

# CANARY WHARF INSIGHT

SUMMER 2021

Hamptons  
THE HOME EXPERTS

# CANARY WHARF MARKET METRICS

As one of the most well known financial districts in the world, Canary Wharf led the way for levelling up large parts of East London. Its skyscrapers form an iconic part of the London skyline, but its house prices and rents remain a quarter below the City four miles to the west. As it reaches its early thirties, the Canary Wharf estate is coming of age. With owners who can afford to take a long-term view, E14 is reinventing itself as a mixed-use neighbourhood, just as the great Grosvenor, Portman and Cadogan estates evolved over centuries as London thrived.

For most of Canary Wharf's existence, typically those who work there have lived outside of E14. But this has changed at pace over the last five years as the promise of Crossrail has tempted developers to deliver homes in numbers not seen in Canary Wharf's 30-year history. While many are bought by bankers who are at their Canary Wharf desk every morning, the impending Elizabeth Line links mean the area is increasingly being considered by those working in West and Central London.

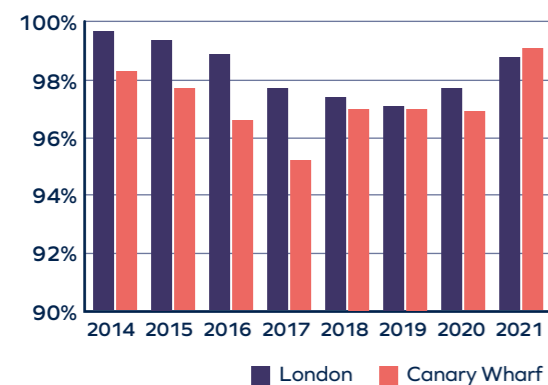
For many years Canary Wharf was predominantly an investor market, popular in particular with those from overseas comfortable with buying off-plan in emerging districts. But recent times have seen investor purchases dwindle to around 10% of sales, amid much stronger buy-in from first-time buyers, backed in part by Help to Buy. It's also attracting growing numbers of second steppers as local amenities have flourished.

Despite the London market playing second fiddle to the country, sellers in E14 have been able to achieve an average of 99.1% of their initial asking price so far this year, up on every year since 2014. Building rich communal facilities which offer a strong social environment have fared particularly well, with bars, gyms and pools all sought after. Across London, sellers are achieving more of their asking price than at any time in the last five years (although less than their country counterparts).

Despite being a market dominated by flats, which accounted for 93% of sales in 2020, price growth has outpaced the London average over the last year with average values reaching a record high in 2021. Larger flats, in particular, have fared well. Typically these have been bought by couples looking for at least one spare room to use as a home office for a couple of days a week. With space at the top of buyer wish lists, the limited number of houses in the area are now attracting even larger premiums than they have in the past.

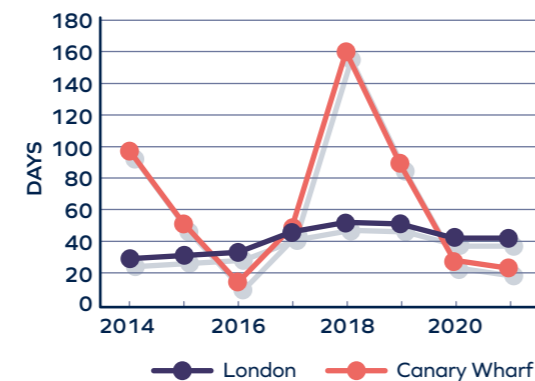
## Asking to Achieved

Source: Hamptons



## Time to Sell

Source: Hamptons



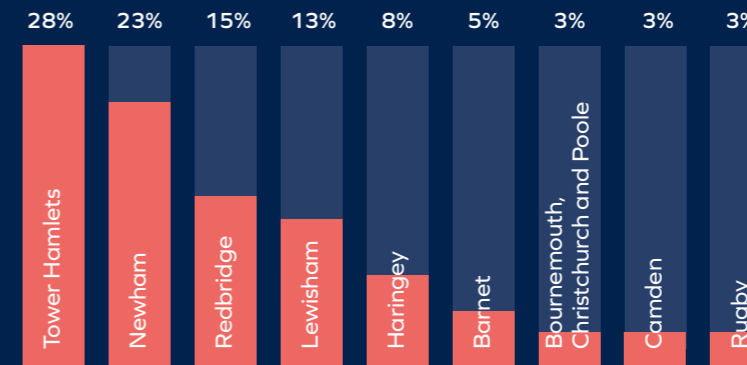
## Price Growth

Source: Hamptons & Land Registry

	CANARY WHARF	LONDON	ENGLAND & WALES
1 year	3%	1%	10%
2 year	3%	8%	25%
Since 2007	68%	64%	59%

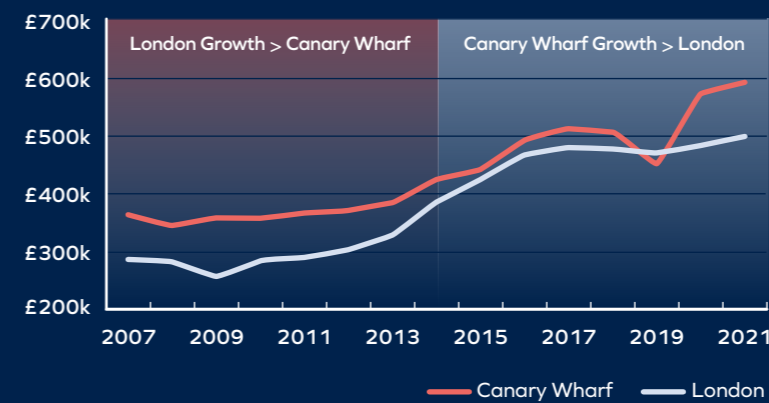
## Where Buyers Come From

Source: Hamptons




## Average Prices

Source: Hamptons & Land Registry




## Price Growth by Property Type


Source: Hamptons & Land Registry

**DETACHED** 


Average Price	£1,031,454
1 year	5%
2 year	7%
Since 2007	99%

**SEMI-DETACHED** 

Average Price	£731,833
1 year	-5%
2 year	5%
Since 2007	81%

**TERRACE** 

Average Price	£653,069
1 year	-6%
2 year	-4%
Since 2007	66%

**FLAT** 

Average Price	£586,276
1 year	3%
2 year	6%
Since 2007	62%

# RENTAL OUTLOOK



## Overview

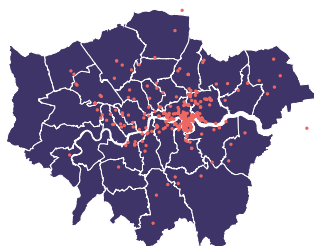
Rents in Canary Wharf are close to returning to where they were on the eve of the pandemic. Despite the impact of Covid-19, Canary Wharf has seen smaller rent falls than most other Inner London neighbourhoods. More recently, the recovery has been driven by the return to the office, albeit on a part-time basis. Many banks now have staff, junior employees in particular, back at their desks two to four days a week which has fuelled demand.

This means three key markets have picked up. Firstly, with more junior staff starting to return, demand for flatshares has bounced back. Relocations from overseas are also a large demand source for the Canary Wharf market, and their numbers are picking up after 18 months of low levels. And finally, demand for pied-à-terre's is emerging, particularly from more senior employees living outside London. These are usually used for two to four days a week, to cut out the daily commute.

Inner London remains the only region of the country where rents are falling, although there are some signs that this trend may be starting to reverse. Inner London rents stand 11% below where they were at the same time last year, a reduction from 20% earlier in 2021. How close rents return to pre-pandemic levels is likely to be determined by the scale and pace with which office workers return to their desks and the unlocking of international borders. We expect Inner London rents to return to pre-pandemic levels by the middle of 2022.

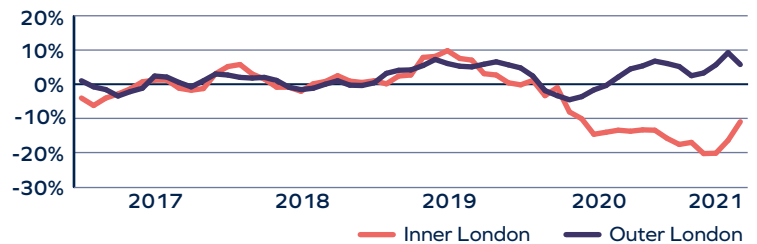
## Where Tenants Come From ▶

Source: Hamptons



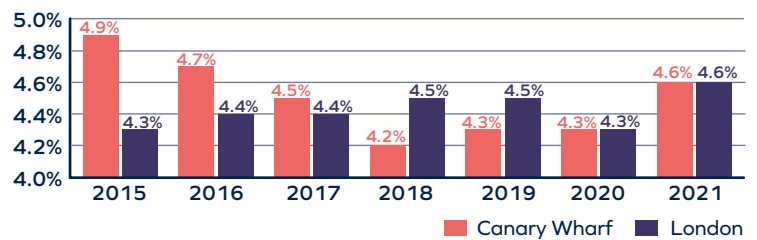
## Annual Rental Growth ▼

Source: Hamptons



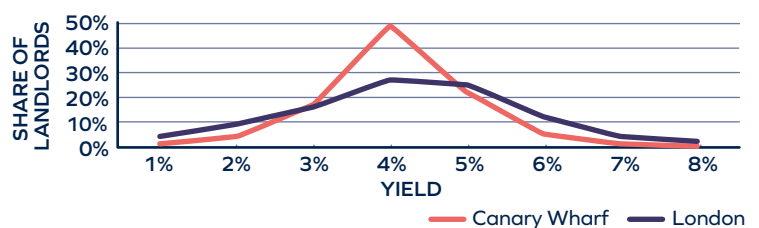
## Average Gross Yield ▼

Source: Hamptons



## The Yield Curve ▼

Source: Hamptons



## Canary Wharf Monthly Rent ▼

Source: Hamptons

	1-bed	2-bed	3-bed	4-bed	5-bed
<b>Average</b>	£1,458	£2,099	£2,477	£2,604	£3,158
<b>Annual change</b>	-0.3%	0.0%	-0.4%	12.2%	12.7%

If you are thinking of selling or letting, or just need some property advice, contact our Canary Wharf experts today.

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