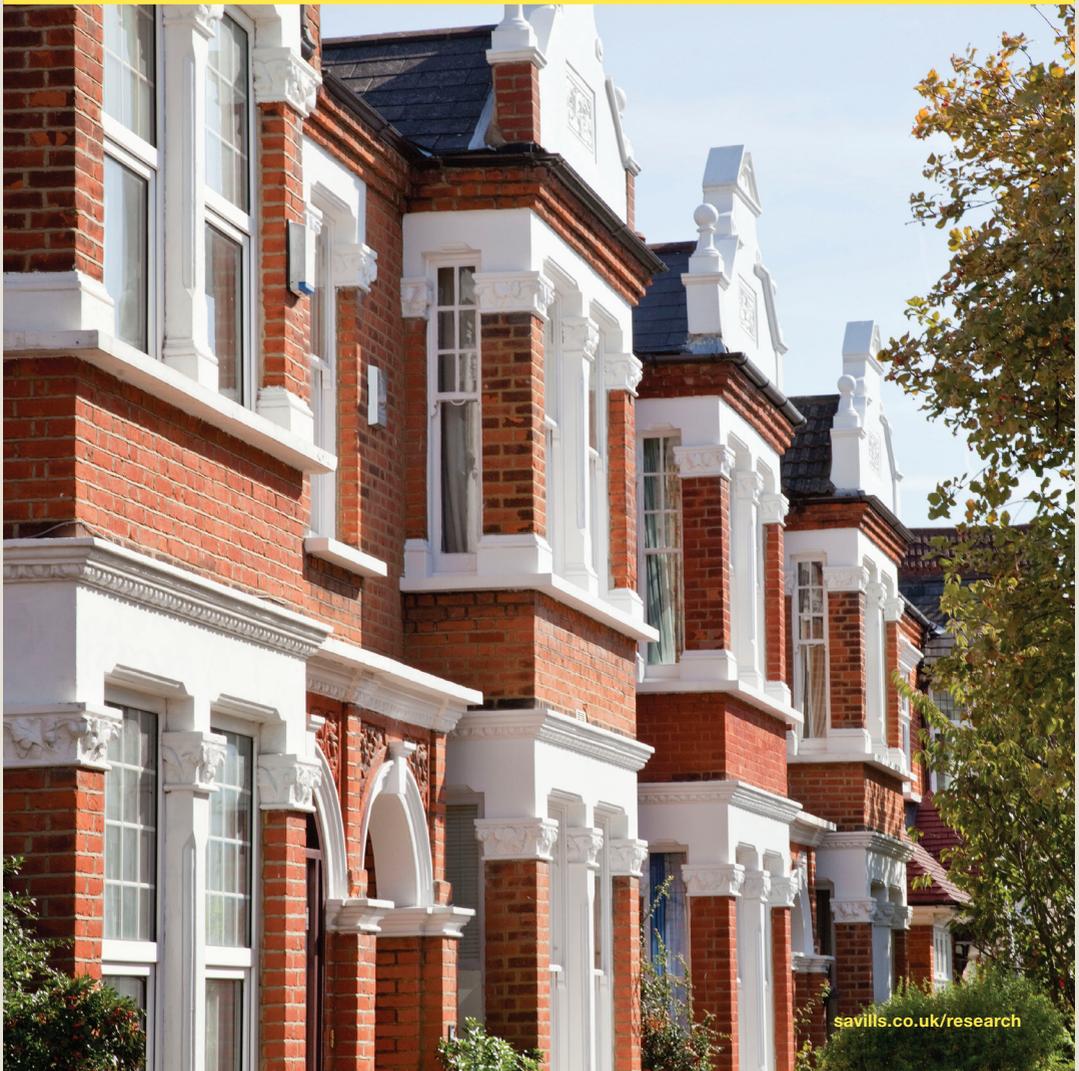


savills

# Spotlight Putney

2016



# Market overview

## BEST OF BOTH WORLDS

Putney combines the appeal of suburban living with all the benefits of zone 2 centrality

**H**istorically a place of leisure for wealthy Londoners, Putney has retained its open green spaces to provide the tranquillity of suburban living with all the benefits of zone 2 centrality. Buyers and renters alike are increasingly attracted to the area, which affords relative value compared to many of its south west London neighbours.

The construction of Putney Bridge in 1729 and the opening of the railway line in 1846, led to an increase in the development of large Georgian, Victorian and Edwardian properties as wealthy Londoners moved south of the river. As a result, the housing stock is particularly varied and all encompassing, comprising characterful properties alongside more recent 20th-century mansion blocks and new developments.

Offering easy access to various heaths, commons and popular schools the area often

attracts young families seeking space. However, its relative affordability is also attracting a younger crowd, which is boosting the rental market. The overground train links to Waterloo in under 20 minutes, and two tube stations on the District line and regular buses provide easy commuter living for those working in Central London.

Putney has preserved its reputation for leisurely escapism and sporting pursuits with its active cricket, golf and rowing clubs – the famous Oxford vs Cambridge Boat Race launches from Putney Embankment. Combined with a bustling high street and popular restaurants, bars and pubs, Putney has transformed into a prime location for young Londoners.

### Property prices

In 2015, the average sale price for Putney was £682k, according to the Land Registry. Whilst almost 25% above the Greater London

average of £546k, Putney offers a significantly cheaper alternative to its neighbours Barnes, Fulham and Wimbledon which saw average prices of £1.4m, £1.1m and £737k respectively.

Nestled between the Thames to the north and open green space to the south, Putney offers variety in its residential areas. Unsurprisingly, property located closest to the Thames saw the highest average sale price in 2015 of £885k, with the electoral ward of Roehampton and Putney Heath offering better value with an average price under £500k. Whilst semi-detached houses in East or West Putney tend to exceed £2m, there is also a strong demand for larger detached houses, with recent sales surpassing £8m.

Prime property values have increased significantly over the long term with price growth of 30% and 97% over the past 5 and 10 years respectively. This rate of growth was similar to prime south west London values and slightly higher than prime values for all of London. Whilst more recent growth has slowed due to increased stamp duty and mortgage regulation, Putney has seen stronger growth during the



The Thames contributes greatly to Putney's appeal

first quarter of 2016 compared to some of its neighbours in south west London.

### Rental market

Unlike the sales market, rental values in Putney are higher than the borough-wide average. The monthly median rent in Putney is £1,820, according to Rightmove data, compared to £1,773 for Wandsworth borough and £1,564 for London.

The young demographic has created a strong rental market in the area, such that private rented accommodation accounts for 31% of property in SW15.

Prices within Putney can vary significantly depending on property type and size; prime rents range from an average of £1,350pcm for a one bedroom property to over £5,000 for a 5+ bedroom property. However, at an annual average rent of £26 per sq ft for prime rental properties, this offers excellent value compared to the rest of prime south west London.

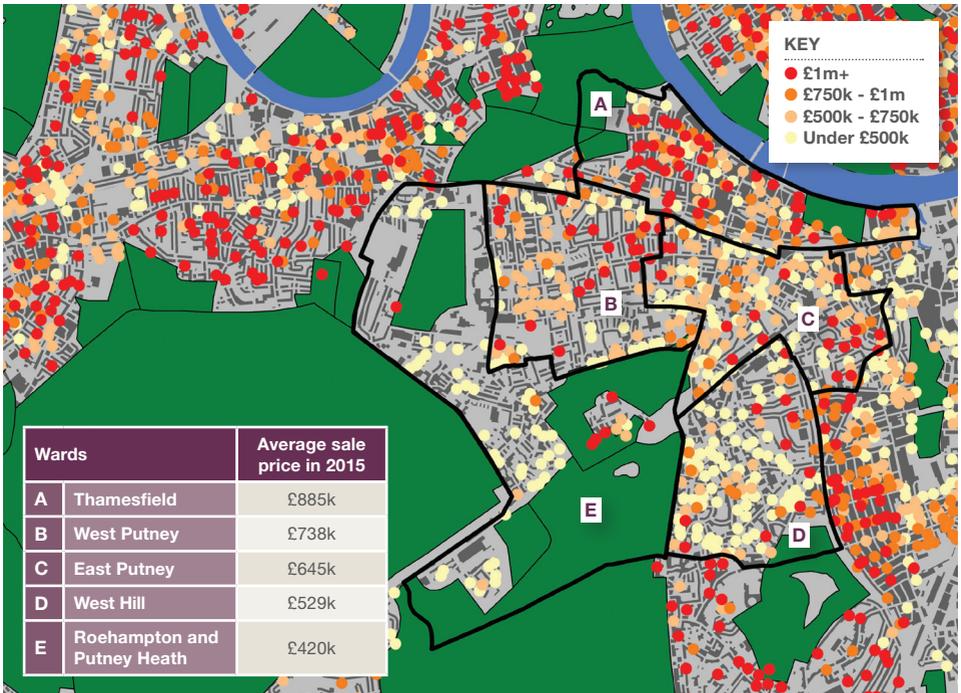
### Demand

The popularity of the area is evident, with 45% of prime buyers and 39% of prime renters moving from within the SW15 postcode

throughout 2014, 2015 and the first quarter of 2016. Of these buyers, 70% had two or more children and over 80% were looking to upgrade their main residence. With its wealth of popular schools, green areas and unusually wide variety of property types it is unsurprising that Putney is both an established and sought-after location for families within the south west of London.

However, it is the younger buyers and renters who are driving demand in the current market, especially in the prime rental market. Over 70% of prime renters from 2014 to 2016 stated

FIGURE 1 **The housing market around Putney**  
A look at where the sales happened and at what value



Source: Savills Research using Land Registry

their employment location as Central London, and over two-thirds of these tenants were aged under 40.

Similarly, nearly half of prime buyers working in Central London were aged under 40. Good commuter links, a lively social scene and the proximity of exclusive sporting clubs, such as Roehampton Club and Bank of England Club, consistently attract people to the area.

While British buyers predominate, the number of international buyers is increasing exponentially. Indeed, international residents accounted for just over

30% of buyers and 54% of renters within the prime market between 2014 and 2016, with Western Europeans the most prominent nationality across both markets.

The majority of those buying prime property in Putney were purchasing their main residence. However, the area also attracts investment with 17% of buyers in 2015 purchasing for investment purposes. This has seen an increase from 2014, where only 7% of prime purchases were buying for investment. However, with upcoming development this could also be set to see further growth. ■

# £682k

The average sale price in Putney in 2015

# £1,820

The monthly median rent in Putney

FIGURE 2

## What would a property sell or rent for on our featured roads?

Property	Road	Postcode	Sale Price	Rental Price*
1 Bedroom Flat	Spencer Walk	SW15	£535k	£1,650
2 Bedroom Flat	Borneo Street	SW15	£735k	£1,950
3 Bedroom Flat	Oakhill Road	SW15	£895k	£2,850
5 Bedroom House	Amerland Road	SW18	£1.5m	£3,850
5 Bedroom Single Fronted Detached House	Tideswell Road	SW15	£2.3m	£6,000
6 Bedroom Double Fronted Detached House	Malbrook Road	SW15	£3.8m	£7,000

Source: Savills Research

\*per month



Putney has retained its open green spaces

# Development

## BUILDING MOMENTUM

Putney is due to see an increase in new homes, predominantly in smaller schemes of less than 100 homes

**P**utney has seen an upsurge in development over the past few years, with an increasing number of young professionals moving into the area driving the demand.

There are currently over 1,100 private new homes expected to be delivered over the next five years in Putney, ranging from modern towers overlooking the Thames (Riverside Quarter), luxury apartments near the High Street (Oakhill Park) and superbly appointed family houses opposite Putney Heath (Westmead).

Over 70% of schemes in the planning pipeline comprise less than 100 private units

and the majority of the current development is centred around Upper Richmond Road and alongside the Thames. Specifically, there are a number of developments concentrated around Putney overground station and East Putney tube station.

However, new build development is also taking place in the south of Putney towards the Southfields border, where Lendlease are selling a 110 private unit scheme of mews, townhouses and apartments with public gardens.

A number of new schemes in Putney are replacing post-war office blocks including Tileman House by Crest Nicholson,

and iconic Putney Plaza by Art Estates. The nearly completed London Square development has helped mitigate some of the loss of commercial space by providing office and retail premises alongside the residential. ■



Young professionals moving to the area has increased demand



Westmead, opposite Putney Heath

# Outlook

## THE WIDER CONTEXT

Putney is expected to remain a popular area for families and young professionals

**It is important to consider the outlook for Putney within the wider context of the prime London market.**

### The sales market

The introduction of new stamp duty rates for high value properties, announced in the Autumn Statement of 2014, slowed house price growth in prime London and some high value locations saw small falls.

Further to this, the introduction of tighter mortgage regulation, limiting the amount people can borrow against their earnings in some cases, constrained the market.

Additional changes to stamp duty, announced in the 2015 Autumn Statement, for the

purchase of 'additional homes' will act as a further constraint in markets with high amounts of investment and second homes.

Within the Putney area, the vast majority of buyers are purchasing their main residence, so this is expected to have far less of an impact. However, the increasing investment seen over the last year may be limited by the additional charges.

Looking forward, it is anticipated the changes in stamp duty and mortgage regulation will continue to constrain the prime London market over the next two years. However, over the medium term, we expect the return of positive price growth.

Putney is a very well established, sought after prime

area within south west London and is expected to remain a popular area across a wide demographic.

### The rental market

The forecast for the London economy is for continued growth over the next five years, which will underpin the demand for prime rental property as more people move to London for employment opportunities.

In Putney, there is a strong rental market that is supported by the high volume of young professionals living in the area.

The developments proposed for London over the next five years pose a potential threat if high volumes of new build stock come to the market simultaneously. However, levels of development in Putney are on a smaller scale than seen elsewhere in prime London, and as such, rental values should be protected by the strong rental demand currently seen in the area. ■

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