

RESIDENTIAL RESEARCH



FOCUS ON: VAUXHALL, NINE ELMS, BATTERSEA

VNEB REPORT
2018



REGENERATION

TRANSPORT HUB

MIXED USE AREA



VNEB is no longer just a masterplan – there are residents, workers, businesses and diplomats who now occupy this community.

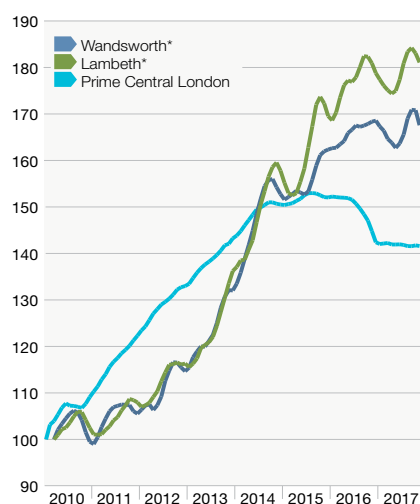
CHARLES DUGDALE

PARTNER, RESIDENTIAL DEVELOPMENT



FIGURE 1

Pricing growth compared Indexed 100 = Q1 2010



Source: Knight Frank Research/Land Registry
*Three month rolling average

VAUXHALL, NINE ELMS, BATTERSEA

The Vauxhall Nine Elms and Battersea (VNEB) Opportunity Area is a 227-hectare riverside district that includes a new cluster of residential towers, the Battersea Power Station redevelopment and a new US Embassy.

Transport infrastructure

Regeneration and transport upgrades have created new demand and underpinned residential market performance in many locations in London in recent years.

Vauxhall and the surrounding VNEB opportunity area is one of London's largest regeneration schemes and is located around a transport hub adjacent to some of the most affluent areas of prime central London.

Vauxhall station, where a £36 million revamp has recently been completed, is on the Victoria tube line, with direct trains running every two minutes to the West End and Kings Cross. The station also has mainland rail services, carrying passengers to the Home Counties and south coast. River buses run to Embankment, Blackfriars and Canary Wharf from piers at St George Wharf and Battersea Power Station.

The wider area is now primed to benefit from further transport upgrades, including the first extension to the Northern Line

in more than seventy years. Tunnelling work to two new stations at Battersea Power Station and Nine Elms completed in November, and from 2020 when the stations open, residents will be able to reach the City or West End in fewer than 15 minutes (Fig 2).

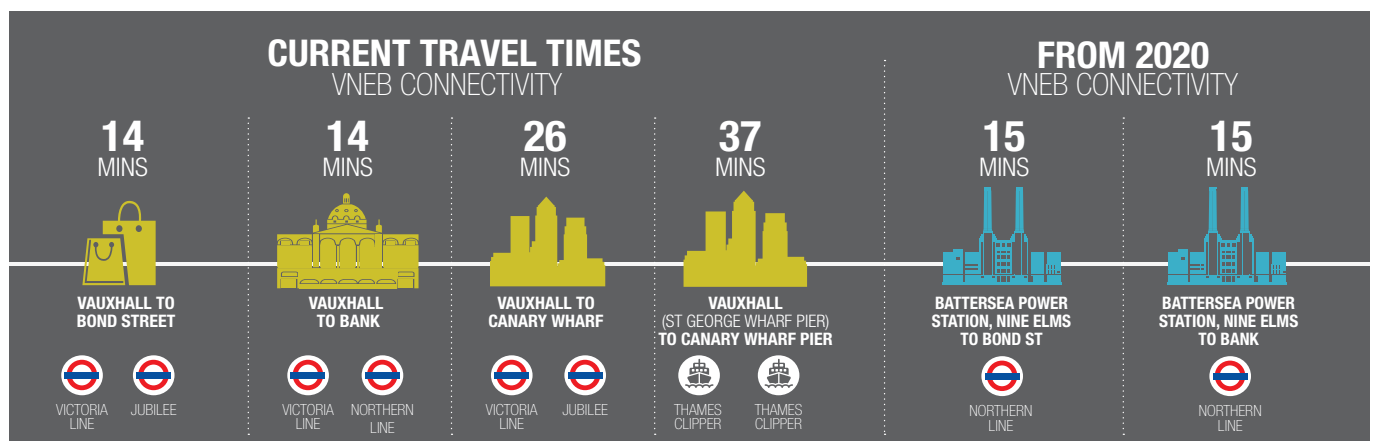
Public realm improvements

The transport upgrades are taking place alongside sweeping improvements to the public realm. Vauxhall is to be dramatically remodelled, establishing a pedestrian-friendly town centre, with more public spaces and room for cafes, restaurants and shops. Plans to redesign the one-way traffic gyratory, opening the whole area up for pedestrians through to Albert Embankment, are to be completed by 2022. A new linear park will snake through the whole regeneration project, linking Vauxhall to Battersea Power Station and a new US Embassy.

Pedestrians can already reach Westminster via Vauxhall Bridge and the proposed Nine Elms Pimlico Bridge will add to the area's cross-river connectivity.

FIGURE 2

Transport connectivity



Source: Knight Frank Research/Transport for London

The improvements, part of a £1 billion revamp of local infrastructure, are enhancing the area's attraction not just to residents but to businesses whose workers will have additional transport options to travel to the area.

Commercial impact

The £9 billion project to revamp the Grade II* listed Battersea Power Station, which has been empty since it was decommissioned in 1983, is taking shape. It will include more than 1.25 million square

feet of office space upon completion, which is scheduled for 2026. The first two residential phases, comprising 1,120 private homes, have all been sold. Phase three, comprising more than 1,200 private units, is currently under construction.

Apple has agreed a deal to move 1,400 staff from offices across several locations in the capital to a new 'campus' at the power station. In August the developer received approval to add an extra 40,000 square feet of office space in the former engine room.

Nine Elms has also been the subject of diplomatic interest, and a new American Embassy opened in January. In Vauxhall, recent openings including Damien Hirst's Newport Street Gallery and Soho House restaurant Dirty Burger

have contributed to an ongoing uplift in amenity and lifestyle.

Residential pipeline

Around 5,650 private units are under construction in the VNEB opportunity

































1	EMBASSY GARDENS PH 1	 
2	EMBASSY GARDENS PH 2	 
3	EMBASSY GARDENS PH 3	 
4	RIVERLIGHT	 
5	BATTERSEA POWER STATION PH 1	 
6	BATTERSEA POWER STATION PH 2	 
7	BATTERSEA POWER STATION PH 3	 
8	BATTERSEA POWER STATION PH 4+	 
9	VISTA	 
10	NINE ELMS GARDENS	 
11	PRINCE OF WALES DRIVE PH 1	 
11	PRINCE OF WALES DRIVE PH 2+	 
12	BATTERSEA EXCHANGE PH1	 
12	BATTERSEA EXCHANGE PH2+	 
13	NINE ELMS PARKSIDE**	 
14	THE RESIDENCE PH 1**	 

FIGURE 3
Development pipeline*



15	THE RESIDENCE PH 2	 
16	THE CORNICHE	 
17	THE DUMONT	 
18	VOX, 36-46 ALBERT EMBANKMENT	 
19	THE TOWER	 
20	VAUXHALL CROSS	 
21	ONE NINE ELMS	 
22	AYKON	 
23	VAUXHALL SQUARE	 
24	VAUXHALL SKY GARDENS	 
25	BELMONT	 
26	KEYBRIDGE PH 1**	 
26	KEYBRIDGE PH 2	 
27	NINE ELMS POINT**	 
28	NINE ELMS SQUARE	 
29	NINE ELMS STATION	 
30	NINE ELMS GROVE	 

area, constituting about 9% of all private homes currently under construction in the capital. Almost 60% of units under construction, which are due to complete over the next two to three years, have been sold.

A further 6,800 homes have been granted planning (Fig 3).



VNEB, with the arrival of Apple, is now a recognised office location for occupiers to consider with all the infrastructure to support global businesses.

IAN MCCARTER

PARTNER, LONDON WEST END AGENCY



The VNEB area has attracted development finance from around the world and investment in land has taken an increasingly international flavour, underlining the global appeal of London real estate. Over the last two years,

funding for land and construction has increasingly been led by investors from North America, China, Russia and the Middle East (Fig 5).

The type of housing under construction in Vauxhall has become more diverse as regeneration has progressed.

Larger sections of private rented sector accommodation and a student housing pipeline of 1,865 beds has emerged, underpinned by rising numbers of

overseas students applying to London universities. The number of overseas applicants has climbed from 91,790 in 2009 to 137,745 in 2016, according to UCAS data (Fig 4).

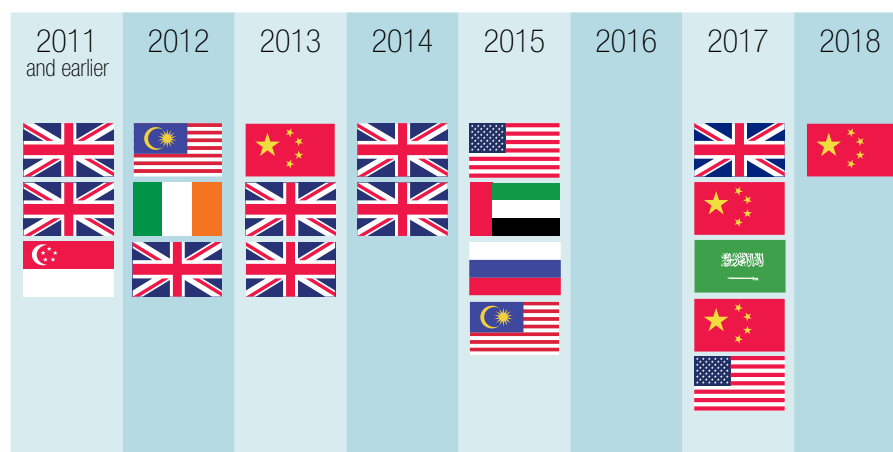
Residential pricing

Average residential prices in Wandsworth and Lambeth, the borough in which Vauxhall sits, have climbed 68% and 81% respectively since the beginning

FIGURE 5

Global attraction

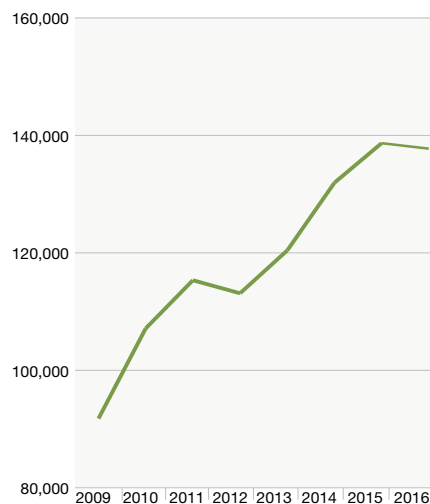
Table shows the year and origin of primary funding for each residential development in the VNEB opportunity area



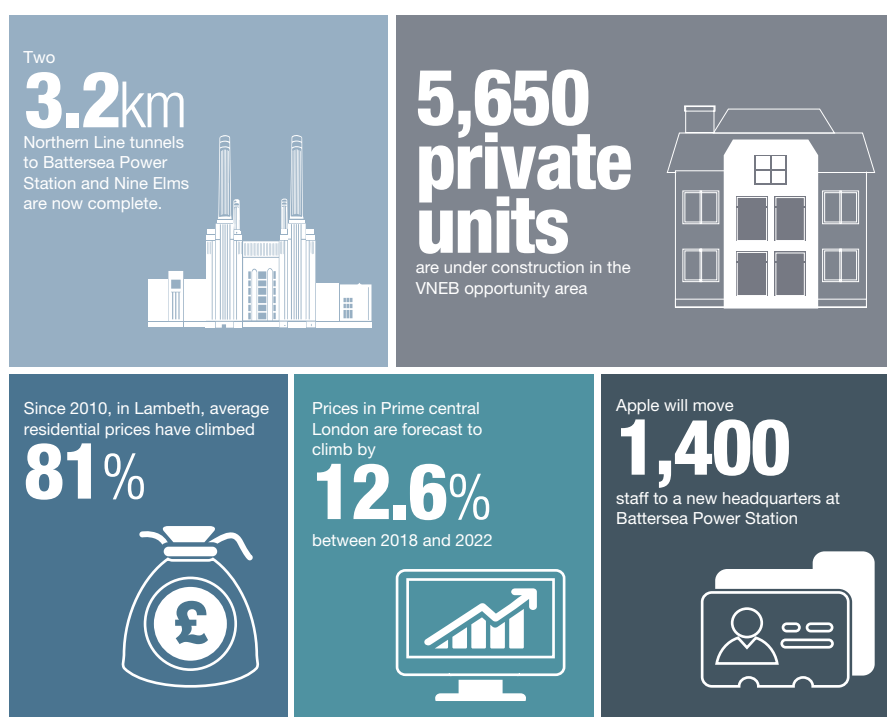
Source: Knight Frank Research

FIGURE 4

Number of overseas students applying to London universities



Source: UCAS



of 2010. This exceeds the 42% growth in prime central London over the same period (Fig 1).

In the wider Prime central London market, price rises are likely to be muted for the next year or two, with increased momentum from 2020, based on the assumption that a Brexit deal is agreed by then.

Prices in Prime central London west will climb by 12.6% between 2018 and 2022, according to the latest Knight Frank forecasts. Those in Prime Outer London, are likely to climb 12.5% over the same period. However, there is room for outperformance in areas that are undergoing large-scale changes through regeneration and development.



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Picture credit: Mount Anvil

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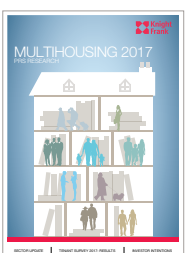
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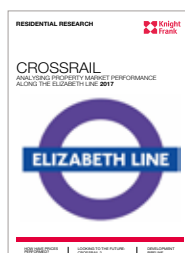
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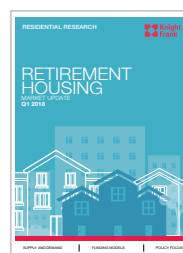
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