

inside/ *Battersea & Clapham*

Review of the *Battersea* residential property market

Issue 2

| 13% INCREASE
| IN NEW BUYERS

| 17% INCREASE
| IN VIEWINGS



CHESTERTONS

/SALES MARKET OVERVIEW

Buyer demand picked up appreciably in the latter half of 2019 and the Chestertons local office recorded a 13% increase in new buyers and a 17% increase in viewings between July and November compared to the same period last year. Demand is predominantly from owner occupiers and the increase in activity has been driven largely by buyers needing to press ahead with purchase decisions for family or work related reasons. The area has also become more fashionable for young professionals who account for the bulk of the lower to mid-end of the market demand.

The core market ranges from £350,000 up to £1.25m with first time buyers prominent even at the upper end thanks to financial assistance from the Bank of Mum and Dad or inheritance money. There is also strong demand for large houses in the £1.25m-£2.25m price range. Families looking to upsize within the area will typically be influenced by proximity to local schools, while easy access to the overground rail and tube stations is also an important consideration.

Although there is strong competition from new build developments, period conversions are generally preferred as they offer more character and are typically more affordable.

Despite the increase in buyer interest, the number of sales has fallen this year due to a shortage of available properties. According to preliminary Land Registry data, there were 29% fewer sales in the year to September compared to the same period in 2018.

With demand for properties currently exceeding supply, properties in good condition are selling quickly and the best properties are receiving multiple offers with asking price often being achieved. Nonetheless, buyers are well informed and asking prices generally need to be pitched at an appropriate level to attract interest. Land Registry data reveals that average sale prices in the year to September were 4% lower than in the same period in 2018, although we have seen recent signs of prices beginning to stabilise.

**Source: Lonres



“With the supply of available properties in Battersea & Clapham historically low and applicant demand higher than we’ve seen since 2015, now really is a good time to make a move.”

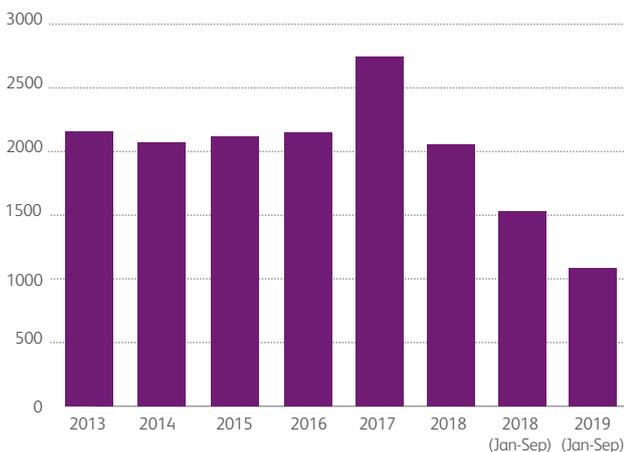
Oliver Mason, Battersea Sales Manager

/SALE PRICES

Property type	Guideline sale values	
	From	To
One-bed apartment	£400,000	£525,000
Two-bed apartment	£475,000	£800,000
Three-bed apartment	£700,000	£1,000,000
Two-bed house	£850,000	£1,000,000
Three-bed house	£950,000	£1,200,000
Four-bed house	£1,150,000	£1,800,000

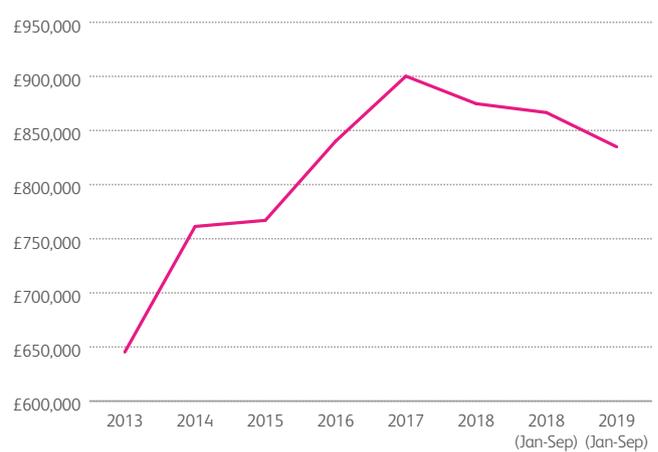


Residential property sales in SW4 and SW11



Source: Land Registry

Average sale prices in SW4 and SW11



Source: Land Registry

/ LETTINGS MARKET OVERVIEW

As in the sales market, there has been a significant increase in tenant demand for rented accommodation since the middle of the summer. The Chestertons local office saw a 34% increase in new tenants registering and a 57% increase in offers on properties between July and November compared to the same period in 2018. The introduction of the ban on tenant fees in June and the option of the Zero Deposit scheme have helped to boost tenant demand, and the location offers an acceptable compromise with regard to proximity to the central London employment hubs and affordability.

The majority of demand is from young professionals looking for one and two bedroom flats close to the centre of Clapham, with properties in close proximity to Clapham Junction Station especially popular. For those looking for modern apartments, there is a growing choice of developments close to the river, although these will typically be more expensive.

There is also demand from sharers looking for large houses and families targeting homes close to the four nearby large parks.

Although investors have not been selling properties in large numbers, neither have they been acquiring new investments. The strong increase in demand has therefore not been matched by a similar increase in supply, and tenant demand currently exceeds the number of available properties. We have seen a lot of tenants renew their contracts this year, in part reflecting the shortage of properties available to rent. Despite this, landlords need to set realistic asking rents to attract offers from tenants who are very budget conscious. As at mid-December, 23%* of rental properties on the market had been reduced in price. Nonetheless, achieved rents have been edging upwards since August. Properties which are appropriately priced and well-presented let very quickly and we have received multiple bids on a number of occasions in recent months.

*Source: Lonres



“With demand far outweighing supply at the moment, there are a lot of frustrated tenants actively searching for their next rental meaning competition is fierce. Some properties are receiving multiple offers within a few days of marketing and achieving higher rents compared to 2018. Now is a good time to be a Landlord!”

Gary Noone, Battersea Lettings Manager

/ RENTAL VALUES

Property type	Guideline weekly rental values	
	From	To
One-bed apartment	£340	£380
Two-bed apartment	£420	£550
Three-bed apartment /house	£530	£700
Four-bed house	£750	£900
Five-bed house	£850	£1,100+



/ OUTLOOK

The lead up to the General Election slowed the sales market but the Election result and the likelihood that Brexit will now happen at the end of January has boosted confidence. This is likely to trigger the release of the considerable pent-up buyer demand which has built up over the past few years.

This is likely to apply upwards pressure on prices which will hopefully encourage more sellers to act and bring about a much needed increase in the number of properties available to buy.

We do not anticipate that supply levels in the rental market will increase much if at all this year as investor buying activity is likely to remain subdued. In contrast, we expect tenant demand to remain high which implies that rents should see further increases over the year.

/OUR SERVICES

Chestertons provides a range of services to homeowners, landlords and investors. With more than 30 offices across London, Chestertons has one of the largest networks in the capital, as well as a strong international presence.

Our services include:

- **Sales:** We will manage the entire sales process, from giving an accurate and realistic valuation of the property, through to advising on the most effective marketing strategy and managing the legal process once an offer has been accepted.
- **Lettings:** Our highly qualified teams ensure we find the best quality tenants and achieve the best possible rents and terms, protecting landlords' investment and their tenants' well-being through our professional customer service and stringent compliance processes.
- **Property management:** We offer a full suite of services ranging from securing tenants and rent collection, through to full management of individual properties and portfolios.
- **Leasehold services:** We specialise in helping clients with the valuation and negotiation process involved in lease extensions, freehold purchases and collective enfranchisement.
- **Mortgage finance:** We specialise in arranging finance for properties at the mid to top end of the market through our partner Springtide Capital.

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