



the residence

CLAPHAM

Investment Guide





CONTENTS

| | |
|---------------------------------------|----|
| WHY INVEST IN LONDON? | 4 |
| ECONOMY & BUSINESS | 6 |
| POPULATION GROWTH | 8 |
| LONDON PROPERTY MARKET | 10 |
| TRANSPORT | 14 |
| EDUCATION | 16 |
| AREA FOCUS - CLAPHAM | 18 |
| WHY INVEST WITH ALLIANCE INVESTMENTS? | 22 |

WHY INVEST IN LONDON?

London is the UK's capital and one of the world's leading cities. Its enormous economy, attraction to multinational businesses, growing population, outstanding transport infrastructure, world-famous higher education sector and a one-of-a-kind culture, have combined to make it a leading property market favoured by investors from around the world.

In this guide we will show you what makes London so special, and why so many people of all nationalities have decided to make it their home. We will demonstrate why the London property market is one of the world's most desirable, highlight the reasons why it is such a good investment, and pick out an area which investors should be aware of.



ECONOMY & BUSINESS

London is the centre of the UK economy in every way which counts. It is home to one of the largest populations in Europe, multinational companies from around the world compete to be in the city, and a rolling programme of major investments is designed to keep the capital on top.

The capital's economy is worth more than £500bn annually and it is set to grow much more in the coming years. Analysis from GLA Economics and the Mayor's Office shows growth of 5.4% in 2021 in spite of Covid-19, and a further 6.9% projected in 2022. London's average household income and expenditure are both forecasted to expand in similar terms over the same period.

London's workforce is estimated to be more than 4 million people strong, and its economy is heavily based around future-proof industries which will help the city maintain its pre-eminent job growth in the future. The London 2030 report from Oxford Economics forecasts that London will see an additional 800,000 jobs created by the end of the decade, and the latest macroeconomic data from GLA Economics agrees, showing that pre-pandemic levels of job growth are returning as we speak.

The sheer size of London means that its individual sectors are each responsible for economic impact and job growth that can match many other cities in the UK alone. For example, its technology sector is by far the largest in the UK and supports more than 76,000 digital tech companies and 590,000 jobs according to Tech Nation. For more on the strength of London's technology sector, please see our sector focus to the right.

“ONE OF THE STRONGEST REGIONS AND CITIES ON THE PLANET IS LONDON. IT'S HIGHLY ATTRACTIVE, AND IT OFFERS ONE OF THE BEST PROSPECTS FOR BUSINESS DEVELOPMENT AND INNOVATIVE THINKING”
FINSPIRE CORPORATION

HIGHLIGHTS

12.7%

ECONOMIC GROWTH ANTICIPATED BY THE END OF 2022 (GLA ECONOMICS & LONDON MAYOR'S OFFICE)

£500BN+

THE SIZE OF LONDON'S ECONOMY (OFFICE FOR NATIONAL STATISTICS)

25%

LONDON IS RESPONSIBLE FOR ALMOST A QUARTER OF THE UK'S ECONOMY (OFFICE FOR NATIONAL STATISTICS)

SECTOR FOCUS: DIGITAL & TECHNOLOGY

London's digital and tech sector is by far the largest in the UK and a shining example of how London's economic growth continues to exceed all expectations. The latest Tech Nation report shows that London is home to 14% of the UK's total tech firms which collectively support just under 600,000 jobs. Furthermore, Tech Monitor reports that the average salary in London's digital tech sector has now reached £55,000 – a figure that is approximately £25,000 higher than the average UK salary.

A report from London & Partners demonstrates the huge amount of technology investment that London has received. In 2021 alone, London saw almost £18.7bn of new investment, with particular focuses on FinTech, EdTech, ClimateTech and similar fields which will keep London at the forefront of the industry for years to come.

“LONDON HAS BEEN A KEY DRIVER IN THE UK'S FINTECH SUCCESS STORY. AS THE SECOND HIGHEST RANKING FINTECH ECOSYSTEM GLOBALLY, IT HAS THE WORLD'S HIGHEST CONCENTRATION OF FINANCIAL AND PROFESSIONAL SERVICES FIRMS.”
DELOITTE, FINTECH STRATEGIC REVIEW

£18.7BN

LONDON RECEIVED ALMOST £18.7BN OF TECH INVESTMENT IN 2021 (LONDON & PARTNERS)

45%

THE AVERAGE TECH SECTOR SALARY IN LONDON IS 45% HIGHER THAN THE UK AVERAGE (TECH MONITOR)

POPULATION GROWTH

London is by far the biggest city in the UK and one of the most populous in Europe. It is the heart of the UK and its economy is so large that people from around the globe relocate to the city and invest here. Consequently, more people are moving to London all the time, and the population of 9 million will keep growing.

The latest data from the Greater London Authority (GLA) anticipates that London's population will grow by up to 70,000 people a year going forward, and it would be no surprise to see that figure increase as the economic recovery really picks up the pace following Covid-19.

The latest Greater London Authority Demography study goes into more detail and explains exactly where all these extra people will come from. The main cause of the almost constant influx of people into London is the fact it receives a significant share of UK immigration, particularly in the more highly-skilled fields which supply the economies of the future. Due to this, and the capital's constant development of leading-edge business and industries, this level of in-migration from the rest of the UK will remain steady, or perhaps even grow in the coming years.

9M

CURRENT POPULATION OF LONDON
(GREATER LONDON AUTHORITY)

10.4M

LONDON'S PROJECTED
POPULATION BY 2050
(GREATER LONDON AUTHORITY)

IT IS ESTIMATED THAT
LONDON'S POPULATION
WILL GROW BY
70,000
PEOPLE A YEAR
(GREATER LONDON AUTHORITY)

Similarly, these trends make London more attractive internationally, especially in the higher education field where a virtuous cycle exists between universities and business. The international student sector is therefore another important way in which London's population will continue to grow, both in the short term as people arrive for university, and in the long term when so many choose to stay to pursue their careers.

The GLA Demography study notes that these resilient trends have been maintained across very different social and economic conditions. With this in mind, it is considered likely that London will weather the Covid-19 pandemic in the same way, and that there is no need to be too conservative about population growth projections. This is very good news for investors as it means that demand for rental property will continue increasing, and the foundations for the whole sector will be shored up annually by all the new arrivals. Areas like Clapham, with outstanding transport links, world-class culture and an unbeatable living environment, are becoming increasingly desirable to the thousands of young professionals moving to the city.



LONDON PROPERTY MARKET

There is no shying away from the fact that certain parts of the London property market have endured a tough time during the Covid-19 era. A range of factors combined to produce unique conditions which led to some minor trouble for Prime Central London.

However, these unique conditions are now falling away, and the London market is responding positively to the change. London was for many years the undisputed king of the UK investment market, and all the signs are that it is on the way back, with significant growth in demand, property values and rents all fuelling a new boom – all of which should be of interest to investors looking to start or expand their portfolios.

Overall, this is an established and proven market which should inspire confidence in investors. Whereas some regional centres can put up stronger numbers in the short term, the capital instead grows in a reliable way which offers large profits for investors without the ups and downs that can characterise some newer markets. London is a mature prospect which history has shown us you can rely on.

AFFORDABILITY & DEMAND

It is no secret that London property comes with the greatest affordability constraints – the average property in the city is now valued at more than half a million pounds. Indeed, the latest market updates show that, “the average house price is now as expensive as it ever has been,” according to Russell Galley, the managing director of Halifax.

This naturally slowed demand slightly during the Covid-19 pandemic as the rising cost of living affected many peoples’ ability to buy. However, there are now solid indications that this trend is starting to turn and London is back in high demand among all types of buyers once again. New data from Hometrack shows that buyer demand in the capital increased by 14% in August 2021 alone as life continues to return to normality.

Furthermore, this comes at a time when the available housing stock is lower than typical levels, with 13% of properties for sale in London coming from ex-rental stock. This is not enough to meet demand on its own and it has the secondary impact of radically reducing the amount of rental stock on the market – at a time when rental demand in London is predicted to start increasing significantly.

All in all, affordability and demand are dovetailing in London to the benefit of investors who are prepared and ready to move following the Covid-19 pandemic. The opportunity is there for landlords to make the most of a resurgent London market which is bursting with demand.

14% BUYER DEMAND IN LONDON INCREASED BY 14% IN AUG 2021 (HOMETRACK)



HOUSE PRICES ON THE UP

London house prices are following the trends in demand analysed previously, and the future is looking bright in terms of capital appreciation. Whereas house price growth slowed along with demand during Covid-19, the signs are pointing towards a recovery.

The Hometrack UK House Price Index from August 2021 shows that house prices in the capital increased by 3% year-on-year to the date of the report, but investing in property is all about looking at future growth, and that is where the real intrigue lies for investors when it comes to London.

Historically, the Prime Central London (PCL) market has led trends for the rest of the capital, and the signs there are encouraging for the whole of London. Savills broadly agrees with Hometrack regarding the 2021 growth figures, but their research shows that we are at the beginning of a large, long-term upturn in the PCL market.

Savills expects PCL prices to rise more significantly in the second half of 2021 and end the year with 3% gains, followed by an 8% bounce in 2022. The agency puts this down in large part to the fact that international capital is freed up and easier to move as the pandemic begins to ease, with the expectation that London will be a major beneficiary of this. Similarly, JLL projects house price growth of 25.8% by the end of 2026 – a serious level of capital appreciation.

Frances Clacy, research analyst at Savills, said: “While price growth has remained modest this year, there continues to be huge pent-up demand from those who have been restricted by travel over the past year. This suggests there is likely to be a rebalancing in demand once office-based workers return to their desks and international buyers are able to visit the capital more easily again.

“Buyers are well aware of the opportunity to be had while prices remain lower. The value on offer is significant in both a historical and global context in a market where values remain on average 20.3% below their 2014 peak. We’re also seeing an uptick in demand for a wider variety of housing types in London as office workers return, and as a result, we expect the ‘window of opportunity’ to close quickly.”

As Prime Central London grows, the rest of London will follow, and popular areas like Clapham which have convenient transport links to the most desirable leisure and business areas of the capital will be the main beneficiaries. This is the ideal time to invest in such areas and make the most of the upcoming capital appreciation.

8%

EXPECTED HOUSE PRICE
GROWTH IN LONDON OVER THE
COURSE OF 2022 (SAVILLS)

25.8%

PROPERTY VALUES IN LONDON
EXPECTED TO GROW 25.8% BY 2026
(JLL)

RENTAL GROWTH

London’s rental market is in exceptionally good health. According to Rightmove’s Quarterly Rental Tracker for Q3 2021, tenants are returning to city centres in huge numbers following the easing of Covid-19, and London is a major beneficiary of this.

The additional demand is pushing an already strained housing stock to the limit, and rents in Inner London (Zones 1 and 2) have seen an increase of 5.6% in a single quarter. Furthermore, Rightmove reports that competition for flats is up 95%, with three and four bed apartments seeing the most competition – yet more good news for those investing in apartments in London.

The picture improves even more as we look to the future. Savills forecasts that rental growth in London will be the highest in the country and above the national average. Whereas the rest of the country is looking at average rental growth of 17% by 2025, the capital is scheduled to see growth of 19.3% overall, following growth of 5.5% next year alone.

All of the above makes this an excellent time to invest in London property. As well as the previously mentioned capital appreciation on the way, landlords can also enjoy strong rental growth which will provide a healthy passive income on top.

5.6% RENTS IN ZONE 1 & 2
INCREASED 5.6% IN
Q3 2021 (RIGHTMOVE)

95% COMPETITION FOR
FLATS IS UP 95% IN
LONDON (RIGHTMOVE)

17% EXPECTED RENTAL
GROWTH IN LONDON
BY 2025 (SAVILLS)



TRANSPORT

IN THE CITY

London has one of the world's largest and most comprehensive urban transport networks, with integrated services covering the city's 32 boroughs. Buses, underground tubes, light rail, overground trains, road, river, cycle highways and more all combining to provide residents with a first-class transport infrastructure that makes London unique.

It is estimated that more than 30 million journey stages are taken in London every single day, with approximately 60% of all journeys taken by Londoners made on public transport according to Transport for London. The network receives 28% of all public transport spending in the UK and sees annual train station refurbishments, tube expansions and more.

Transport infrastructure creates economic growth, and London's transport network gives it a major advantage over all its rivals. It is the perfect place to grow a global business, commute to for high quality employment, find culture from around the world and so much more. Put simply, London's transport network is the city's backbone and has played a major role in making the city one of the world's leading destinations and property markets.

LONDON BUSES

- 9,300 vehicles
- 675 routes
- 19,000 bus stops

LONDON UNDERGROUND (TUBE)

- 11 lines covering 402 km
- 270 stations
- 5 million passengers a day

LONDON OVERGROUND SIX ROUTES WHICH CIRCLE THE CITY CENTRE AND WHICH ORIGINATE AT CLAPHAM JUNCTION:

- Richmond and Clapham Junction to Stratford
- Watford Junction to Euston
- Gospel Oak to Barking
- Highbury & Islington to New Cross, Clapham Junction, Crystal Palace and West Croydon
- Liverpool Street to Enfield Town, Cheshunt (via Seven Sisters) and Chingford
- Romford to Upminster

OUTSIDE CONNECTIVITY

London is also the UK's best connected city when it comes to the rest of the country and indeed the world. The UK's national rail network is centred on London and all routes lead there, including the mainline routes to the country's other economic centres including Birmingham and Manchester. The upcoming HS2 high speed rail network will cut journey times to these cities in half and provide even greater economic benefits to London.

In the other direction, the HS1 high speed rail line connects London directly to the Channel Tunnel, and from there to Paris, one of Europe's other major economic centres. From St. Pancras International, Londoners can reach Paris via the Eurostar in 2 hours 16 minutes.

London is also at the centre of a network of large airports including Heathrow – the busiest airport in Europe – Gatwick, Stansted, London City, Luton and Southend. From these airports you can reach anywhere in the world, and they are all easily accessible from Central London via rail and road.



EDUCATION

London is an academic powerhouse, with the most universities of any city in the UK. Many of these institutions rank highly in the QS World University Rankings 2022, including Imperial College London (7th), University College London (8th), London School of Economics (27th) and King's College London (35th). Nowhere else in the UK or Europe can match the strength and impact of London's higher education sector.

As well as the quality of its education, students from around the world are also attracted to London due to the city's diversity, entertainment, culture and history. All of these combined make London the UK's number one university destination.

The sector generates more than £17bn for London every year and supports over 172,000 jobs in the city. It's almost 400,000 students includes more than 115,000 overseas students from 200 countries who contribute a net impact of £4.6bn every year.

The impact of London's universities is also demonstrated by its incredibly high post-graduation employment rate of nearly 70%. These graduates go on to live and work in the capital contributing a huge amount to the city, enriching people's lives and making it an even more desirable place to live.

£17BN

THE ECONOMIC IMPACT
OF LONDON'S HIGHER
EDUCATION SECTOR ANNUALLY
(LONDON HIGHER)

70%

LONDON'S GRADUATE
RETENTION RATE
(LONDON HIGHER)

3

THE NUMBER OF UNIVERSITIES
LONDON HAS IN THE WORLD'S TOP 35
(QS WORLD UNIVERSITY RANKINGS)



AREA FOCUS: CLAPHAM

Clapham is one of London's most vibrant and exciting areas which is packed with bars, restaurants, shops and beautiful green space. London is a city where you can find anything and everything, and Clapham is the archetypal example of this, making it an extremely popular place for young professionals looking to get as much out of city centre life as they can.

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Some of London's best local pubs and restaurants can be found in Clapham, such as the Falcon, the Belle Vue, Minnow, Mien Thay, Sorella and Tsunami, all of which provide exceptional food and drink from around the world. The nearby high street is packed with a whole range of shops, brunch spots, food halls and supermarkets – and London's finest designer brands and high end shopping destinations are only a short journey away via the local transport network.

Clapham's Venn Street Market offers something different again by providing an award-winning community food market where locals can meet

directly with farmers and small independent producers every week. Other exciting areas of Clapham include Abbeville Road, home to Nue Ground, and the Old Town which includes a range of upmarket bars and restaurants along with a collection of butchers, bakeries, fishmongers and more.

Theatre and art lovers could not ask for a better place to live than Clapham. In the immediate area alone, you can make the most of Battersea Arts Centre, the Omnibus Arts Centre, 575 Wandsworth Road, the Soseki Museum, Clapham Grand, Clapham Picturehouse, the Lavender Print School and so much more – and as with the shopping opportunities, London's world-famous theatre districts are only a short journey away and play host to the biggest and best shows from around the globe.

It's easy to see what makes Clapham such an exciting, popular area. It has everything a resident could want and so much more – making it the perfect place to invest in property and earn a considerable profit.



CLAPHAM COMMON

The 220-acre Clapham Common is one of London’s largest, oldest and most beloved green spaces, and can be found in the heart of Clapham. Its welcoming green spaces complement and enhance the first-class urban environments that surround it, creating an environment that is the envy of London.

In addition to its open fields, Lambeth Council notes that the Common contains many other interesting landscapes such as “avenues of mature trees, three ponds used for a mixture of fishing, model boating

and wildlife conservation, two woodlands, species-rich meadows and grasslands, and a network of paths.”

As well as being the sort of wide-open green space which makes city centre life so much better, the Common also includes a number of cafes, playgrounds and a skatepark, as well as a historic bandstand which was restored in the 1960s and now hosts open-air concerts in the summer.



CONNECTIVITY

The Residence is minutes from several of London’s most useful underground and overground lines. Clapham North and Clapham Common stations give access to the Northern Line, from there you can easily reach the City and West End. Next door to Clapham North, you will find Clapham High Street Overground Station, which allows you to travel even further afield. A short walk in the opposite direction from The Residence, Stockwell Underground Station can get you to Oxford Circus, London’s busiest retail street, in just 10 minutes.

The local bus network offers even more options to residents of Clapham, providing a cheap and convenient way to get around the city, with particularly strong links to popular local cultural hotspots like Brixton and Dulwich. The nearby Santander bikes are another efficient way of getting around, and are not available outside of Zone 2.

Clapham Junction – one of the busiest railway stations in Europe – is reached easily from anywhere in Clapham by walking or by catching a nearby bus. From there, the national rail system opens up and you can get direct trains straight into London Waterloo, or head further afield and explore England’s beautiful South West.

EDUCATION

Clapham is within easy reach of all London’s top universities including University College London, Imperial College, the London School of Economics and King’s College London via its outstanding transport links. This convenient location makes it a top choice for anyone studying in London who wants a short journey to their university without sacrificing any of the cultural highlights and lifestyle that a place like Clapham provides.

Clapham is also a fantastic location for families with younger children. The area contains high performing independent nursery and preparatory schools, including Thomas’s Clapham, Parkgate House School, Oliver House and Eaton House. There is a similar high quality of education available in the area at secondary and sixth form ages via Emanuel School which is a short walk away from Clapham Common.

Parents can rest assured that Clapham includes a full range of schools for all pupils which will give them the best chance in life, and open up the world of higher education and beyond.

WHY INVEST WITH ALLIANCE INVESTMENTS?

Alliance Investments (AIL) has a proven track record of expertise and an established reputation for working closely with developers to identify the best investment opportunities and key locations for its clients.

Headquartered in Manchester, AIL is a key contributor to the growth of the UK's top property locations – including London – and maintains an unrivalled level of customer service which has become its trademark.

With local experts on hand across Europe, the Middle East, Asia and Africa, our experienced Sales and Aftersales teams are dedicated to offering a clear and transparent service at every stage of the process.

Our in-house team can handle all elements of the sale, including exchange, mortgages, completion and property management, and you can be sure Alliance Investments will never be far away.





ALLIANCE
I N V E S T M E N T S

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