

QUEEN'S PARK MARKET INSIGHT 2017

Price growth in Queen's Park has slowed but the area continues to represent good value compared to its neighbours, as James Davies tells Tom Bill

Price growth in Queen's Park has slowed in the past year following two stamp duty hikes in the space of 18 months.

The changes targeted properties worth more than £1.1 million, buy-to-let investors and second home buyers, creating a stand-off that has begun to ease as asking prices reflect higher transaction costs.

While this process has affected the higher-value residential postcodes of zone 1 to a greater degree, there has been a knock-on effect for neighbouring areas including Queen's Park. Despite the fact viewings rose 29% year-on-year in the second half of 2016, many of these prospective buyers came from more central areas of London and ongoing price-sensitivity has contributed towards downward pressure on prices.

"About a third of our buyers are from central London" said James Davies, an associate in the sales team at Knight Frank's Queen's Park office. "In the current market conditions they want to feel like they are getting good value and asking prices in many cases need to align with this new reality."

As a result, annual price growth in Queen's Park slowed to 2.7% in December 2016 from 7.5% in the same month in 2015. Despite the slowdown, it exceeds a figure of -6.3% in prime central London.

Other factors have also curbed demand, including wider economic uncertainty following the EU referendum, a growing factor in Queen's Park as more financial services workers are attracted by the transport links of an area traditionally popular with media and advertising workers.

However, there is inherent long-term strength in a property market that is primarily driven by expanding families, attracted by the area's modern feel and top-rated schools. Indeed, prices in Queen's Park grew 348% between 2000 and the middle of 2016, which compares to 227% in prime central London.

FIGURE 1

Property prices in Queen's Park and surrounding area

Average price, 12 months to August 2016

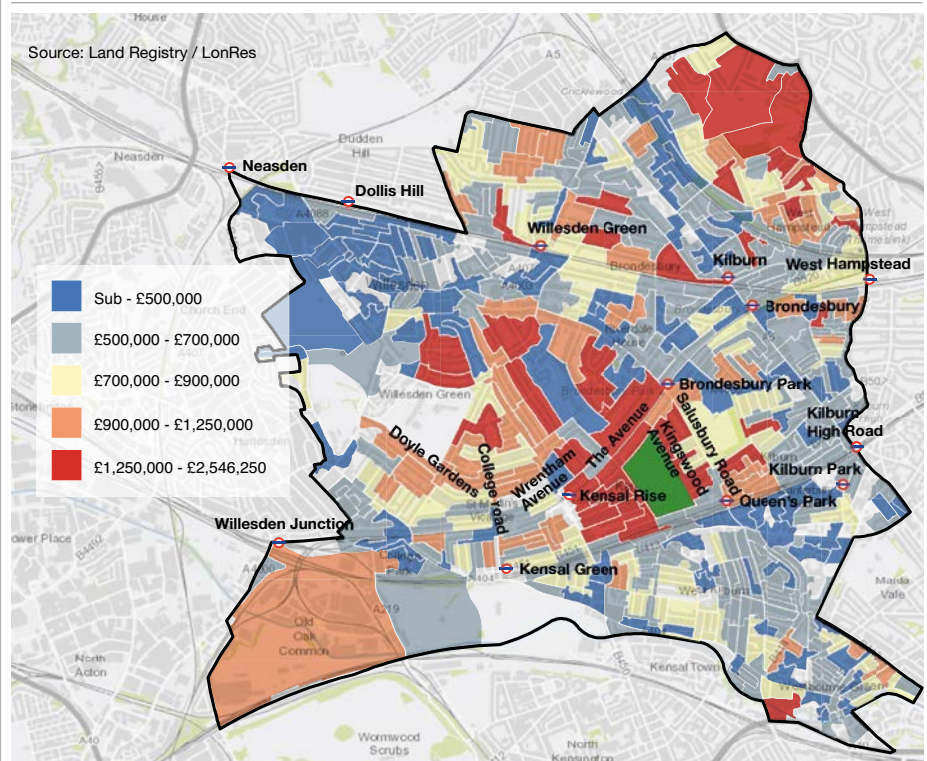


FIGURE 2 Queen's Park fact sheet

2.7%	Price growth in the year to December 2016
-6.3%	Price growth in prime central London in the same period
£1,100 to £1,400	Price per square foot for houses immediately surrounding Queen's Park
65.1%	Average discount compared to Notting Hill, January to October 2016

BLUE PLAQUES

Amy Johnson Aviator

Viscount Northcliffe Newspaper Proprietor

PROPERTY TYPE

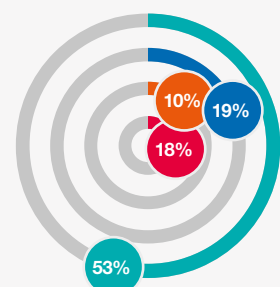
£1million-plus sales, two years to July 2016

Flat	15%
Terraced	56%
Semi detached	18%
Detached	11%

Population: 144,034 (Area above)

AGE OF HOUSING STOCK

Pre-1900 1900-1939
1945-1972 1973-present



QUEEN'S PARK MARKET INSIGHT 2017

Furthermore, prices continue to provide good value compared to surrounding prime markets, underlining the potential for growth. The average price in the Queen's Park area (figure 1) between January and October 2016 was £840 per square foot, according to LonRes. This was 25.4% lower than Belsize Park, 33.7% less than Hampstead and 65.1% lower than Notting Hill.



James Davies, Associate

Prices immediately surrounding the park range between £1,100 and £1,400 per square foot and at the top of that range you can buy a good house on Kingswood Avenue with a park view. However, there is a limited supply coming through and prices have remained broadly stable over the last year.

As a result, demand is pushing into other areas including north of Kensal Rise station towards Brondesbury, where popular roads include The Avenue. At £950 per square foot, you get 30% more space for your money than around the park and buyers like the lateral space and large gardens. Other popular roads where this is the case include Wrentham Avenue and Dundonald Road, where prices range between £1,000 and £1,100 per square foot.

For the same reason, the Mapesbury Conservation Area further north between Kilburn and Willesden Green is growing in popularity, with large period houses with off-street parking and 100-foot gardens for £900 per square foot.

Meanwhile, in the flat market there are pockets of Kensal Rise that are particularly popular including Ridley Road, which is good-value at between £700 to £800 per square foot. Closer to the High Street, other in-demand addresses include College Road and Doyle Gardens at between £750 and £850 per square foot.

LONDON RESIDENTIAL

james.davies@knightfrank.com
+44 20 3815 3024

FIGURE 3
Price growth

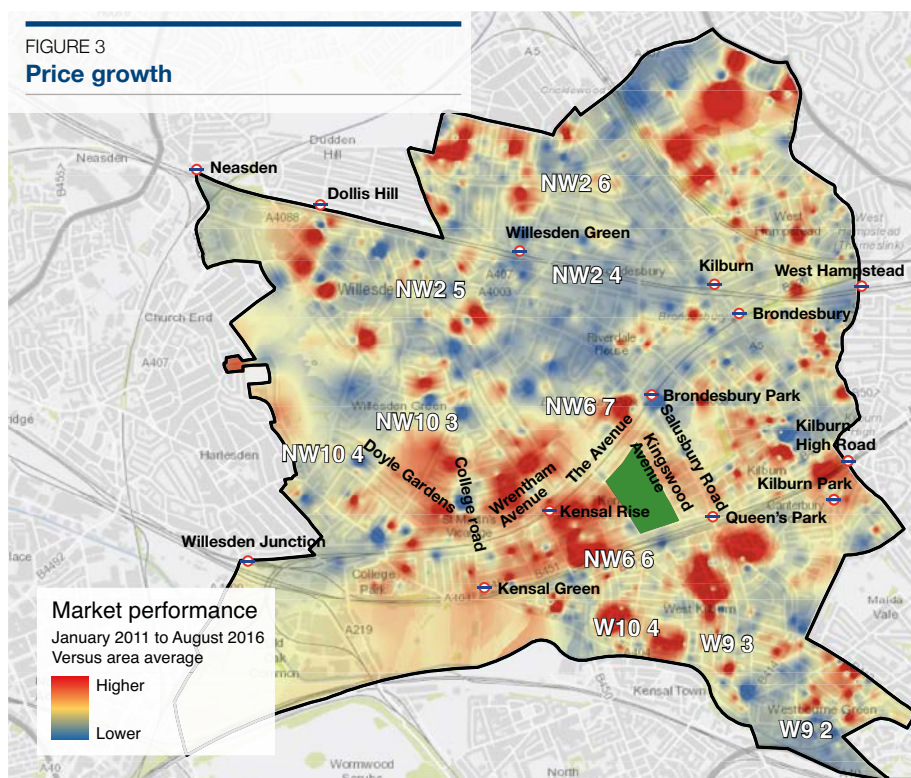
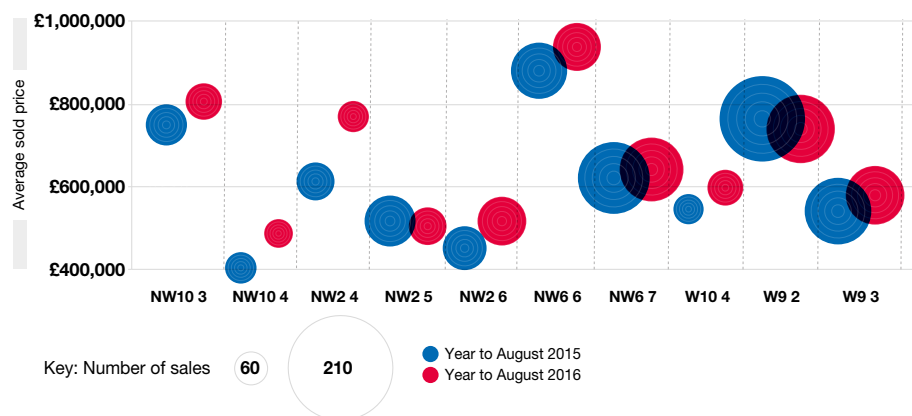


FIGURE 4
Average sold price and sales volumes by neighbourhood

Note: Variations in average sold prices between different time periods do not necessarily indicate price growth



Source: Knight Frank Research



RESIDENTIAL RESEARCH

Tom Bill
Head of London
Residential Research
+44 20 7861 1492
tom.bill@knightfrank.com

PRESS OFFICE

Harry Turner
+44 20 3861 6974
harry.turner@knightfrank.com

Jamie Obertelli
+44 20 7861 1104
jamie.obertelli@knightfrank.com



Important Notice

© Knight Frank LLP 2017 - This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.