



Crossrail booster may help London property

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With even the capital seeing house prices fall these days, some may wonder where the best places to invest may be. Plenty have already taken advantage of the Olympic opportunities around Stratford, while there cannot be many emerging markets in a city of such age and importance.

However, transport is always a factor that can boost house prices, by making an area more accessible for commuters into city centres and by providing easy links to other parts of the country, leisure facilities and airports.

Crossrail may help provide plenty of that. Due to commence its services in 2017, the east-west rail link from Maidenhead to Abbey Wood and Shenley will have 37 stations and link west and central London with Canary Wharf and Heathrow Airport.

The latter aspect lies behind another major step forward taken by the project this week. The British Airports Authority (BAA) has agreed to provide £230 million in funding for the plan, in return for the provision of four trains a day across the capital.

Commenting on the news, transport minister Lord Adonis said: "This is a hugely important scheme for the country. Its implementation will help to generate new jobs and so support the economy, as well as assist the revitalisation of some of London's most deprived areas by offering them a fast and reliable connection to the rest of the city."

The last comment may be the most significant from a property investment point of view. The revitalisation of deprived parts of London - such as bits of the East End not quite reached by the Olympics - could help provide significant opportunities.

In the short run, the move will have a positive effect on the areas that will benefit from Crossrail, said property firm Young Group's chief executive Neil Young. He predicted that the prospect of Crossrail will supply "a much needed boost to confidence in the local markets close to the route's stations".

But there is more. He pointed to research by the London School of Economics showing that new transport links have had a beneficial effect on property prices, established by studying the effects of the creation of the Jubilee Line Extension and the Docklands Light Railway.

He also noted the benefits felt by one of Young Group's own east London developments by the announcement of the East London Line extension, observing: "Within 18 months of the project announcement, prices in Dalston at Young Group's development, The Interchange, increased by around nine per cent over and above the average for London during that period, which provided our purchasers with a healthy cushion against the current conditions."

So investors may be keen to track what is happening in London with these new developments. This may also be true in other cities, with Manchester shortly to hold a referendum on a congestion charge that will - if passed - fund a major expansion of its transport services and infrastructure. Where wheels and rails go, it seems, higher property values follow.