



# WHAT'S NEXT FOR CANADA WATER?

CHESTERTONS



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Once the site of Canada Dock, so named because it predominantly handled Canadian trade, the area suffered heavy damage during World War Two.

Since the closure of the docks in the 1970s, regeneration has brought a new sense of community to the area with a new theatre, library with various community facilities, an annual festival, plus new shops, bars and restaurants, attracting a new wave of residents.

However, will people continue to move to the area going forward in the face of significant competition from other regeneration areas elsewhere across the capital? We examine below some of the key factors which will shape its future over the coming decade and beyond.

## REGENERATION

Canada Water was extensively redeveloped by the London Docks Development Company during the 1980's and 1990's to create new housing and local amenities, and the Canada Water station was opened in 1999 offering underground (Jubilee Line) and overground services to south and north London. Over the past two decades a number of apartment blocks have been built within close proximity to the station. Part of the original dock was retained and is now the only freshwater lake in Docklands.

The next planned phase of regeneration in Canada Water is being led by British Land in partnership with Southwark Council and will see around £4bn spent on transforming a 53-acre site over the next decade.

The existing Surrey Quays shopping centre, Printworks events venue and Surrey Quays Leisure Park will be demolished to make way for up to 3,000 new homes, 320,000 sq. m. of workspace and 100,000 sq. m. of retail and community buildings, including a new leisure centre. 12 acres of open space will also be created, including a new town square and a 3.5-acre park.

## PROPERTY DEMAND AND SUPPLY

The population of Canada Water is relatively young – the average age of residents is 33\* compared to the London average of 40 - and a high proportion of this age group live in rented accommodation. With easy access to the City and Canary Wharf and rents here slightly lower than many other Zone 2 areas, Canada Water is especially popular with single professionals, couples and sharers working in legal and financial services in the City and tech sector workers in Shoreditch.

The large rental market has attracted small buy-to-let investors as well as larger corporate landlords who have bought modern purpose-built blocks for rent.

The supply of new homes since the 1980s has broadly matched buyer demand and the British Land regeneration will deliver up to 3,000 new homes to help cater for the projected increase in population over the next decade.

Major residential developments	Number of properties	Year completed
Maple Quays 1 (Toronto House)	42	2009
Maple Quays 2 (Montreal House)	124	2010
Maple Quays 3	498	2013
Porter's Edge (Phase 1)	234 (all for rent)	2018
Quebec Quarter	277	2018
London Square Canada Water	75	2018

Source: Molior (Data excludes social/intermediate housing)

# PROPERTY PRICES

Average sale prices in Canada Water fell by around 3% in 2020 but have flattened this year and are still 32% higher than 10 years ago. Having fallen in 2020, a combination of

strong tenant demand and a reduction in the number of properties available to rent this year has caused rents to stabilise in recent months.



# OUTLOOK

The prospects for Canada Water over the next ten years appear bright. The population has risen by 21% since 2011 and is projected to increase by up to a further 29% by 2030.

To a large extent, the future success of Canada Water is heavily dependent upon the economic prospects of the financial services and tech sectors in and around the City and Canary Wharf which have been the major drivers of housing demand and price growth in recent years. While financial services may lose some staff to Brexit, it is likely to remain an important source of buyers and tenants for many years to come.

The next phase of the regeneration of Canada Water will create new workspace for up to 20,000 new jobs (excluding construction jobs) over the next decade and many of these workers are likely to want to live locally.

The creation of the new leisure and entertainment amenities will enhance the overall attractiveness of the location and draw in new buyers and renters alike. The low prices and rents relative to other areas close to the river are an added attraction for people who have tight accommodation budgets.

Assuming that the economy recovers as quickly as the Bank of England has recently suggested and that housing demand continues to outpace supply, property prices and rents in Canary Wharf should see steady growth over the next five years.

## Wapping property price growth forecasts

	2021	2022	2023	2024
Sale prices	0.0%	2.0%	2.0%	2.0%
Rental prices	-2.0%	1.5%	2.0%	2.0%

*If you are looking to sell or let your property and would like Chestertons to help you navigate the process, please don't hesitate to contact us.*

## 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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**Notes: \*the average age is for Rotherhithe Ward**

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