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Focus on: Lewisham and Greenwich

Research 2021

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WHAT IS DRIVING HOUSING DEMAND IN LEWISHAM AND GREENWICH?

These two London boroughs are attracting new residents through new modes of transport, regeneration and parkland strategies. Now they must overcome an undersupply of housing.

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Data from the ONS shows the number of people moving to Lewisham and Greenwich increased by 17% and 15% respectively between 2015 and 2019

A number of key infrastructure projects, including Crossrail and the proposed Bakerloo Line extension, are supporting an increase in housing delivery and investment in areas of south-east London such as Lewisham and Greenwich. In turn, this has supported demand from buyers looking for relatively affordable homes close to existing and future transport hubs.

Data from the ONS shows the number of people moving to Lewisham and Greenwich increased by 17% and 15% respectively between 2015 and 2019, with 70% of movers in the 12 months to June 2019 aged under 35. Both boroughs also have a fairly high proportion of private renter households at 21% and 20% respectively.

Growth

The homes being built and planned will likely underpin further movement from

both purchasers and tenants, as well as helping both boroughs meet ambitious housing targets.

During the past five years values in Lewisham and Greenwich have increased 15%, compared with 8% growth in London over that same period and a 1% decline in nearby Tower Hamlets, which includes Canary Wharf.

However, **Greenwich and Lewisham remain relatively affordable, with values around 10-15% below the London average of £496,269.**

Furthermore, the pandemic has encouraged homebuyers to seek more space and better access to parks in boroughs such as Lewisham and Greenwich.

Reflecting this, average house prices in Lewisham over the 12 months to February 2021 increased 11%, according to the latest Land Registry data. In Greenwich, prices rose 6% during this period.

Meanwhile, economic growth may support values and demand further. **The population of the two boroughs is forecast to rise by 10% over the next decade**, whilst average household disposable income is expected to rise 53%. Growth in GVA, a measure of goods and services produced in an area, is expected to climb around a fifth.

Housing delivery

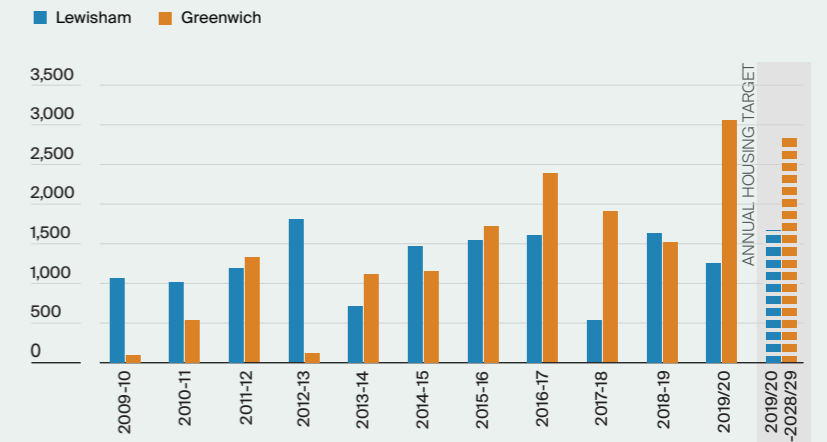
Whilst housing delivery has increased, government targets for housebuilding suggest the level of residential

development in both Lewisham and Greenwich has not kept pace with housing need. Both boroughs were among the nineteen local authorities across England that will have to produce a housing delivery action plan, outlining how they will boost the completion of new homes in their area, following the 2020 housing delivery test results published in January.

Developers built 6,446 new homes in Greenwich between 2017 and 2020, around 10% below government housing targets for that period. In Lewisham, they built 3,550, which is 12% below targets.

The London Plan suggests the boroughs of Greenwich and Lewisham will require 4,491 homes every year for a decade.

Fig 2. New homes delivery
Net additional dwellings



Source: MHCLG



PARK STRATEGIES

Both Greenwich and Lewisham have substantial parkland, spanning more than 4,500 acres, making them an attractive proposition for both purchasers and renters. Most of that is in Greenwich, with just over 3,000 acres of parks and woodland equating to 26% of the borough, making it one of the greenest in London. It has over 50 parks,

including **Greenwich Park and Blackheath** and eight nature reserves. Greenwich Park is currently undergoing an £8 million refurbishment project, which includes the opening up of new public spaces, a cafe, community kitchen garden and wildlife orchard. The council is also investing £1 million across 11 other parks in the borough, focusing on basic maintenance, play areas, and nature and wildlife areas.

Lewisham offers 1,500 acres of green space, equating to 17% of the borough. In total it has 47 parks and 18 nature reserves. Parks include Beckenham Place Park which has London's

first purpose-built wild swimming lake. The borough also has a Greening Fund initiated by the Mayor of Lewisham to make Lewisham greener. By April 2021 the Greening Fund aims to deliver £360,000 of improvements to parks and open spaces.

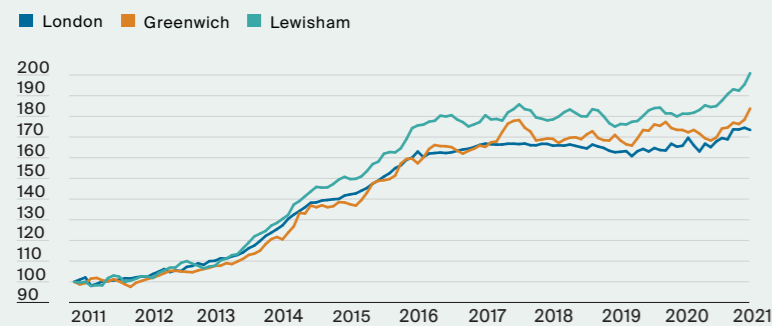
66%

Of homebuyers regard access to green space as important in their search for a home. Knight Frank Buyer Survey



Old Royal Naval College and Queen's House Greenwich

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



Source: Knight Frank Research, Macrobond



REGENERATION

Both Lewisham and Greenwich are undergoing widescale regeneration. Regeneration around New Cross Gate in Lewisham alone is expected to attract 13,500 new homes and 4,000 new jobs.

- At 40 acres, **Convoys Wharf** is the single largest development site in Lewisham. The scheme from Hutchison Whampoa will link to the existing High Street and historic town centre of Deptford and deliver 3,500 new homes. It will also provide 2,000 new jobs as well as office space, a jetty park and a new waterfront, converting an old jetty into a riverside pier with a restaurant and bar. A new bus route and river-bus jetty will connect the development to Canary Wharf and Central London. The river-bus will connect to the Thames Clipper network. The first phase of the £1bn scheme secured planning permission in June last year.
- The regeneration of the Heathside and Lethbridge Estate by Peabody is entering its final chapter with the launch of **Arden**. Phases one to four of the new scheme have already been completed delivering 782 new homes, a modern community centre, café, nursery and commercial space. Phases five and six will complete from summer 2022 and offer 219 private homes across five buildings built around numerous parks, gardens and green spaces offering residents extensive amenities and on site car parking.
- Lendlease's **Deptford Landings** will contain one of Deptford's largest concentrations of new homes — more than 1,100 on an 11-acre site just west of the town centre, plus new retail, cafes and restaurants.
- Charlton Riverside** in the Royal Borough of Greenwich covers 122 hectares and is set to become a mixed use quarter with a significant proportion

- of family homes. The Charlton Riverside Supplementary Planning Document provides a vision for 7,500 homes to be delivered over the next five to 10 years.
- Likewise, the **Greenwich Peninsula**, which connects to central London via the North Greenwich Jubilee line tube station, is another opportunity area with capacity for around 17,000 new homes and 15,000 new jobs. So far, 2,000 homes have already been delivered.
- London Square Greenwich** is a new development designed to reflect the local architecture, situated at the heart of Greenwich only a few minutes walk away from Greenwich Station. Offering 46 homes in a mix of 1, 2 and 3 bedroom apartments all with private outside space. The development will also feature a private courtyard garden for residents and a communal amenity space.
- Redeveloping **Leegate Shopping Centre** into a comprehensive mixed-use development is among Lewisham Council's plans for east of the borough. The council is currently working on its draft local plan, which sets out its long-term development strategy until 2040. It hopes redeveloping Leegate Shopping Centre will provide hundreds of new homes and shops.
- To date, over 1,900 new homes have been delivered at **Kidbrooke Village**. The regeneration has already supported over 8,000 jobs including 140 apprentices and works in partnership with Greenwich Local Labour and Business.

Connectivity

Lewisham and Greenwich benefit from their proximity to Canary Wharf and the Royal Docks business district and easy access to the city. Both boroughs are also within easy reach of London Bridge and the West End. Greenwich is served by the London underground via North Greenwich which connects to the Jubilee line. **The DLR is a key route into Canary Wharf and the City**, with

stations in the two boroughs including Greenwich, Cutty Sark, Elverson Road, Lewisham and Deptford Bridge. The DLR also provides quick access to Westfield Shopping Centre at Stratford. Greenwich and Deptford are also on the Thameslink and Southeastern train lines which provides a five to eight-minute journey to London Bridge and a 16 to 20-minute journey to Farringdon according to Transport for London.



Both Lewisham and Greenwich will be within easy access of Crossrail via Canary Wharf on the DLR. Journey times from Canary Wharf into Liverpool Street will be cut from 25 minutes to six



DIGITAL INNOVATION & CREATIVE ENTERPRISE

Lewisham

Several artists' studios have been based in Deptford for over a decade, while Deptford X is London's longest running contemporary visual arts festival.

Lewisham was one of six boroughs to win Creative Enterprise Zone funds in 2018 and the CEZ is expected to create 3,500 new jobs, 1,000 new training, job and education opportunities for residents, and over 40,000 square metres of new affordable workspace. Collectively, the zones are also expected to leverage more than £30 million of investment, according to London Councils, which represents London's 32 borough councils and the City of London.



As London Borough of Culture winner, Lewisham is set to play host to a programme of cultural events in 2022.

Originally the winner for 2021, the event was postponed due to the Covid-19 pandemic. Lewisham's win sees the award shift south of the Thames after the inaugural Borough of Culture in Waltham Forest in 2019 and Brent's turn with the title in 2020.

Greenwich

The borough already has a strong visitor economy given its royal, scientific, maritime and military heritage, as well as the establishment of entertainment arena the O2. However, it has more recently been focusing on boosting its local economy through digital innovation.

In 2017, Greenwich was recognised as a smart city innovator in the UK Smart Cities Index.

Digital Greenwich is developing new standards for smart infrastructure and data with international partners. The Sharing Cities program, a collaboration between cities across Europe, has used Greenwich as a testing ground for new technology including energy management systems in social housing blocks, energy-saving lighting and controls, and sensors and digital connectivity in lampposts. Autonomous delivery robots have also been tested and the technology is now being scaled in other cities abroad.

NEW CONNECTIONS

Bakerloo Line

There are also plans underway to extend the Bakerloo Line south-east from Elephant & Castle through New Cross Gate to Lewisham. Plans include creating a new station at New Cross Gate and improving the interchange station at Lewisham linking National Rail, DLR and buses.

The results of TfL's 2019 public consultation about the proposed southern extension of the Bakerloo line were published in December with

the overwhelming majority of responses (89%) in favour of the extension.

However, the project cannot go ahead until the necessary funding has been secured. The project was given a boost in December when the government gave approval for Lewisham and Southwark councils to prevent development on sites that will be needed if and when the extension goes ahead.

Average sales prices within a 2km radius around New Cross Gate and Lewisham stations which are on the proposed Bakerloo extension route come in at £445,750 and £476,500 respectively, according to our analysis of the latest Land Registry data. Just two stops away on the proposed route, average sales prices within the same radius around Elephant & Castle, where the line currently ends, are £600,000.

TfL is also considering whether it would be possible to stretch the line all the way down to Beckenham and Hayes in the south.

Uber Boat

The area is also connected to central London via water transport, and several new piers have been proposed (see development pipeline, p4). 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. As previously mentioned in this report, Convoys Wharf in Lewisham is set to be another stopping point on the Thames Clipper route. Other proposed piers in the area include Enderby Wharf, North Greenwich West and Canary Wharf East.

The Uber Boat service launched in August last year. Rides are accessed through Uber's app, with tickets booked and paid for in advance.

minutes, while the route to Bond Street will take just 13 minutes, down from 40 minutes currently.

Lewisham, meanwhile, has two DLR stations. It is also served by 20 railway stations. Trains from New Cross, where Goldsmiths, University of London is located, take seven minutes to reach London Bridge. Greenwich has 13 railway stations.

Consultations have also been launched on two new cycle lanes proposed between Greenwich Park and both Eltham and Shooters Hill. Funded by

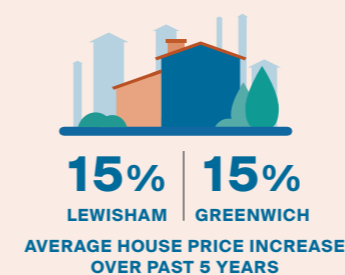
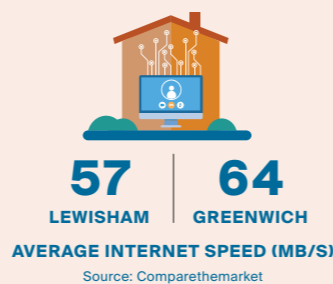
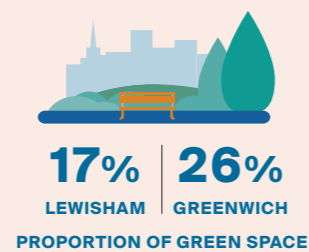
Transport for London, the new cycle routes aim to link the borough up to central London via Greenwich Park, making cycling a more attractive and safer option for residents.

Leisure and education

While Greenwich is well-established in terms of retail and leisure, from Greenwich Market to Cutty Sark: the world's only surviving tea clipper, Lewisham is an up-and-coming regeneration hotspot. The area's urban regeneration is evident at Deptford Market Yard, a gastronomic hub and art



LEWISHAM AND GREENWICH IN NUMBERS



space under the oldest railway structure in London.

Nearby, Canary Wharf also continues to offer new retail and amenities. Last year, Canary Wharf Group submitted plans for a 3.8million square foot scheme at North Quay, which is adjacent to Crossrail’s new Elizabeth Line station on the north side of Canary Wharf. The area also includes Jubilee Place Mall underground shopping centre and retail and cafes at Crossrail Place, the area around the new Crossrail station at Canary Wharf. In addition, a new 23 acre site, Wood Wharf, is currently under construction to provide offices, residential homes and retail space.

Outlook

Knight Frank forecasts house prices will climb 18% in Greater London between 2020 and 2025. This year, we expect prices in Greater London to rise 4% reflecting the greater resilience of the economy in the capital as Covid-19 support measures are unwound. Given the high-quality development, new infrastructure and amenities planned for south-east London, areas such as Greenwich and Lewisham have the potential to outperform the wider London forecast.



EDUCATION

Lewisham and Greenwich are also home to some of the best universities in London, helping to boost their student population and encourage further regeneration.

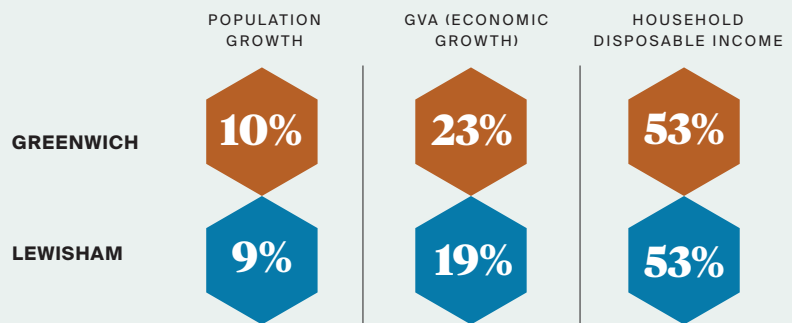
Goldsmiths, University of London in Lewisham was ranked 11th in London in a 2021 Times Higher Education ranking, while the nearby University of Greenwich was ranked 15th.

Goldsmiths is internationally renowned for creativity and innovation. Located in New Cross, the college was a partner in Lewisham's

successful bid to become a London borough of culture. It will also participate during the year with planned pop-up exhibitions, creative interventions and the use of new digital technologies, including augmented and virtual reality.

The University of Greenwich is known for its historic south east London campuses located in the Old Royal Naval College and the 86-acre Avery Hill Park. The university specialises in health, education, science, engineering, computing and social policy.

Economic forecasts 2021-2031



Source: Experian

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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