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Wellbeing in focus

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Room for more



Living by the park

The impact of proximity and views on residential value

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GREENER PASTURES

Green space is becoming increasingly critical to property buyers, here we explore just how important it is and why

Whether it's Hyde Park in London or Central Park in New York, living with green space on your doorstep is an attractive prospect, and one that is rising up the wish list of prime residential buyers. Data from our most recent Attitudes Survey, as featured in *The Wealth Report 2020*, found that half of ultra-high-net-worth individuals (UHNWIs) globally are taking proximity to green spaces, such as parks, into consideration when deciding where to buy. In the UK, the proportion is even higher, with 60% of UHNWIs citing its importance. The desire to be located close by to green space is perhaps unsurprising given the growing focus on personal wellbeing.

There is a wealth of evidence that supports the positive benefits of living close to green space. A recent academic study published in 2019¹ found that living within 300 metres of urban green space such as parks, nature reserves or play areas is associated with greater

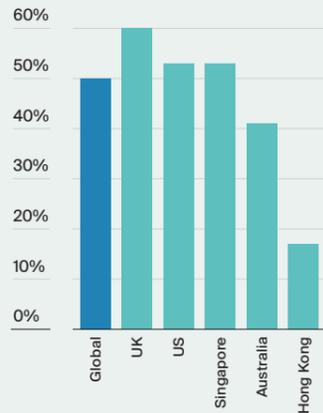
happiness, a higher sense of worth, and improved life satisfaction. Another study in the US² revealed that people experience a better mood after having spent time in a park relative to when they entered it, even if only staying for a short time.

Such is the ever-present desire for greener living we have analysed in detail the premium for newly built park-side residences in five global cities. In addition, we have explored the availability of green space on a city-by-city basis, and assessed how rare newly built homes with park views or park-side properties really are.

We measured the potential value uplift for newly built prime homes adjacent to a park, those with and without a view, compared with similar properties located further away. Not all prime park-adjacent properties are equal, however, and much like the diverse nature of global property – premiums can vary by location and amenity.

Access is key

Percentage of respondents* citing access to nearby green spaces as an increasingly important attribute when looking for a property



Source: Knight Frank Attitudes Survey, The Wealth Report 2020
*UHNW advisors



New York's extensive Central Park



50% of UHNWIs globally consider access to greenspace when purchasing residential property

GLOBAL PARK-PRINT

What impact does proximity to green space have on prices in five global cities?

As we discuss in *The Wealth Report 2020*, 80% of UHNWIs are dedicating more of their time and money to their personal wellness. It is, therefore, unsurprising that homes adjacent to green space command a premium – but just how much? Our research reveals that globally, on average, a park-adjacent property, is worth 18% more than an equivalent home further away. Interestingly, however, it's not just about proximity, a park view commands a

greater premium, with a 34% average uplift across our cities. The figures confirm the premium for a property located next to a park as well as the potential uplift for park views which, in cities such as New York, often do not need to be on the park edge. Perhaps unsurprisingly, the data shows that cities with the least amount of publicly-available green space command the highest premiums on account of its relative scarcity.

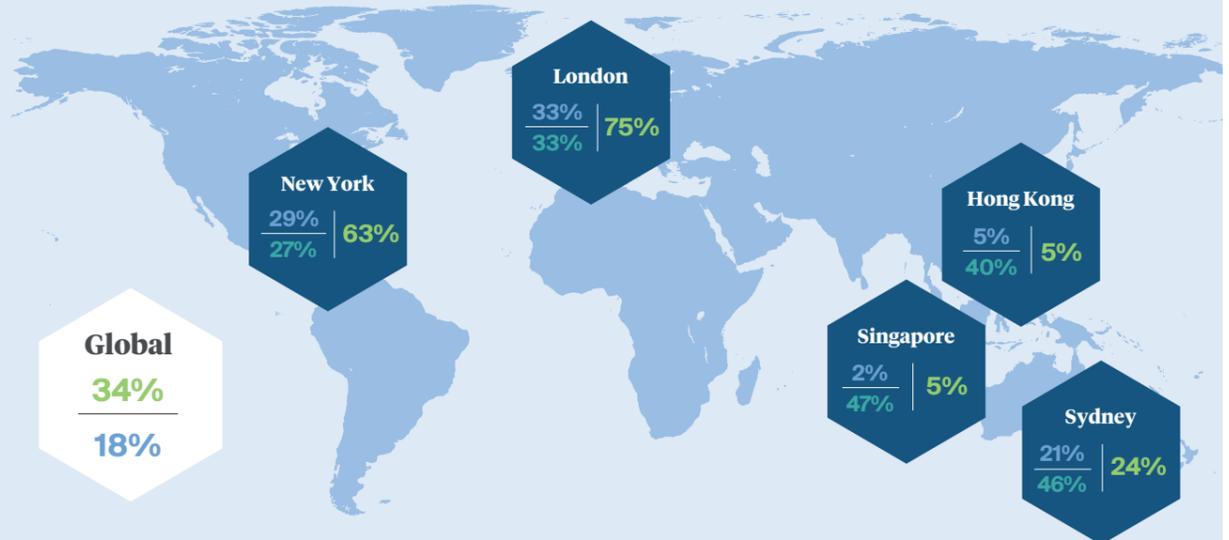


34% the average park-view price premium across our five global cities

Greener Living

The average price uplift for park-adjacent and park-view homes, as well as publicly-available green space in each city

■ Park-view price premium ■ Park-adjacency price premium ■ % of public green space (parks and gardens)



Source: Knight Frank Research, Douglas Elliman and World Cities Culture Forum

¹ A spatial analysis of proximate greenspace and mental wellbeing in London, by Victoria Houlden, João Porto de Albuquerque, Scott Weich, Stephen Jarvis, is published in Applied Geography, Volume 109, 2019
² Factors associated with changes in subjective wellbeing immediately after urban park visit, by Hon K. Yuen & Gavin R. Jenkins, International Journal of Environmental Health Research, 2019

GREEN IS THE NEW BLACK

Here we discuss some of the results of our research, as shown on the previous page, and find out from the experts why such premiums are achievable

London and New York lead with the highest price premium that park-adjacent properties can command, on average, a third more – 33% for living next to one of London’s Royal Parks and 29% for New York’s Central Park. Some of the most desirable properties sit around the Royal Parks of London, yet how centrally the park is located may also play a factor and influence the achievable premium.

As well as a premium for living next to a park, the data shows that having a park-view can also impact value, with London parks commanding up to double the average price for a green view. However, it is not any view that can create this uplift, it depends on the location, James Simpson, Knight Frank’s Head of North & East London, notes that “the premium is nuanced by where in the park the property is, for example, overlooking the lakes in Regent’s Park may command a higher price,” he also notes that “depth of the view is important, the view premium can vary between 50% and 75%.”

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Properties on the front-line of Hyde Park can achieve up to twice as much, compared to those on the second-line or further back
◆◆

In the case of Hyde Park, Rupert des Forges, Knight Frank’s Head of Prime Central London notes that “some of the price points that properties on the front-line of the park can achieve, are up to twice as much compared to those on the second-line or further back.”

In New York, residences adjacent to Central Park can achieve average premiums of 29% over residences farther from the park. However, New York is a market unlike any other. Some of the tallest residential buildings have homes with unobstructed park views, yet are not located on the park’s edge. The data shows that in Manhattan prices are, on average, 63% higher for residences with unobstructed views of Central Park compared to those without said views. Andrew Wachtfogel, Executive Vice President and Head of Research at Douglas Elliman, notes that “the views in premium park-view new build high rises encompass the entirety of Central Park, and much of the famous New York skyline.”

If you’re not perched along Sydney Harbour, being adjacent to one of the city’s parks is next best thing when it comes to apartment living. Buying an apartment park-side attracts an average value uplift of 21% compared to buying in a project situated a few streets back. Michelle Ciesielski, Head of Residential Research at Knight Frank Australia, notes



The Bryanston overlooking Hyde Park in London

that “Sydney, famed for its lifestyle, enjoys three major parks in the city, with the heritage-listed Royal Botanic Gardens, Hyde Park and our newest urban park, Barangaroo Reserve, at the foot of the Sydney Harbour Bridge.”

In Singapore, the price premium attached to a property adjacent to the Botanical Gardens sits at just 2%. Dr Lee Nai Jia of Knight Frank Singapore

notes that “living next to the park is desirable especially for young families, who are often willing to pay a bit extra for the accessibility and to give more spaces for their kids to play.” He continues, “with Singapore’s emphasis on creating a sustainable city, there is an abundance of green space available, which means the premium is less when compared with those cities where the

park essentially serves as a rare green lung.” Indeed, the availability of public green space is influential in relation to premiums. Singapore, with the lowest premium of our five cities, has 47% of its footprint dedicated to public green space (parks and gardens), according to World Cities Culture Forum.

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the price premium achievable for homes adjacent to London’s Royal Parks

In Hong Kong, the 19-hectare Victoria Park generates an average price premium of 5% for those properties situated along its edge. Knight Frank’s Martin Wong notes, “being located next to Victoria Park is desirable, not only for the access to green space, but also for the better access to transport links, as the subway station is at the park’s entrance.” However, the lower premium reflects the findings in our Attitudes Survey which confirms UHNWIs in Hong Kong show the least concern out of the regions we look at in regard to access to green space, with only 17% citing it as an increasingly important consideration.

In addition, at 40%, Hong Kong, has more green space on offer than some of its peers, the third highest of the five cities tracked. This compares to lower proportions of green space in London (33%) and New York (27%), which helps to explain the higher premiums.

SPACE FOR THE AGES

It is not only that park-adjacent properties can achieve a price premium, they often are larger than their counterparts, to maximise the benefit of the available views, but by how much?

We wanted to explore whether properties along the park-edge offered more space to maximize the views available. The data confirms that, on average, properties with park frontage are around 70% bigger.

London's Royal Park adjacent properties are, on average, more than double the size of their nearby equivalents. Rupert des Forges comments that, "the mix and design of properties on the park-edge tend to be larger than their counterparts, often yielding more room for views, which

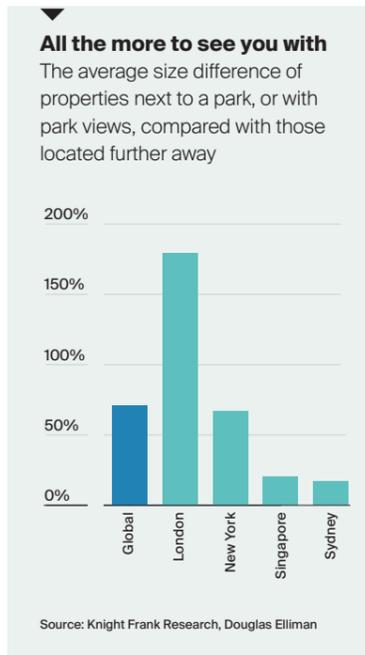
can frequently be appreciated through larger windows."

Singapore and Sydney also offer bigger homes on the park but of smaller multiples. In Singapore, homes are on average a fifth bigger, for Sydney Michelle Ciesielski states that, "although we've only seen a handful of new projects built adjacent to parks in recent years, apartment floor spaces were found to be larger, with a 17% size premium recorded compared to those projects located across the wider Central Business District."

For New York, Andrew Wachtfogel notes that "some of the more recent park-view new developments have homes which are full floors, or the majority of each

floor, to allow for a panoramic view, in addition to exclusivity. Therefore, homes with unobstructed park views tend to be much larger – by around two-thirds or 67% – than those in the same prime buildings without full park views."

Properties on the park-edge tend to be larger than their counterparts, often yielding more room for views



Dining with leafy views

AN APARTMENT ON LONDON'S HYDE PARK - ONCE IN A LIFETIME?

To establish how prevalent and attainable park-adjacent properties are, we have analysed the buildings that face London's Hyde Park, as well as looking at those under construction.

WRITTEN BY ALEXANDER LEWIS, KNIGHT FRANK PRIME CENTRAL LONDON CONSULTANCY

Less than half of the buildings located along Hyde Park's 6km of park frontage are residential in nature. Of this, only 6% is devoted to modern, luxury apartments, 3% is under development, with the remainder being period and post-war mansion blocks.

UHNWIs have always targeted park-facing properties, both as trophy assets in which to live, as well as rare investment properties which can often outperform the wider market thanks to their unique vistas. The other factor underpinning their desirability is their scarcity. In the last 30 years, only six schemes have been completed on Hyde Park's edge. Within these schemes, there are currently only three park-facing apartments available for sale – only 2% of the total – demonstrating that the rarity of these units often leads to a longer tenure.

The schemes currently under construction have a combined 109 units, with around half of these offering park views. Based on current demand, we would expect these to be sold within the next 2-3 years. Park-facing units are often targeted off-plan by purchasers on the rare occasion that new build schemes on the park's edge come to market.

By 2022, there will be eight modern park-facing blocks on the park. However,

despite an increase in supply from current low levels, we estimate, based on current demand volumes and tenure of occupancy, that at any one time, there will be fewer than 10 park-facing apartments available for sale in these schemes, demonstrating a fleeting opportunity.

Given limited opportunities on the park, more stringent planning policies, as well as the relative strength of the office occupier market in central London, these eight schemes are likely to remain as eight for many years to come.



We estimate that by 2023 there will be fewer than 10 park-facing apartments for sale at any one time.



The Wealth Report 2020



Prime Global Cities Index



London Residential Q1 2020



UK Forecast 2020-2024



Front cover: The view of Hyde Park from The Bryanston

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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