THE SANDHÜTEL LENS

South East and South London: The Quadrant Four Read

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Postcode Lottery... Only One Half Of It Is Worth Buying.

The UK headline is growth. The average house price nationally reached £271,000 in May 2026, up 2.7% on the year, and sales agreed nationally remain only 6% lower than the same point last year, a market broadly holding its ground. Read on its own, that headline supports a simple story for South East and South London: a market recovering in step with the country around it.

This edition's data does not support that reading, and it does not support the opposite reading either. Across the nine locations examined here, the split is not between this quadrant and the country. It is inside the quadrant itself, and in four separate cases, inside a single postcode name. Dulwich's SE21 is down 3% on the year while SE22, sold under the same Dulwich name, is up 3%. Crystal Palace's SE19 sits flat against its own peak while SE20, half a mile away, is up 4% and above its 2021 high. Bexleyheath and Sidcup's four postcodes range from DA14 down 8% to DA7 up 2%, all marketed under one area name. Dartford's own two postcodes cannot even agree on direction: DA1 is down on the year yet still above its 2023 peak, while DA2 is flat and still below its 2022 peak.

The structural signal this quadrant delivers is that the mechanic Edition 07 traced through East London, flats correcting while houses hold, is not a phenomenon confined to one corridor. It repeats here, inside Blackheath, inside Peckham, inside Herne Hill, in the same shape and for the same reason. What this edition adds is a second, distinct mechanic: postcodes sharing a single marketing name are now genuinely two different markets, not one, and buyers pricing Dulwich, Crystal Palace, Bexleyheath and Sidcup, or Dartford as a single entity are pricing only half of what they are actually buying.

One location breaks from both patterns and deserves its own line before the detail. Woolwich already carries the infrastructure an investor would ordinarily pay a premium for elsewhere, and its price has simply not been asked to reflect that yet. What follows sets out where these splits are running hardest, what a buyer holding through them actually pays in tax alone, and which half of each name is worth underwriting.

THE REAL DIVERGENCE

The Land Registry Price Paid Data, read through Rightmove's rolling postcode averages (registrations through 30 April 2026, material updated 9 July 2026), shows the same mechanic running through four separate names in this quadrant. Dulwich splits down the middle: SE21 is down 3% year on year and 9% below its 2022 peak, while SE22, sold under the same Dulwich name, is up 3% and 8% above its own 2022 peak. Crystal Palace repeats it: SE19 is flat against its 2023 peak while SE20, half a mile away, is up 4% and 7% above its 2021 peak. Bexleyheath and Sidcup produce the sharpest version of it: DA14 is down 8% year on year and 5% below its 2023 peak, while DA7, marketed under the same broad area, sits 2% above its 2022 peak. And Dartford's own two postcodes disagree with each other on direction entirely: DA1 is down 2% year on year yet still 4% above its 2023 peak, while DA2 is flat on the year and 2% below its

2022 peak.

Inside nearly every one of these postcodes, a second split repeats underneath the first. In Blackheath, SE3's terraces average £745,437 and its semi detached stock £911,150, against £468,652 for flats, a spread wide enough to carry a postcode that is nominally down 3% on the year. Peckham's SE15 terraces average £923,178 against £453,785 for flats. Herne Hill's SE24 terraces average £1,280,812, its semis £1,943,000, against £550,706 for flats. This is not a Docklands or East London phenomenon. It is the operating pattern of this entire correction, and this quadrant confirms it.

One location breaks from both patterns entirely. Woolwich has no reliable town centre versus Royal Arsenal split and no internal divergence to speak of: SE18 is down 6% year on year and 8% below its 2022 peak as one market, not two. What Woolwich has instead is the Elizabeth line, delivered and running, sitting directly beneath a postcode still pricing as though the infrastructure had not arrived.

Dulwich, Crystal Palace, Bexleyheath and Sidcup, and Dartford are each trading two separate markets under one shared name.

House led stock is absorbing this quadrant's correction on behalf of its flats, confirming Edition 07's mechanic as a citywide pattern, not a local one.

Woolwich already carries the infrastructure other locations are still waiting for, and its price has not caught up.

Peckham and Herne Hill are compounding on borrowed time; both cases were cheaper to call a year ago than they are today.

STRUCTURAL DRAG: SDLT AND INFRASTRUCTURE

The arithmetic that has changed across this quadrant is not the price of the property. It is the tax on top of it. HMRC's additional property rates, current at 30 July 2026, charge 5% to £125,000, 7% to £250,000, 10% to £925,000, 15% to £1.5 million, and 17% above that, plus 2% where the buyer is not UK resident.

Applied to this quadrant's average prices, that produces a real spread. An investor buying into Herne Hill at £949,991 pays £86,248 in SDLT, an effective rate of 9.08%. The same buyer in Dartford, at £399,438, pays £29,943, an effective rate of 7.50%. That near two point gap, before the underlying price difference is even considered, is now a material factor in where capital should sit, not a rounding error absorbed by sentiment.

A secondary factor sits underneath two locations. The proposed DLR extension to Beckton Riverside and Thamesmead could unlock 25,000 to 30,000 homes, construction possibly starting in 2028 and opening targeted for 2033, directly relevant to Woolwich. The Lower Thames Crossing began early works in 2026, tunnel boring due to start in 2028 and opening targeted for the early to mid 2030s, intended to almost double road capacity east of London and directly relevant to Dartford. Both are delivery dependent; neither should be priced today as though already banked.

£29,943	£46,220	£86,248
Investor SDLT Dartford avg £399,438	Investor SDLT Bromley avg £562,210	Investor SDLT Herne Hill avg £949,991

THE TOWNS WORTH READING CAREFULLY

Dulwich *(SE21, SE22)*

Opportunity: SE22's terrace stock, compounding 3% above its 2022 peak while carrying the more affordable half of the Dulwich name. Avoid: SE21 priced as though its postcode prefix alone justifies a premium over SE22, when the data currently argues the opposite direction.

Dulwich's blended average sits at £921,458 across its two postcodes, a figure that conceals more than it reveals. SE21 averages £1,015,536, down 3% year on year and 9% below its 2022 peak, its semi detached stock at £1,713,000 and terraces at £1,132,132 lifting the district average while flats trail at £471,808. SE22, East Dulwich, averages £827,380, up 3% year on year and 8% above its own 2022 peak, with terraces at £1,064,546 and flats at £517,860, the higher flat average of the two postcodes. Recent sales confirm the direction: a converted flat on Rosendale Road achieved £850,000 in March 2026 against £747,000 in 2021, while a flat on Highwood Close fell to £275,000 against £295,000 in 2021.

SE21 is the postcode buyers pay for out of habit. SE22 is the postcode currently proving it. Price the two halves of Dulwich separately, because the market already has.

Greenwich / Blackheath *(SE10, SE3)*

Opportunity: Blackheath's terrace and semi detached stock, holding firm against its own correcting postcode. Avoid: Greenwich's modern flat developments, the segment absorbing nearly all of this location's decline.

Greenwich and Blackheath's blended average is £610,047, with both postcodes correcting in the same direction. SE10 averages £573,789, down 2% year on year and 10% below its 2022 peak; SE3 averages £646,305, down 3% and 8% below its own 2022 peak. The two postcodes are not diverging on direction, only on degree, and the reason is stock type rather than location. SE3's terraces average £745,437 and its semi detached homes £911,150, against flats at just £468,652; a semi detached house on Coleraine Road sold for £2,025,000 in April 2026 against £1,475,000 in 2014, and a terrace on Morden Road achieved £1,400,000 against £1,162,500 in 2021. Against that, flats in both postcodes are doing the damage: an apartment at Fiador Apartments in SE10 fell to £370,000 from £395,000, and a flat at Loder House in SE3 fell to £375,000 from £425,000.

Blackheath's houses are not correcting. Its flats, and Greenwich's alongside them, are carrying the entire decline for both postcodes.

Peckham *(SE15)*

Opportunity: SE15's terrace stock, up 9% year on year and now 4% above its 2022 peak. Avoid: waiting for a better entry; the same value into momentum case Edition 07 made for Walthamstow is already running here.

Peckham's SE15 postcode averages £656,249, up 9% year on year and 4% above its 2022 peak, the strongest single reading in this edition. The average masks a wide internal spread: terraces average £923,178 against £453,785 for flats. A house on Kinsale Road sold for £959,000 in April 2026 against £675,000 in 2014, a 42% nominal gain over the holding period, while flat sales on Peckham Road show a narrower and more mixed picture, one apartment down 1.7% and a second, smaller unit up 11.1% over a shorter period.

Peckham is compounding on a sub £660,000 average. That combination will not sit at this price for long.

Crystal Palace *(SE19, SE20)*

Opportunity: SE20, up 4% year on year and 7% above its 2021 peak. Avoid: assuming SE19 is keeping pace; it is flat against its 2023 peak while its neighbour compounds.

Crystal Palace's blended average is £482,500 across its two postcodes. SE19 averages £502,030, down 1% year on year and broadly level with its 2023 peak; SE20 averages £462,970, up 4% year on year and 7% above its 2021 peak, despite carrying the lower headline price of the two. Both postcodes are flat led by transaction count, and SE19's flat and terrace averages remain higher in absolute terms, but the current direction of travel belongs entirely to SE20.

The cheaper postcode is the one compounding. SE20 is doing the work SE19's higher average suggests it should be doing, and is not.

Bromley *(BR1, BR2)*

Opportunity: BR1, the more affordable of the two postcodes and the one correcting less. Avoid: paying BR2's premium for a postcode now correcting harder than its cheaper neighbour.

Bromley's blended average is £562,210. BR1 averages £539,592, down 2% year on year and 4% below its 2022 peak; BR2, which includes Hayes and Keston and carries the higher reputation, averages £584,827, down 6% and 9% below its 2023 peak. The flat averages in both postcodes are close, £350,664 and £346,474, so the £45,000 gap between them is being paid for houses in BR2 that are currently correcting faster than the cheaper postcode next door.

BR2's premium bought reputation, not resilience. Right now, BR1 is the postcode holding its ground.

Bexleyheath / Sidcup *(DA6, DA7, DA14, DA15)*

Opportunity: DA7, up 2% year on year and above its 2022 peak. Avoid: DA14, down 8% year on year and 5% below its 2023 peak, the weakest reading in this edition, sold under the same broad Bexleyheath and Sidcup name as three postcodes performing very differently.

This location covers four postcodes, and a blended average of £452,328 conceals a genuine four way split. DA15 is the strongest price point at £493,114 and 1% below its 2022 peak. DA7 averages £473,679, up 2% year on year and 2% above its 2022 peak, the only postcode in this group currently compounding. DA6 averages £438,478, flat on the year. DA14 averages £404,040, down 8% year on year and 5% below its 2023 peak, easily the weakest reading of the four. A house on Royal Road in DA14 still managed a 33% nominal gain against its 2019 sale, but the postcode average tells a different current story than that one transaction does.

Four postcodes, one marketing name, four different trends. Buy DA7's momentum, not DA14's postcode neighbour discount.

Dartford *(DA1, DA2)*

> *Opportunity: DA1, still 4% above its 2023 peak despite a 2% dip on the year. Avoid: treating Dartford as a single cheap entry point; DA2 is a genuinely different, and currently weaker, market.*

Dartford's blended average is £399,438, the lowest in this edition and the reason it sits inside this quadrant's key demographic. DA1, town centre and Crayford weighted and terrace led, averages £361,972, down 2% year on year but still 4% above its 2023 peak, a postcode absorbing a short term dip from a genuinely higher high. DA2, covering more semi detached and village edge stock, averages £436,905, flat on the year and 2% below its 2022 peak. A house on Morland Avenue in DA1 sold for £505,000 against £350,000 in 2018, a 44% nominal gain, while DA2's Brewers Field achieved £480,000 against £360,000 in 2020.

> *DA1's dip is sitting on top of real gains already banked. DA2 is the postcode still working its way back to where it was.*

Woolwich *(SE18)*

> *Opportunity: the gap between infrastructure already delivered and a price that has not caught up. Avoid: reading the 6% year on year fall as a warning rather than what it actually is here, an entry point.*

Woolwich's SE18 postcode averages £414,953, down 6% year on year and 8% below its 2022 peak, a single market with no reliable split between the town centre and the Royal Arsenal riverside development. What sets Woolwich apart from every other location in this edition is what already sits underneath it. The Elizabeth line runs through Woolwich today, not on a delivery date years out, and the wider DLR extension toward Beckton Riverside and Thamesmead, which could unlock 25,000 to 30,000 homes on a 2033 timeline, sits directly adjacent. Recent sales still show the correction working through: a flat at Building 22 on Cadogan Road sold for £342,500 against £212,088 in 2007, and a house on Wernbrook Street achieved £465,000 against £260,000 in 2013, both solid multi year gains sitting inside a postcode that is nonetheless down on the year.

> *Everywhere else in this edition, infrastructure is a promise. In Woolwich, it is already running, and the price has not been asked to reflect that yet.*

Herne Hill *(SE24)*

> *Opportunity: SE24's terrace and semi detached stock, already compounding above its 2023 peak. Avoid: mistaking Herne Hill for a value play; it is the richest average in this edition and priced accordingly.*

Herne Hill's SE24 postcode averages £949,991, up 5% year on year and 1% above its 2023 peak, the highest average and the strongest year on year reading among this edition's most expensive locations. Terraces average £1,280,812 and semi detached homes £1,943,000, against £550,706 for flats, a spread that sits above both Dulwich and Streatham, its immediate neighbours. A ground floor flat on Deronda Road sold for £681,109 in March 2026 against £615,000 in 2017, and a house on Norwood Road achieved £800,000 against £230,000 in 2006, reflecting the area's long run appreciation as much as its current momentum.

> *Herne Hill is not a discovery. It is a compounding market at the top of this edition's price range, and the case for entry gets more expensive with every quarter that passes.*

WATCHLIST

Watchlist: Streatham (SW16). Flat on the year and 1% below its 2021 peak, with no reliable internal split between Streatham Hill, Streatham Park and Norbury published at postcode level. A steady market, not yet a distinguished one.

Watchlist: Otford (TN14). Up 11% year on year and 8% above its 2022 peak, the sharpest momentum reading checked outside the confirmed nine. Already priced for that momentum; not a value entry.

Watchlist: Chislehurst (BR7). Down 7% year on year and 7% below its 2022 peak, the sharpest correction checked outside the confirmed nine. Worth tracking for where the fall stops, not yet worth calling.

SELECTED DATA SIGNALS

Macro / Structural

£271,000	20,790	106%	-6%
UK average house price, +2.7% YoY UK HPI, May 2026 / ONS, 22 July 2026	South East housing starts, YoY -10% MHCLG, year to March 2026, published 19 June 2026	Bexley Housing Delivery Test requirement latest 3 year period, LB Bexley monitoring	UK sales agreed, YoY Rightmove HPI, June 2026

Income / Rental

£1,415	+2.3%	£1,388	5.62%
South East average private rent per month ONS PIPR, June 2026, released 22 July 2026	South East private rent inflation, YoY ONS PIPR, June 2026	UK average private rent per month, +3.3% YoY ONS PIPR, June 2026	Average 2 year fixed mortgage rate up from 5.48% earlier in July 2026

Note: South East and Bexley figures are corridor relevant regional or local signals; UK wide figures are context, not corridor specific, exactly as Edition 07 flagged its equivalent London and UK signals.

Read together, the two rows describe the backdrop this quadrant's postcode level splits are playing out against, rather than the splits themselves. The macro row is a supply story with a live local example inside it: South East housing starts fell 10% in the year to March 2026, while Bexley, the borough covering half of this edition's Bexleyheath and Sidcup entry, delivered 106% of its own three year housing target, a local outperformance sitting inside a regional slowdown. UK sales agreed remain 6% lower than a year ago, the same national backdrop Edition 07 traced through East London.

The income row tells a steadier story here than the price data does. South East rent is growing at 2.3% a year, a touch behind the UK average of 3.3%, and both are still rising while the cost of borrowing against that income continues to climb: the average two year fixed mortgage rate has risen to 5.62%, up from 5.48% earlier in July. An investor underwriting this quadrant today, exactly as in Edition 07, is doing so against rental income that is holding and a financing cost that is not.

THE SANDHÜTEL READ

South East and South London is not one correction with a Kent fringe attached to it. Four of this edition's nine locations, Dulwich, Crystal Palace, Bexleyheath and Sidcup, and Dartford, prove the same mechanic four separate times under four different postcode names. One, Woolwich, proves an entirely different one.

Connect Dulwich's SE21 to SE22 split with Bexleyheath and Sidcup's four way spread, and the pattern sharpens: in both cases, the postcode name buyers are paying a premium for, SE21, DA14, is not the postcode currently delivering. Set that against Woolwich, down 6% year on year while sitting directly on the Elizabeth line already, and a third signal appears: this quadrant is mispricing infrastructure that has already been delivered as readily as it is mispricing the postcode names buyers assume they can trust.

The allocation argument follows directly. Capital chasing straightforward momentum belongs in Peckham and Herne Hill, where the case is real but narrowing with every quarter of compounding already banked. Capital chasing a genuine mispricing belongs in Woolwich, where delivered infrastructure has not yet been paid for, and inside the split postcodes, specifically the underperforming half of each name, SE22 over SE21, DA7 over DA14, BR1 over BR2, where the market has already made the call the marketing has not caught up with.

At Sandhütel, our approach has not changed: discipline over urgency, income over speculation, and buy the postcode the data supports, not the one the name promises.

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Founder and Principal at Sandhütel, a London-based firm focused on strategic property investment, management and design. Over 15 years' leadership across credit strategy, investment management and real asset development, including as Global Head of Credit Product Management at Barclays Wealth. There he led balance sheet strategy, product governance and commercial growth across the UK, EMEA and Asia.