

Value of Satisfaction: London

The Influence of People's Activity on Real Estate Market

Intro

Many global cities are facing near-exponential rise in house prices. Property bubbles, gentrification leading to unaffordability are constantly in the spotlight. Cities like London, Hong Kong or Dubai are transformed into real estate investment destinations. This process is assumed to cause public dissatisfaction as locals cannot afford their own city.

Habitatum challenges this stereotype by comparing 3 metrics: activity density, people's sentiments and residential real estate prices in London. We divide the city into areas with equal population to examine whether additional activity affects property prices and whether overpriced areas are perceived in a bad way.

Concept

Habitatum explores the correlation between human crowds, real estate prices and neighborhood satisfaction in London.

Our study shows that property prices highly depend on the spontaneous data generated by people. Taking this information into account may help understand the housing market and predict the rise of property prices. It shows the difference between cheap and expensive locations through visitors' concentrations and overall people's emotions associated with a given place.



Figure 1. Property prices in London

Place-related sentiments in London are mostly positive. Negative attitudes are only associated with far-eastern and northern neighborhoods of London. Only two active neighborhoods in Westminster and Lambeth have an equal number of positive and negative sentiments. All the other places with activity over 1k are positive.

London urban centralities are identified through both high prices and activity. They are located in the historical centre and around major parks.



Figure 2. London urban centralities identified through higher property prices and activity

The least expensive areas are the least visited by general public. They have the same nighttime population, but the activity density is dramatically lower.

Not only suburban districts are also avoided by general public, they also lack positive sentiments. Negative attitudes are observed in areas with low activity (<100) and low property prices (usually <500 k). They include northern (Wood Green), eastern (East Ham), south-eastern (Catford) and south-western (Tooting) suburbs. These are dormitory districts where locals live, eat and sleep, but have nothing else to do. Creating new destinations may increase overall people's satisfaction in the place.

At the same time overvalued locations do not have negative sentiments at all. All the tweets there are extremely positive. Despite criticism people enjoy being in pricey neighborhoods.

Soaring visitors' density does not cause confrontation between locals and tourists. There is still a potential to increase the activity in most of the areas. However bringing visitors to suburbs would help smooth out the disparity between London's districts.

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