VAUXHALL REPORT

2015
OVERVIEW

Vauxhall is the best-connected area of the Vauxhall, Nine Elms and Battersea (VNEB) Opportunity Area, a 195-hectare riverside district that is one of the largest regeneration zones in central London.

In the years following the financial crisis, strong price growth in central London has partly been driven by buyers looking for a safe haven against the backdrop of global and political instability. The market is also underpinned by an undersupply of housing in the capital.

This strong price growth in core prime central London markets such as Kensington and Knightsbridge, has led, in recent years, to buyers increasingly seeking opportunities in areas close to prime central locations.

Buyers are also increasingly focusing on investment fundamentals such as location, infrastructure and regeneration potential.

Vauxhall is the key infrastructure hub adjacent to Nine Elms, central London’s biggest regeneration scheme that includes the iconic Battersea Power Station development. Given Vauxhall’s position – a short walk across the Thames from the Houses of Parliament and Victoria (figure 2), it occupies a privileged position as the gateway between this transforming Nine Elms district and central London.

Average residential prices in Vauxhall have risen by 69% since the beginning of 2010, as figure 1 shows. This exceeds the 45% growth seen in prime central London and the 20% growth in average house prices across the UK over the same period. Prices in the wider borough of Lambeth have also outperformed.

A wide transformation

Vauxhall is set to be dramatically remodelled in the coming years to re-establish a pedestrian-friendly town centre. There are plans to redesign the one-way traffic gyratory, creating a notable increase in public spaces. There will be room for more cafés and restaurants as well as retail outlets. The whole area will be opened up for pedestrians through to Albert Embankment.

Vauxhall underground station is currently undergoing a £36 million revamp, part of a wider transport upgrade in the area.

The changes happening in the public realm around Vauxhall are being reflected in development, with renowned architects working on iconic buildings which are set to enhance the environment in this central London location. Some of the key development schemes in and around Vauxhall are shown in figure 3.

Vauxhall is also well positioned to benefit from the wider regeneration happening in the VNEB Opportunity Area. But the local market fundamentals are also strong, not least because of Vauxhall’s connectivity.
to the rest of the capital, which we examine in detail later.

The VNEB Opportunity Area is one of several large-scale regeneration areas in central London. Its prime riverside location, transport potential and ambitious scale and vision helps distinguish it from other schemes.

Spanning the London boroughs of Wandsworth and Lambeth, this includes more than 20 inter-connected developments that stretch from Lambeth Bridge in the east to Chelsea Bridge in the west.

As a whole, the VNEB Opportunity Area is forecast to provide 25,000 new jobs and 18,000 new homes for 30,000 new residents, playing its part in an attempt by local authorities to address the shortage of housing supply in the capital.

The area will also benefit from new public realm works and the transformation of brownfield sites into parks and gardens, including the Linear Park, a continuous stretch of green that will run from Battersea to Vauxhall. There will be high-quality retail and leisure sites as areas like New Covent Garden Market and Battersea Power Station are re-developed, as well as other cultural attractions, community facilities and more than half a million square metres of new business space, as a new London residential neighbourhood is created.

The area also has the potential to develop into a new diplomatic quarter, with the opening of the new United States Embassy in 2017 followed by the Dutch Embassy. There are thought to be three or four other diplomatic missions mulling a move to the area, including the Chinese Embassy.

Well connected
As shown in figure 2, it is possible to reach many key areas in central London within 25 minutes or less. In addition, Transport for London’s PTAL scoring...
system, which measures the distance to the nearest public transport stop and service frequency, gives Vauxhall the highest possible score.

This is the result of having the second busiest bus station in London, a tube station two stops from London Victoria and a frequent overground train service into London Waterloo. It also shows that using just the tube network in rush-hour, the whole of the West End and the City are accessible within 30 minutes, with Victoria a 3-minute tube ride and Oxford Circus a 7-minute journey.

The importance of locations which are close to transport hubs was underlined in Knight Frank’s recent Tenant Survey, the largest survey of private rented sector tenants ever conducted across the UK. This showed that while more than half of tenants across the country said that proximity to transport was a priority when choosing a rental property, more than 80% of those living in the capital said that this was a key factor. Figure 4 shows how far tenants in London would ideally like to live from their nearest transport hub.

Transport is also a key part of the VNEB Opportunity Area. There will be a £1 billion injection into infrastructure. This will encompass two new stations on the Northern Line, Nine Elms on Wandsworth Road, and Battersea Power Station. These stations could open as early as 2019 and provide a direct link to the West End and the City in 15 minutes or less.

The infrastructure plan also includes two riverbus piers on the Thames, new bus routes and an extension of the city’s cycle hire scheme. There are also plans for a new pedestrian and cycle bridge across the Thames, connecting Nine Elms directly to Pimlico on the north bank.

The extension of the Northern Line will not only enhance the connectivity of the area but will also underline Vauxhall’s position as a central transport hub, providing quick access to the West End and the City.

Outlook

Vauxhall is primed to benefit from the large-scale regeneration, infrastructure investment and place-making currently underway. As conditions in the wider London market start to normalise, these are the key factors that will underpin performance. What could also set Vauxhall apart is its location. Sitting just on the cusp of the current boundaries of prime central London, this area, which is undergoing a notable transformation, may see increased buyer interest from those seeking value in a central and well-connected part of the capital.