

West London

UK Residential Research | September 2018

With several new residential developments and the opening of the new Elizabeth Line (Crossrail), West London is once again grabbing the headlines following several years of East London domination. It is disappointing that the opening of the Elizabeth Line has been delayed but, nevertheless, the new line will change the face of West London, opening up new areas not only for commuters into the West End but also into the City and Canary Wharf. It will continue to be the catalyst for development, especially in close proximity to Crossrail stations. Furthermore, some locations not renowned as commuter towns will be transformed by new residents. So expect West London to see a major makeover during the next decade.

In addition to the investment surrounding Elizabeth Line, the highly contested and controversial Heathrow expansion looks like it will be given the green light, adding a third runway to the airport by 2026. The expansion of Heathrow Airport will bring important revitalisation to some areas of West London, creating around 60,000 jobs and generating around £70bn in economic benefits by the 2050s. The new runway will increase capacity from 86m to 130m passengers a year.

These large scale infrastructure projects will mark a new chapter for West London.



Neil Chegwiddden
Residential Research

West London

Submarkets

Acton

Acton consists of several parts and has numerous stations, making it a very well-connected location. This will be enhanced by Elizabeth Line trains serving a newly refurbished Acton Main Line station.

Acton has been a buzz of development activity in recent years, with 1,425 unit completions since 2014. South Acton is currently going through a 15-year regeneration, transforming it from a largely public housing estate to a new residential hub.

The largest scheme is Countryside and L&Q's Acton Gardens, which will deliver over 1,250 private homes across 11 phases. Completed phases have attracted young professionals, bringing a new demographic to the area.

There are 400 build for sale units and 150 build to rent (BTR) units under construction in Acton. The largest BTR scheme is part of a £40m regeneration of the Oaks Shopping Centre.

There are 2,135 units in the planning pipeline. The largest scheme in the pipeline is the Portal West Business Centre with 414 private units. This site is walking distance to both North Acton station and Acton Main Line station. The Perfume Factory is the largest BTR development in the pipeline with 390 units.

New build pricing can range between £625 and £725 psf while rents for a one bedroom flat are typically between £1,150 and £1,500 pcm. Second-hand prices and rents will be slightly lower.

Brentford and Kew Bridge

With Kew Gardens just across the river, Kew Bridge and Brentford have become desirable places to live in recent years. This area has seen 1,680 completions over the past five years – more than any other West London area. The largest scheme is Barratt London's Great West Quarter, off Great West Road, which has 428 private units. This complex is part of a large regeneration project and includes a new hotel, retail and restaurants.

Brentford and Kew Bridge also have the most units currently under construction in West London with 1,265 units underway. A little over 400 of these are BTR units, all in the redevelopment of Brentford Community Stadium on Lionel Road.

There are just under 2,600 units in the planning pipeline across Brentford and Kew Bridge. Ballymore's Brentford Waterside is the largest development with 797 units. Located just off the Thames near the picturesque Brentford Lock, this scheme will change the face of Brentford High Street with new commercial and retail space in addition to the residential units.

New build pricing is typically between £650 and £700 psf. Rents for a new BTR one bedroom flat can vary between £1,425 and £1,525 pcm.

Ealing, West Ealing and Hanwell

Ealing has characteristics of both the city and country, full of green space and urban development. Ealing Broadway shopping centre is a leading retail destination in London, with over 80 retailers. With the highly anticipated opening of the Elizabeth Line, Ealing Broadway, West Ealing, and Hanwell have been focal points of residential activity.

Since 2014 there have been 890 unit completions. Dickens Yard is the largest project in the area, with 512 completed units to date. In addition to the residential units, Dickens Yard is also delivering new retail, restaurants, bars and fitness centres, creating a new shopping and leisure haven for West London.

There are 63 units under construction – the lowest of all West London areas. However, the planning pipeline is strong with 1,210 units. The largest of these is the redevelopment by Telereal Trillium of the old BT Castle House and Rome House from office space into almost 300 residential units.

Typical new build pricing can vary between £550 and £950 psf. Ealing is at the upper-end of this range, with more than £1,000 psf achieved in some instances. Rents for a one bedroom flat in a new BTR scheme are typically between £1,200 and £1,725 pcm. Second-hand prices and rents will be lower.



Acton



Average new build
pricing (£psf)
Q2 2018



Average new build rents
(£pcm, one bedroom flat)
Q2 2018



Units under
construction*



Units in
planning pipeline**
Q2 2018

Source: JLL

*includes 151 BTR units, **includes unbuilt units in existing schemes

Brentford and Kew Bridge



Average new build
pricing (£psf)
Q2 2018



Average new build rents
(£pcm, one bedroom flat)
Q2 2018



Units under
construction*



Units in
planning pipeline**
Q2 2018

Source: JLL

*includes 407 BTR units, **includes unbuilt units in existing schemes

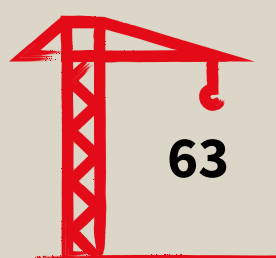
Ealing, West Ealing and Hanwell*



Average new build
pricing (£psf)
Q2 2018



Average new build rents
(£pcm, one bedroom flat)
Q2 2018



Units under
construction
Q2 2018



Units in
planning pipeline**
Q2 2018

Source: JLL

*pricing in Ealing is notably higher than in West Ealing and Hanwell, ** includes unbuilt units in existing schemes

West London

Submarkets

Hayes & Harlington and Southall

Hayes & Harlington and Southall are positioned just northeast of Heathrow Airport. As such, Heathrow is the main employer of residents. Once operational, the Elizabeth Line will run through Hayes & Harlington and Southall, providing improved connectivity into Central London employment hubs. This could be a game changer, attracting a more diverse demographic to the area.

Despite this, there have only been 775 unit completions in the area over the past five years, 566 units of which were BTR.

The Old Vinyl Factory is the key residential development in Hayes & Harlington. The site has a rich history. It was the headquarters of EMI, which produced records for such artists as the Beatles, the Rolling Stones and Pink Floyd. Currently, there are 54 private units under construction and a further 81 units with planning. Once finished, the entire scheme will deliver 442 private units, 307 of which will be BTR.

The planning pipeline here is by far the most extensive in West London with 5,584 units. The Berkeley Group has purchased the former Southall Gasworks site as one of the largest regeneration schemes in London, now known as Southall Waterside. The development is set to deliver 2,433 private units. This scheme is expected to change the dynamics of the area and cater to young professionals commuting to Central London as well as local residents.

New build pricing is typically between £575 and £625 psf. Rents for a new BTR one bedroom flat can vary between £1,150 and £1,450 pcm.

West Drayton and Drayton Gardens

Leafy West Drayton is one of the westernmost villages in London and will be the first western stop from Heathrow on the Elizabeth Line. Once open, commuters from West Drayton will be able to get to Liverpool Street in 31 minutes and Canary Wharf in 38 minutes (currently an hour journey).

In anticipation of the opening of the Elizabeth Line, Drayton Gardens, slightly east of West Drayton station, has seen significant residential redevelopment. Within West Drayton and Drayton Gardens there have been 1,141 completions over the past five years, the third highest of all our West London areas.

The largest of these is Drayton Garden Village which is comprised of 720 private units, all for market sale. Not far from Drayton Village Garden is the second biggest completed development in the area – the 371 private unit Parkwest scheme by St George.

Across West Drayton and Drayton Gardens there are two schemes currently under construction, comprising of 513 units, all for market sale. Redrow London's Padcroft development is the slightly larger of the two at 262 units. It is located less than a five-minute walk to the West Drayton rail station and will greatly benefit from the opening of the Elizabeth Line.

For all the past investment activity in the area, the planning pipeline is quite sparse with only 245 units granted permission across three developments, all under 100 units.

New build pricing can range between £550 and £600 psf while rents for a one bedroom flat are typically between £1,125 and £1,200 pcm.

Uxbridge

Aside from the towns benefitting from new Crossrail investment, the other main locale for new development in West London is in Uxbridge where Persimmon Homes and St Modwen are active.

Uxbridge is the westernmost town in London along the River Colne and is a major metropolitan centre with both Metropolitan and Piccadilly Line access.

There has been a surge of residential development activity in recent years, although this is still largely in the planning pipeline. Redevelopment of St Andrew's Park, the former site of the RAF Uxbridge station, is currently underway and will deliver 1,032 homes once complete. There are a further 628 units in the planning pipeline in Uxbridge.

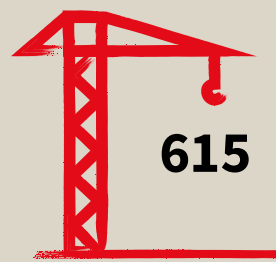
Hayes & Harlington and Southall



Average new build
pricing (£psf)
Q2 2018



Average new build rents
(£pcm, one bedroom flat)
Q2 2018



Units under
construction
Q2 2018



Units in
planning pipeline*
Q2 2018

Source: JLL

*includes unbuilt units in existing schemes

West Drayton and Drayton Gardens



Average new build
pricing (£psf)
Q2 2018



Average new build rents
(£pcm, one bedroom flat)
Q2 2018



Units under
construction
Q2 2018



Units in
planning pipeline*
Q2 2018

Source: JLL

*includes unbuilt units in existing schemes

“The vibrant areas of West London offer an eclectic blend of busy urban streets and an array of green space to its residents. Acton, Ealing and Hayes have seen a surge in investors looking to get ahead of the market prior to Crossrail arriving.

Developers are placing emphasis on community living with shared spaces. Whether it be on-site

leisure facilities or gardens and roof terraces, this focus on collective and inclusive living seems to strike a chord with tenants and owners alike.

West London’s growing success as an alternative to purchasing in the prime London market benefits the buyer who sees the value and opportunity of long term capital gain. The speed of

development and regeneration has also given rise to a robust market of domestic and international investors.

The new mix of investors, owner-occupiers and renters is creating a more diverse and vibrant community across West London.”

Ken Dowling
West London Lettings

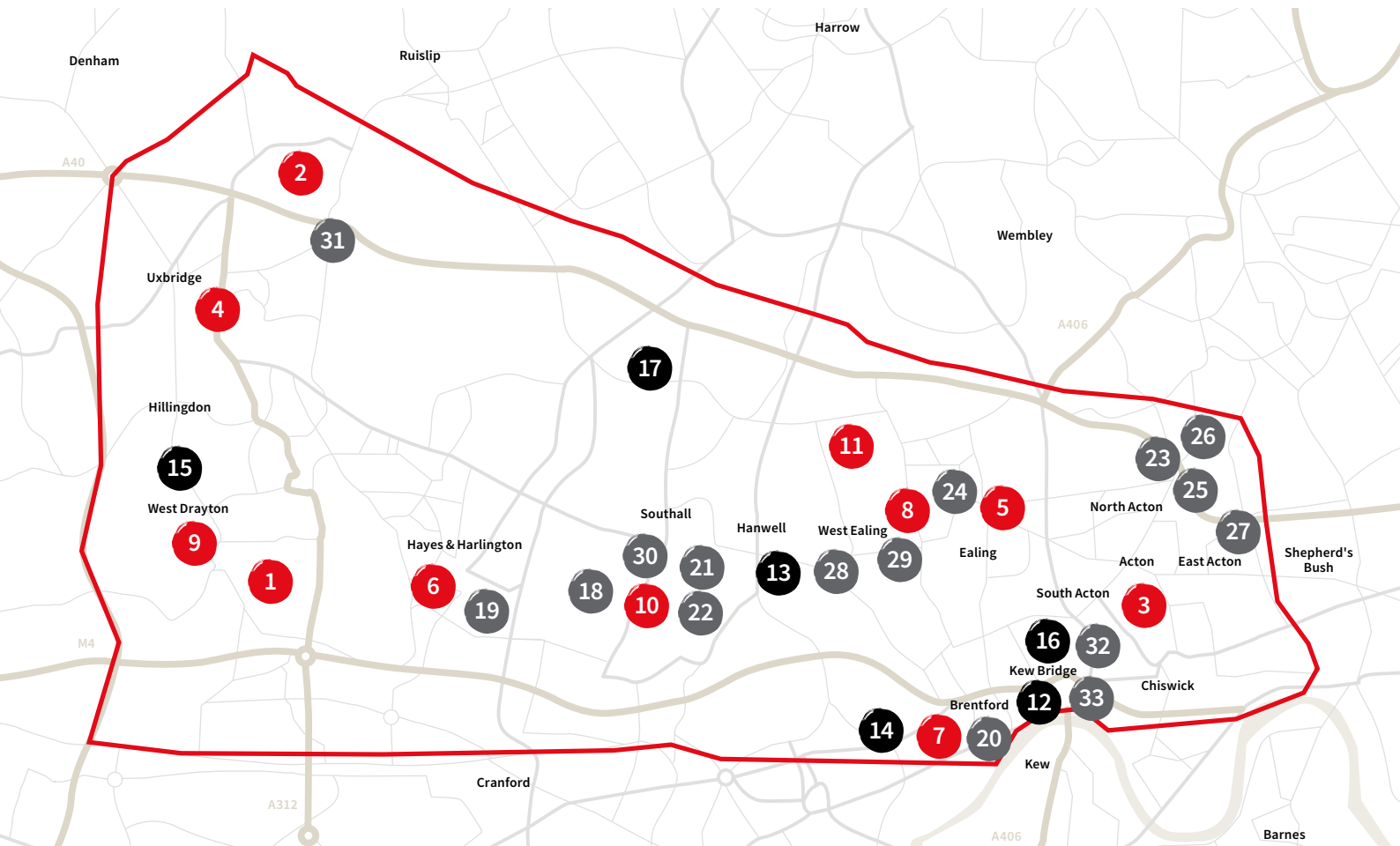
West London

Developments table

Map ref	Scheme	Developer, BTR operator	Private units	Status
1	Drayton Garden Village	Bellway Homes	720	Complete, for sale
2	Highfield Court	Taylor Wimpey West London	288	Complete, for sale
3	Acton Gardens	Countryside Properties, L&Q	1,250	Part comp, part U/C, for sale
4	St Andrew's Park	Persimmon Homes Thames Valley	1,032	Part comp, part U/C, for sale
5	Dickens Yard	St George West London	547	Part comp, part U/C, for sale
6	The Old Vinyl Factory	U+I	442	Part comp, part U/C, for sale, some BTR
7	Brentford Lock West	Isis Waterside Regeneration	440	Part comp, part U/C, for sale
8	Jigsaw	Fabrica, Rydon	305	Part comp & sold, some BTR
9	Padcroft	Redrow London	262	Part comp, part U/C, for sale
10	The West Works	Redrow London	211	Part comp, part U/C, for sale
11	Copley Close	Broadway Living	167	Part comp, part U/C, for sale
12	Brentford FC	Be Living	910	Under construction, some BTR
13	St Bernard's Hospital	Westcombe Group	425	Under construction, for sale
14	IconBlu	BYM Holdings, Permitted Developments Investments	297	Under construction, all BTR
15	Union Park	London Green	251	Under construction, for sale
16	Parkview	Apt Living	213	Under construction
17	Rectory Park Estate	Network Homes	124	Under construction, for sale
18	Southall Waterside	Berkeley West Thames	2,433	Permission, not launched
19	Former Nestlé Factory	Barratt London	911	Permission, not launched, some BTR
20	Brentford Waterside	Ballymore	797	Permission, not launched
21	Middlesex Business Centre	Montreaux	601	Permission, not launched
22	Havelock Estate	Catalyst Housing	434	Permission, not launched
23	Portal West Business Centre	City & Docklands	414	Permission, not launched
24	Castle House + Rome House	Telereal Trillium	278	Permission, not launched
25	The Culinary Quarter	Dephna Group	262	Permission, not launched, BTR
26	The Portal	Citrus Group	231	Permission, not launched, BTR
27	Western Circus	Barratt London	219	Permission, not launched
28	Wickes	A2Dominion	186	Permission, not launched
29	Sherwood Close	Clarion Housing	184	Permission, not launched
30	The Arches Business Centre	Network Homes	571	Application, not launched
31	Hillingdon Gateway	Meyer Homes	302	Application, not launched
32	Chiswick Curve	Galliard	275	Application, not launched
33	Citroen Brentford	L&Q	259	Application, not launched, some BTR

West London

Developments map



Jigsaw by FABRICA
and Rydon



Outlook

The future of West London looks bright. With just under 13,000 new homes in the planning pipeline, the landscape of West London is going to change greatly over the coming years.

West London is forecast to outperform both Greater London and Central London in terms of sales price and rental growth over the next five years. This will be largely due to the Crossrail

effect, with the greater connectivity between West London and Central London broadening the appeal of many West London locations.

The level of investment surrounding Crossrail, a £14.8bn project, is unmatched in the UK. As such, the areas neighbouring Crossrail can expect to see higher growth forecasts and a positive economic outlook.

The impact of the Elizabeth Line can already be seen in West London through the significant increase in residential investment. There are just under 17,000 private units in the development pipeline across 84 schemes in West London. The majority of these development sites are positioned near future Crossrail stations.

House price growth forecasts (% pa)	2018	2019	2020	2021	2022	2018-22
West London	0	2½	2½	3½	4	13
Central London Developments	0	½	2	3	4	10
Greater London	0	1½	2	3½	4	11

Rental growth forecasts (% pa)	2018	2019	2020	2021	2022	2018-22
West London	1	3	3	2½	2½	12
Central London Developments	0	1½	2	2½	2½	9
Greater London	1½	2	2	2½	2½	11

Source: JLL



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