene. The redevelopment of the former Boleyn United played until 2016, will bring more homes and amenities to the area. The council and the council has recently underused car parking space for pop up shops to rent and utilising

There are currently just ten options across the entire Docklands and Stratford market that could provide an occupier with 100,000 sq ft or more, according to Knight Frank’s second quarter London Office Market Report.

Looking at the development pipeline, there is currently 720,000 sq ft under construction in the Docklands and Stratford market; however, 52% has already secured a tenant. There is 212,000 sq ft due to complete in 2020, notwithstanding inevitable delays.

Supply also remains tight in the City of London. Availability now stands at 7.44m sq ft, which is up 4% on Q1 2020, but this level is still 11% below the long-term average.

And with 56% of the 3.87m sq ft of office space due to complete this year already spoken for, the number of options for businesses will be limited to just a little under 1.7m sq ft.

Connectivity

Newham is served by several London underground rail lines, including the District, Hammersmith and City, Central and Jubilee lines. It also has access to five Crossrail stations, three London Underground stations, 20 Docklands Light Railway stations and around 530 bus stops.

The DLR is a key route into Canary Wharf and the City, with key stations in Newham including Canning Town, London City Airport and Royal Albert, which serves the western end of the north quay of the Royal Albert Dock. There are also plans underway to create a new DLR station, called Thames Wharf, between Canning Town and Royal Victoria, as part of the recently approved 5,000 home Thameside West development.

Upcoming improvements include the Crossrail rail service from Shenfield, Essex, through Newham and central London to Heathrow and Maidenhead. New TfL Rail trains, which will form part of the Crossrail service when it opens through central London, are being gradually introduced between Shenfield and Liverpool Street. Once fully operational, the journey from Stratford to Bond Street will take just 15 minutes, down from 23 minutes currently. The new Elizabeth line station at Custom House in Silvertown will reduce the journey time to Bond Street from 30 to 17 minutes.

The borough is served by several London underground rail lines and has access to five Crossrail stations

London City Airport is also located in the borough, accessible via DLR. The airport has a masterplan already in place for growth and development plans through to 2030. Finally, the area’s connectivity could be improved further if the proposed north to south Crossrail 2 route is approved.

The Mayor of London has submitted a strategic business case to government for the project. The proposed rail line would link South West and North East London.

Last year, Transport for London also awarded a £60m contract to the RiverLinx consortium to build the Silvertown Tunnel which will connect the Royal Docks and Greenwick. It will be the UK’s first major road tunnel to include a dedicated bus lane in both directions.

Outlook

Knight Frank forecasts house prices in London will climb 3% between 2020 and 2024, and that rents will rise by 10%. Newham, with its connectivity to central London and beyond, relative affordability compared with neighbouring towns and access to green spaces, could outperform the London forecasts as it is well placed to gain from the uplift in high-quality new development slated for the next five years, which in turn is likely to attract new amenities and residents.
DIFFERENCE IN JOURNEY TIMES ONCE CROSSRAIL FULLY OPERATIONAL

Stratford to Canary Wharf
Stratford to Bond Street
Stratford to Paddington
Stratford to Heathrow T2 and T3
Manor Park to Canary Wharf
Manor Park to Bond Street
Manor Park to Paddington
Manor Park to Heathrow T2 and T3
Custom House to Canary Wharf
Custom House to Bond Street
Custom House to Paddington
Custom House to Heathrow T2 and T3

Existing journey time New journey time

Source: Knight Frank Research  *once Elizabeth Line is operational

We like questions, if you’ve got one about our research, or would like some property advice, we would love to hear from you.

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