

ECONOMIC IMPACT STATEMENT

SITE ADDRESS: Heathrow Point West, 234 Bath Road, Heathrow, UB3 5AP

DATE: DECEMBER 2025





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Economic impact of a 128 bed hotel extension at Heathrow Point West, 234 Bath Road, Heathrow, UB3 5AP

Temporary benefits during construction



£18 million
investment in construction
over two years



£9.6 million
gross value added
to London's economy



35 net additional
employment opportunities
directly or indirectly created
throughout London each year



10 jobs
created for residents of
hillingdon
based on current trends

Enduring benefits once complete and fully occupied



45 net additional
employment opportunities
directly or indirectly created
throughout London



9,000 visitors
accommodated each year
for multiple nights



£4.3 million
combined expenditure
on retail and leisure each year



15 jobs
supported by expenditure
of visitors



50 gross jobs
created on site
spanning a range of roles



£195,000
Council Tax and business rates
paid each year



£85,000 retained by the London Borough
of hillingsdon
£65,000 payable to the
Greater London Authority

Introduction

Total Economics has been commissioned by Nine Group to estimate the economic benefits that could be generated through the construction and operation of a proposed 128 bed hotel extension at Heathrow Point West, 234 Bath Road, Heathrow, UB3 5AP.

Figure 1.1: Site Location



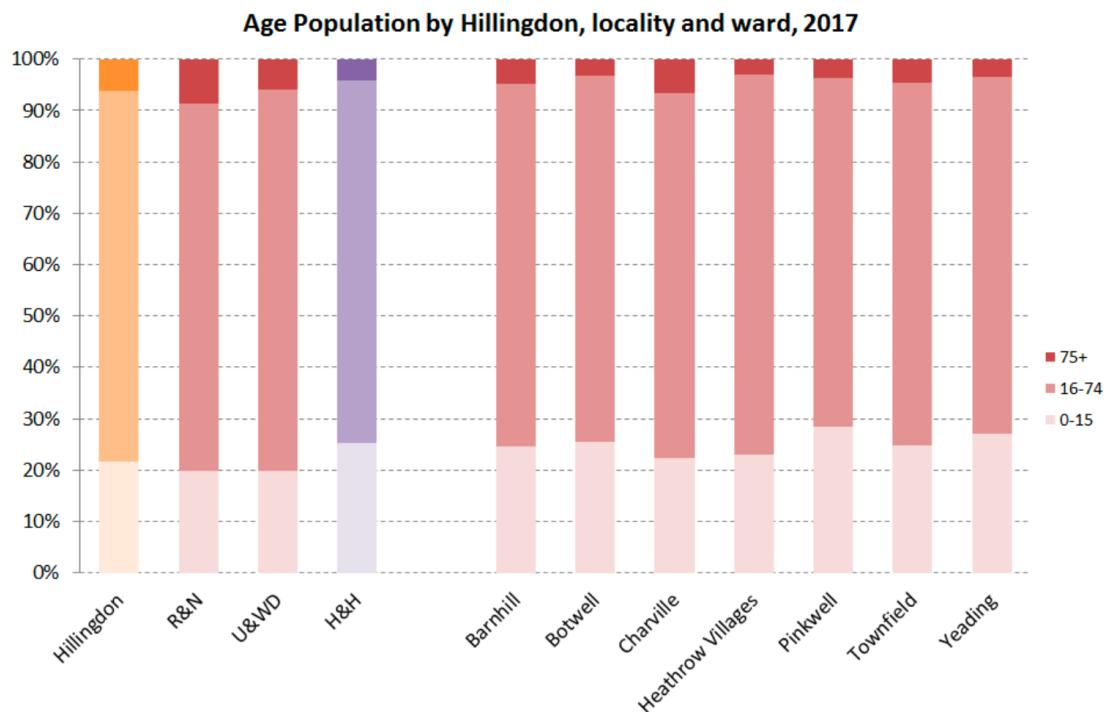
The report is structured as follows:

- Section 2 – Local Economic Profile – a brief overview of the defining characteristics of the local economy;
- Section 3 – Stated Economic Ambitions – a summary of the economic aspirations of key public bodies, particularly in relation to tourism;
- Section 3 – Construction Phase Benefits – consideration of the economic benefits that could be generated during the construction phase;
- Section 4 – Operational Phase Benefits – consideration of the economic benefits that could be generated once the proposed development is complete and fully operational; and
- Section 5 – Conclusions – a summary of the economic benefits that could be generated by the proposed development.

Local Economic Profile

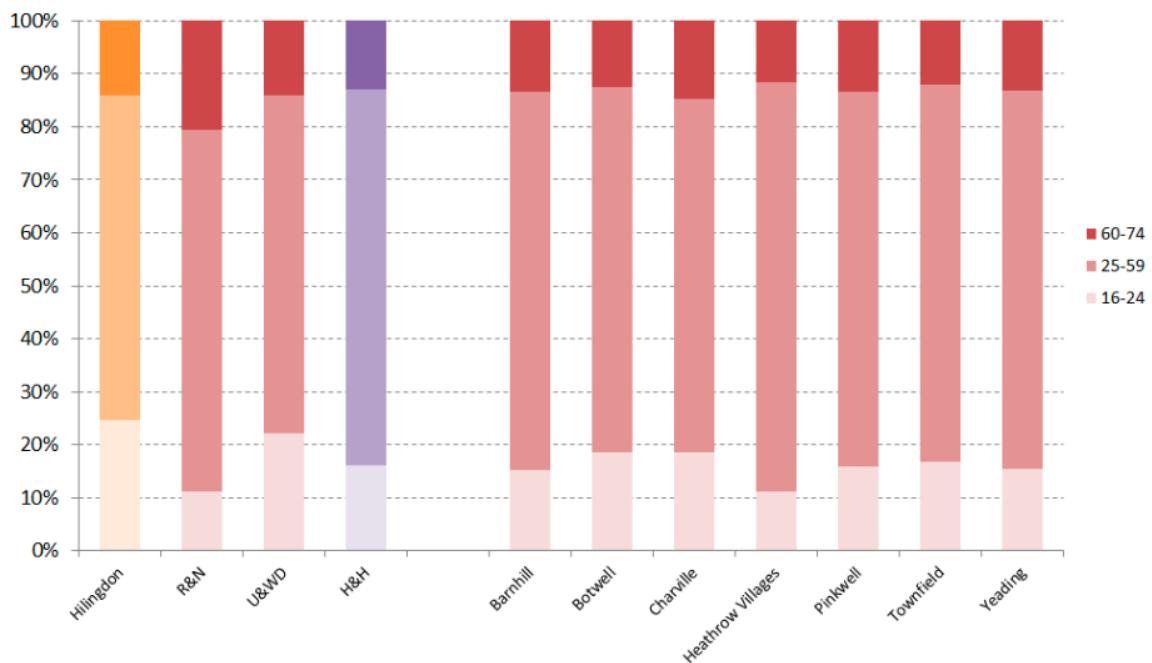
The application site is located on Bath Road, Harlington, in the south of LB Hillingdon as shown in the earlier Figure 1.1.

The area is known as 'Heathrow Villages' and in Hayes & Harlington with regards to the many datasets reported by the Office of National Statistics (ONS). In 2017, the locality population was 106,692 residents, an increase of 10,929 (11.4%) since 2011 (95,763); this is higher than the 10.9% increase for Hillingdon overall.



The chart above shows that 25% of Hayes & Harlington residents are under the age of 16. 70.7% of residents fall into the working age bracket (defined as a resident aged between 16 and 74) and the remaining 4.1% are over the age of 75.

Working age population by Hillingdon, locality and ward, 2017



Source: GLA 2017, Interim 2015-based population projections

In Hayes & Harlington, the working age population of those in the age bracket 16-24 make up 16.0% of the locality population, whilst the 25-59 age group make up 71.1%, the remaining 12.9% are from the 60-74 age group.

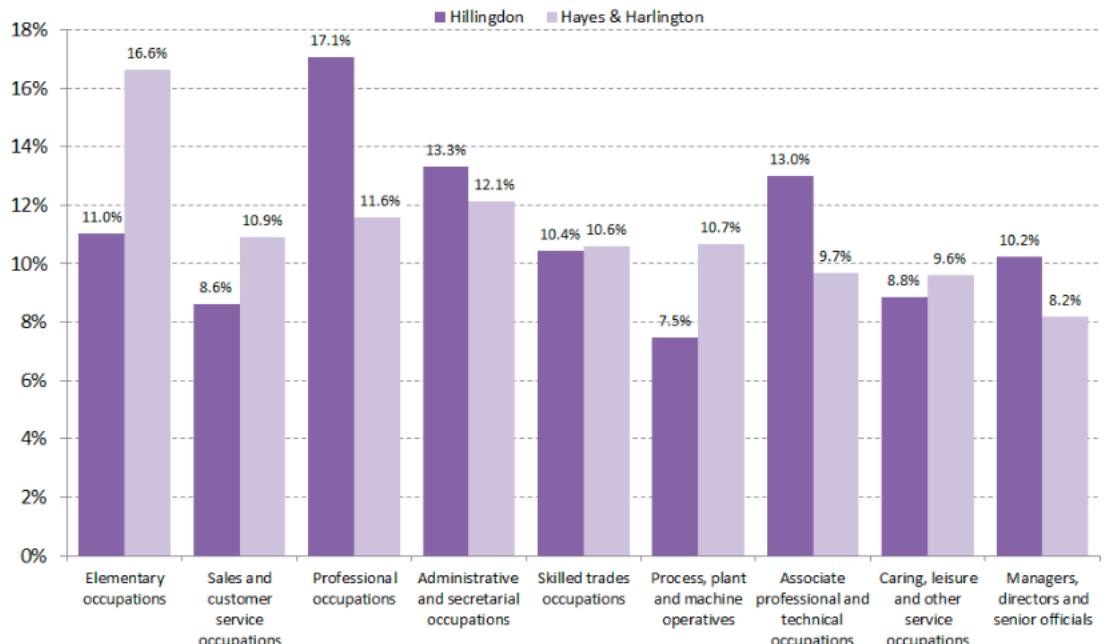
Economic Data (statistics are for the age 16-74 group)

In Hayes & Harlington, 70.1% of residents of working age are economically active. The table below provides a breakdown of economic activity in the locality when compared with Hillingdon and England:

Source: nomisweb – economic activity Census 2011

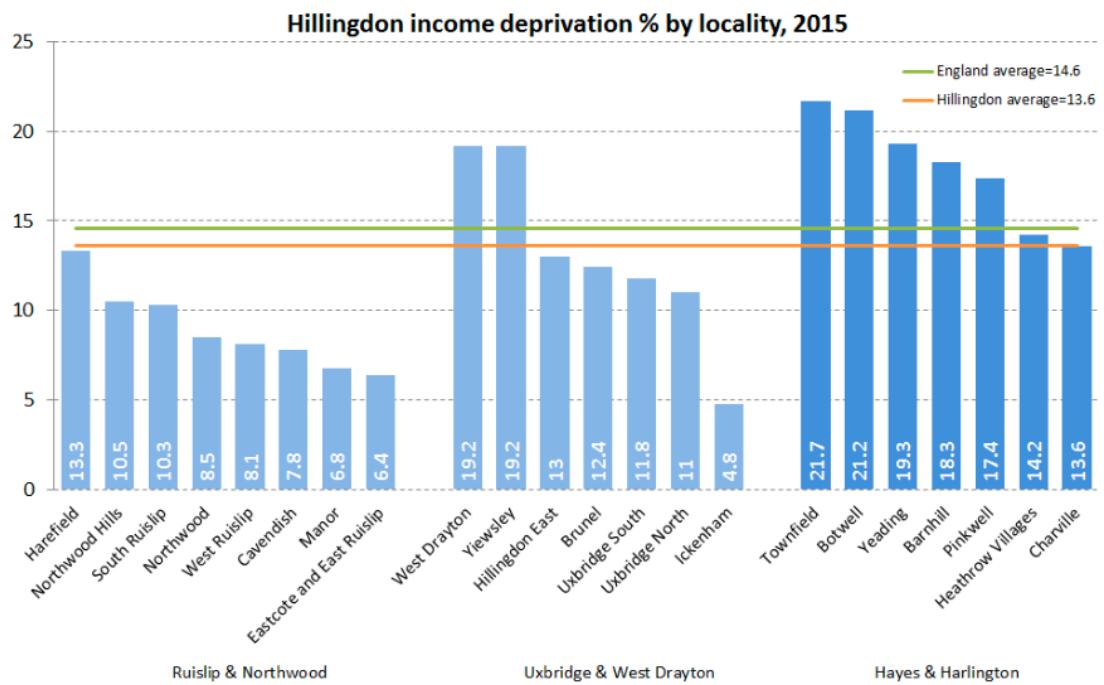
Sub Group	Hayes & Harlington	Hillingdon	England
Employee: Part-time	12.3%	11.9%	13.70%
Employee: Full-time	39.3%	40.4%	38.6%
Self-employed	7.9%	9.3%	9.80%
Unemployed	5.7%	4.3%	4.40%
Full-time student	4.9%	4.8%	3.40%
Total - Economically Active	70.1%	70.8%	69.9%
Retired	8.1%	10.2%	13.70%
Student	7.9%	8.4%	5.8%
Looking after home or family	6.6%	5.2%	4.4%
Long-term sick or disabled	3.5%	2.9%	4.0%
Other	3.8%	2.5%	2.20%
Total - Economically inactive	29.9%	29.2%	30.1%

Occupation Types in Hillingdon and Hayes & Harlington



Source: nomis web, occupation by industry, 2011

The chart below shows income deprivation being varied across Hillingdon. In Hayes & Harlington, the percentage of people who live in income deprived households ranges from 13.6% in Charville to 21.7% in Townfield. The majority of wards in the locality are above the Hillingdon average, however Charville is the same as Hillingdon as a borough.



Source: PHE local health, 2015

Summary

Some 106,692 people live in Hayes & Harlington where the application site is located, with most being of working age (16-64).

Most people are employed in a range of sectors including 17.1% professional occupations; 13.3% administrative and secretarial occupations; and 13% associate professional and technical occupations.

Hayes and Harlington has an unemployment rate of 5.7% which is 1.4% above the Hillingdon average unemployment rate. This has been consistently been the case for many years despite the proximity of the location to Heathrow Airport.

Stated Economic Ambitions

This section firstly provides an overview of economic ambitions as stated within relevant policy and strategy context; demonstrating both the national and local commitment to facilitating sustainable economic growth with a focus on creating employment opportunities and developing the visitor economy through a supportive planning system.

National Planning Policy Framework

As revised in December 2024, the National Planning Policy Framework⁵ sets out the Labour Government's planning policies for England and how these should be applied, providing a framework within which locally prepared plans can provide for development in a sustainable manner⁶. The objectives of sustainable development can be summarised as meeting the needs of the present, without compromising the ability of future generations to meet their own needs.

Achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives). Details of these objectives are provided in Paragraph 8:

“An economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure; and

“a social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities’ health, social and cultural well-being”

In order that sustainable development is pursued in a positive way, at the heart of the NPPF is a “presumption in favour of sustainable development”. Amongst other things, this requires local authorities to produce Local Plans that seek to “meet the development needs of their area”. It expects local authorities to quickly approve proposals that accord with such plans, and to weigh the benefits of development against adverse impacts when one does not exist or is not up-to-date. Significant weight should also be placed on the need to support economic

growth and productivity, taking into account both local business needs and wider opportunities for development.

National Visitor Economy Strategy

The Government has set out its ambition for the United Kingdom to welcome 50 million international visitors per year in 2030. This forms part of the plan for the country to remain one of the most visited worldwide and for the tourism sector to be an integral part of the Government's growth mission.

This includes a commitment to establishing a new Visitor Economy Advisory Council, which will collaboratively work towards the creation of a National Visitor Economy Strategy, due to be published in the autumn of 2025.

London 2030: Tourism Vision

Tourism is a major driver of London's economy and one of the cornerstones of the city. As the Mayor of London's official promotion agency, London and Partners set out in their strategy¹⁴ that the city accounts for nearly a third of all overnight stays across the UK (27.7%), demonstrating the demand for accommodation. It is also a major provider of employment, with the labour requirement for the accommodation and food sectors in the capital predicted to rise to 151,000 jobs by 2030 (an increase of 34% from existing levels).

The vision sets out four key pillars to underpin visitor experience:

- Managing the destination, to broaden the London experience and make tourism accessible to all;
- Maximising our impact for Londoners, by creating rewarding careers with better jobs, training and pay, while enhancing the sector's reputation as a driver of social mobility and fostering a virtuous circle, in which employees take pride in London's offer and create a better customer experience;
- Leading in sustainability, leveraging London's role as a gateway to other destinations and making London one of the greenest cities in the world powered by green growth; and
- Redefining measures of success, incorporating new metrics to support and enhance existing economic measurement, while identifying and attracting tourism source markets to deliver growth and resilience and shape future demand.

The vision recognises that the public sector plays a significant role in unlocking projects, as well as being key to creating conditions for businesses and organisations to work together.

London's Visitor Experience Strategy

This strategy¹⁵ forms the roadmap to deliver the 2030 London Tourism Vision. The importance of the sector is recognised, being critical to the way the city projects its soft power globally. It is also identified as a major contributor to employment, sustaining businesses and generating tax revenue for public services. Tourism supports culture, events and lifestyles, which improve the lives of residents and visitors alike.

There were reported to be some 159,000 job vacancies across the accommodation and food services sector between July and September 2022, up 5.7% year-on-year. The strategy notes that visitor satisfaction with accommodation has been particularly impacted post-Covid, a trend also seen in competitor cities as a result of hospitality workforce shortages.

The Mayor's Economic Development Strategy for London

The visitor economy is recognised as being one of London's key sectors, with the city being one of the world's most popular tourism destinations. Visitors are acknowledged to bring major benefits, supporting a vast array of employment for people at every stage of their career, as well as sustaining London's diverse cultural, retail and night time economy.

The vision is that visitors will be able to unlock the best version of London by being encouraged to explore areas beyond central London, with the ambition that this will increase their satisfaction and increase the likelihood of them returning.

Hillingdon: Employment and Skills

Summary of the Strategy and Skills Ambition (2023–2030)

The Strategy and Skills Ambition sets out a long-term framework for responding to demographic growth, labour market change and national skills policy reform across West and pan-London. It identifies significant projected increases in the 16–18 year old population across HRUC's feeder boroughs, creating increased demand for education, training, employment and supporting infrastructure. The strategy focuses on expanding provision at Level 3 and above, reflecting evidence that higher-level qualifications deliver stronger employment outcomes and align with national and London-wide policy priorities.

The document highlights London's priority employment sectors, including hospitality, retail, business administration, construction, digital and health, which collectively represent a substantial proportion of London's current and future jobs. To support this growth, the strategy identifies the need to increase physical capacity, improve efficiency of accommodation, and invest in infrastructure that enables long-term economic and workforce expansion to 2030.

How the Strategy Supports the Delivery of More Hotel Rooms

The strategy identifies hospitality as a priority sector within London's economy and recognises its role as a major employer across West and pan-London. By supporting increased training and skills provision for hospitality-related roles, the strategy helps address labour shortages that can otherwise constrain the operation and viability of hotel development. This supports the delivery of additional hotel rooms by ensuring that an appropriate workforce is available to meet operational demands.

The strategy also responds to projected population growth across boroughs closely linked to Heathrow and West London. Growth in young working-age populations and employment activity increases demand for short-stay and serviced accommodation associated with business travel, training, education and visitor activity. Hotels form part of the wider social and economic infrastructure required to support this growth and facilitate labour mobility.

In addition, the strategy highlights the importance of construction and built environment skills, recognising these sectors as essential to delivering new development. Investment in construction and engineering training supports the practical delivery of new hotel schemes by addressing skills shortages and supporting development capacity across London.

The document further emphasises the scale and importance of business, administrative and service-sector employment, which together represent the

largest share of London jobs. Hotels play a key supporting role in this sector by accommodating business visitors, trainees and conference activity, reinforcing their contribution to London's economic functioning.

Overall, the Strategy and Skills Ambition aligns closely with national and London-wide economic and skills policies. The delivery of additional hotel accommodation supports these objectives by enabling employment growth, strengthening the visitor and service economy and ensuring that London's infrastructure can meet future workforce and economic demands.

Construction Phase Benefits

This section outlines the economic benefits that could result from construction of the proposed development, both within LB Hillingdon and across the whole of Greater London.

Gross employment

The applicant estimates that some £18 million could be invested in construction of the proposed development. This has the potential to directly support around 80 person-years of employment, based on the average turnover per employee in the London construction industry¹⁹. This could equate to an average of 40 full-time equivalent (FTE) construction-related jobs per annum over a build period that is expected to span two years. This represents the gross number of jobs directly supported in total, both on and off site, by the construction of the proposed development.

Net additional employment

Net additional employment refers to the final scale of employment that is generated once a number of economic considerations have been taken into account. It represents the sum of the direct and indirect employment impacts of the proposed development.

The creation of temporary construction jobs during the build period will provide new employment opportunities for the local and wider labour force. The positive economic impact of the proposed development will also extend beyond construction employment, given that expenditure on materials, goods and other services will have far-ranging benefits both locally and further afield as it filters down the supply chain.

The body now known as Homes England recommends a specific approach to calculating additionality. Its recommended approach takes account of multiplier effects that are either indirectly generated through the supply chain or induced following increased local expenditure. The approach allows for consideration of the following:

- Deadweight – the economic outcomes that would occur if the proposed development were not implemented;
- Leakage – a measure of the extent to which employment will be taken up by persons residing outside of the target area;
- Displacement – the extent to which investment in the proposed development will lead to existing companies or employees within the target area relocating activities to the site, rather than attracting new investment and employment from businesses located outside of the target area; and
- Multiplier effects – further economic activity (jobs, expenditure or income) associated with additional local income (from employment), local supplier purchases and longer-term expenditure effects.

These factors are considered below to estimate the net additional employment benefit generated by construction of the proposed development, with the exception of deadweight which is considered to be zero during construction and is not explored in further detail since the site's existing state does not support or generate construction jobs.

Leakage

The creation of construction jobs can be expected to provide new employment opportunities both for residents of LB Hillingdon and other individuals living throughout Greater London.

The 2021 Census found that a significant proportion of those working in LB Hillingdon also resided in the borough, so a rounded leakage rate of 70% has been applied for the purposes of this assessment. Some 82% of jobs in the borough were filled by people living anywhere in Greater London, with allowance therefore made for 20% leakage at this scale.

Displacement

Displacement occurs when new development takes market share – in this case labour – from other existing local businesses. During construction, this allows for the possibility that an increase in demand for construction workers could result in delays to other developments or increased costs, if there is a shortage of labour.

There were at least 4.3% of working age residents of LB Hillingdon who were claiming Jobseeker's Allowance and searching for employment, including in construction-related occupations. The number of people looking for construction related jobs across Greater London was 8,185 people in July 2024. This represents a minima as this is a subset of the far greater numbers claiming unemployment benefits via Universal Credit, whose sought occupation is not reported in the same way. Some 325,850 people were doing so across Greater London – the most in any month for over two years.

This suggests that there is capacity in the labour force to support the construction of the proposed development, such that a minimal level of displacement can be reasonably assumed. In line with published guidance, allowance has therefore been made for a low level of displacement (25%) both within LB Hillingdon and throughout Greater London.

Multiplier effects

Investment in construction will also generate expenditure on materials, goods and other services that will be purchased from a range of suppliers. This spending will have potentially far-ranging benefits as it filters down the supply chain, and it will be augmented by construction workers spending their wages on other goods and services.

This will serve to amplify the initial investment in construction, with an economic multiplier effect that generates linked benefits in terms of expenditure on goods and services locally. This will bring indirect employment and financial benefits for local individuals and firms involved in skilled construction trades and associated professions, and could help to sustain employment within this sector of the local and wider economy.

The body now known as Homes England recommends use of a sub-regional composite multiplier of 1.25 at the local level and 1.5 at the regional level, here taken as LB Hillingdon and Greater London respectively.

Net additional employment

When allowing for these factors, it is estimated that the proposed development could directly generate 35 net additional FTE employment opportunities for Londoners during each year of construction, including 10 FTE jobs per annum for residents of LB Hillingdon.

In total, construction of the proposed development can therefore be expected to annually create 45 FTE employment opportunities for people living in Greater London, inclusive of 10 for residents of LB Hillingdon. This is summarised in the table 1 below.

Table 1: Employment Supported During Construction

	LB Hillingdon	Greater London
Person-years of employment		90
Construction period (years)		2
FTE jobs directly supported per annum		35
Net additional jobs supported per annum	10	25
Net additional jobs indirectly supported or induced	0	10
Net additional jobs supported or induced	10	35

Total Economics

Gross value added

Construction of the proposed development will add value to the local and wider economy, which can be measured as gross value added (GVA). This represents the value of the output created (i.e. turnover) net of inputs purchased and used to produce a good or service (i.e. production of the output). It therefore provides a key measure of economic productivity.

Estimates sourced from Experian indicate that the average FTE worker in the construction industry in LB Hillingdon generates circa £143,422 per annum in GVA²⁴

This is roughly a quarter (27%) more than is reportedly generated by the typical worker in the borough, across all sectors (£112,888) and also compares favourably to the all-sector average across Greater London (£100,679) to reinforce the economic value of construction jobs in this area.

Applying these measures to the respective estimates of the net additional jobs created through construction of the proposed development indicates that an additional £9.6 million in GVA could be annually generated throughout Greater London during the course of the build. This is inclusive of some £4.3 million that would be concentrated within LB Hillingdon.

In total, therefore, construction of the proposed development can be expected to generate some £9.6 million of GVA throughout Greater London, with much of this being retained within LB Hillingdon.

Summary

This section has shown that construction of the proposed development could:

- Unlock around £18 million of investment in construction, over two years;
- Create around 45 net additional employment opportunities per annum throughout Greater London, either directly or indirectly, with current trends suggesting that around 10 of these jobs could be taken by residents of LB Hillingdon; and
- Add around £9.6 million of gross value to the economy of Greater London, all but a fifth of which would likely be retained within LB Hillingdon.

Operational Phase Benefits

Once complete and fully occupied, the proposed development will generate a range of economic benefits that can be expected to persist over the long-term.

This section shows that these will in many cases be larger than would be generated by implementing the existing planning permission, which would bring forward a wholly residential scheme on the site without a hotel.

Employment

The proposed development of a 128-bed hotel extension will create new jobs on the application site, which is currently an 108 bed hotel and thus supports approximately half the level of employment.

Widely-used employment densities – published in 2015 by the body that is now Homes England – indicate that ‘upscale’ hotels, of the kind proposed, typically offer one FTE job for every two beds. This suggests that a 128-bed hotel extension on the site could generate a total of 64 gross FTE jobs once fully operational, and this can be reasonably expected, but because the proposal relates to an extension, the true likely number is expected to be less. However, would still provide a significant contribution of at least 45 jobs.

Only the latter would be created by implementing the existing planning permission.

As with the construction jobs estimated in the previous section, the net additionality of this gross employment effect can be established by allowing for:

- Deadweight – this equates to approximately 19 jobs as explained above.
- Leakage – this has again been based on the 2021 Census, which found that around 70% of jobs in LB Hillingdon are taken by people living outside of the borough and that around 20% are taken by people living outside Greater London;
- Displacement – while the proposed development does have the potential to draw trade from existing businesses, it is unlikely to draw labour given that there are 4.3% unemployed. Allowance is therefore made for only a low level of displacement (25%) both within the borough and across Greater London.
- Multiplier effects – the allowances recommended in official guidance, produced by the body that is now Homes England, have again been made. This captures employment indirectly supported through expenditure on goods and services within the local business supply chain, and that supported by employees’ expenditure in shops and on services provided locally.

When allowing for these factors, the proposed development could be expected to generate a total of 45 net additional FTE jobs throughout Greater London, inclusive of 15 jobs for residents of LB Hillingdon.

Table 2: Employment Supported Following Completion

	LB Hillingdon	Greater London
Gross FTE employment		50
Net additional direct FTE jobs	10	30
Net additional jobs indirectly supported or induced	5	15
Net additional jobs supported per annum	15	45

Total Economics

Expenditure

The proposed hotel is expected to accommodate around 9,000 visitors every year – equivalent to circa 175 people per week – when making assumptions on average party size and taking account of average trip lengths and occupancy rates in Greater London over the last reported year. Domestic visitors

staying overnight in Greater London are reported to each spend an average of £118 per night, while international visitors typically spend over a fifth more (30 (£144)). Assuming that the proposed hotel attracts both, aligning with the split recently seen throughout Greater London, it can be expected to generate expenditure of some £4.3 million every year.

This is likely to over double the existing expenditure of the existing hotel. It would also be of a scale that could support around 15 jobs each year based on the average turnover per job in retail, hospitality and the visitor economy. This could be of particular benefit to the local economy and the borough.

Contribution to the public purse

Based on the current business rates of the existing hotel, the proposed development (hotel) extension would be expected to generate approximately £195,000 of business rates. Current arrangements would see a third of this revenue directed to the Government but the Council would still retain 30%, equivalent to circa £40,000 per annum. The GLA would receive 37% or around £50,000 per annum, albeit this would rise to circa £55,000 when accounting for the Crossrail Business Rate Supplement.

The Council could therefore expect to receive around £85,000 per annum in business rate receipts, as a result of the proposed development, with the GLA also standing to receive a further £65,000 each year.

There will also be a significant CIL contribution from the development of approximately £1 million.

Separately there will be S106 contributions towards improvements to local bus services and skills and training for local residents.

Summary

This section has shown that the proposed development, once operational, could:

- Create around 50 gross jobs on site;
- Directly or indirectly create around 45 net additional employment opportunities throughout Greater London, inclusive of 15 jobs for residents of LB Hillingdon;
- Accommodate around 9,000 visitors each year, for multiple nights;
- Generate retail and leisure expenditure of some £4.3 million each year from visitors combined, over twice as much as the existing hotel;
- Support around 15 jobs each year through the spending of visitors;
- Generate around £85,000 of Council Tax and business rate receipts each year for the Council, with a further £65,000 generated for the GLA.
- Generate a contribution of approximately 1 million pounds towards community infrastructure which will be paid directly by the Applicant

And

- Provide S106 contributions towards improvements to local bus services and skills and training for local residents.

Conclusions

Total Economics has been commissioned by Nine Group to estimate the economic benefits that could be generated through the construction and operation of the 128-bed hotel extension that it plans to deliver, alongside the existing hotel at 236 Bath Road, Harlington.

This report has shown the local area to be home to an unemployment rate of 5.7% which is significantly higher than the borough average. Around a fifth of workers are employed in professional services but the accommodation and food services sector is also a key employer, compared to LB Hillingdon and Greater London.

The overall number of jobs on offer in the area has risen in recent years, however the unemployment rates remains relatively higher in Hayes and Harlington in comparison with the rest of the borough.

As one of the most visited cities in the world, the importance of sustaining and developing London's tourism economy is recognised as key for the UK economy.

The Government has committed to establishing a new Visitor Economy Advisory Council to increase international visits to the UK, and this ambition is also reflected through the Mayor of London's Tourism Vision and the supporting Visitor Experience Strategy.

Promoting opportunities within the visitor economy more locally in LB Hillingdon is also a key economic ambition of the local authority.

The planned £18 million investment in the construction of the proposed development – over a two-year build period – has the potential to directly or indirectly create around 45 jobs per annum throughout Greater London, adding £9.6 million of gross value to its economy overall. Existing trends could see around 10 of these jobs being taken by residents of LB Hillingdon, where a significant proportion of the scheme's gross economic value would be added.

Once complete, the proposed development could create around 50 gross jobs on site, which is almost twice as much as currently provided within the existing hotel. It could create 45 net additional employment opportunities overall throughout Greater London, either directly or indirectly, with this inclusive of 15 jobs for residents of LB Hillingdon.

The site would not only accommodate 45 permanent residents but also around 9,000 visitors staying for multiple nights every year. These individuals could collectively sustain around 15 jobs by spending some £4.3 million per annum on retail and leisure goods and services, with the latter being over two-and-a-half times what could result from the purely residential scheme that has outline planning permission.

A further economic benefit would arise from the payment of Council Tax and business rates. The Council stands to retain around £85,000 of its combined receipts each year, while the GLA would also receive an estimated £65,000 per annum.