Knight Frank

PETERBOROUGH

MARKET INSIGHT REPORT

ARRIVAL

PETERBOROUGH IS A CATHEDRAL CITY WITH A RICH HISTORY ON THE BEAUTIFUL RIVER NENE IN CAMBRIDGESHIRE. THE CITY AND ITS SURROUNDINGS, IN THE HEART OF RURAL EAST ENGLAND, HAVE A WEALTH OF HISTORIC PARKS, GARDENS, PROTECTED BUILDINGS AND CONSERVATION AREAS.

Peterborough's history dates back to the Bronze Age, and the earliest signs of human settlement can still be seen at the Flag Fen archaeological site to the east of the city centre, later the site of a Roman settlement. During the Anglo-Saxon period, the monastery Medeshamstede was formed, which later became Peterborough Cathedral – a magnificent building that took more than 120 years to complete.

Now, Peterborough is a modern cosmopolitan city, with a wide variety of restaurants and shops. The city has about 200,000 inhabitants and the local authority has the fastest growing population in the East of England.

A MODERN, GROWING CITY

Peterborough is a historic city with a very bright future. It is the fastest growing local authority in the East of England, according to official figures. In excess of 7,500 people migrated there in 2016, of which more than 40% were between the ages of 20 and 34. The city's population is forecast to grow by 23% to more than 240,000 by 2036.

Peterborough's modernisation began in the 1960s when it was designated as a New Town during the rebuilding of post-war Britain. The plan to rehouse London's overspill population sparked a development boom that shaped the city as it is today.

Now Peterborough is an important stop on the East Coast Railway Line connecting London and Edinburgh. It is within easy reach of York, Cambridge and Birmingham. Four major airports – London Stansted, London Luton, East Midlands and Birmingham International are all less than 90 minutes' drive away.

Peterborough is primed to benefit from the UK government's plan to create an 'Eastern Powerhouse' by devolving power to the region. In March 2017 the Cambridgeshire and Peterborough Combined Authority was formed and became one of the first areas in the UK outside London to elect a mayor. As part of a devolution deal with the Government, the combined authority will receive £770 million of new funding for local infrastructure and housing.

In November 2017, as part of a Government bid to nurture innovative industries in the region, the Chancellor of the Exchequer, Philip Hammond, revealed plans for a 'growth corridor' akin to California's Silicon Valley including Cambridge, Milton Keynes and Oxford. The Government has asked the Cambridgeshire and Peterborough Combined Authority to develop an ambitious Local Industrial Strategy to support the area's world-class science and innovation businesses. Ministers are working on a series of sector deals with the life sciences, construction and artificial intelligence sectors to support their growth in the corridor.

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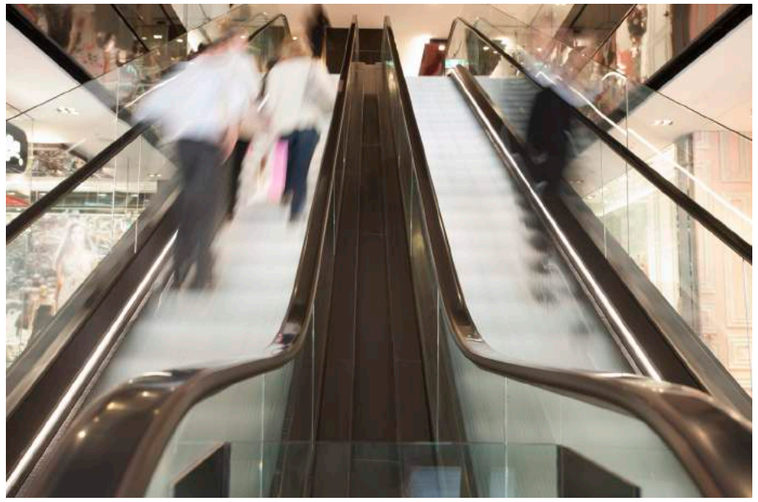
VIBRANT NEIGHBOURHOOD

RESIDENTS IN PETERBOROUGH CAN ENJOY A MIX OF ACTIVITIES FROM EXPLORING HERITAGE ATTRACTIONS, VISITING ELEGANT NEIGHBOURHOOD RESTAURANTS TO COUNTRYSIDE WALKS THROUGH NATURE RESERVES AND BEAUTIFUL VILLAGES. THERE ARE 29 CONSERVATION AREAS IN THE VICINITY AND MORE THAN 1,000 LISTED BUILDINGS. THE CITY ITSELF HAS SEVEN HISTORIC PARKS AND GARDENS.



Perhaps the city's most beautiful green space is Central Park, a quintessentially English park with a sunken garden, play areas, tennis courts, a croquet lawn and the popular Buttercross Tea Rooms. For a more rustic experience, the Ferry Meadows Country Park is an unspoilt expanse of meadows, lakes and woodland less than three miles from Peterborough's city centre.

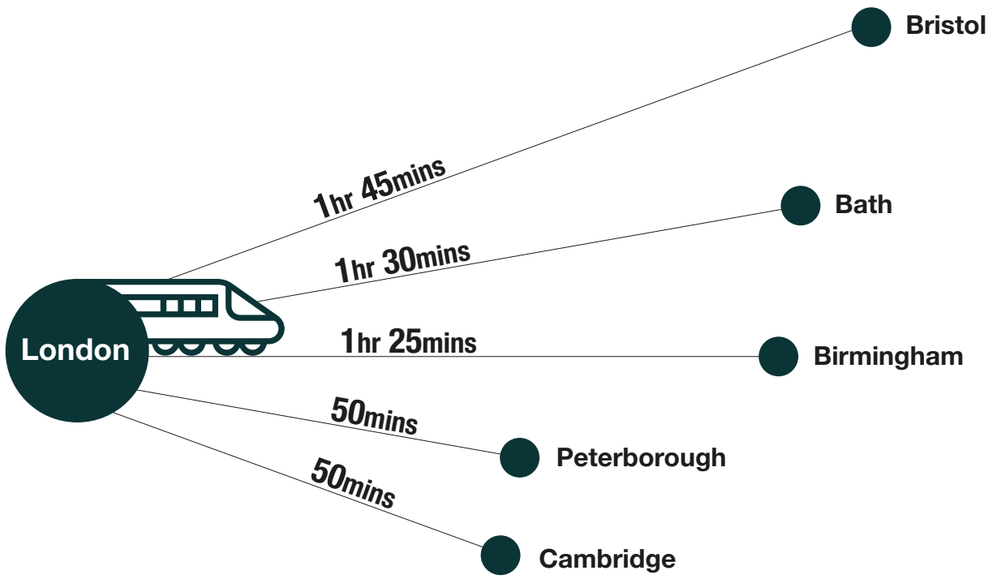
Closer to home, the city's star attraction is Peterborough Cathedral, one of the finest Norman cathedrals in England. Founded as a monastic community in 654 AD, it became one of the most significant medieval abbeys in the country, and is the burial location of two queens.

Alongside its wealth of historic attractions, Peterborough has an abundance of retail, cultural and culinary attractions. The Queensgate Shopping Centre has more than 90 shops and a plethora of restaurants and cafés. The Key Theatre shows a mixture of 'home grown' productions, national touring shows, local community productions and a full programme of one-off concerts. Foodies can choose from fine dining to gastro pubs, but for a special experience, can try one of the floating restaurants by the River Nene.

CONNECTIVITY

Peterborough is very well connected, linked by the East Coast Main Line Railway to both London and Edinburgh. The fast intercity trains take just 50 minutes to reach the centre of London.

The city's exceptional connectivity, its location less than an hour's drive to Cambridge University, and proximity to a raft of headquarter locations for some of the world's leading science and innovation companies, has made Peterborough and the surrounding area a key strategic location in the UK government's economic strategy.



KEY LOCATIONS

Peterborough
London
Cambridge
Birmingham
Oxford
Stevenage

EDUCATION

1. Cambridge University
2. Oxford University
3. Oundle School
4. Oakham School
5. Uppingham Independent School

AIRPORT CONNECTIONS

6. Stansted Airport
7. Luton Airport
8. East Midlands Airport
9. Birmingham Airport
10. Heathrow Airport
11. Gatwick Airport

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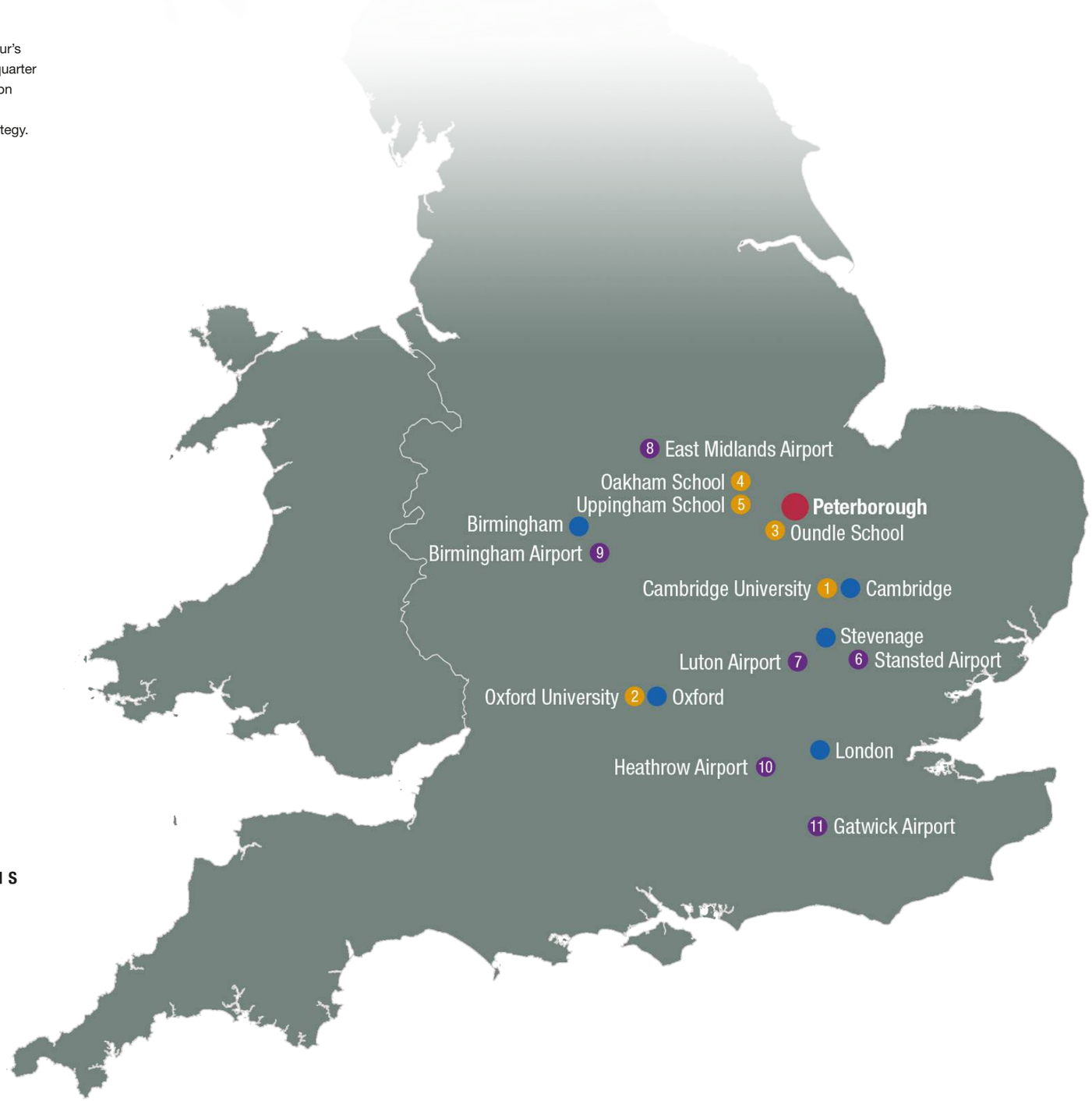
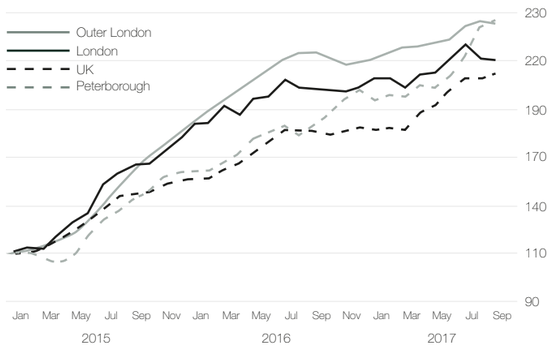


RESEARCH

HOUSE PRICES OUTPERFORMING

House prices in Peterborough have outperformed London and the UK recently, climbing 24 percent during the past three years (Fig 1).

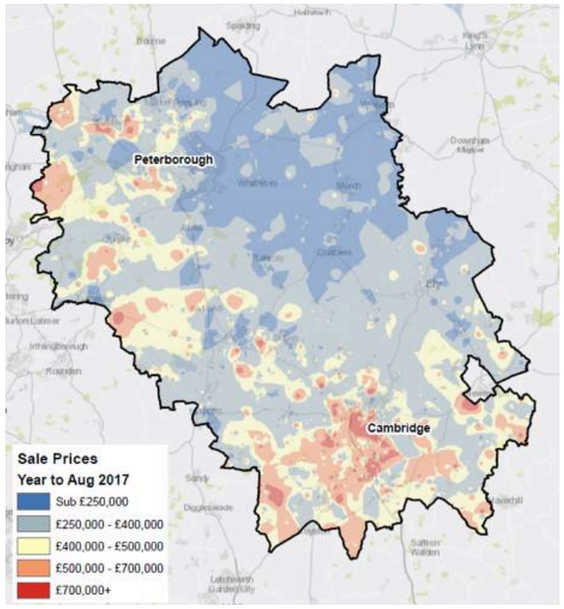


Source: Land Registry

Fig 1

There remains a price differential when comparing Peterborough with neighbouring locations and popular commuter towns a similar journey time from the capital (Fig 2). The average price of a home in Cambridge and Oxford, for example, is more than double that of Peterborough.

AVERAGE SALES PRICE ACHIEVED



Source: Land Registry

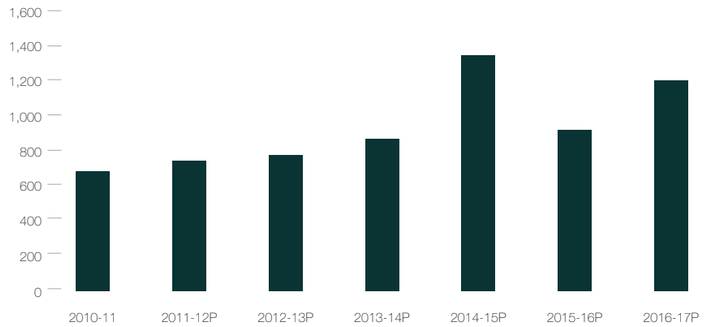
Fig 2

HOUSING SUPPLY

Peterborough needs 942 additional homes a year, every year until 2026, if it is to meet its housing need, a figure only met in two of the past seven years.

8,478
NEW HOMES NEEDED BY 2026

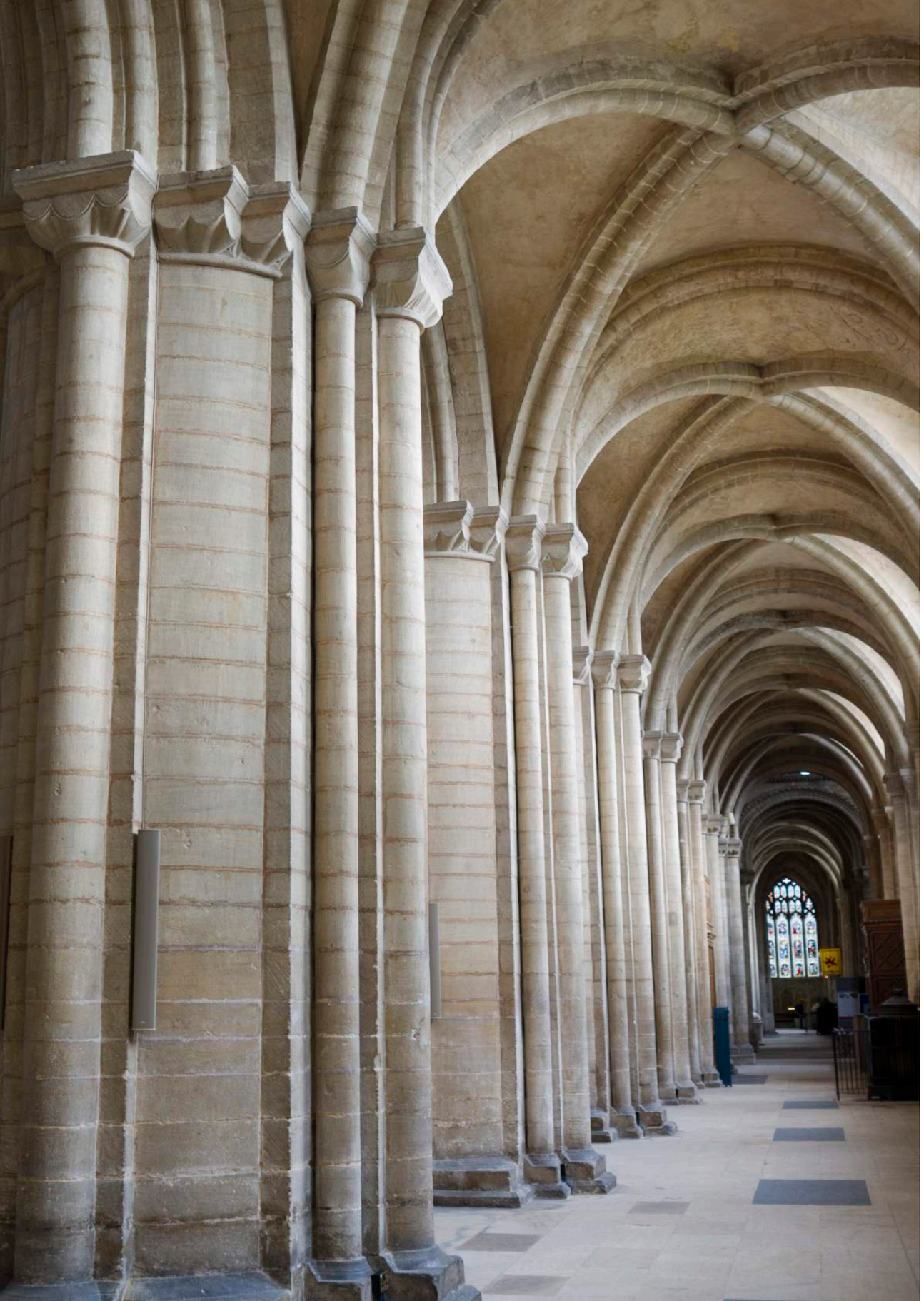
NEW HOUSING DELIVERY



Source: DCLG

Net Additional Dwellings

Fig 3



29
conservation areas

1,000+
listed buildings

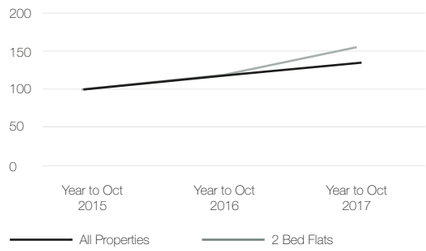
7
historic parks and gardens

23%
Peterborough's population is forecast to grow by 23% to 240,830 by 2036

GROWING RENTAL MARKET

Peterborough has a growing rental market. The number of rental agreements signed during the year through October 2017 has climbed 34% compared with the same period in 2015 (Fig 4). Average rents for a two bedroom apartment stand at £675 a month (Fig 5).

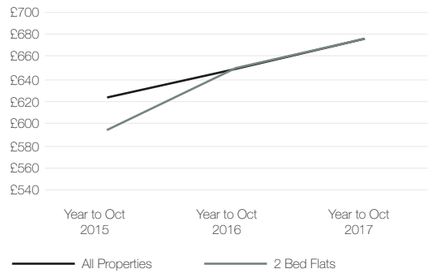
RISING NUMBER OF RENTAL AGREEMENTS



Source: Rightmove Fig 4

FIGURE 4 :: Index rebased 100=2015

RISING AVERAGE RENTS

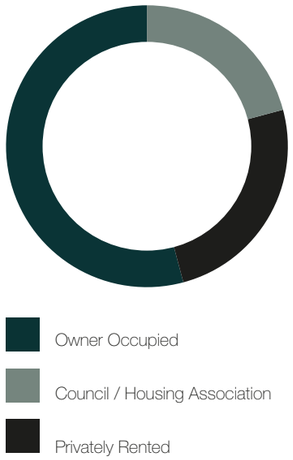


Source: Rightmove Fig 5

FIGURE 5 :: Average median rents per calendar month

MIX OF HOUSING TENURE

A little over half of Peterborough's housing is owner occupied.
A quarter is privately rented.

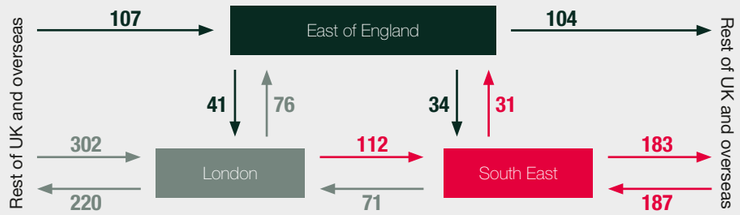


Source: Experian

PROPERTY TYPE		PROPERTY AGE	
FLAT	12%	**PRE 1900**	8%
TERRACED	34%	**1900-1939**	12%
SEMI-DETACHED	30%	**1945-1972**	22%
DETACHED	24%	**1973-1999**	42%
		2000-PRESENT	16%

AVERAGE ANNUAL GROSS MIGRATION FLOWS 2016-2041

The City of Peterborough has the fastest growing population of any local authority in the East of England. The surrounding area is set to see a notable influx of people from London, according to data from the Greater London Authority. Some 76,000 people will migrate from the capital to the East of England by 2041, almost double the number migrating the other way.



Source: GLA, 2016-based central projections – population in thousand

CONTACT

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