



CHISWICK MARKET INSIGHT 2016

The Chiswick property market will benefit as demand grows for its attractive properties, high-quality schools and a scenic riverside location close to central London, says Tom Bill

Demand for prime London property has dispersed over the last several years, a trend that has benefitted areas like Chiswick.

This process followed price growth of 48% in prime central London between 2009 and 2012, cementing the area's global reputation as a safe-haven during the financial crisis.

Since this period of strong growth, buyers have increasingly sought better value and families in particular are looking for more space beyond the zone 1 central London area.

The trend has benefitted south-west London in particular and a series of prime property markets along the River Thames form a natural destination for buyers seeking a less urban lifestyle. A third of people moving from the borough of Kensington & Chelsea in 2014 headed to south-west London, government data shows.

This displacement of demand has been compounded by an increase in stamp duty on £1.1 million-plus properties in December 2014. The impact of the new rates has been less marked in areas like Chiswick, where a family house costs upwards of £1.2 million and a Victorian conversion flat ranges from £550,000 to £1.2 million.

Furthermore, domestic demand is traditionally strong in Chiswick, which has been bolstered by the strength of the country's economic recovery.

Buyers moving to Chiswick typically come from Chelsea, Notting Hill and Fulham and it is particularly well-positioned to benefit from this fresh wave of demand. While it offers the scenic setting, attractive period family housing and highly-rated schools that buyers want, it remains exceptionally well-connected.

Its relative centrality is denoted by the W4 postcode and frequent tube trains take 20 minutes to reach central London. Heathrow

FIGURE 1
Chiswick house prices

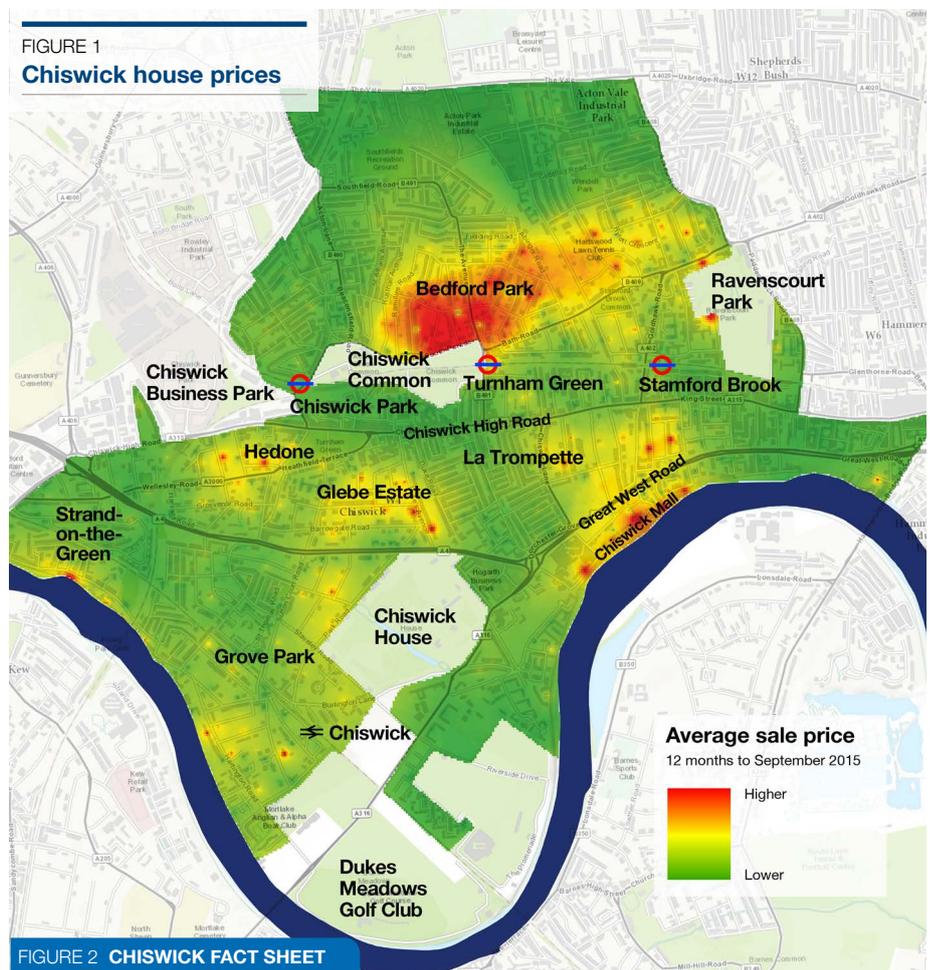
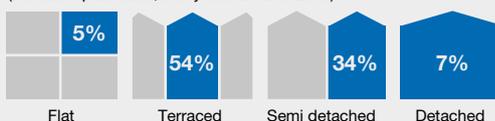


FIGURE 2 CHISWICK FACT SHEET

£800 to £1,300: Price per square foot
2%: Annual price growth in December 2015
2.3%: Annual rental value growth in December 2015
27 minutes: Chiswick to London Waterloo
30 minutes: Chiswick to London Heathrow

Blue Plaques
Alexander Pope poet
Jack Beresford Olympic rowing champion

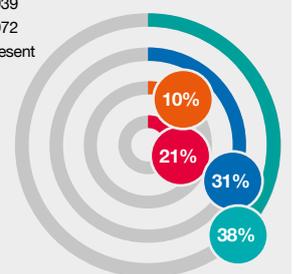
PROPERTY TYPE
 (£1million-plus sales, two years to June 2015)



Population: 62,766

AGE OF HOUSING STOCK

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



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Airport is a 30-minute tube journey in the opposite direction.

The most in-demand properties range from two and three-bedroom cottages in the Glebe Estate from about £1.5 million to larger five and six bedroom family homes in Bedford Park and Chiswick Mall for between £2.25 and £6 million. Prices per square foot range from £800 to £1,300 and more than two-thirds of its housing stock pre-dates 1939, from the in-demand Edwardian and Victorian eras.

In addition to bankers and lawyers, Chiswick is popular among media professionals and musicians and Chiswick High Road is home to the Metropolis recording studios as well as a mix of high-end retail and larger stores. Some notable restaurants include La Trompette and Hedone, both of which have Michelin stars.

In similar fashion to other prime London markets, demand became more subdued in 2015 due to the stamp duty increase and in some instances it has led to a stand-off between buyers and sellers.

However, Chiswick is a particularly sophisticated and price-sensitive property market and when sellers have taken the new stamp duty rates into account, property has traded well and there are early signs momentum is returning and the new rates have started to become absorbed.

Annual growth of 2% in the year to December 2015 was relatively muted due to the current conditions but higher than the 1% recorded in prime central London.

While higher value property is found around areas like Bedford Park, as figure 1 shows, stronger recent price growth has been more dispersed as figure 3 shows. Indeed, Chiswick's potential is something some of the country's major developers have recognised.

Its location less than 10 miles from Heathrow means demand is strong among airline staff for rental and investment properties and there is also healthy corporate demand from the Chiswick Park business district.

Rental values rose 2.3% in the year to December, which was higher than the south-west London average of 1.5% and above the prime outer London increase of 1%.

Despite a recent period of short-term uncertainty, which means vendors need to be realistic in this particularly price-sensitive area of London, the longer-term fundamentals in Chiswick remain as sound as ever.

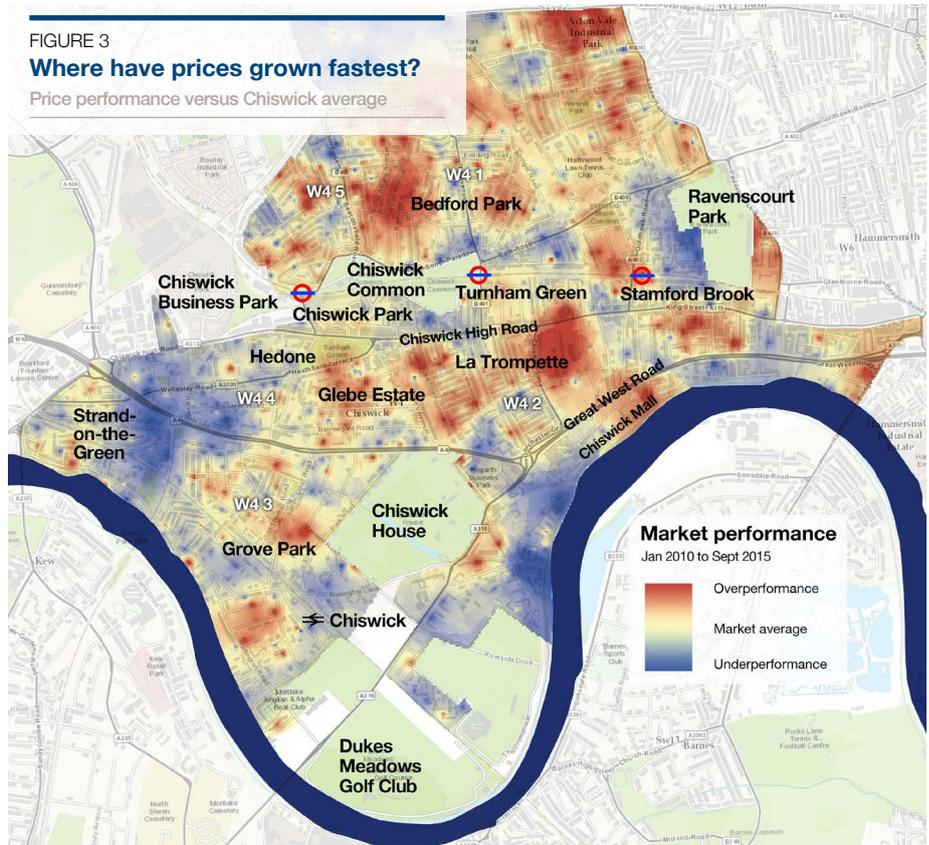
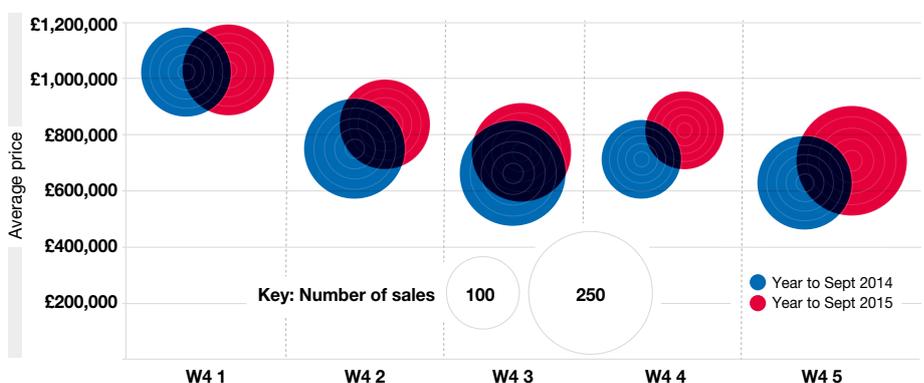


FIGURE 4
Average price and sales volumes in Chiswick by neighbourhood



Source: Knight Frank Residential Research

RESIDENTIAL RESEARCH

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

LONDON RESIDENTIAL

Ramsey Conyers
 Chiswick Office Head
 +44 20 8022 0357
 ramsey.conyers@knightfrank.com

Elizabeth Holder
 Chiswick Lettings Manager
 +44 20 8022 0358
 elizabeth.holder@knightfrank.com



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