



Housing supply analysis



Connectivity



Development pipeline



Focus on: Barking and Dagenham

Research 2021

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WHAT DOES THE NEXT DECADE LOOK LIKE FOR BARKING & DAGENHAM?

Faster transport connections and a growing local economy are supporting extensive regeneration in the area.

Freeport status and new film studios combined with the imminent arrival of historic City of London markets, Crossrail and the Overground extension to Barking Riverside will be transformative for the east London borough.

The Freeport alone is expected to create an additional 25,000 jobs in the area, having been given the green light in the spring Budget.

Forecasts suggest the population of the borough is set to grow by 13% over the next decade, while the number of households is expected to increase 8% by 2028, official statistics show.

This will build on existing growth, with the number of people within the UK moving to the borough already on the rise. Data from the ONS shows the number of people moving to Barking increased by 17% between 2015 and 2019, with around a fifth of these movers aged between 25 and 29.

Housing delivery

Official statistics suggest that the level of new development in Barking & Dagenham has not kept pace with housing need.

According to the results of the 2020 Housing Delivery Test – which measures housing delivery against housing need over the past three years – Barking & Dagenham built 57% of the homes required, one of only eight London boroughs which delivered under 75% of the required amount.

More homes are planned, with around 13,500 units in the development pipeline, according to Moliar, which will be delivered over the coming years. The London Plan suggests the borough will require 1,944 homes every year for a decade.

The area immediately to the west of Barking town centre, has, and continues to have, substantial new development. In total, this area will deliver over 3,000 new homes, providing Barking with a new contemporary riverside quarter.

Pricing and affordability

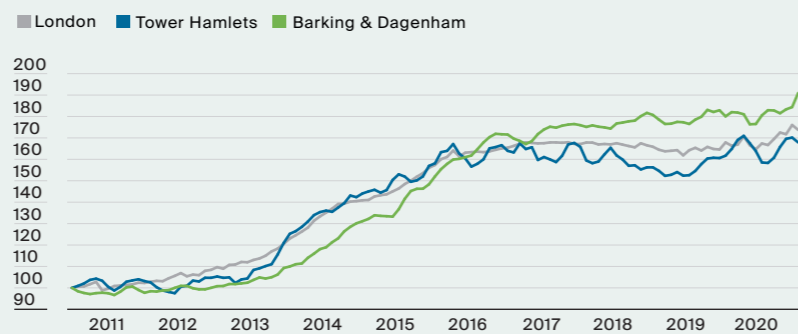
Over the long-term, this imbalance between supply and demand has been one factor putting upwards pressure on values. Average property prices in the borough have increased by 23% over the past five years, compared with 9% growth in London

over that same period and a 3% rise in nearby Tower Hamlets, which includes Canary Wharf.

Over the past year alone, average values in the borough have risen 6%. However, at £317,947 values in Barking remain around 36% below the London average of £513,997.

House prices are also more affordable than other east London residential areas. Asking prices for homes located within a 1km radius of Barking Station, for example, stand at £304,805, according to our analysis of data from the OnTheMarket property portal. In the immediate vicinity of Dagenham Dock values average £253,590. This is around 30-40% lower than nearby locations including in Limehouse, Stratford, and Royal Victoria in the Docklands, and over

Fig 1. House prices over the decade Indexed 100= Dec 2010



Source: Knight Frank Research, Macrobond

50% below asking prices 1km around Poplar Station.

On the rental side, a similar story emerges with average asking rents for a two-bedroom flat in the vicinity of Barking Station currently £1,261 per month and £975 per month for Dagenham Dock. This is 10% lower than asking rents around Limehouse Station,

The level of new development in Barking & Dagenham has not kept pace with housing need

16% below asking rents close to Royal Victoria, 24% below asking rents around Stratford Station, and around 30% below asking rents near Poplar Station.

Given the strong demand in London for more affordable homes, this relative value is likely to drive both buyer and tenant demand.

Average disposable income is expected to rise 51% over the next decade. Growth in GVA, a measure of goods and services produced in an area, is expected to climb around a fifth.

Buyer preferences

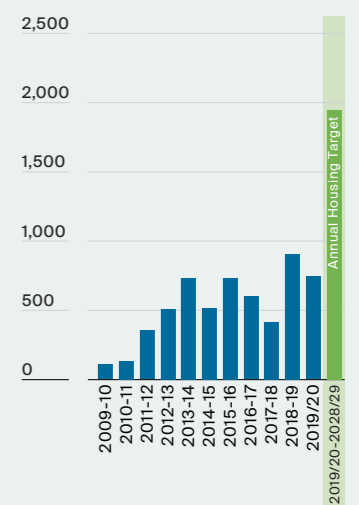
The pandemic has encouraged homebuyers to seek more space both inside and out, while the experience of the past year has, for some individuals, highlighted the importance of having better access to riverside locations or green space.

Our latest residential client survey confirmed this, with 66% of respondents now viewing having access to a garden or outdoor space as a higher priority than before Covid-19.

Barking & Dagenham is well placed to capitalise with some 25% of the borough made up of parkland which includes The Chase, a 120-acre urban nature reserve. Furthermore, new public realm, landscaping and riverside walkways will be created by some of the new mixed-use

developments coming forward including at urban village Abbey Quay which is adjacent to Barking town centre by the River Roding, and as part of the 440-acre Barking Riverside masterplan.

Fig 3. Housing delivery test: Barking & Dagenham



Source: MHCLG

JOB CREATION



Freeport: The Thames Freeport bid – linking the ports of Tilbury and London Gateway, in Essex, with Ford’s Dagenham engine plant further west – got the green light in the spring Budget. The winning bid says the freeport, which features specially designated economic zones where normal tax and customs rules do not apply, will create 25,000 jobs, along with the regeneration of 1,700 acres for commercial use.



Film: This year, construction is expected to begin on London’s largest film studios for 25 years at Dagenham East. The planned studios will feature six sound stages covering 140,000 square feet, 85,200 square feet of offices and 174,500

square feet of workshops. It is estimated that the project will bring over 1,200 new jobs to the area.



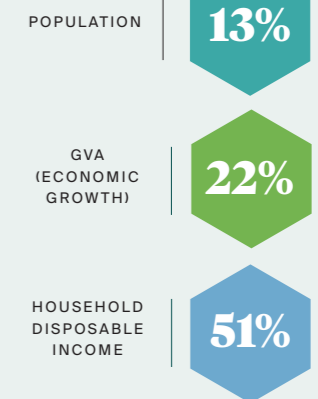
Markets: The City of London’s wholesale markets – Billingsgate, Smithfield and New Spitalfields are set to co-locate to Dagenham Dock in a move that would create the largest wholesale market in the UK. Barking & Dagenham Council granted consent for the mega-market in March this year.



Technology: Japanese telecoms giant NTT Communications opened a data centre in the area last year, generating around 100 jobs. Construction of University College London’s PEARL research facility is also underway.

Economic forecasts 2021-2031

BARKING & DAGENHAM



Source: Experian

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Barking is also set to be connected to central London via water transport, with a pier proposed at Barking Riverside
 ◆◆

Connectivity

When operational, Barking & Dagenham will have access to Crossrail via Forest Gate which is on the eastern section of the Elizabeth line.

Barking Station is a six-minute journey to Wanstead Park on the Overground which is located next to Forest Gate.

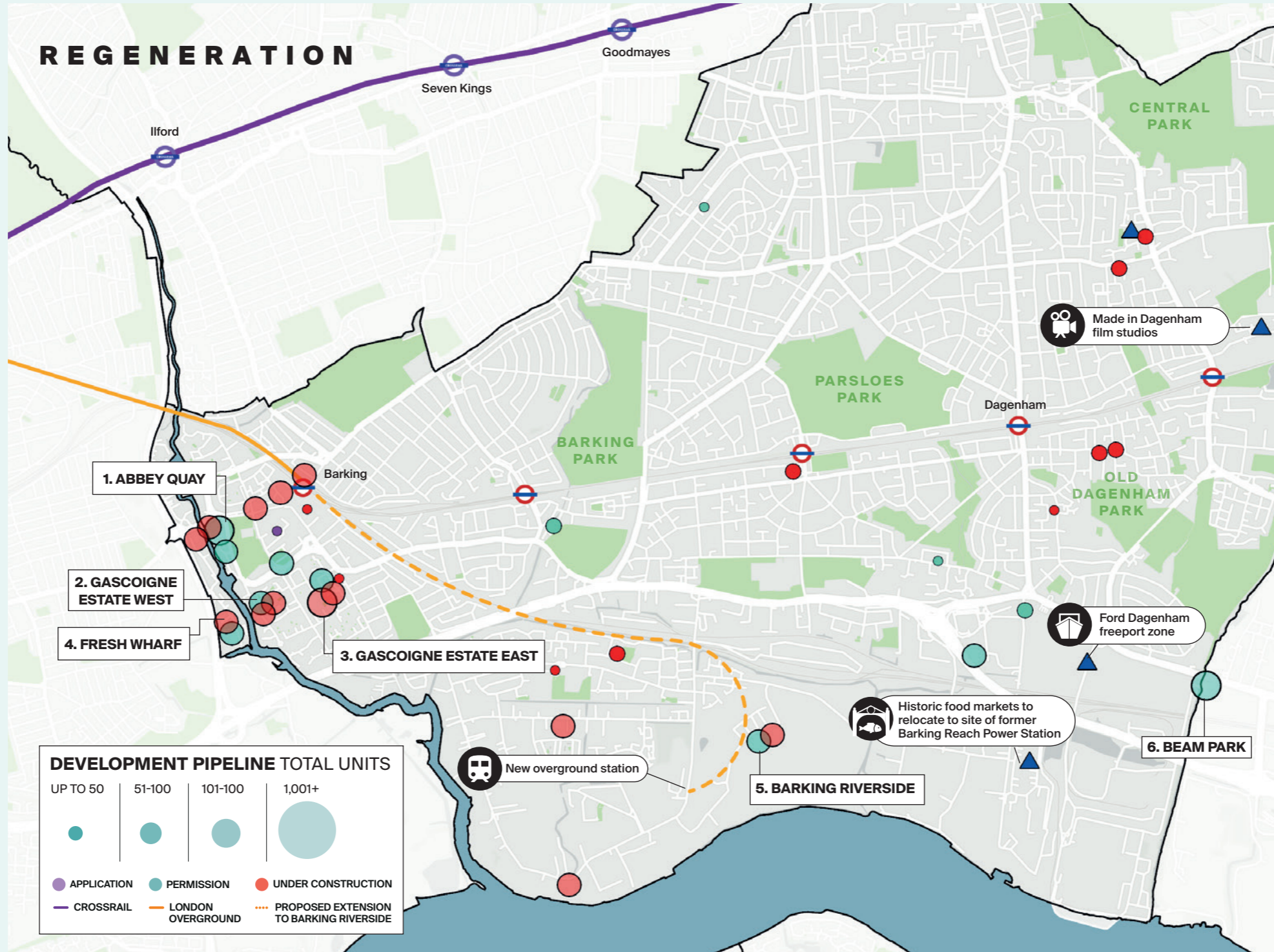
The borough will also have even better access to Crossrail once the extension of the Overground from Barking Station to Barking Riverside, a new station, is complete. Both the extension and new station are due to complete in 2022.

The extension will provide a transport link to Barking town centre and its District and Hammersmith & City Tube services and c2c services to London Fenchurch Street and Essex, as well as a connection to the Elizabeth line at Wanstead Park.

Barking is also set to be connected to central London via water transport, with a pier proposed at Barking Riverside. The Uber Boat by Thames Clippers currently stops at 23 piers along the Thames between Woolwich Pier in Greenwich and Putney Pier in west London.

Cycling routes in the borough include the CS 3 route into central London or the National Route 13 which goes out towards the Essex countryside from Barking and through Dagenham.

London City Airport is a 15-minute drive or 30-minute train journey from Barking Station.



1. Abbey Quay

Housebuilder Weston Homes is regenerating the six-acre Abbey Retail Park in Barking into ‘Abbey Quay’, a new riverside urban-village with a gross development value of £350m. It will provide 1,089 new homes of

mixed tenure; around 22,000 sqft of commercial, leisure space; an athletes training centre and gym; and circa 11,500 sqft of employment space. Among the biggest urban renewal projects in east London, Abbey Quay will front directly onto the River Roding.

2. Gascoigne Estate West

Barking & Dagenham council has approved plans for its developer subsidiary, Be First, to regenerate the Gascoigne Estate. The development proposals include plans for a new 1.25

acre park, green roofs and solar panels, tree planting and community spaces and shops.

The council gave outline planning permission in 2018 for an 850-home development on the western side of the Gascoigne Estate, in Barking.

3. Gascoigne Estate East

Over 500 new homes are currently under construction on the eastern part of the Gascoigne Estate over the coming months. The council also has permission to build a further 226 on this side of the estate.

4. Fresh Wharf

A mixed-use scheme from Countryside and Notting Hill Genesis – it comprises a total of 911 homes of mixed tenure. The £346m development, which sits alongside the River Roding near Barking town centre, is set across 10 acres of brownfield industrial land and is due to complete by 2027. In addition, the masterplan includes a public park, riverside walkway and 7,500 sq ft of commercial space.

5. Barking Riverside

One of London’s largest development sites, with a masterplan for more than 10,000 homes and seven new schools. Located on 443 acres of former Barking Power Station land along 2km of the River Thames, Barking Riverside will include a London Overground extension and a river bus service. The City of London Corporation has been granted planning permission to move the historic Billingsgate, New Spitalfields and Smithfield wholesale markets to the site. Barking Riverside Limited are the partnership between the Mayor of London and L&Q.

6. Beam Park

The site of the former Ford manufacturing plant in Dagenham, now owned by the GLA, has consent for a 3,000 home development by L&Q and Countryside, which is currently under construction. When complete in 2030, the site will also have a new c2c railway station, two schools and new retail spaces.

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



Oliver Knight

Partner

+44 20 7861 5134

oliver.knight@knightfrank.com



Raul Cimesa

New homes

+44 20 7718 5227

raul.cimesa@knightfrank.com



Anna Ward

Associate

+44 20 3861 6991

anna.ward@knightfrank.com

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