Focus on: Newham

Autumn 2020
FOCUS ON: NEWHAM

Average property prices in Newham have soared over the past decade, with wide scale regeneration and a new cultural scene attracting younger residents.

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 £1.5bn 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 (18%). 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 £1,457 pcm, up 20% from £1,214 pcm in 2015. Rightmove data shows. By postcode, the East Bank district was Here East, which one of the first to open in the East London area, has been one of the capital’s largest private rented sector developments. 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 Smithonian 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 Frogmore 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.

House prices over the decade

Index 100= Jan 2010

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Source: Knight Frank Research, Land Registry

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 383,134 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 Hillingdon 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.

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WHAT'S IN THE PIPELINE?

Residential and commercial projects to be delivered 2018-2038.

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 Bridgewater which together will deliver around 1,500 new homes and workspace for around 2,000 people.

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.

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.

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.

SILVERTOWN QUAYS
Covering 62 acres Landlease will act as development and project managers on this £3.5bn scheme at the heart of the Royal Docks regeneration. The project will create 3,033 new homes and will eventually provide 7m sq ft of residential and commercial space.

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.

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 630,000 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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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 £1.7bn 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 Football Ground where West Ham United played until 2016, will bring more homes and amenities to the area. Newham Council has committed to invest millions of pounds in upgrading these areas. The council and the Greater London Authority will invest £5.5m to improve and diversify the market, and the council has recently submitted a bid to MHCLG to request an additional £2m to support projects in Green Street.

The council is working with local residents and businesses to develop and co-design a town centre strategy for Green Street. Some of the proposals they are looking at are designed to attract new businesses into the area. Ideas being considered from residents and local businesses include offering new small, young businesses 50% reduced start-up rent, a specific space for pop up shops to rent and utilising underused car parking space for affordable workspace for Newham residents and businesses.

** A new town centre strategy is being developed for Green Street **

Another major regeneration project in the works is Oxbow near East India and Canning Town stations. The development is being built within the Aberfeldy regeneration zone in Poplar, close to the River Lea. Comprising 1,176 homes across six phases in total, the scheme includes a mix of private sale, build-to-rent and affordable homes.

Elsewhere, a new £31m fund has been launched by the London Mayor and the Mayor of Newham to drive the transformation of Newham’s Royal Albert Dock, located close to City Airport.

The Royal Docks is London’s only Enterprise Zone and is a joint project between the Mayor, Newham Council and the London Economic Action Partnership.

The Royal Docks and Beckton Riverside areas combined have the potential to deliver 30,000 new homes and 41,500 jobs, according to the new draft London Plan.

Chinese investment firm Advanced Business Park is redeveloping the Royal Docks as part of a £1.7bn 35-acre regeneration project. AIP is planning to convert newly constructed office buildings into thousands of individual office “cubes” in response to Covid-19, as a fresh take on the flexible serviced office.

More recently, in June, plans were announced to relocate City Hall, currently based on the South Bank near Tower Bridge, to the iconic Crystal Building in the Royal Docks.

Of inward investment for Royal Docks in Newham, London’s only enterprise zone, by 2038

** 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 Overground stations, 20 Docklands Light Railway stations and around 30 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.

** Outlook **

Knight Frank forecasts house prices in London will climb 3% between 2020 and 2024, and that rents will rise by 1%. 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

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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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