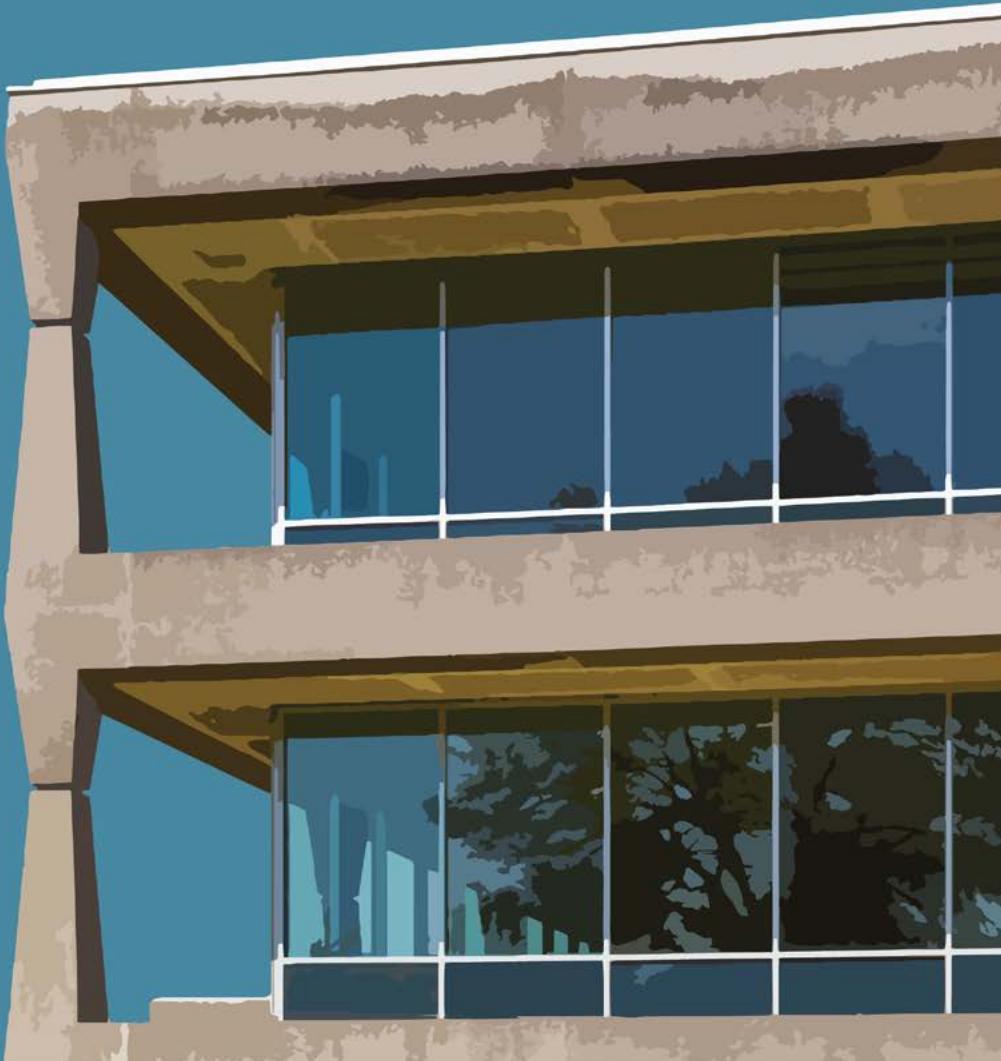


Hayes Park

Housing Mix Report

May 2023

Iceni Projects





MAY 2023

Housing Mix Report

Hayes Park, Hayes End Road, Hayes, UB4 8FE

Iceni Projects Limited on behalf of
Shall Do Hayes Developments Ltd

May 2023

ICENI PROJECTS LIMITED
ON BEHALF OF SHALL DO
HAYES DEVELOPMENTS
LTD

Iceni Projects

Birmingham: The Colmore Building, 20 Colmore Circus Queensway, Birmingham B4 6AT
Edinburgh: 11 Alva Street, Edinburgh, EH2 4PH
Glasgow: 177 West George Street, Glasgow, G2 2LB
London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH
Manchester: This is the Space, 68 Quay Street, Manchester, M3 3EJ

t: 020 3640 8508 | **w:** iceniprojects.com | **e:** mail@iceniprojects.com
linkedin: [linkedin.com/company/iceni-projects/](https://www.linkedin.com/company/iceni-projects/) | **twitter:** [@iceniprojects](https://twitter.com/iceniprojects)

Housing Mix Report
HAYES PARK, HAYES END ROAD, HAYES, UB4 8FE

Introduction

- 1.1 This report has been prepared in support of the detailed planning and listed building consent application being submitted by Shall Do Hayes Developments Ltd ('the Applicant') to the London Borough of Hillingdon ('the Council') for the proposed residential conversion of two listed buildings at Hayes Park, Hayes End Road, Hayes, UB4 8FE ('the site').
- 1.2 The description of the proposed development for the detailed planning and listed building consent application is as follows:

"Change of use of the existing buildings to provide new homes (Use Class C3), together with internal and external works to the buildings, landscaping, car and cycle parking, and other associated works."

- 1.3 The proposed development has evolved through an extensive pre-application and wider stakeholder consultation process, which has included collaborative discussions with the Council, Greater London Authority ('GLA'), Historic England ('HE'), and a number of other key stakeholders.
- 1.4 The proposed development will bring two long-term vacant office buildings, which are unique heritage assets, back into active use through their conversion to residential. The proposed development provides the opportunity of a second life for the buildings and presents a long term sustainable use that will ensure the buildings are protected and celebrated for years to come.
- 1.5 From the outset, the Applicant has taken a carefully informed heritage-led design approach. The objective has been to enhance the listed buildings, their setting, and the contribution they make to the wider surroundings, whilst at the same time delivering a range of planning benefits.
- 1.6 The purpose of this document is to examine aspects which will inform the mix of housing to be delivered on the site.

Site Description

- 1.7 The site is located within the Charville Ward of the London Borough of Hillingdon ('the Council'), who will be the relevant Local Planning Authority for the application.
- 1.8 The site sits within a wider former business park known as 'Hayes Park'. The red line site area which forms the basis of this application is 3.73 hectares and comprises of Hayes Park South, Hayes Park Central, the surrounding grassland area, and the associated car parking and road areas.
- 1.9 The wider Hayes Park business park site (which includes Hayes Park North and the adjacent multi-storey car park - but does not form part of this application) extends to 5.22 hectares. The site is accessed from the east from Park Lane and from the west from Hayes Park Road.

1.10 The Hayes Park Central and Hayes Park South buildings are both Grade II* Listed and were designed in the 1960s by American architect Gordon Bunshaft as corporate offices and research laboratories for HJ Heinz UK Limited.

1.11 The buildings have been occupied by various different occupiers since they were built but are now both vacant. Hayes Park Central has been vacant since September 2020 and Hayes Park South vacant since Summer 2017. Both buildings are three storeys in height and include a basement level used for plant and servicing.

1.12 The site is bound to the east and south by the open parkland, which is private land owned by the Church Commissioners. To the west the site is bound by the agricultural land and the buildings of Home Farm. To the north, the site is bound by Hayes Park North and the adjacent multi-storey car park, with open farmland beyond that.

1.13 The entirety of the site and the much of the surrounding land is located within the Green Belt. Beyond that, there are large areas of low-density terraced housing. There is a wide selection of parks and leisure facilities in the area, including the Hayes End Recreation Ground, Park Road Green and the Belmore Playing Fields. The nearest town centres are located at Hillingdon Heath Local Centre, 1.6km to the south west, and at Uxbridge Road Hayes Minor Centre, 3.3km to the south east.

1.14 The flood risk map for planning identifies that the site is located in Flood Zone 1, and as such has a low probability of flooding.

Policy Context

1.15 The statutory Development Plan for the London Borough of Hillingdon, and in turn the proposed development, consists of:

- The London Plan (2021);
- The London Borough of Hillingdon Local Plan Part Two (2020);
- The London Borough of Hillingdon Site Allocations and Designations (2020);
- The West London Waste Plan (2015); and
- The London Borough of Hillingdon Local Plan Part One (2012).

1.16 There are a number of other relevant adopted and emerging planning policy documents published nationally, regionally and by the Council that represent material considerations in determining this planning application, including:

- The National Planning Policy Framework (NPPF);
- The National Planning Policy Guidance (NPPG);

- The Mayor's Housing Supplementary Planning Guidance (SPG);
- The Mayor's Play and Informal Recreation Supplementary Planning Guidance (SPG); and
- The London Borough of Hillingdon Planning Obligations Supplementary Planning Document (SPD).

1.17 The Council's Policies Map shows that the site is located within the Green Belt. There are no other site-specific or land use policy designations on the site. The site sits within the Hillingdon Air Quality Management Area and the wider Hayes Park site within an area designated as a Nature Conservation Site of Borough Grade II or Local Importance.

1.18 In relation to housing size mix **Policy H10 of the London Plan** required schemes to "generally consist of a range of unit sizes" which should be determined with regard to:

"1) robust local evidence of need where available or, where this is not available, the range of housing need and demand identified by the 2017 London Strategic Housing Market Assessment

2) the requirement to deliver mixed and inclusive neighbourhoods

3) the need to deliver a range of unit types at different price points across London

4) the mix of uses in the scheme 5) the range of tenures in the scheme.

6) the nature and location of the site, with a higher proportion of one and two bed units generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity

7) the aim to optimise housing potential on sites

8) the ability of new development to reduce pressure on conversion, subdivision and amalgamation of existing stock

9) the need for additional family housing and the role of one and two bed units in freeing up existing family housing."

1.19 In examining the Local Plan the Secretary of State provided direction to include bullet point 9 above which enhances the focus on family housing delivery, but also the role the provision of one and two bedroom homes can provide in freeing up existing family housing.

1.20 Policy D3 relates to optimising site capacity through the design-led approach. This requires all development to

"make the best use of land by following a design-led approach that optimises the capacity of sites, including site allocations. Optimising site capacity means ensuring that development is of the most appropriate form and land use for the site."

1.21 Adding that “*Higher density developments should generally be promoted in locations that are well connected to jobs, services, infrastructure and amenities by public transport, walking and cycling, in accordance with Policy D2 Infrastructure requirements for sustainable densities.*”

1.22 Policy D2 states that the density of development proposals should take into account the provision of future planned levels of infrastructure rather than existing levels and be proportionate to the site’s connectivity and accessibility by walking, cycling, and public transport to jobs and services (including both PTAL and access to local services).

1.23 Hillingdon Local Plan Part 2 Policy DMH 2 relates to Housing Mix and requires a “mix of housing units of different sizes in schemes of residential development to reflect the Council’s latest information on housing need.”

1.24 It adds at paragraph 4.6 that “*The Council’s current information on housing need indicates a substantial borough-wide requirement for larger affordable and private market units, particularly three bedroom properties. Applicants proposing residential schemes will be required to demonstrate that this need has been taken into account*”

1.25 The sites proposed mix is set out below:

Table 1.1 Proposed Housing Mix – Hayes Park

	Hayes Park Central	Hayes Park South	Total	Hayes Park Central	Hayes Park South	Total
Studios	12	13	25	24%	17%	20%
1-Bed	14	26	40	29%	35%	32%
2-Bed	20	21	41	41%	28%	33%
3-Bed	2	15	17	4%	20%	14%
4-Bed	1	0	1	2%	0%	1%
Total	49	75	124	100%	100%	100%

Source: Studio Egret West Accommodation Schedule

1.26 Policy DMH 3 relates specifically to Office Conversions and states that “Where offices are found to be redundant, their demolition and redevelopment for office accommodation will be supported.”

Viability

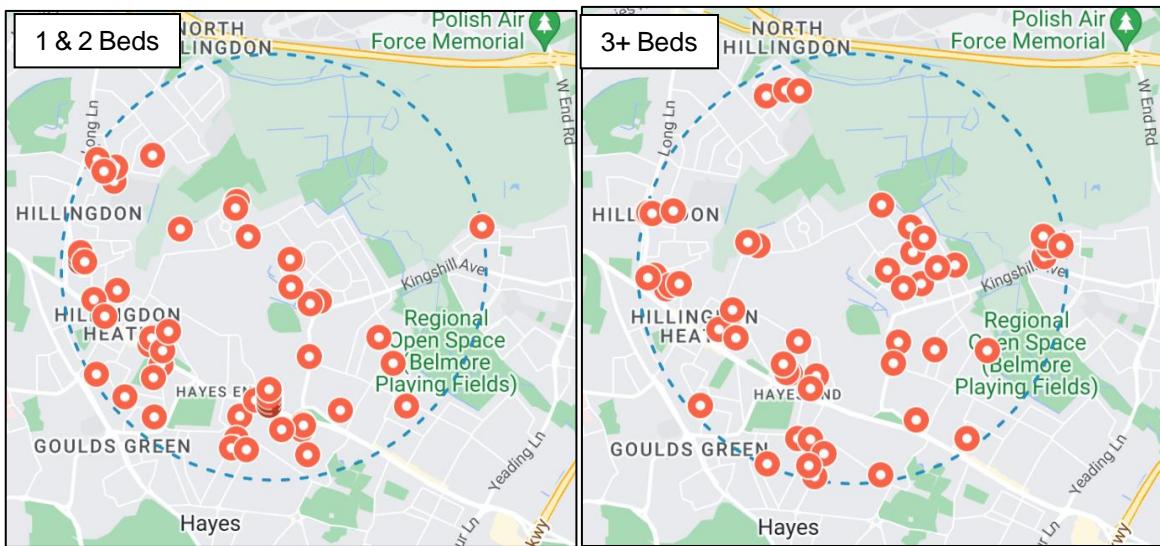
1.27 The absolute number of rented affordable properties is influenced by the scheme viability or lack of and the scheme cannot viably deliver a policy compliant affordable housing provision on the current suggested mix.

- 1.28 Because of the few 3-bedroom flatted sales in the Hayes area it is difficult to demonstrate the value difference between larger and smaller homes. Although through engagement with agents it was suggested that there was a significant difference in the cost per square foot of 1-bedroom (£600 per sq ft) and 3-bedroom homes (£550 per square foot).
- 1.29 Drawing data from Energy Performance Certificates and Land Registry Price Paid Data suggests the prices being achieved are more extreme and in the region of £538 per sq ft for a larger flat and £665 for smaller flat. This would again throw further doubt on the schemes viability to delivery larger homes if they achieve an even lower price per sq ft than some agents believe.
- 1.30 This would suggest that a greater number of larger homes requested by the Council would stretch the viability of the scheme to an even greater degree and thus push it further into the red. This would jeopardise the whole development and the important contribution to housing need it would make.
- 1.31 This is further confirmed by the viability evidence “shows that the scheme generates a deficit of c. £10,648,000 even without the inclusion of any affordable provision.” Costs would have to reduce by 11.5% and sales values increase by the same amount to become viable.
- 1.32 The viability appraisal uses assumptions of between £632 and £694 per square foot for one bedroom homes to £488 to £513 per square foot for 3+ bedrooms. This is broadly comparable to our own evidence where smaller homes (£665 per sq ft) are within the range although our evidence for larger homes suggest slightly higher values are possible (£538 per sq ft) this is only 4.8% higher not the 11.5% required to become viable.
- 1.33 This clearly indicates that adjusting the unit mix of private units towards a greater number of larger family-sized units would further negatively impact the schemes viability. This would be further impacted by factors influencing the relative sales rates for larger units which is set out later in this report.

Existing Availability

- 1.34 We have examined the existing availability of homes within the immediately surrounding area of the site. This uses Rightmove and is based on a 1 mile radius from the site. We have excluded shared properties and aggregated 1 and 2 bedroom homes and 3+ bedrooms.
- 1.35 As shown in the maps below there is a considerably stronger provision of purchase properties than rental properties in the area. For the purchase market it is clear that there is a cluster of available 3+bedrooms immediately to the North East of the site with smaller homes clustered around Uxbridge Road.

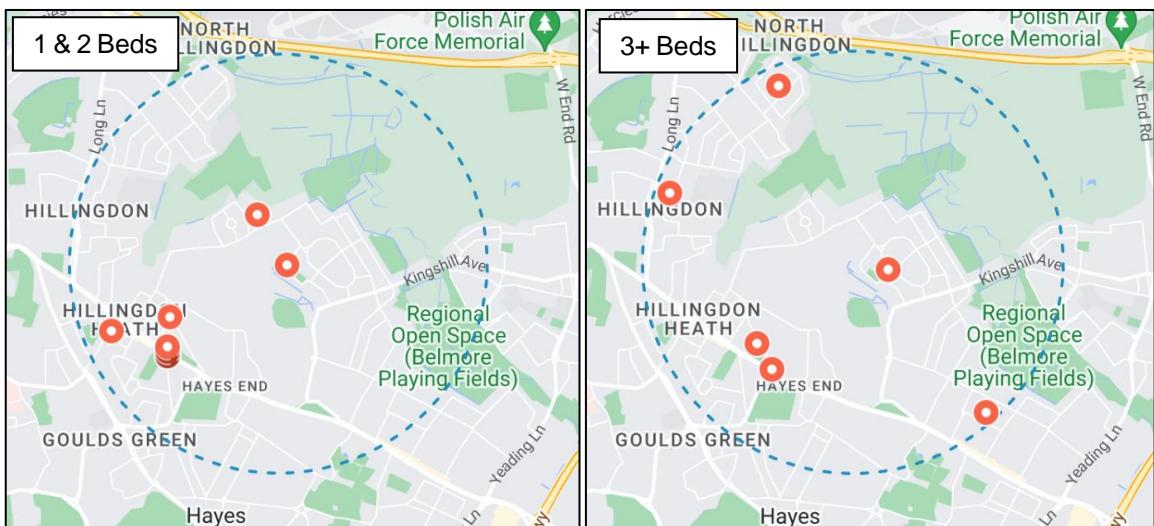
Table 1.2 Available 1 & 2 and 3+ Bedroom Purchase Properties



Source: Rightmove

1.36 There is only a limited supply of rental properties of any size. Again there are smaller rental properties clustered around the Uxbridge Road. In contrast, the supply of larger homes is spread across a wider area.

Table 1.3 Available 1 & 2 and 3+ Bedroom Rental Properties



Source: Rightmove

1.37 The table below summarises the provision of available properties within a 1-mile radius of the site. This shows that there is a broadly even supply of smaller (1 and 2 bed) and larger (3+beds) homes in both the rental and purchase market.

Table 1.4 Summary of Available Properties within 1 mile of the Site

	Rental		Purchase	
	1 & 2 Bed	3+ Beds	1 & 2 Bed	3+ Beds
Flats	5	1	38	
Terraced		2	9	9
Semi-Detached	1	3	8	40
Detached				1
Bungalow			1	2
Total	6	6	56	52

Source: Iceni Projects examination of Rightmove data

1.38 This would suggest that the proposed provision of 15% of 3+bedroom homes on the site would not unduly effect the ability of families to find suitable accommodation in the immediate area.

What buyers want

1.39 In order to gauge what buyers are looking for in the Hayes area we have engaged with a number of local estate agents. This includes:

- Woodend Estates, Uxbridge Road, Uxbridge.
- Shaw and Co, Uxbridge Road, Hayes
- Charrison Davis, Kingshill Ave, Hayes
- Elliot Harper, Uxbridge Road, Uxbridge
- Haart, Uxbridge Road, Hayes

1.40 The agents were unanimous in the scepticism around the scale of demand for larger flatted development within their area. Although this was caveated with the advice that anything will sell if the price is right. Effectively if larger flats were to sell it will be because they are notably cheaper than other options but they reiterated that most people wanting family sized accommodation would prefer a house.

1.41 One agent suggested that in Hayes, the majority of their clients were “Indian, Punjabi and other Asians” who are typically in larger multi-generational households. These households typically buy family-sized homes and extend them upwards or outwards to meet their need. With a flat they would not be able to do anything to it, so there would be far less demand.

1.42 The agents suggested that most demand for three bedroom properties would be for houses and particularly those with parking (and electric charging points) and a private garden. They added that there was a ready supply of these homes in the area and the wider borough and only a significant cost saving would sway people to move into a flat.

- 1.43 The resale market was the key barrier to the delivery of larger flatted development. One agent suggested that “When it comes to a flat if they (a prospective buyer) are spending £350,000 or £400,000 on a new build flat they will be able to buy a second hand house for the same price and also have the option to extend it”.
- 1.44 One agent suggested that it was “not Chelsea where there are no homes”, therefore if people had a choice they would always choose a house over a flat. But the agents were all keen to impress that things might change.
- 1.45 There may still be limited demand for family sized flats and younger couples (under 35) and first time buyers looking to start a family would be most likely to consider it. It was suggested that a development could potentially sell a couple 3-beds to test the market.
- 1.46 Generally, there were very few three bed flats that have sold recently although one agent did suggest there would be some demand for these homes if they were in the new build help to buy scheme or shared ownership.
- 1.47 There may also be some demand from smaller families or those requiring single storey living but these are not in the majority. While historically buy to let investor would maybe consider it, but they are moving away from the market due to tax changes and interest rate increases. That said, they would not see the purchase of a new-build flat as a good investment as it comes with a premium and they don’t have the freehold.
- 1.48 All the agents suggested that there would be demand for three bedroom flats in the rental market as there is a significant shortage of homes, as people are no longer able to buy in the same numbers due to interest rates.
- 1.49 It was suggested that the rental market would absorb rents of up to £1,800 per month for a three bedroom flat. There is particular demand for flats with balconies and/or rooftop gardens and gym. There was also a need for affordable housing including from benefit dependent PRS residents.
- 1.50 The agents all said that one and two bedroom flats were always in high demand and flats will sell as quickly as housing. Although flats further away from the station (Hayes and Harlington) will sell much slower than those closer to it.

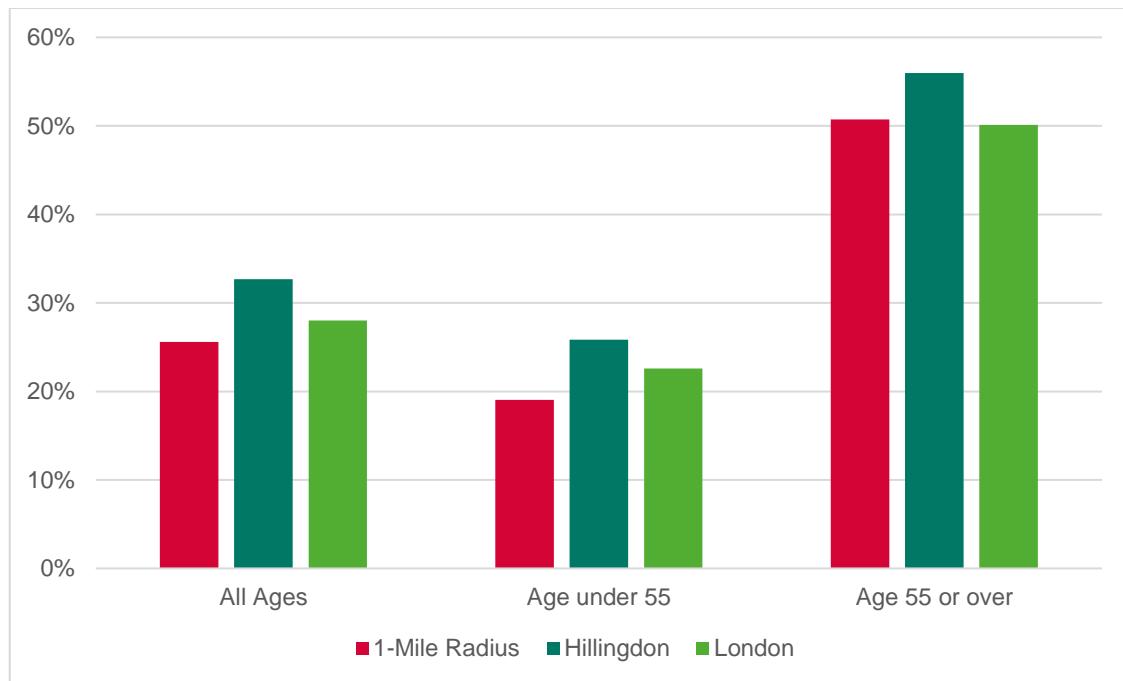
Rightsizing

- 1.51 The provision of smaller homes will also support rightsizing in the area. This is important as the area surrounding the site (12.3%) has a slightly older population than London as a whole (11.9%). The

provision of smaller homes will allow residents to age in place for longer without moving them out of the community.

1.52 The provision of smaller homes will also help alleviate the high levels of under-occupation in the 1 mile radius from the site which is particularly prevalent in those headed by someone aged 55 or older. According to the 2011 Census, which remains the most recent account of this, just over half of all households (51%) in this age group have two or more spare bedrooms.

Table 1.5 Under-occupied Households by Age and Location (2011)



Source: ONS, Census 2011

1.53 This not only illustrates the potential demand for smaller homes but also the potential supply of family accommodation should this group choose to move to a more suitable home. According to providers there is anecdotal evidence of the increasing demand for such homes, particularly specialist homes, as households look to cut costs in the midst of the cost of living crisis.

1.54 This rightsizing means that family homes can be provided without the need to build them, thereby using the current stock in the most sensible and sustainable way. However, this needs the provision of quality smaller homes to support it.

1.55 This shift would be supported by the proposed development whose energy efficiency performance is likely to be significantly better than older housing stock.

Summary

- 1.56 In summary, the delivery of a greater number of larger flats would seriously jeopardise the viability of the scheme as they provide a lower price per sq ft than smaller flats and the scheme already has negative viability.
- 1.57 There is also a ready supply of larger homes in the vicinity and those seeking a larger property in Hayes would typically opt for a house than a flat. Therefore the delivery of a greater number of flats would be contrary to market demand and would also, at best, slow the sales rate of the development, thus further impacting viability.
- 1.58 The delivery of a greater number of smaller flats would help support a better utilisation of the existing stock. In an area where over half of over 55 households have more than two spare beds the supply of smaller good quality homes would release larger homes by encouraging rightsizing.
- 1.59 This is particularly pertinent at the current time when energy prices are causing households to rethink their options. The proposed development would not only provide household with a smaller home to heat but would generally be more energy efficient than an older property.