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Savills World Research  
UK Residential

# Spotlight **Ealing**

Autumn 2015



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# Market overview

## MATURING INTO PRIME

Recent house price growth in Ealing has outperformed more established neighbours

**E**aling sits in the heart of West London and is maturing into a prime housing market. Investors and owner occupiers alike are buying property in the area, attracted to the relative value on offer from such a well connected location, with links set to further improve when Crossrail is in operation from 2018.

Although Ealing is one of London's greenest boroughs, offering a wealth of open spaces and parks, it is also a major retail and commercial centre. With ongoing regeneration and investment, much of which is due to the Crossrail project, young professionals and families continue to be drawn to the area.

Ealing is considered one of London's main commuter transport hubs, with seven underground stations serving the area. The main station is

Ealing Broadway providing direct access to the central and district line, as well as the mainline rail link to Paddington. When Crossrail is operational, it will take only 11 minutes to travel to Bond Street, 18 minutes to Liverpool Street and 25 minutes to Canary Wharf.

The housing stock of Ealing (Figure 1) is characterised by Victorian and Edwardian terraced, detached and semi-detached homes. However change is underway and the area is witnessing considerable investment into new homes, with well known developments such as Dickens Yard and The Apex currently under construction.

The levels of development should act as a catalyst to unlocking the latent value of the housing stock in surrounding locations by attracting demand from increasingly affluent occupiers.

### Property prices

House prices in central Ealing are higher than the average of the wider borough. The average sale price for all dwellings in the 12 months to May 2015 was £631,465 which is 23.4% more than the average across the borough of Ealing over the same period.

The house price premium for Ealing is seen across all property types. The average sale price of a terraced house is £718,004 in central Ealing compared to £562,801 across the borough over the 12 months to May. However, when compared to more established prime locations such as Chiswick, Ealing offers good value for money, especially for families looking for a larger property. Comparing the cost of a semi-detached house in Ealing and Chiswick shows that you would pay on average 46% less to buy in Ealing. With Ealing looking more affordable on this measure it is seen as an attractive option for young affluent families given its amenities and excellent state and independent schools.

House price growth for prime Ealing properties has been strong over the past year compared to nearby prime markets. Across all of prime west London, prices have only marginally increased by an average of 0.5% over the year to June 2015. Over the same period, prime property in Ealing has increased by 3.9%.

### The rental market

As seen in the sales market, rental values in Ealing are also higher than the borough wide average. In central Ealing, the median monthly rent is £1,396, which is 11% higher than the



average across the borough according to Rightmove. However, it is lower than the average for nearby Chiswick where the median monthly rent is £1,741. Across Ealing, the average rent varies from around £847 per month for a studio to over £2,200 per month for a 4 bed property.

### Demand

The demand for prime property in the area comes from a number of sources. While domestic buyers dominate, international

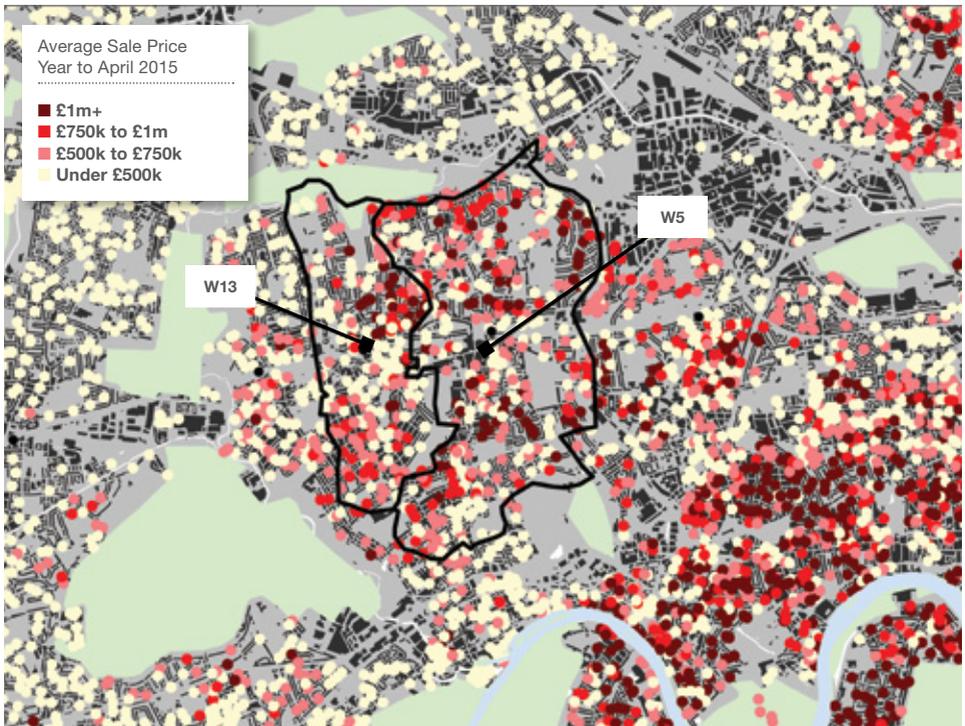
residents are an important source of demand for the prime housing market across London, accounting for around 39% of buyers since 2013. In the prime markets of west London, 34% of buyers have been from overseas over the same period, with those from Europe the most prominent.

Good transport links to a number of key employment hubs are an important part of Ealing's appeal. The largest employment industry for people living in Ealing is the Professional, Scientific and Tech sector closely followed by the

Information and Communication sector accounting for 13.1% and 12.7% of employees respectively, according to the 2011 Census.

Over the next five years, Oxford Economics forecasts that employees in the Professional, Scientific and Tech industry will increase by 15.6% to become the largest employment industry in central London. Ealing is well placed to draw on the newly created wealth that will result, as Tech buyers in particular look to emerging and maturing prime markets.

FIGURE 1 **The housing market around Ealing (year to April 2015)**  
A look at where the sales happened and at what value



Source: Land Registry

## Investors

Investment buyers have been attracted to the area due to strong tenant demand. According to the 2011 Census, 32.6% of households in Ealing are in the private rented sector, significantly higher than the average across London of 25.1%.

Demand for rental property comes from a wide range of tenants, including families, couples and professionals. Corporate relocations play an increasingly important part in west London's prime rental market. Over the first half of 2015, 67% of tenants were renting due to employment relocation compared to 55% in 2014. With UK tenants only accounting for 44% of tenants, the international nature of the prime west London rental market is evident, with the highest proportion of international tenants originating from Western Europe, accounting for 31%. ■

# 56%

Percentage of international tenants in the prime west London rental market

FIGURE 2

## What would the same property sell/rent for on our featured roads?

2 BED FLAT, 700/750 SQ FT			
Location	Postcode	Sale Price	Rental Value (pw)
Hartington Road	W13	£425k - £450k	£320 - £370
Cavalier House	W5	£500k - £525k	£440 - £490
Eaton Rise	W5	£575k - £625k	£370 - £420
Dickens Yard	W5	£800k - £850k	£510 - £560

4 BED HOUSE, 1500/1600 SQ FT			
Location	Postcode	Sale Price	Rental Value (pw)
Graham Avenue	W13	£750k - £800k	£525 - £575
Durham Road	W5	£850k - £900k	£550 - £600
Wyndham Road	W13	£950k - £1m	£550 - £600
Elm Crescent	W5	£1.2m - £1.25m	£750 - £800

Source: Savills Research

“The demand for prime property in Ealing comes from a number of sources”

Kirsty Lemond, Savills Research



# Development

## WHAT NEXT FOR EALING?

**E**aling is undergoing an unprecedented transformation with the regeneration effect of Crossrail boosting investment in the area.

There are currently over 2,000 new homes to be delivered across west and central Ealing in the next five years. The schemes range from 20 floor towers (The Apex) to the creation of new neighbourhoods (Green Man Lane).

One notable scheme is Dickens Yard, which is located just 200m from Ealing Broadway station. Its popularity is already evident as 85% of the scheme has already sold at an average of over £900 per sq ft setting a new record for the area.

In addition to the residential schemes, the retail offering is being enhanced. In central Ealing, plans for the Arcadia Centre, Ealing Broadway

Shopping Centre and Ealing Filmworks will regenerate the town centre.

Looking ahead, there is a large pipeline of new schemes in Ealing that developers will be keen to bring forward due to the success of current projects and the prices being achieved.

This will result in the area becoming more established as a prime location. ■

**FIGURE 3** Key developments in Ealing with over 50 private units, which we expect to deliver over the next five years:

	Site name	Private Units	Principal Player	Development Status
W5	Dickens Yard	488	St George	Under construction
	Ealing Filmworks	132	Land Securities	Full planning permission
	The Apex	102	Galliard Homes	Under construction
	Ealing Broadway Shopping Centre (Phase 1)	51	British Land	Planning permission s.106 to be signed
W13	Sherwood Close	191	Affinity Sutton	Full planning permission
	Green Man Lane Estate	250	A2Dominion	Full planning permission or under construction



DICKENS YARD

# Outlook

## THE WIDER CONTEXT

**T**he outlook for Ealing needs to be considered in the context of the wider prime London market.

### The sales market

In the run up to the General Election the prime housing market stalled, following the changes in Stamp Duty and the threat of a mansion tax.

Since May, some of the deferred demand from the pre-election period has begun to flow back into the prime London housing market, but the new higher tax rates are being keenly

felt by buyers above £1m. This has restricted any significant boost to prices and transaction numbers.

In Ealing, average values are lower than other parts of prime London so the extra Stamp Duty burden is not felt as keenly. This has led to a slight outperformance in growth so far this year; though on the flip side the mortgage market review will continue to restrict the amount people can borrow and therefore limit house price growth.

Across all prime London, we expect the combination of the

higher taxes, increased mortgage regulation and the high levels of available stock built up during the pre-election period will mean that the market remains relatively price sensitive over the rest of 2015 and into 2016.

### The rental market

Across prime London, we expect the strengthening London economy and continued expansion of sectors such as technology and telecommunications to underpin demand for prime rental property over the medium term.

In Ealing, the number of private renters is already high and the area is well placed to attract more investment from both traditional and institutional investors.

A potential risk to the sector is if a high level of new build stock is brought to the market simultaneously then this may lead to rents coming under pressure. ■

“Ealing is well placed to attract investment from traditional and institutional investors”

Kirsty Lemond, Savills Research

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