



WHAT NEXT FOR THE SOUTH BANK & WATERLOO?

SOUTH BANK TOWER

CHESTERTONS

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Having been badly damaged during the Second World War, the South Bank has been gradually redeveloped over the past 70 years.

New property developments and riverside amenities have turned the area into one of London's most popular destinations and attracted new residents. However, will people continue to be drawn to live in the area 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

Regeneration of the area began in the 1950s when the South Bank was chosen as the site for the Festival of Britain and the Royal Festival Hall was built. Subsequent decades saw the addition of a host of bars and restaurants and more cultural buildings, including the Queen Elizabeth Hall (1967) and the Hayward Gallery (1968), followed by the opening of the Jubilee Gardens (1977) and the London Eye (2000). The first new major residential developments only appeared within the last decade with the arrival of the South Bank Tower and One Blackfriars.

The Waterloo area is currently undergoing a major regeneration programme, including the modernisation of Waterloo Station which will provide:

- 2,500 new homes.
- 80,000 sq. ft. of retail space, restaurants and cafés.
- 800,000 sq. ft. of offices.

- A new shopping centre in the former Eurostar terminal.
- A new public square in front of Victory Arch, providing step-free access between Waterloo Station and the South Bank.
- A new pedestrianised street (The Curve) lined with shops and restaurants between Elizabeth House and the former Waterloo International Terminal.
- A one-acre garden promenade accessible directly from the Waterloo Station concourse.

Southbank Place, the redevelopment of the iconic Shell Centre Tower along with seven new buildings, is at the centre of this regeneration project and will provide 877 new homes, plus offices, retail space, restaurants and cafés. In addition to this, an Arts Incubator Hub is to be established under Waterloo Bridge as well as a new Urban Arts Space next to Hungerford Bridge. Further eastwards and close to Blackfriars Bridge, 264 new homes are scheduled to be completed by 2023 at the Bankside Yards West development.

PROPERTY DEMAND AND SUPPLY

There has been a 29% increase in the population of the South Bank over the last ten years, well above the London-wide growth of 11% over the same period. The population is relatively young (an average age of 34.5 compared to the London average of 36) and its central location and excellent transport connections make South Bank an ideal choice for either a London pied-à-terre or a full-time residence, whether to own or to rent.

The location has proved particularly popular with politicians and other people working for the Government, for whom the Houses of Parliament and Whitehall are just a short commute across the river.

There is also demand from corporate executives working in the City and West End.

Around one third of households live in privately rented accommodation and there is significant rental demand from students attending the nearby London Southbank, Kings College and BPP universities.

Despite the big increase in population over recent years, the number of new homes being built in the area has been relatively low, with only around 1,160 being completed in the past decade, over half of them within Southbank Place over the past two years.

Major residential developments	Number of properties	Year completed
Southbank Place	797	Under construction
Bankside Yards West	264	Under construction
One Blackfriars	274	2019
Southbank Tower	191	2016

Note: excludes social/intermediate housing

Source: Molior

RESIDENTIAL PROPERTY PRICES

Although average sale prices in the South Bank have fallen over the past 12 months, they have risen by 130% over the past ten years compared to a 77% rise across the wider Lambeth borough and a 70% increase in Southwark*.

Although rents fell in 2020 as the supply of available properties rose, a combination of strong tenant demand and a reduction in the number of properties available to rent this year has caused rents to stabilise since the spring. Average rents are currently around 13% higher than the London average.



OUTLOOK

Over the next decade, population growth in the South Bank is expected to slow to 15% but it will still be some way ahead of the projected London growth rate of 8.6% over the same period. To cater for this growth, the Mayor of London's London Plan has identified large parts of the South Bank as one of London's 38 Opportunity Areas, which are designated as having significant capacity for development and good existing or potentially improved public transport access.

The regeneration of Waterloo is already well underway and is attracting new residents. The wider South Bank area has plenty of other qualities which will continue to attract new residents, such as its central location and excellent transport connections, with Waterloo Station, the country's busiest railway hub, at its core, Blackfriars Station at its eastern edge and Charing Cross Station a short walk across the river. Moreover, the demand for accommodation from staff connected with the Government will remain constant while the attraction of living close to the river is also unlikely to diminish.

The higher price of some of the recent new residential properties compared to other regeneration areas in the capital may deter some buyers, however the South Bank does offer unique location attributes for which some people will be prepared to pay a higher price.

Assuming that the economy recovers as quickly as the Bank of England has recently suggested and that demand for housing outpaces supply, property prices should see steady growth over the next five years. In terms of the rental market, the number of properties available to rent has reduced this year and anticipated strong future tenant demand should begin to drive rents up again from next year.

South Bank property price growth forecasts

	2021	2022	2023	2024
Sale prices	-3.0%	2.0%	1.5%	1.5%
Rental prices	-2.0%	2.5%	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.

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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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Sources: *Land Registry | Chestertons Research

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