

SE18 PROPERTY NEWSLETTER

SEPTEMBER 2016

What effect do the Royal Arsenal and Crossrail Stations have on the price of your home?

In SE18, the streets where homes sell fastest and command the highest price-per-square-foot aren't always the most lavish, they're the ones that are the best-connected. After all, there's a reason why the most popular property programme on TV is called Location, Location, Location.

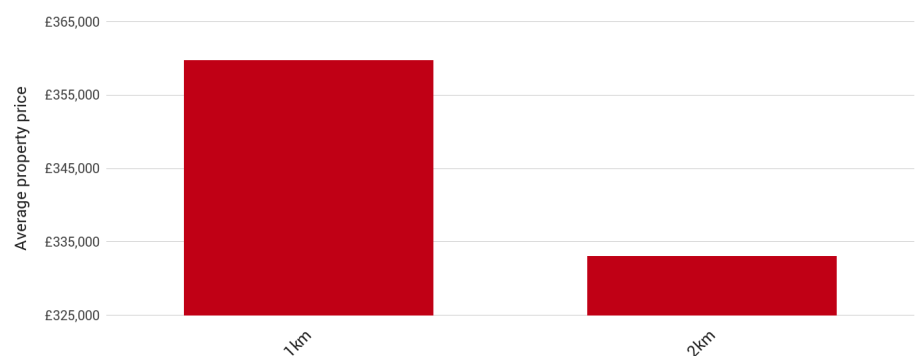
As your local agents, we're often asked all sorts of questions regarding our market, but the most common question is always "which is the best part of SE18 to live in these days?", particularly from newcomers. Of course, the answer is different for each client because of things like their family situation, age and hobbies etc. But one of the primary requirements for most buyers is ease of access to public transport. Many of us regularly use public transport so we don't want to live a million miles away from our local station if we have to commute into work each day.

Public transport is actually becoming increasingly important as the costs associated with car travel continue to rise and roads are becoming more congested. This has resulted in a huge surge in rail travel. In fact, in Britain, passengers made 1.32 billion train journeys in 2010 (according to the Association of Train Operating Companies), a rise of 37% in a decade and the most since the 1920s.

Location has a huge effect on the price and saleability of a home, and in our experience houses and

flats close to a train station always sell and rent quickly. To illustrate the point we did some spatial interpolation of property price data, also known as number crunching! Our analysis showed that properties within 1km of Woolwich Arsenal Station (which includes the area of the forthcoming Crossrail Station) attract a premium of 8.0% over those 2km away, with current average sold price sitting at £359,800 compared with £333,100. This means that for every 250m you live closer to the station, the average property price rose by £6,700. If that doesn't convince you that stations matter, we don't know what will.

Average sold property price 1km versus 2km from Woolwich Arsenal Station



It affects the rental market, too. If you're an investor looking for a buy-to-let property, or a renter looking for your next home, the distance to and from the station is extremely important. One of the first things renters do when searching for somewhere to live is look at the nearest station's proximity to the property. That's why Rightmove and Zoopla display the distance to

the station alongside each listing. Ideally renters want a speedy commute to their work or university, and they want an even speedier walk from their home to the nearest station.

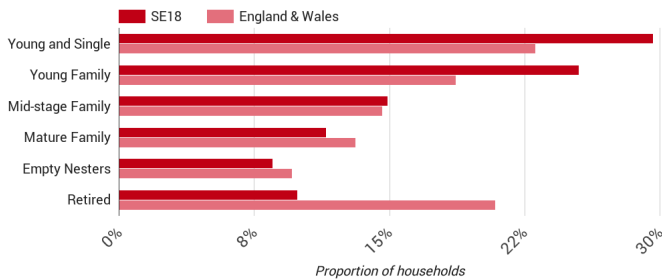
In fact, proximity to a station has become so important most renters and buyers are happily willing to sacrifice space, both indoor and outdoor, to be in a better location — and that 1km halo around the station is a hotspot for professionals in SE18.

If you want your next home to be

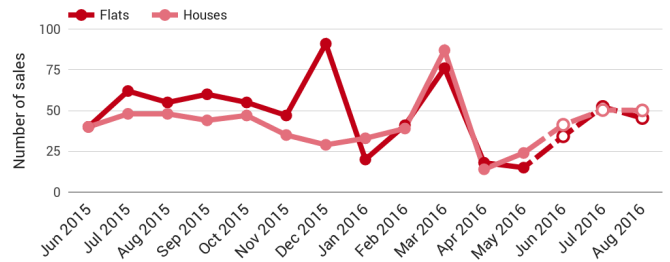
close to a local transport station, please give us a call on 020 8310 2416 and we'll advise you on finding the perfect place for speedy and hassle free commutes. Alternatively, if you have a home nearby a local station and would like to know it's value, we're always happy to help.

The circle of life

In SE18, people are at lots of different stages of their lives. The largest number of people are Young and Single which accounts for 29.6% of the total. This is 6.5% higher than the national average.



Expected market volatility



Looking at a monthly breakdown of activity over the last 12 months we can see some interesting patterns in SE18. While there was an expected amount of volatility from month-to-month, transactions were 13.9% higher for houses at the start of the period than at the end.

Do we use our housing stock efficiently?

All housing markets are heavily affected by how efficiently the housing stock is used. Some areas have lots of people in relatively small properties and others have a few people knocking around in very large properties, often empty nesters. This infographic shows what the pattern looks like in SE18.

2 or more extra rooms



21.3%

1 extra room



21.7%

no extra rooms



31.1%

1 too few rooms



16.6%

2 or more too few rooms

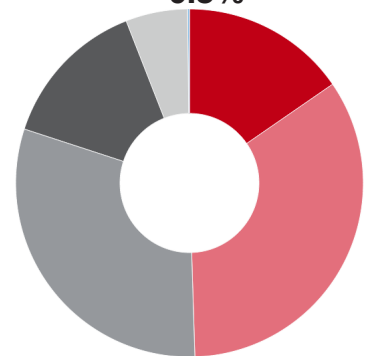


9.3%

Patterns emerging in price bands

Over the last year, every property that was sold in SE18 has fallen into one of six price bands. We've displayed them as a pie chart to illustrate quite how interesting this pattern is. Perhaps unsurprisingly the price band which represents the biggest slice of the cake was the £200k-£300k price band (34.1% of all sales).

- £0-£200k
- £200-£300k
- £300k-£400k
- £400k-£500k
- £500k-£750k
- £750k+



Source: ResiAnalytics, Office for National Statistics and Land Registry © Crown copyright 2016. Note: Dotted lines indicate estimates based on historical patterns.



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