
15-17 Uxbridge Road, Hayes

Hotel Need Assessment and Sequential Test

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Executive Summary

This report provides a Hotel Needs Assessment to help demonstrate the Proposed Development of 174 aparthotel units is needed to meet future demand. The Subject Site benefits from an extant permission (ref: 69827/APP2015/4719, which has been lawfully implemented, ref: 69827/APP/2020/1090) for a 131 aparthotel units, meaning the Proposed Development represents a 43 unit uplift. The proposed GIA for the proposed aparthotel units is similar to the extant scheme (5,313 sqm for the extant scheme and 5,316 sqm for the proposed scheme). The aparthotel is expected to generate approximately 60 on-site jobs.

Given the Subject Site is not located within a town centre, the report also provides a Sequential Test to examine if there are sequentially preferred sites to accommodate the proposed uplift in units.

The primary study area for the Hotel Needs Assessment and Sequential Test is the London Borough of Hillingdon. However given hotel market areas don't always follow administrative boundaries, we have also had regard to demand drivers that exist at a larger geography beyond just Hillingdon. Key examples include London-wide tourism trends and key attractions that are located outside of Hillingdon but are easily accessible from it, and the economic strength of the wider Uxbridge Road Corridor which is an important economic area.

While the Airport is undeniably a key demand driver for hotels in Hillingdon, the Subject Site is conveniently located at the junction of two hotel submarkets being the –

- London Surrounding West submarket area
- Heathrow submarket area

Given the Subject Site's location within the Uxbridge Road Corridor we feel it sits primarily within the 'London Surrounding West' submarket but could arguably be included in the Heathrow submarket.

In terms of existing supply Hillingdon has 57 hotels providing 12,691 bedrooms. Only 2 aparthotels with a combined capacity of 459 rooms are found in the borough demonstrating they are currently under-presented at just 3.6% of total bedrooms vs 7.2% in London. The Proposed Development will help to address this imbalance and therefore improve the diversity of Hillingdon's hotel offer.

Since 2012 the delivery of hotel bedrooms has broadly tracked LBH's need estimate of 400 hotel bedrooms per annum. Hillingdon's current pipeline at 1,265 hotel bedrooms represents only 3.2 years of supply clearly indicating new hotel supply, such as the Proposed Development, is needed.

This conclusion is further vindicated by the strength of the key hotel demand drivers prior to the Covid pandemic as follows:

- **High Hotel Occupancy:** Hotel occupancy has averaged 75%, well above the 70% benchmark widely accepted by the hotel industry to indicate when hotel demand outstrips supply. At 75% occupancy, it is clear new investment in the hotel sector is needed across the London Surrounding West submarket, inclusive of Hillingdon, to meet demand. Furthermore, global tourism and the visitor economy are expected to recover by the end of 2022, with various sentiment surveys pointing to a willingness to return to regular travel once the threat of the virus has been removed.
- **Heathrow Airport:** Heathrow's status as the biggest and busiest airport in the UK by passenger numbers, its resilience despite Covid-19 and the planned third runway suggest that visitor demand is set to increase in the future, leading to higher demand for hotel accommodation.
- **Uxbridge Road Corridor:** The Proposed Development is ideally located to serve the needs of the ever-expanding employment base within the Uxbridge Road corridor. The corridor is home to over 10 million sqft of employment floorspace and a number of large global and national companies. This will generate strong demand for the Proposed Development given its location within the Uxbridge Road corridor.
- **London Tourism Growth:** Tourism in London has grown since 2009 with the number of international and domestic visitors increasing. The latest annual information available for London shows 21.7 million international visitors, accounting for 53% of the total number of international visitors in the UK. London also experiences strong annual average growth in international visitors, growing on average 3.7% per annum since 2009 versus 2.8% for the UK.
- **Resilience in Serviced Accommodation:** While serviced apartments (including aparthotels) have, on the whole, been successful at capturing a greater degree of short term leisure demand over recent years, its core guest segment continues to be corporates on longer length stays. It has been these longer length guests that provides the sector with higher average occupancy levels, something that has been witnessed on the entry to and during lockdown. The fact that serviced apartments can also ensure greater social distancing, helped largely by its self-catering facilities, reduced social spaces as well as minimal contact with staff, has also meant that more properties have been able to remain open for their longer staying guests during the Covid pandemic. Additionally, lower operating costs, coupled with longer average length of stay, continues to support profitability of serviced apartments during this period compared to full-service hotels. Therefore the Proposed Development's provision of an apart-hotel (which is a category of serviced accommodation) means the scheme is more likely to be commercially resilient than a traditional hotel in response to the market challenges presented by the Covid-19 recovery.
- **Price Competitiveness:** London overall is one of the most expensive destinations in terms of hotel accommodation. Central London has the highest average rates whereas outer London offers better value for money accommodation. The London Surrounding West sub market (of which Hillingdon is a part) has an average rate in 2018 of just over £81 per room versus £160 for London as shown above. Therefore Hillingdon has a clear advantage in terms of offering more affordable accommodation but still with convenient access to Central London and Heathrow.
- **Hillingdon's Housing Growth:** The Hillingdon Tourism Study (2007) identified that Hillingdon's hotel accommodation is increasingly being used for those visiting family and friends in the local area. This is likely to grow further given continued housing growth being experienced in Hillingdon. There has been an 8% increase in the number of dwellings between 2009 and 2019. Furthermore, housing deliveries in Hillingdon have consistently exceeded the housing target between 2017 and 2020.

- **Hillingdon's Business and Jobs Growth:** The Hillingdon Tourism Study (2007) also identified the business and conference market as key growth drivers for the tourism sector. This is directly related to the number of businesses and business growth in Hillingdon. Between 2010 and 2020, Hillingdon experienced 64% growth in total business counts and 34% growth in the Accommodation and Food Service Activities Sector (which includes hotels). Job growth in this sector over the same period was 27%. Future job growth in Hillingdon is estimated to be 1% per annum to 2031, further indicating visitors to Hillingdon for 'business purposes' is likely to remain strong into the future.
- **Conference Demand:** The Hillingdon Tourism Study (2007) identified people attending conferences as a key market for Hillingdon's serviced accommodation. Paragraph 4.9 states that whilst the Heathrow hotels primarily serve travellers using the airport, the proximity to one of the world's foremost airports means that many of the Heathrow hotels offer a range of conference facilities to meet the needs of international organisations. Hillingdon's proximity to Heathrow enables Hillingdon's serviced accommodation to serve this key market.
- **Visitor Attractions and Leisure Market:** Hillingdon also benefits from a number of visitor attractions that generate demand for hotels, such as the Colne Valley Park with wildlife and water sports facilities and the Grand Union Canal. Hillingdon also provides convenient access to a number of major attractions outside of the borough including visitor attractions in London, Surrey, Windsor, Buckinghamshire and Oxford. These include Legoland, Windsor Castle and Great Park, Kew Gardens, Ascot, Wembley, Twickenham and Brooklands.

For the sequential test the report has assessed allocated sites in the Local Plan Part 2 falling within Hayes Town Centre as potential sites to accommodate the proposed 43 unit uplift between the Proposed Development and extant scheme. A summary of the assessment of each site is provided below:

- Eastern End of Blyth Road – Site A: the 43 additional units proposed would not be deliverable at this site, and construction of a residential-led mixed-use development covering the entirety of the site is underway
- Eastern End of Blyth Road – Site B: remainder of site would not be able to accommodate the proposed uplift of 43 aparthotel rooms as a minimum of 70-80 hotel bedrooms is considered to be the threshold for a deliverable scheme according to Savills Hotel Agency
- Eastern End of Blyth Road – Site C: the 43 additional units proposed would not be deliverable at this site, and construction of a residential-led mixed-use development covering the entirety of the site is underway
- Land to the South of the Railway – Site A: the 43 additional units proposed would not be deliverable at this site, and construction of a residential-led mixed-use development covering the entirety of the site is underway
- Land to the South of the Railway – Site B: the 43 additional units proposed would not be deliverable at this site, and the site forms part of a significant housing allocation in the borough
- Land to the South of the Railway – Site C: the 43 additional units proposed would not be deliverable at this site, and the site forms part of a significant housing allocation in the borough
- Hayes Bridge, Uxbridge Road (outside of Town Centre boundary): the 43 additional units proposed would not be deliverable at this site, site is allocated for residential and B8 uses

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Based on this assessment, it can be seen that none of the sites considered within Hayes Town Centre are sequentially preferable to the Proposed Site at 15-17 Uxbridge Road. Therefore, the sequential test is considered to be passed.

1. Introduction

1.1. Purpose

- 1.1.1. Savills Economics have been instructed by Aventex Properties S.A. to undertake a hotel needs assessment and sequential test to support the planning application for a revised aparthotel scheme at 15-17 Uxbridge Road in the London Borough of Hillingdon (LBH).
- 1.1.2. The purpose of this report is to assess if there is additional hotel need in Hillingdon to justify the uplift in aparthotel units from the Extant Planning Permission of 131 units to the 174 units proposed. This report also includes a sequential test to identify if there are alternative sites considered to be more suitable than the Subject Site in accommodating the proposed 43 unit uplift.
- 1.1.3. The sequential test is required given hotels are considered a town centre use in national policy and Policy DMTC 1 of LBH's Local Plan Part 2 states that the Council will expect proposals for 'main town centre uses' to demonstrate that there are no available or suitable sites in a town centre where an edge of centre or out of centre location is proposed. The Subject Site is not located within a town centre, hence why a sequential test is required.
- 1.1.4. Throughout this report we use the term 'hotel' to account for all visitor accommodation types including short stay and longer stay accommodation ('serviced accommodation'). We use the term 'serviced accommodation' when discussing longer stay accommodation. Aparthotels, such as the Proposed Development, are part of the serviced accommodation category.

1.2. Report Structure

- 1.2.1. The report is structured as follows:
 - Section 2 – Describes the Subject Site, its planning history, surrounding uses and the Proposed Development;
 - Section 3 – Presents a high level review of the Local Plan and London Plan policy context relevant to hotel provision and sequential testing, including a review of evidence on hotel need provided by LBH and within the GLA Economics' 2017 Study;
 - Section 4 – Defines the Study Area within which we focus the analysis of hotel supply and demand;
 - Section 5 – Reviews hotel supply in the Study Area;
 - Section 6 – Identifies the key hotel demand drivers in Hillingdon and London, and discusses what this means for current and future hotel demand;
 - Section 7 – Outlines the sequential test methodology;
 - Section 8 – Undertakes the sequential test; and
 - Section 9 – Summaries the report's key conclusions.

1.3. Limitations

- 1.3.1. The current Covid-19 pandemic will continue to have a major operational and economic impact on the visitor accommodation sector in the short term. The analysis and conclusions should be considered as relevant to the situation once the UK economy has recovered from the most significant impacts of Covid-19.

2. The Subject Site and Proposed Development

2.1. Subject Site

- 2.1.1. The Subject Site is located on the southern side of Uxbridge Road (A4020), approximately 290m west of LBH's municipal boundary with Ealing. The site area is approximately 2,408 sq.m.
- 2.1.2. The Subject Site is surrounded by a mixture of land uses including residential, retail, office as well as light industrial and business uses. The southern side of Uxbridge Road is predominantly comprised of large retail and business units and the northern side is characterised by residential uses as well as a short parade of shops fronting Uxbridge Road. Immediately adjacent to the Subject Site is the 13 storey Hyatt Place Hotel which was converted and refurbished from vacant offices into a 170 bedroom hotel pursuant to planning permission Ref. 2385/APP/2013/2523 that was approved in 2014. The hotel is now operational and is the tallest and most significant building in the locality.
- 2.1.3. To the east of the Subject Site, within the London Borough of Ealing (LBE), is a significant number of approved major development schemes. At the Bridge Road Industrial Estate (1.8km to the east), there are two major consented developments. The Quayside Quarter Development was approved on 23 September 2020 (Ref. 191022FUL) and comprises 9 blocks of varying heights up to 27 storeys including 1,977 residential units as well as a creative industrial hub and light industrial space. The Margarine Works Development was approved on 29 November 2019 (Ref. 183673OUT) and comprises 7 plots ranging from 3 to 27 storeys including over 2,083 residential units as well as hotel, flexible retail, office and community floorspace. Furthermore, approximately 1.5km east of the Subject Site at 94 High Street Southall, planning permission for a 15 storey residential development was approved on 20 February 2020 (Ref. 192888FUL). These developments form part of a significant cumulative emerging urban context within the wider surrounding area of the Subject Site, and are all located within the economically significant Uxbridge Road Corridor.
- 2.1.4. The Subject Site is served by public transport with three bus stops within circa 200m on Uxbridge Road, providing services to Ealing and Uxbridge (bus numbers 207, 427, as well as night bus N207). Although the Subject Site is not located within a town centre, it is in close proximity to Hayes Town and Southall Broadway, with both providing an array of independent and national retail stores and services.

2.2. Planning History

- 2.2.1. In September 2016, the Subject Site was granted planning permission for a 2 to 12 storey, 131 unit aparthotel. The approved aparthotel (Use Class C1) has been implemented and forms the Extant Scheme.
- 2.2.2. On 4 June 2020, the Council approved a Certificate of Lawful Use or Development (CLD) confirming that the Planning Permission granted under Ref: 69827/APP/2015/4719 had commenced by 13 September 2019.

2.2.3. However the Applicant considers that the extant scheme can be improved and a more efficient aparthotel scheme can be delivered. The proposal therefore proposes a replacement aparthotel scheme which is significantly improved in terms of its design, height and massing and efficiency as set out in the submitted Planning Statement and Design and Access Statement.

2.2.4. The Subject Site previously comprised of the Waggon and Horses Public House employing 3 to 4 people, and included a small element of bed and breakfast accommodation. Despite the Subject Site's employment designation, discussed in Section 3, it has not been used for industrial or warehousing purposes since at least the 1980s.

2.3. Proposed Development

2.3.1. The replacement aparthotel scheme (Use Class C1) is aimed at a 4 star operator, within a building envelope comprising 14 storeys, comprising the ground and mezzanine (plus basement), and 12 upper floors, providing a total of 174 aparthotel units. This is an increase of 43 aparthotel units on the extant permission. However, the proposed GIA for the proposed aparthotel units is similar to the extant scheme (5,313 sqm for the extant scheme and 5,316 sqm for the proposed scheme). The Proposed Development also includes ancillary café/restaurant/flexible workspace/gym areas (for use by aparthotel guests), cycle parking and basement level car parking.

2.3.2. The aparthotel will primarily accommodate demand from businesses located nearby within the Uxbridge Road corridor, the conference and passenger demand from Heathrow Airport and wider London-based tourism demand. Furthermore, the aparthotel is expected to generate approximately 60 on-site jobs.

3. Policy and Research

National Planning Policy

3.1. National Planning Policy Framework (NPPF)

- 3.1.1. The revised National Planning Policy Framework (NPPF) was updated in February 2019 and sets out the Government's planning policies for England and how these should be applied. It provides a framework within which locally-prepared plans for housing and other development can be produced.
- 3.1.2. Paragraph 85 notes that planning policies and decisions should support the role that town centres play at the heart of local communities, by taking a positive approach to their growth, management and adaptation. Local planning authorities should allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, including meeting anticipated needs for retail, leisure, office and other main town centre uses (including hotels).
- 3.1.3. Paragraph 86 states that local planning authorities should apply a sequential test to planning applications for main town centre uses which are neither in an existing centre nor in accordance with an up-to-date plan. Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered.
- 3.1.4. Paragraph 87 states that when considering edge of centre and out of centre proposals, preference should be given to accessible sites which are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored. A sequential test for 15-17 Uxbridge Road is undertaken in the second half of this report.

3.2. Town Centre and Retail Planning Policy Guidance (PPG)

- 3.2.1. This provides guidance on planning for retail and other town centre uses. This replaces the previous guidance on 'Ensuring the Vitality of Town Centres', and was last updated in September 2020.
- 3.2.2. The guidance states that the sequential test guides main town centre uses towards town centre locations first, then, if no town centre locations are available, to edge of centre locations, and, if neither town centre locations nor edge of centre locations are available, to out of centre locations (with preference for accessible sites which are well connected to the town centre). It supports the viability and vitality of town centres by placing existing town centres foremost in both plan-making and decision-taking.
- 3.2.3. In plan-making, the sequential approach requires a thorough assessment of the suitability, viability and availability of locations for main town centre uses. It requires clearly explained reasoning if more central opportunities to locate main town centre uses are rejected.

- 3.2.4. The checklist below sets out the matters that need to be considered when using the sequential approach as part of plan-making:
- Has the need for main town centre uses been assessed? The assessment should consider the current situation, recent up-take of land for main town centre uses, the supply of and demand for land for main town centre uses, forecast of future need and the type of land needed for main town centre uses;
 - Can the identified need for main town centre uses be accommodated on town centre sites? When identifying sites, the suitability, accessibility, availability and viability of the Site should be considered, with particular regard to the nature of the need that is to be addressed; and
 - If the additional main town centre uses required cannot be accommodated on town centre sites, what are the next sequentially preferable site that they can be accommodate on?
- 3.2.5. The sequential test supports the Government's 'town centre first' policy. However as promoting new development on town centre locations can be more expensive and complicated than building elsewhere, local planning authorities need to be realistic and flexible in applying the test.
- 3.2.6. In determining whether a proposal complies with the sequential test, local planning authorities should take into account whether the suitability of more central sites to accommodate the proposal has been considered, and where the proposal would be located in an edge of centre or out of centre location, preference should be given to accessible sites that are well connected to the town centre. Furthermore, it should be determined if there is scope for flexibility in the format and/or scale of the proposal. It is not necessary to demonstrate that a potential town centre or edge of centre site can accommodate precisely the scale and form of development being proposed, but rather to consider what contribution more central sites are able to make individually to accommodate the proposal.
- 3.2.7. Importantly, it is recognised that applying the sequential test is not an academic exercise divorced from the commercial realities of what it is that developers and landlords are seeking to supply in response to market demand. Therefore, both flexibility and deliverability should be taken into account.
- 3.2.8. If there are no suitable sequentially preferable locations, the sequential test is passed.

Regional Planning Policy

3.3. The London Plan (2021)

- 3.3.1. The London Plan 2021 is the Spatial Development Strategy for Greater London and was adopted in march 2021. The Plan supersedes the 2016 London Plan. The plan sets out a framework for how London will develop over the next 20-25 years and the Mayor's vision for Good Growth.
- 3.3.2. Paragraph 6.10.2 states that given the importance of tourism to London's economy, London needs to ensure that it is able to meet the accommodation demands of tourists who want to visit the capital. It is estimated that London will need to build an additional 58,000 bedrooms of serviced accommodation by

2041, which is an average of 2,230 bedrooms per annum, an increase of 230 pa from the 2016 version of the London Plan.

- 3.3.3. Paragraph 6.10.3 states that Boroughs in outer and inner London beyond the CAZ are encouraged to plan proactively for new serviced accommodation in town centres to help spread the benefits of tourism to the whole of the capital.
- 3.3.4. Paragraph 6.10.4 states that improving the availability of accessible serviced accommodation is vital to ensuring that as many visitors as possible can stay in London and experience its visitor attractions and business offer. To help achieve this, serviced accommodation developments should achieve the highest standards of accessible and inclusive design.
- 3.3.5. The demand for London accommodation is projected to reach 196 million nights. This has increased by 58 million nights since 2015. This is driven by both an increase in international visitor nights as well as domestic visitor nights.
- 3.3.6. Once the anticipated closure of hotels is taken into account a projected average of around 3,000 gross new hotel rooms are required per annum in London. This provides a projected 77,000 gross new rooms required by 2041.
- 3.3.7. Policy SD7 on Town Centres states that when considering development proposals, boroughs should take a town centres first approach, discouraging out-of-centre development of main town centre uses. A sequential test should be applied to applications for main town centre uses, requiring them to be located in town centres. If no suitable town centre sites are available or expected to become available within a reasonable period, consideration should be given to sites on the edge of centres that are, or can be, well integrated with the existing centre, local walking and cycle networks, and public transport. Out of centre sites should only be considered if it is demonstrated that no suitable sites are (or are expected to become) available within town centre or edge of centre locations.
- 3.3.8. Policy E10 Visitor Infrastructure states that London's visitor economy and associated employment should be strengthened by enhancing and extending its attractions, inclusive access, legibility, visitor experience and management and supporting infrastructure, particularly to parts of outer London well connected by public transport, taking into account the needs of business as well as leisure visitors.
- 3.3.9. Policy E10 also states that in outer London and those parts of inner London outside the CAZ, serviced accommodation should be promoted in town centres and within Opportunity Areas (in accordance with the sequential test as set out in Policy SD7 Town Centres: Development Principles and Development Plan Documents) where they are well connected by public transport, particularly to central London.
- 3.3.10. Policy GG2 A Making the Best Use of Land states that planning and development must enable the development of brownfield land, particularly in Opportunity Areas and sites within and on the edge of town centres. The Subject Site is on brownfield land, and may be located within the Hayes OA (although this is not clear from Figure 2.10 in the London Plan), and is underutilised with significant development potential

considering a 170-bedroom, 13 storey Hyatt Place Hotel lies directly adjacent to the site.

Local Planning Policy

3.3.11. The development plan for the London Borough of Hillingdon comprises:

- Hillingdon Local Plan: Part 1 – Strategic Policies (2012);
- Hillingdon Local Plan: Part 2 – Development Management Policies (January 2020);
- Hillingdon Local Plan: Part 2 – Site Allocations and Designations (January 2020); and
- Hillingdon Local Plan: Part 2 – Policies Map Adoption Version (January 2020);

3.4. Hillingdon Local Plan: Part 1 – Strategic Policies (2012)

3.4.1. The Subject Site is located within Springfield Industrial Business Area (IBA) within the Local Plan Part 1. However in the Committee Report (22nd March 2016) for the Extant Scheme, officers concluded that the principle of an aparthotel scheme was acceptable. Officers supported the aparthotel use and stated that *‘The principle of an apart-hotel use on this IBA site is considered acceptable given the strategic need for such accommodation and the high levels of employment the use will generate’*.

3.4.2. As the Proposed Development relates to a replacement aparthotel, there remains a strategic need for visitor accommodation, and it would also provide new jobs/employment opportunities. Policy E2 Location of Employment Growth of the Local Plan Part 1 states that *‘the council will accommodate 9,000 new jobs during the plan period, and that most this employment growth will be directed towards suitable sites in the Heathrow Opportunity Area, Strategic Industrial Locations (SILs), Locally Significant Employment Locations (LSEL), Locally Significant Industrial Sites (LSIS), Uxbridge Town Centre and Hayes Town Centre with a particular focus around transport nodes’*. The Subject Site is within a SIL which, notwithstanding the industrial nature, does in fact promote the principle of increased employment.

3.4.3. Policy E2 of the Local Plan Part 1 also states that ‘the Council will accommodate a minimum of 3,800 additional hotel bedrooms between 2007-2026, and new hotels and visitor facilities will be encouraged in Uxbridge, Hayes, on sites outside of designated employment land on the Heathrow perimeter and in other suitable locations. However Hillingdon’s Tourism Study concludes that this figure underestimates long term future growth based on recent trends, and suggests a need for 5,600 rooms by 2026. Hotel development in Hillingdon will help meet targets for visitor accommodation.

3.4.4. Paragraph 5.22 states that Hillingdon received an estimated total of £697 million in tourism spending in 2007. Jobs in tourism account for over 8% of the Borough’s total employment, which is higher than the London-wide average. This is due in part to the interaction with Heathrow Airport which is a gateway to London and the UK for many overseas visitors. Tourism is therefore a significant contributor to the Borough’s economy and meeting the needs of visitors, including the provision of hotels, conference facilities and cultural activities, is an important consideration for Hillingdon.

3.4.5. Policy E5 Town and Local Centres states that planning decisions will be taken in accordance with the

provisions of national guidance, particularly the sequential and impact tests.

3.5. Hillingdon Local Plan: Part 2 – Site Allocations and Designations (2020)

- 3.5.1. Parts of the Local Plan Part 1 have been updated by the Local Plan Part 2 Site Allocations and Designations document which was adopted in January 2020. The latter document sets out the sites for development which will meet the Borough's needs to 2026, based on the level of growth and general locations set out into the Local Plan Part 1, and also includes designations for areas of land where specific policies apply.
- 3.5.2. Hillingdon has 358 hectares of designated employment land, which is mainly focused on the industrial areas of the Hayes-West Drayton Corridor, Uxbridge, Heathrow and South Ruislip. The Council view these areas as a valuable resource and its intention is to retain the best quality employment land and direct employment growth to preferred locations to ensure future economic growth in the Borough.
- 3.5.3. Policy SEA 1 Strategic Industrial Locations states that in accordance with Policy 2.17 of the London Plan (2016, now rescinded), the Council will promote, manage and where appropriate protect a network of Strategic Industrial Locations across the Borough.
- 3.5.4. Map C of the Site Allocations and Designations document shows the Subject Site is within the Springfield Road Strategic Industrial Location (Preferred Industrial Location) within Hayes Industrial Area. Springfield Road, Hayes, is a vibrant employment site with a wide range of businesses, and has benefited from recent investment from the private sector. Vacancy rates are only slightly above the normal accepted churn rate. The Council is of the view that most of the existing Industrial Business Area should be regarded as forming part of the Hayes Industrial Area (Preferred Industrial Location).
- 3.5.5. Paragraph 4.38 states that Hillingdon is forecast to experience substantial growth in offices and hotel rooms up to 2026. The GLA's Hotel Demand Study (2006) provides a strategic growth target for additional hotel rooms and visitor accommodation in Hillingdon, requiring the provision of a minimum of 3,800 additional hotel rooms over the plan period (2007-2026). The 3,800 new rooms will replace the 800 rooms anticipated to be lost resulting in a net extra room requirement of 3,000 more rooms. It is further predicted that the majority of this estimate will be required by 2012 (GLA Hotel Demand Study, 2006).
- 3.5.6. Hillingdon's Tourism Study (2007) estimates this figure to be much higher, based on recent growth in visitor accommodation of 7% per annum, or the equivalent of 400 rooms per annum in Hillingdon. Hillingdon's Tourism Study (2007) states that this figure would appear to significantly underestimate long term future growth which based on current trends would suggest a need for 2,400 rooms by 2012, and a further 5,600 rooms by 2026. Bath Road Area, Hayes and Uxbridge are identified as key locations for hotel growth. Both the GLA's Hotel Demand Study (2006) and the Hillingdon's Tourism Study (2007) have now been superseded in terms of hotel need estimates by the more recent GLA Economics Projections of Demand and Supply for Visitor Accommodation in London to 2050 (2017). The key conclusions of this study are discussed in Section 5 below.
- 3.5.7. On the basis of these evidence studies, the Local Plan Part 1 identifies general areas on the Heathrow

perimeter, Stockley Park, Uxbridge and Hayes Town Centres as preferred locations for hotel and office growth.

3.5.8. Policy SEA 2 Hotel and Office Growth Locations states that in accordance with the evidence base, the Council will promote and where appropriate protect a network of Hotel and Office Growth Locations across the Borough:

- Uxbridge Town Centre is designated for both hotel and office growth; and
- Hayes Town Centre is designated for hotel growth only.

3.6. Hillingdon Local Plan: Part 2 – Development Management and Policies (January 2020)

3.6.1. This Development Management Policies Document forms part of Hillingdon's Local Plan Part 2. Its purpose is to provide detailed policies that will form the basis of the Council's decisions on individual planning applications.

3.6.2. Policy DME 1 Employment Uses on Designated Employment Sites states that the Council will support employment proposals in Strategic Industrial Locations (SILs) (Preferred Industrial Locations (PIL) or Industrial Business Parks (IBP)) in accordance with relevant policies in the London Plan (A). Proposals for other uses will be acceptable in SILs, LSELs and on LSIS only where:

- There is no realistic prospect of the land being developed in accordance with criterion A;
- Sites have been vacant and consistently marketed for a period of 2 years; and
- The proposed alternative use does not conflict with the policies and objectives of this Plan.

3.6.3. Paragraph 2.17 states that tourism is an important part of the local economy with key sectors being the business and the conference market, transit trade (visitors stopping in Hillingdon en-route to another destination) and the leisure market. Employment within the tourism sector accounts for over 8% of the Borough's total employment, higher than the London-wide average.

3.6.4. Policy DME 5 Hotels and Visitor Accommodation states that the Council will support a range of visitor accommodation, conference and related uses in accessible sustainable locations, as defined in the Site Allocations and Designations document, subject to:

- A high standard of building and site design, including landscaping and placement of signage that makes a positive contribution to local amenity and the streetscape;
- Provision of an accessible layout and rooms in accordance with Policy DME 6: Accessible Hotels and Visitor Accommodation; and
- No adverse impact on nearby land uses or on the amenity of either adjoining occupants or proposed occupants by virtue of noise, lighting, emissions, privacy, overlooking, any other potential nuisance, parking or traffic congestion.

3.6.5. Hotel related elements of Policy DMTC 1 Town Centre Development include:

- The Council will support 'main town centre uses' (including hotels) where the development proposal is consistent with the scale and function of the centre.
- Proposals for 'main town centre uses' in out of centre locations will only be permitted where there is no harm to residential amenity.
- The Council will:
 - Expect proposals for 'main town centre uses' to demonstrate that there are no available or suitable sites in a town centre where an edge of centre or out of centre location is proposed, using a sequential approach;
 - Consider the effect of the proposal either individually or cumulatively on the vitality and viability of existing town centres. Development proposals in out of centre and edge of centre locations, which exceed 200 sq.m of gross retail floorspace, or 1,000 sq.m of combined main town centre uses, will require an impact assessment.

3.7. Hotel Evidence Base

GLA Economics Projections of Demand and Supply for Visitor Accommodation in London to 2050 (2017)

- 3.7.1. GLA Economics was asked by the Greater London Authority (GLA) London Plan team to update work surrounding the demand for serviced visitor accommodation to inform the target for the next London Plan (now the adopted London Plan (2021)). This report examines the current supply and demand conditions in the London visitor accommodation market. It then sets out projections for the supply and demand of serviced visitor accommodation between 2015 through to 2041 (the time horizon for the London Plan), and beyond to 2050 (the timescale for the London Infrastructure Plan). This then leads to the estimation of the number of rooms expected to be needed based on the demand projections, which will be used to inform the target in the new London Plan.
- 3.7.2. Tourism is an important sector for London's economy. London is the second most visited city in the world for international tourism, with an estimated 18.6 million international visitors in 2015, estimated to have spent around £12 billion in the Capital for the year. People from other parts of the UK bring the total number of overnight visitors to the Capital to 31.5 million in 2015.
- 3.7.3. Given the importance of tourism to the London's economy, it is critical there is a suitable supply of accommodation for those that wish to visit. Currently the supply of serviced rooms is tight and the cost of accommodation is expensive. In 2015 London has the highest occupancy rate of all European cities, and the fourth highest average daily rate. The occupancy rate in London was 81 per cent in 2015 compared to 70 per cent across England, whilst the average daily rate for serviced accommodation in the Capital was more than double the rate for England as a whole.

Serviced Accommodation Supply

- 3.7.4. The distribution of serviced accommodation across London is concentrated within central London, with 111,700 rooms or 76.6 per cent of all serviced accommodation located in central London boroughs, with

just 34,000 or 23.4 per cent of accommodation located in outer London. The share of serviced accommodation in outer London has increased from 15 per cent in 1971, with around half of the increase over that time period attributable to the boroughs of Hounslow and Hillingdon. In outer London, almost one third of the serviced accommodation rooms are located in Hillingdon to service Heathrow airport, leaving just 16.6 per cent of London's total supply of serviced accommodation in the remaining outer London boroughs.

- 3.7.5. In December 2015, the supply of serviced accommodation in Hillingdon was a total of 9,885 bedrooms, which equates to a 6.8 per cent share of London. The net change in accommodation room supply in Hillingdon (2011-2015) was 560 rooms, which equates to 2.9% of London change in supply over the same time period.
- 3.7.6. Serviced accommodation supply in London is projected to increase to reach 209,908 rooms by 2041, an increase of 64,171 rooms on the 2015 supply of 145,737. Of the projected increase in rooms, most are expected to be delivered in Westminster, followed by Tower Hamlets, Hillingdon, and Hounslow. The total change in net supply (2015-2041) in Hillingdon is 5,461, which equates to a 8.5% share of change in net supply over the same time period.

Serviced Accommodation Demand

- 3.7.7. Demand for London accommodation is projected to increase from 138.4 million visitor nights in 2015 to reach 196.4 million nights in 2041. This is driven by a 42.9 million increase in international visitor nights, and a 15.0 million increase in domestic visitor nights.
- 3.7.8. Based on these demand projections, it is estimated that London will need to add an additional 58,140 rooms to the serviced accommodation supply by 2041 from the 2015 stock levels, at an average of 2,236 rooms per annum. In terms of the number of new serviced accommodation rooms that will need to be delivered (i.e. accounting for closures), assuming that 0.4 per cent of the stock is closed each year, it is projected that 77,019 additional rooms will need to be added to the stock to meet the projected need by 2041, at an average of 2,962 per annum.
- 3.7.9. LBH is expected to share 8.5% of the change in net demand for serviced accommodation in London (2015-2041), with a total net change in room demand of 4,947, the third largest percentage across all London Boroughs after Westminster and Tower Hamlets.



Hotel Needs Assessment

4. Study Area

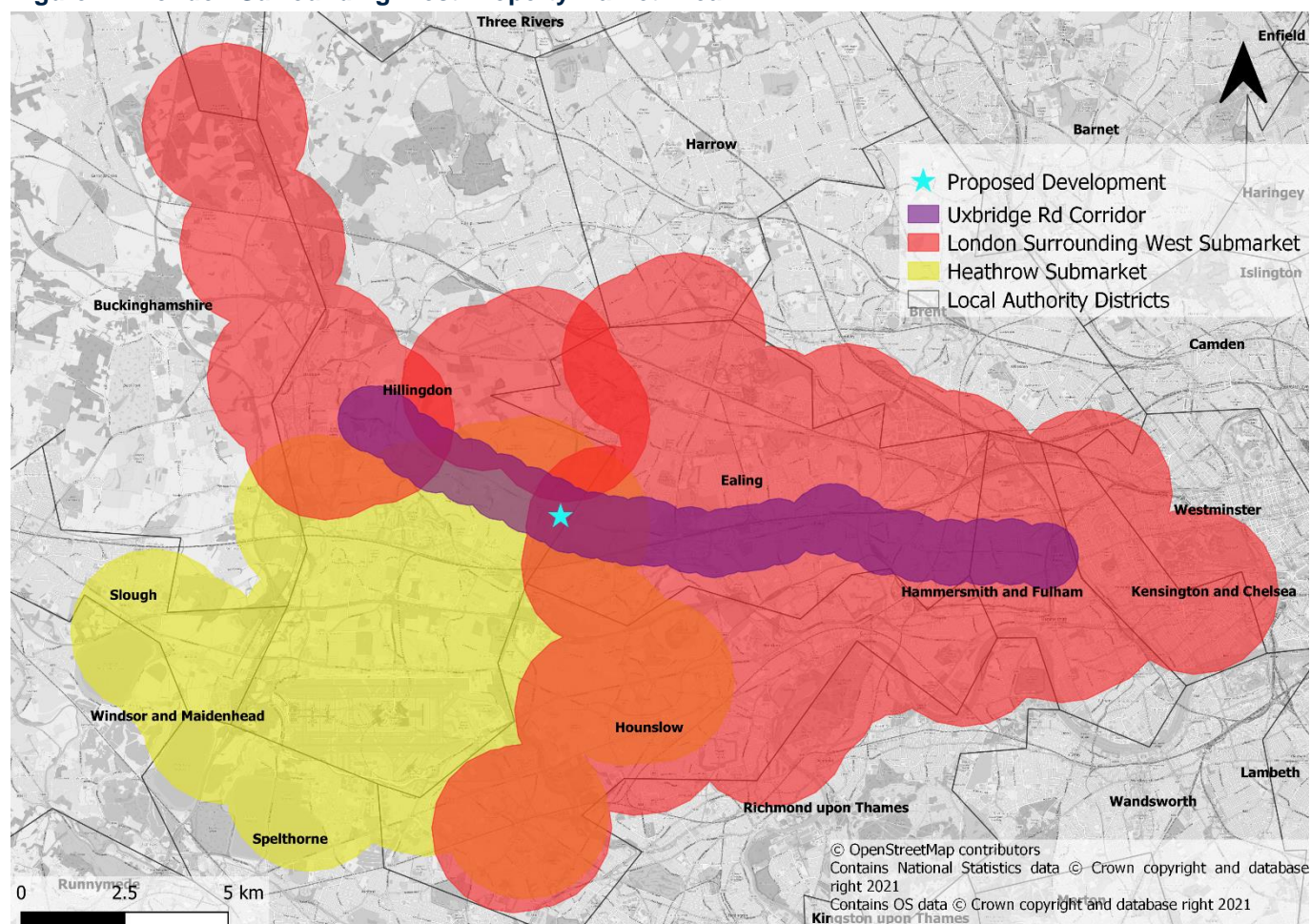
- 4.1.1. The primary study area for this Hotel Needs Assessment and Sequential Test is the London Borough of Hillingdon. However given hotel market areas don't always follow administrative boundaries, we have also had regard to demand drivers that exist at a larger geography beyond just Hillingdon. Key examples include London-wide tourism trends and key attractions that are located outside of Hillingdon but are easily accessible from it, and the economic strength of the wider Uxbridge Road Corridor which is an important economic area running from Shepherd's Bush Green to Hillingdon.
- 4.1.2. As identified in the GLA Economics Study (2017), Hillingdon is the 4th largest hotel market in London, driven primarily by it serving London Heathrow Airport. While the Airport is undeniably a key demand driver for hotels in Hillingdon, the Subject Site is conveniently located at the junction of two hotel submarkets being the –
- London Surrounding West submarket area
 - Heathrow submarket area
- 4.1.3. This gives the Subject Site the advantage of serving multiple important hotel submarkets. However, given the Subject Site's location within the Uxbridge Road Corridor we feel it sits primarily within the 'London Surrounding West' submarket but could arguably be included in the Heathrow submarket.
- 4.1.4. **Figure 4.1** shows the Subject Site's located at the junction of these two important hotel submarkets, as well as the economically significant Uxbridge Road Corridor which is home to a number of important economic clusters and international businesses as we discuss in Section 6.

15-17 Uxbridge Road, Hayes

Hotel Need Assessment and Sequential Test



Figure 4.1 London Surrounding West Property Market Area



Source: STR, 2021, Savills, 2021

5. Hotel Supply

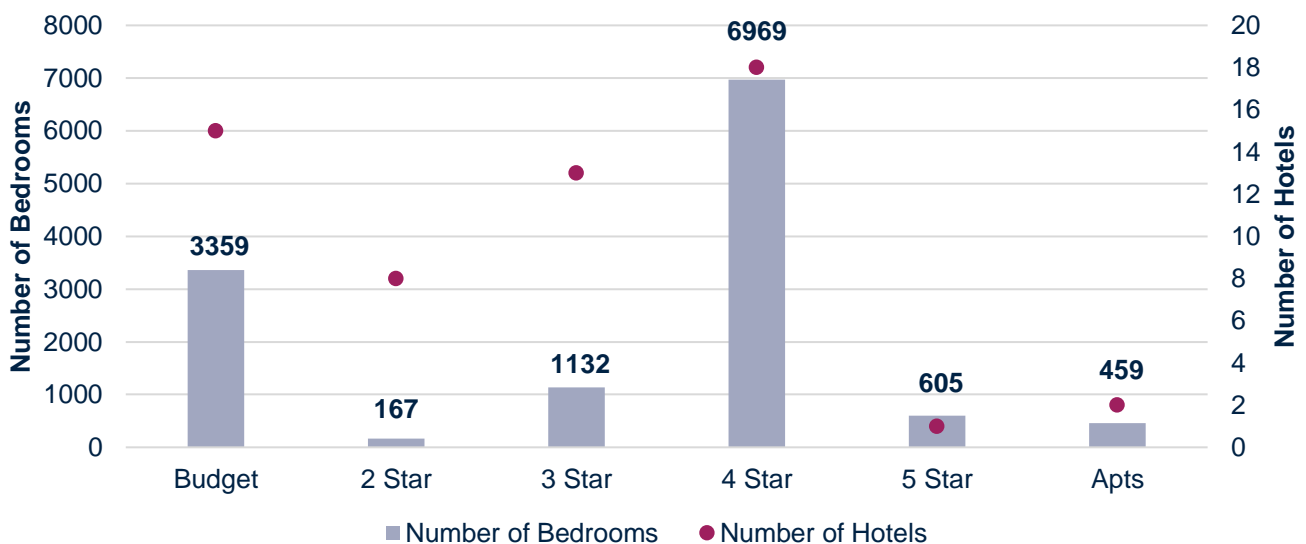
5.1. Existing Supply by Type of Hotel

5.1.1. This section focuses on the current hotel supply in LBH.

5.1.2. **Figure 5.1** below shows the number of hotels and the number of hotel bedrooms by grade. LBH's hotels include budget, 2, 3, 4 and 5 star, and aparthotels. Hillingdon has 57 hotels providing 12,691 bedrooms. The highest number of hotels fall within the 4 star grade, with 18 hotels providing 6,969 bedrooms. Next is budget hotels with 15 hotels providing a total of 3,359 bedrooms. There is one 5 star hotel which provides 605 rooms. Hillingdon has only 2 aparthotels with a combined capacity of 459 rooms demonstrating they are currently under-presented in the borough representing just 3.6% of total bedrooms vs 7.2% in London¹.

5.1.3. The Proposed Development will help to address this imbalance and therefore improve the diversity of Hillingdon's hotel offer.

Figure 5.1 Hillingdon Hotel Supply by Grade



Source: AMPM, 2021

5.2. Existing Supply by Spatial Distribution

5.2.1. **Figure 5.2** shows the location of existing hotels in LBH. Thirty four (60%) hotels are clustered in the south of the borough either adjacent or south of the M4 providing convenient access to Heathrow Airport. Hotel

¹ Based on data from GLA Economics (2017) Projections of demand and supply for visitor accommodation in London to 2050

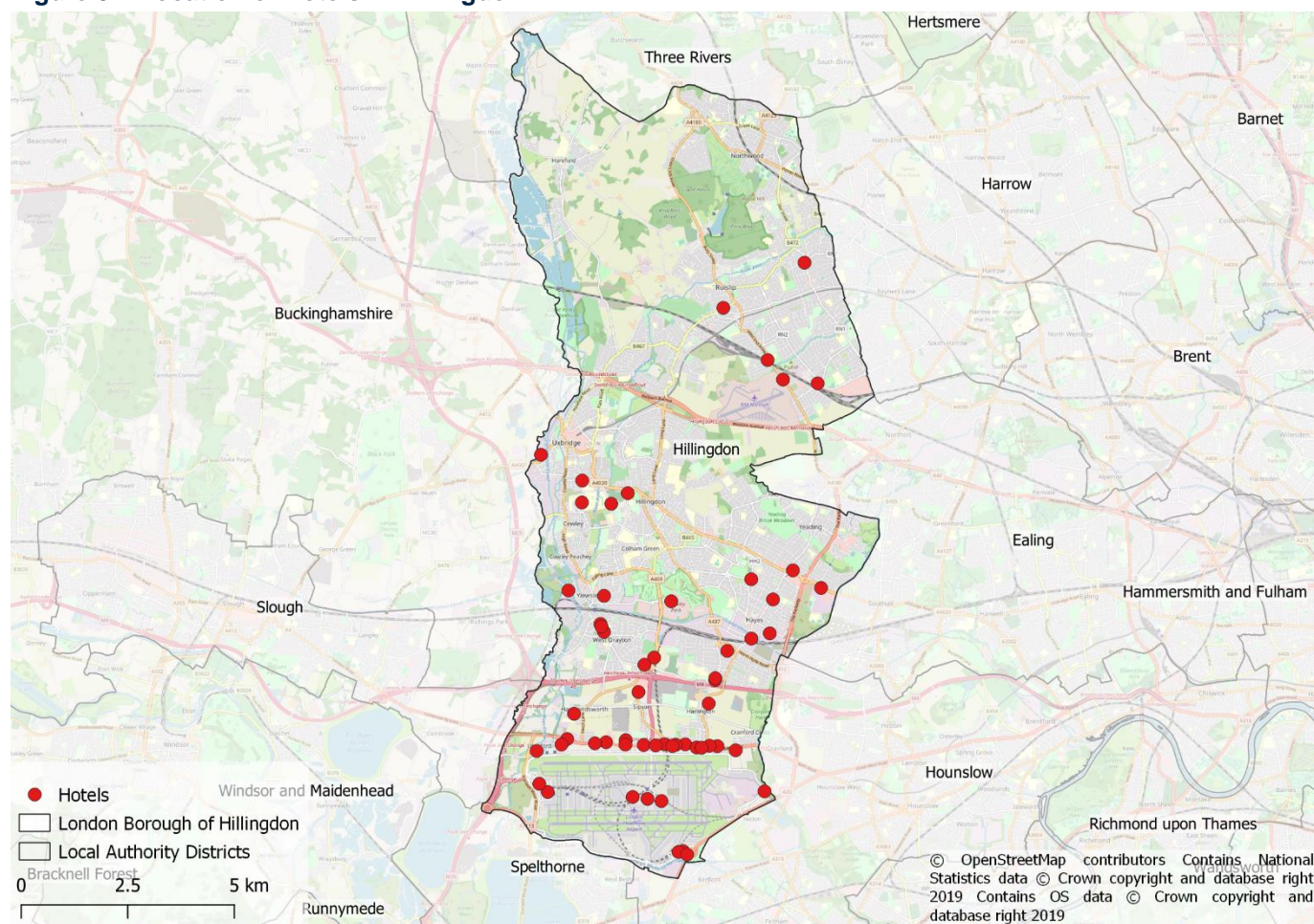
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supply in Hillingdon disperses with distance from London Heathrow Airport. Hayes Town Centre has 2 hotels, while Uxbridge Town Centre does not have any hotels, demonstrating that they are not strong hotel locations. The Uxbridge Road Corridor within LBH has 2 hotels. We discuss the importance of the Uxbridge Road Corridor, within which the Subject Site is located, as a key hotel demand driver in Section 6.

Figure 5.2 Location of Hotels in Hillingdon



Source: AMPM, 2021

5.3. Historic Hotel Delivery

5.3.1. Here we estimate the delivery of hotel bedrooms since 2012 till now. We have chosen 2012 as the base year as this was used for the long range target (2012-2026) in the Hillingdon Tourism Study. In order to undertake this analysis we rely on AMPM data and desktop research of all hotel developments since 2012.

5.3.2. **Table 5.1** presents a summary of hotel developments within Hillingdon since 2012.

Table 5.1 Hotel Developments in Hillingdon Since 2012

15-17 Uxbridge Road, Hayes

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Hotel Name	Address	Number of Bedrooms	Date Opened/Date of Extension
New Hotels			
Airlink Hotel London Heathrow	18-22 Pump Lane, UB3 3NB	52	June 2013
Hyatt Place West London Hayes	27 Uxbridge Road, UB4 0JN	170	May 2016
Aerotel London Heathrow	London Heathrow Terminal 3, TW6 1AA	82	October 2019
Hilton Garden Inn London Heathrow Terminal 2	Heathrow Terminal 2, TW6 2GA	369	July 2019
Holiday Inn Express London Heathrow T4	1 Swindon Road, TW6 3FJ	457	October 2018
Ibis Styles London Heathrow Airport	272 Bath Road, UB3 5AY	153	July 2016
Novotel London Heathrow Airport T1 T2 T3	234 Bath Road, UB3 5AP	166	February 2018
Premier Inn London Hayes Heathrow Hyde Park	Millington Road, UB3 4AZ	150	August 2018
Premier Inn London Heathrow Airport Terminal 4	Sheffield Road, TW6 3AF	613	May 2017
Premier Inn London Heathrow Airport Terminal 5	Terminal 5, UB7 0RF	400	February 2012
StayCity Heathrow	Highpoint Village, UB3 4FN	269	June 2012
Premier Inn London Uxbridge	Phase 500 Riverside Way, UB8 2YF	80	January 2016
Travelodge London Stockley Park Hayes	Bennetsfield Road, UB11 1AA	81	September 2020
Holiday Inn London, Heathrow Bath Road	276 Bath Road, UB7 0DQ	433	February 2019
Raddison RED Hotel London Heathrow	Bath Road, UB7 0BU	258	July 2020
Staybridge Suites London Heathrow Bath Road	276A Bath Road, UB7 0DQ	190	November 2018
Hotel Extensions			
Radisson Blu Edwardian Heathrow Hotel	140 Bath Road, UB3 5AW	5	2019
Ibis Styles London Heathrow Airport	272 Bath Road, UB3 5AY	13	2018
Sheraton Hotel Heathrow	Colnbrook Bypass, UB7 0HJ	2	2018
Total		3,943	

Source: AMPM, 2021

5.3.3. **Table 5.1** shows that 3,943 bedrooms have been delivered in Hillingdon during the 9 year period of 2012-2021 which equates to 438 bedrooms per annum. This level of delivery is broadly consistent with the long range need target identified in the Hillingdon Tourism Study of 400 hotel bedrooms per annum between 2012-2026. It is not clear whether the 400 hotel bedrooms figure is net or gross, but as the Study does not mention the anticipated loss of hotel bedrooms between 2012 and 2026, we assume that this is a gross figure.

- 5.3.4. We note both the long range need target from the Hillingdon Tourism Study (400 hotel bedroom per annum gross) and actual hotel deliveries (438 hotel bedrooms per annum gross) are higher than the most recent GLA Economic's (2017) projections for Hillingdon at 252 hotel bedrooms gross between 2015-2041. However the GLA's estimates have historically been revised upwards between the various iterations of the London Plan and their supporting hotel evidence. For instance hotel need has increased from 2,000 per annum in the adopted (now superseded) London Plan (2016) to 2,230 per annum in the New London Plan (2021). This increase is a result of 58 million extra visitor nights since 2015.
- 5.3.5. LBH recognise the GLA's hotel need estimates historically being low in the Local Plan: Part 1 (2012). While this document references the previous GLA's Hotel Demand Study (2006) and its requirement of 3,800 gross² (3,000 net) new hotel bedrooms in the borough (2007-2026), Paragraph 5.23 states that Hillingdon's Tourism Study (2007) considers this figure to underestimate the long term future growth based on recent trends. The Tourism Study suggests the need for 5,600 (400 hotel bedrooms per annum) additional hotel bedrooms from 2012-2026. This assumption has proved to be correct given this estimate has mirrored actual deliver between 2012 and 2021 as outlined in **Table 5.1** above. Therefore, it can be considered that the Council's Tourism Study estimates for hotel need are more robust than the GLA's due to the latter's consistent underestimation of hotel need in Hillingdon.
- 5.3.6. **Table 5.2** below provides a summary of Hillingdon's hotel bedroom targets compared with hotel deliveries since 2012.

Table 5.2 Hilling Hotel Bedroom Deliveries vs. Targets

Actual Hotel Bedroom Deliveries in Hillingdon, 2012-present	Hillingdon Tourism Study (2007)	GLA Economics Study (2017)
3,943 since 2012 (gross) 438 per annum	5,600 between 2012-2026 (gross) 400 per annum	6,554 between 2015-41 (gross) 252 per annum

Source: Savills (2021); Hillingdon Tourism Study (2007); GLA Economics (2017); AMPM (2021)

- 5.3.7. Since the publication of Hillingdon's Tourism Study and the most recent GLA Study (2017), the demand drivers for hotels in London and Hillingdon have continued to strengthen as we discuss in Section 6.

5.4. Current Hotel Pipeline

- 5.4.1. There are 11 hotel developments in Hillingdon with planning permission (based on AMPM and Glenigans data). **Table 5.3** presents a summary of these pipeline developments.

² The GLA Hotel Demand Study (2006) estimates that 3,800 new hotel bedrooms will be required as 800 bedrooms are anticipated to be lost, resulting in net additional bedrooms require of 3,000.

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Table 5.3 Hillingdon Hotel Developments with Planning Permission

Address	LBH Reference	Development Description	Project Status	Number of Hotel Rooms
Courtyard London Heathrow Airport, 1 Nobel Drive, Bath Road, Hayes	46214/APP/2014/2827	Conversion and extension of existing office building to form a 200 bedroom hotel with banqueting suite, conference facilities, and rooftop restaurant, including a seven-storey extension to rear, a three storey addition at roof level, and single-storey side extension, together with the creation of a new vehicle access, and alterations to car parking and landscaping.	In construction. Scheduled to open in April 2021	200
546 Sipson Road, West Drayton	11068/APP/2020/1586	Redevelopment including the demolition of the existing building and the erection of a new building ranging between 1 and 6 storeys to provide a 302 bedroom hotel (Use Class C1) with basement and ancillary facilities including restaurant, car parking, coach parking, hard and soft landscaping and associated works.		302
272 Bath Road, Hayes	464/APP/2019/1595	Erection of a 4 storey extension above undercroft (5 storeys in total) with associated external alternations including provision of car and cycle parking to accommodate 19 additional rooms to existing hotel.		19
1 Bath Road, Hounslow	35805/APP/2020/3289	Outline planning application for the demolition of existing buildings and erection of a 6 storey 237 bedroom hotel (Use Class C1) (landscaping reserved for subsequent approval).		237
Former Eagle House Hotel	2342/APP/2018/2294	The demolition of the existing building and the erection of a 4 storey hotel (Class C1), including ancillary restaurant/café/bar and associated car parking, servicing and landscaping and the provision of pedestrian access to Odyssey Business Park.		79
242 Bath Road, Hayes	43794/APP/2018/2779	Erection of a 6 storey 157 bedroom hotel including plant room on the roof, the excavation of a basement to provide car parking and associated landscaping.		157

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RAF Uxbridge, St Andrews Park, Hillingdon Road, Hillingdon	585/APP/2012/2462	Scheme comprises a mixed use development for demolition of some buildings and outline application including demolition of some buildings and a) Creation of up to 1,296 residential units of between 2 to 6 residential storeys; b) Creation of up to 77 one-bedroom assisted living retirement accommodation of between 3 to 4 storeys; c) Creation of a three form entry primary school of 2 storeys; d) Creation of a hotel of 5 storeys of up to 90 beds; e) Creation of a 1,200 seat theatre with ancillary café; office of up to 13,860 sq.m; energy centre of up to 1,200 sq.m; and retail of up to 2,850 sq.m; in buildings of between 4 to 6 storeys as well as a tower element associated with the theatre of up to 30m. Full planning permission for: a) Creation of 28 residential units (Use Class C3) to the north of Hillingdon House of between 2 to 3 storeys as well as associated amenity space and car parking; b) Change of use of Lawrence House to provide 4 residential units (Use Class C3), associated amenity space and car parking including a separate freestanding garage; c) Change of use and alterations to the Carpenters building to provide 1 residential unit (Use Class C3); d) Change of use and alterations to the Sick Quarters to provide 4 residential units (Use Class C3) as well as associated amenity space and car parking; e) Change of use of Mons barrack block to provide 7 residential units (Use Class C3) as well as associated amenity space. The associated works include access roads, enabling, sewer systems, infrastructure and landscaping.		90
Nobel Drive, Hayes	74423/APP/2018/4437	Redevelopment of the existing car park to provide 6-storey building comprising 140 room hotel (Use Class C1) including the reconfiguring of car parking spaces across the Site to secure 1:1 parking for the residential buildings (Buildings 2, 3 and 4), associated access, car parking and hard and soft landscaping.		140
Bath Road, Hounslow	12004/APP/2018/2720	Extension to provide an additional floor (5 th floor level) comprising hotel facilities, guest bedrooms and new and extended lift shafts together with amendments to car park.		28
Gardeners Arms	18878/APP/2016/2754	Change of use of existing detached outbuilding (Office) to bed and breakfast ancillary to the existing pub.		5

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The Six Bells, Ducks Hill Road, Ruislip	14387/APP/2020/4128	Scheme comprises construction of a barn extension to provide a restaurant at ground floor and 8 no. Guest rooms at first floor, changing the use from a public house/restaurant to mixed use (sui generis), with associated works and landscaping. This project also include associated infrastructure works.		8
Total				1,265

Source: AMPM, Glenigans 2021

- 5.4.2. While the 1,265 hotel bedrooms with planning permission appears to present a healthy pipeline, it is only 3.2 years of supply under the Hillingdon Tourism Study (2007) need estimates (based on 400 rooms per annum gross), and 5 years of supply under the GLA Economics Study (2017) need estimates (based on 252 rooms per annum gross).
- 5.4.3. It is also important to note that while we expect the hotel market to recover from the Covid pandemic, part of the hotel pipeline will inevitably not come forward for development. This is a standard occurrence and not necessarily as a result of the pandemic meaning fewer than the 1,265 hotel bedroom pipeline will likely be delivered.
- 5.4.4. Given the current pipeline represents only a few years of supply and that existing hotel deliveries have only tracked the LBH's need estimates, it is clear the Proposed Development is a needed addition to Hillingdon's hotel supply. Also, as we discuss in Section 6 below, the key hotel demand drivers had continued to strengthen prior to the pandemic underpinning future hotel demand. While the Covid-19 pandemic has had an unprecedented impact on the UK and global tourism and visitor economy in 2020 and into 2021, Savills expect the hotel market to have recovered by the end of 2022 provided there are no further rampant Covid strains or a material and sustained stock market correction. Once confidence is back, performance and value growth will follow³.

³ Savills Blog: Value, volume, performance: predicting the hotel market recovery trajectory, 17 February 2021

6. Hotel Demand Drivers

6.1. Overview

6.1.1. Within this section we discuss the key demand drivers supporting further growth in London's and Hillingdon's hotel supply. The key demand drivers include:

- High Hotel Occupancy
- Heathrow Airport
- Uxbridge Road Corridor
- London Tourism Growth
- Resilience in Serviced Accommodation
- Price Competitiveness
- Hillingdon's Housing Growth
- Hillingdon's Business and Jobs Growth
- Conference Demand
- Visitor Attractions and Leisure Market

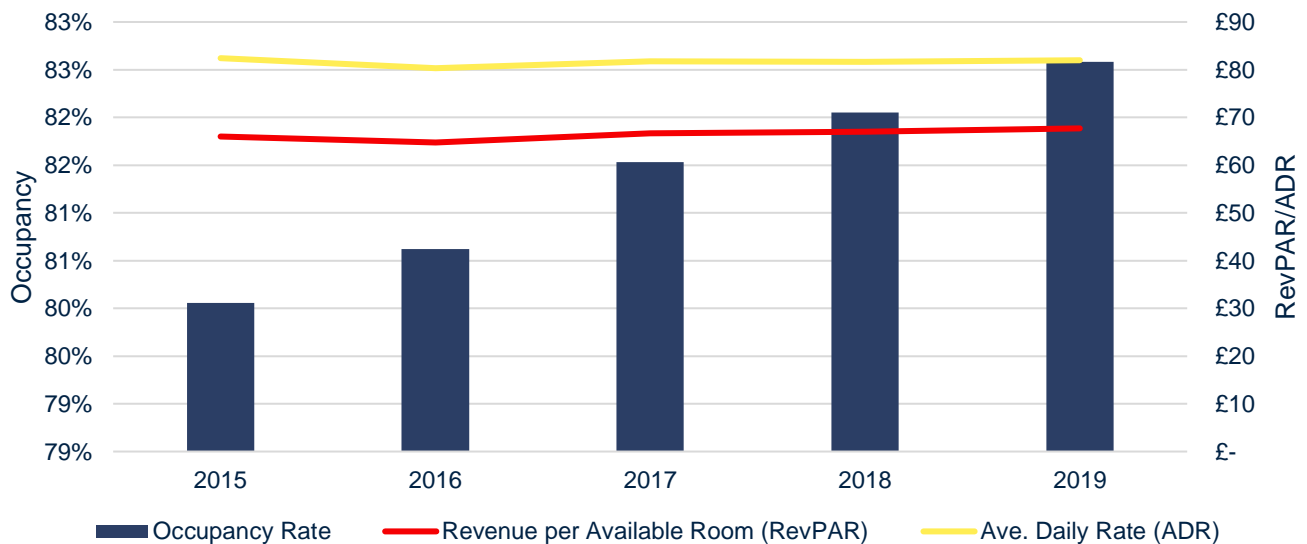
6.2. High Hotel Occupancy

6.2.1. As discussed in Section 4, the Subject Site sits at the junction of the London Surrounding West submarket and the Heathrow submarket. Given the importance of the Uxbridge Road Corridor locally, we consider the Subject Site to sit primarily within the London Surrounding West submarket.

6.2.2. **Figure 6.1** below shows historic occupancy levels for the London Surrounding West submarket prior to the Covid pandemic. Hotel occupancy has averaged 75%, well above the 70% benchmark widely accepted by the hotel industry to indicate when hotel demand outstrips supply. Beyond this level business begins to be turned away⁴. At 75% occupancy, it is clear new investment in the hotel sector is needed across the London Surrounding West submarket, inclusive of Hillingdon, to meet demand.

⁴ <https://www.scams.gov.uk/media/9046/hotel-study.pdf>

Figure 6.1 Occupancy, RevPAR and ADR in London Surrounding West Submarket, 2015-2019



Source: Savills (2021); STR (2021)

- 6.2.3. Revenue Per Available Room (REVPAR) measures hotels' performance by taking into account the hotels' revenue and number of bedrooms. As shown in **Figure 6.1** above, this indicator grew between 2015 and 2019 (not taking into account the effects of Covid-19), with a Compound Annual Growth Rate (CAGR) of 0.6%.
- 6.2.4. While the Covid-19 pandemic has had an unprecedented impact on the UK and global tourism and visitor economy in 2020 and into 2021, Savills expect the hotel market to have recovered by the end of 2022 provided there are no further rampant Covid strains or a material and sustained stock market correction. Once confidence is back, performance and value growth will follow⁵.
- 6.2.5. These views are corroborated by sources such as Tourism Economics who are forecasting global and domestic tourism to return to near 2019 levels by 2022. Also responses to various sentiment surveys point towards a willingness to return to regular travel soon after the threat of the virus has been removed. For example, the latest IATA (International Air Transport Association) travel survey asked respondents when they would feel comfortable travelling regularly again, with a promising 80% suggesting this would happen within six months of the pandemic subsiding. This suggests the pent-up appetite to travel, when possible to do so, remains strong for the vast majority⁶.

⁵ Savills Blog: Value, volume, performance: predicting the hotel market recovery trajectory, 17 February 2021

⁶ Savills Publication: Hotel Market Insights: Travel & Tourism Outlook, 22 January 2021

6.3. Heathrow Airport

- 6.3.1. Heathrow Airport is the UK's biggest and busiest airport, and second busiest airport in the world by international passenger traffic. In 2019, it handled a record 80.9 million passengers (almost double that of Gatwick Airport, the second busiest airport in the UK), accounting for 27% of passengers travelling through UK airports that year⁷.
- 6.3.2. Despite passenger numbers falling significantly as a result of Covid pandemic, Heathrow remained the busiest airport in the UK in 2020, with passenger numbers more than double that of Gatwick Airport between January and December 2020, (22 million compared with 10 million), which was the second busiest airport.⁸ Furthermore, demand for aviation is expected to recover from the pandemic as countries' vaccinations programmes get underway.
- 6.3.3. Heathrow's plans for expansion at the airport with a third runway to the north-west of the existing two are currently supported by Government policy through the Airports National Policy Statement. Expansion at the airport would create tens of thousands of jobs and billions in economic benefits to the UK⁹. The third-runway would also increase passenger capacity by offering an additional 260,000 flights per annum.
- 6.3.4. Therefore, Heathrow's status as the biggest and busiest airport in the UK by passenger numbers, its resilience despite Covid-19 and the planned third runway suggest that visitor demand is set to increase in the future, leading to higher demand for hotel accommodation.

6.4. Uxbridge Road Corridor

- 6.4.1. A key demand driver for hotels in Hillingdon is the Uxbridge Road corridor which spans approximately 12-mile (19km) from Shepherd's Bush Green and goes west towards Hillingdon. The road passes through the areas of Acton, Ealing, Hanwell, Southall, Hayes, Hillingdon, as shown in **Figure 6.2**.

⁷ CAA (2019) Size of Reporting Airports 2019. Available at:
https://www.caa.co.uk/uploadedFiles/CAA/Content/Standard_Content/Data_and_analysis/Datasets/Airport_stats/Airport_data_2019_annual/Table_01_Size_of_UK_Airports.pdf

⁸ CAA (2020) Size of Reporting Airport

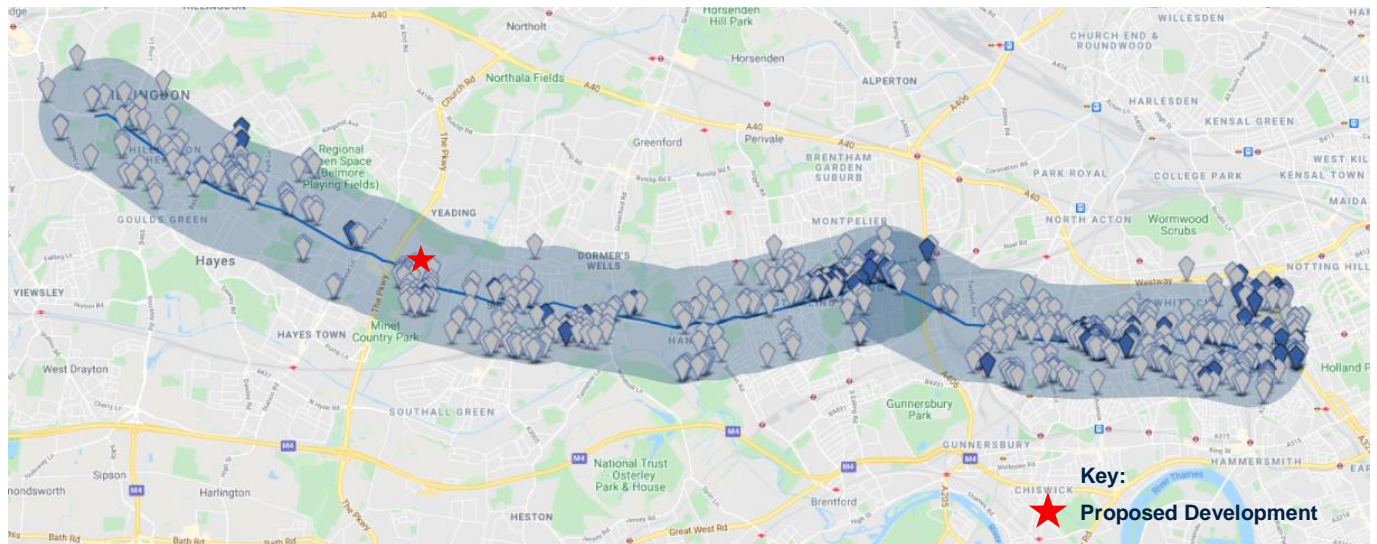
⁹ <https://www.heathrow.com/company/about-heathrow/expansion>

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Figure 6.2 Total Employment (Office & Industrial) Floorspace along Uxbridge Road Corridor



Source: Savills (2021); CoStar (2021)

- 6.4.2. The Uxbridge Road corridor is a significant employment area being home to almost 10 million sq.ft, of office and industrial floorspace. The corridor is set to experience further growth in employment floorspace with 1.3 million sq.ft of office and industrial floorspace either proposed or under construction.
- 6.4.3. The attractiveness of the corridor for employment investment and growth is evident in that 1.9 million sqft of office and industrial floorspace has been leased between 2016 to 2021. The top 5 biggest deals by floorspace over the past 5 years are detailed in **Table 6.1**. Zenith Media (a communications and media agency) and L'Oreal UK (the world's largest cosmetics company) have located their headquarters at Wood Lane, which lies at the eastern end of the Uxbridge Road corridor.
- 6.4.4. In terms of industrial floorspace, the biggest deals over the past 5 years have occurred in the Hayes part of the corridor. For example, Achilles Therapeutics (a biopharmaceutical company focusing on cancer immunotherapies) is planning to create a new headquarters and bespoke biopharmaceutical facility at 1-3 Uxbridge Road¹⁰ which is only 0.5 km to the south east of the Subject Site. The company estimates that the move to Hillingdon will result in the company expanding its workforce to more than 300 employees by Q1 2025¹¹. When converted, the new premises in Hayes will include operations and scientific personnel as well as senior management, business administration and facilities management¹².

Table 6.1 Top 5 Biggest Deals along Uxbridge Road Corridor, 2016-2021

¹⁰ Report of the Head of Planning, Transportation and Regeneration (November 2020), Planning ref: 75918/APP/2020/3171. Available at: <https://modgov.hillingdon.gov.uk/documents/s49800/3171%20Final%20Report.pdf>

¹¹ Report of the Head of Planning, Transportation and Regeneration (November 2020), Planning ref: 75918/APP/2020/3171. Available at: <https://modgov.hillingdon.gov.uk/documents/s49800/3171%20Final%20Report.pdf>

¹² Ibid

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Tenant	Tenant Company Type	Use	Address	Total Sq.ft Leased	Sign Date
Zenith Media	Media agency	Office	101 Wood Ln (Shepherd's Bush)	215,405	02/05/2018
L'Oreal (UK) Ltd	Cosmetics	Office	Wood Ln (Shepherd's Bush)	124,000	01/12/2019
Achilles Therapeutics Ltd	Biopharmaceuticals	Industrial	1-3 Uxbridge Rd (Hayes)	64,181	01/12/2020
Express Reinforcements Ltd	Steel reinforcement specialist	Industrial	Beaconsfield Rd (Hayes)	51,886	15/08/2018
Wealmoor Ltd	Food producer and marketer	Industrial	Springfield Rd (Hayes)	44,410	01/05/2019

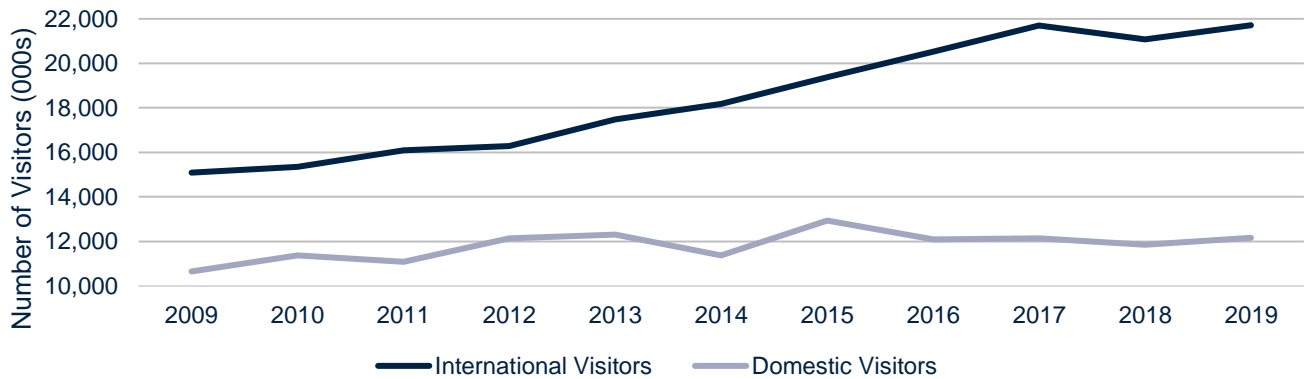
Source: Savills (2021); CoStar (2021)

6.4.5. The Proposed Development is ideally located to serve the needs of the ever-expanding employment base within the Uxbridge Road corridor.

6.5. London Tourism Growth

6.5.1. Tourism in London has grown since 2009 with the number of international and domestic visitors increasing as shown in **Figure 6.3** below. This shows a clear growing trend for international visitors and a fluctuating upward trend for domestic visitors. The latest annual information available for London shows 21.7 million international visitors and 12.2 million domestic visitors in 2019. London international visitors account for 53% of the total number of international visitors in the UK, whereas London domestic visitors account for 10% of the total number of domestic visitors in the UK.

Figure 6.3 Number of Domestic and International Visitors in London



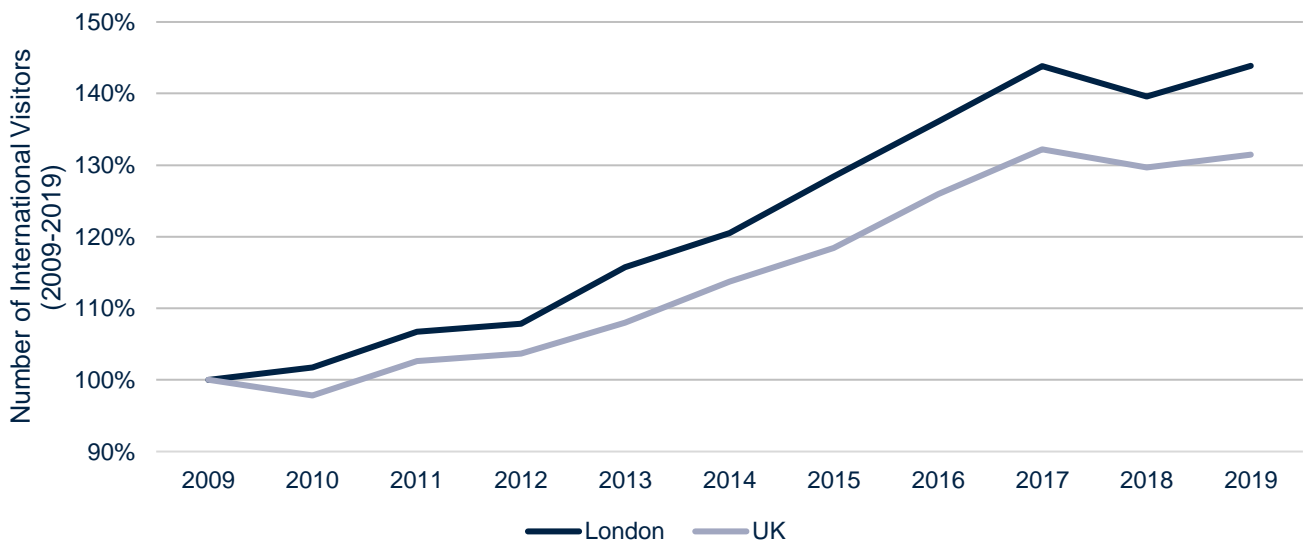
Source: Visit Britain

- 6.5.2. **Figure 6.4** below compares the growth of international visitors in London against the UK since 2009. This shows a faster growth for London compared to the UK. This is also reflected in the annual average growth with London international visitors growing on average 3.7% per annum since 2009 against 2.8% for the UK. The tourism growth rate has also been strong since the 2012 and 2015 baseline years used in the Council's Tourism Study and GLA Study¹³ respectively.
- 6.5.3. The number of international visitors in London and the UK fell in 2018. A briefing paper published by the House of Commons in 2019 associates the fall in inbound visitor numbers to the UK with the fall in European visitors. Interest of Europeans to visit the UK since the Brexit Referendum has fallen from 72% in August 2016 to 64% in March 2019¹⁴ but has since recovered prior to the Covid pandemic.

¹³ GLA Economics Projections of Demand and Supply for Visitor Accommodation in London to 2050

¹⁴ House of Commons Library Briefing Paper Tourism: Statistics and Policy (2019)

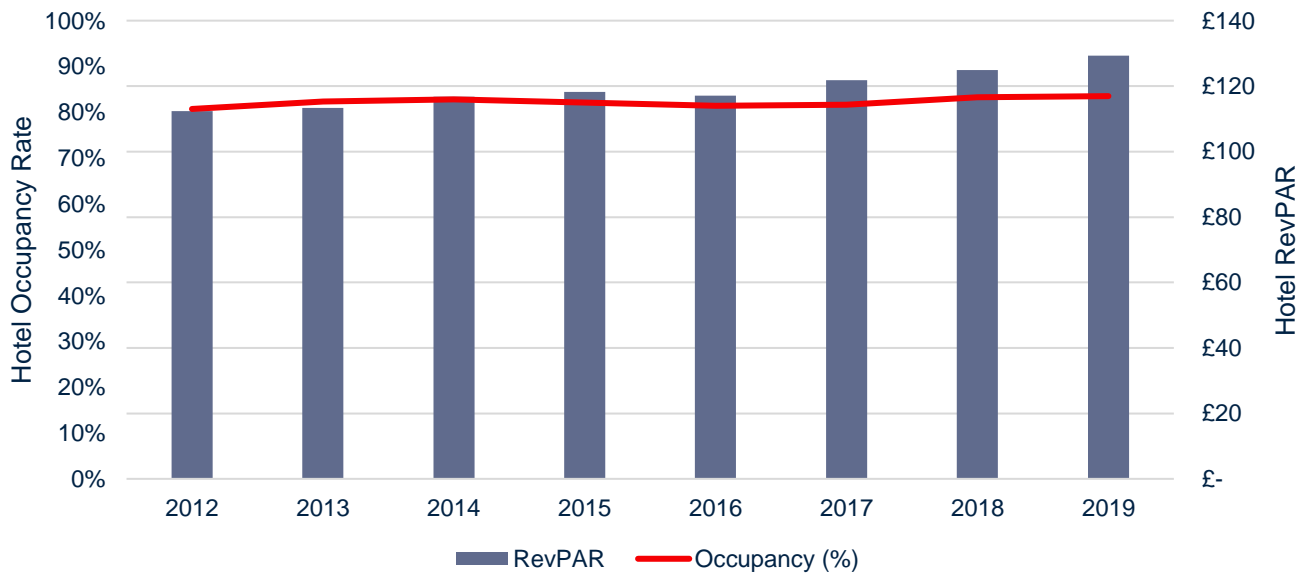
Figure 6.4 International Visitors Growth in the UK and London



Source: Visit Britain

6.5.4. The growth of tourism in London is also reflected in **Figure 6.5** below which shows annual occupancy rates for hotels in London since 2012. This shows a pretty stable performance of hotels with an average occupancy rate of 82% between 2012 and 2019, and RevPAR increasing to an average of £129 in 2019 prior to the Covid pandemic. The industry benchmark for when demand exceeds supply is 70% so at 82% occupancy prior to the pandemic demand was comfortably exceeding supply indicating further growth in hotel supply is necessary. This reconfirms that demand is exceeding supply at the London-wide level similar to the London Surrounding West submarket as discussed above.

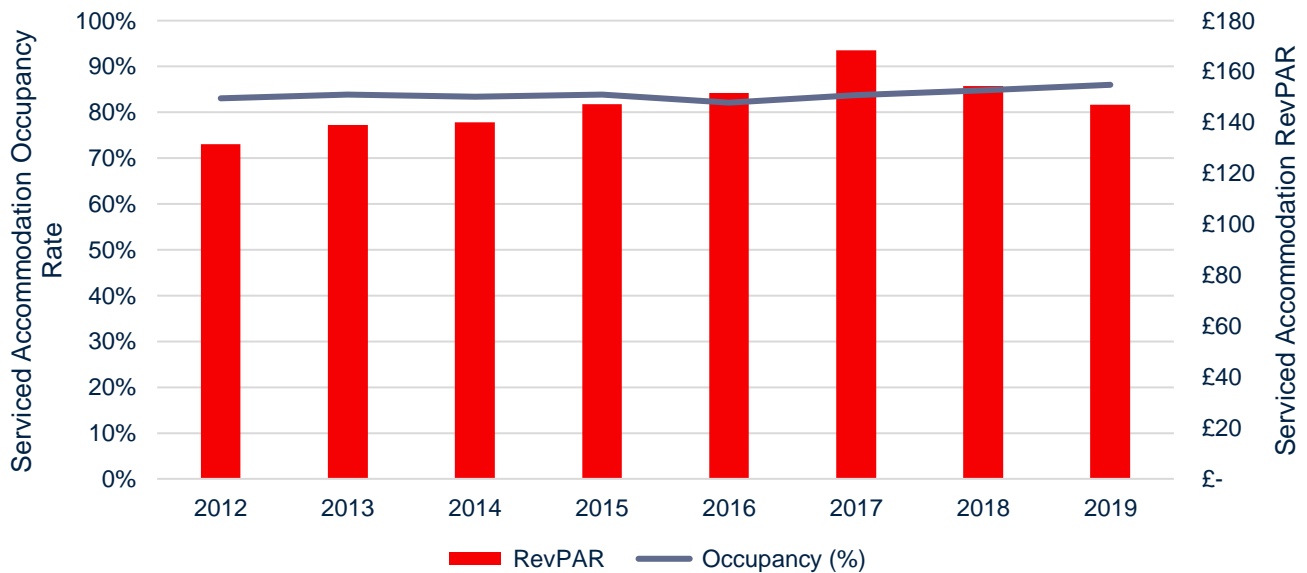
Figure 6.5 London Hotel Occupancy Rate and RevPAR



Source: STR

- 6.5.5. The same information is available for serviced accommodation in London (**Figure 6.6**). Serviced accommodation, which the Proposed Development falls within, shows similar trends to the wider hotel market since 2012, with an average occupancy rate of 84% between 2012 and 2019. As stated above the industry benchmark for when demand exceeds supply is 70% so at 84% occupancy prior to the pandemic demand for serviced accommodation was comfortably exceeding supply indicating further growth in serviced accommodation (including aparthotel) supply is necessary.
- 6.5.6. RevPAR, despite decreasing slightly since the peak of 2017, has remained at a high level above £140 further indicating the strong demand for serviced accommodation in London.








Figure 6.6 London Serviced Accommodation Occupancy Rate and RevPAR



Source: STR

6.5.7. The strength of tourism in London is also shown in benchmarks against other popular destinations globally as shown in **Figure 6.7** below. This shows London as having the highest occupancy rate after Dublin and the highest RevPAR after Paris in 2018. Based on the analysis from **Figure 6.6** above we know both occupancy and RevPAR increased in 2019 to 82% and £129 further indicating London's strength as a global tourist destination.

Figure 6.7 Benchmarking of London Hotel Performance

	Berlin	Dubai	Dublin	London	Madrid	Paris	Rome
							
Occupancy (%)	74.7	76.4	82	79.6	74.7	77.1	70.1
Average Rate (€)	97.33	154.77	141.13	160.41	107.65	210.64	150.14
RevPAR (€)	72.7	118.28	115.75	127.64	80.43	162.44	105.29

Source: STR, JLL, London and Partners, 2018

6.6. Resilience in Serviced Accommodation

- 6.6.1. Over the last few months the hospitality market across the UK has remained effectively closed due to the Covid-19 pandemic. Research published by Savills¹⁵ shows that serviced apartments have reported similar declines in RevPAR to the wider hotel market, however the sector is considered more resilient overall due to:
- Serviced apartments trading marginally above that for hotels, with occupancy at approximately 25%; and
 - Fewer closures compared to hotels in response to Covid-19 based on guests' profiles and the typical configuration of properties being larger and self-contained.
- 6.6.2. While serviced apartments have, on the whole, been successful at capturing a greater degree of short term leisure demand over recent years, its core guest segment continues to be corporates on longer length stays. It has been these longer length guests that provides the sector with higher average occupancy levels, something that has been witnessed on the entry to and during lockdown. For example, London serviced apartment occupancy stood at 61.8% for Q1 2020, down 21.5% on the same period in 2019 as Covid-19 started to hold in March. Hotels reported a larger decline of 23.0% over the same period with an average occupancy at 59.4%.
- 6.6.3. The fact that serviced apartments can also ensure greater social distancing, helped largely by its self-catering facilities, reduced social spaces as well as minimal contact with staff, has also meant that more properties have been able to remain open for their longer staying guests during the Covid pandemic.
- 6.6.4. Additionally, the typically lower operating costs, coupled with longer average length of stay, continues to support profitability of serviced apartments during this period compared to full-service hotels.
- 6.6.5. Research by Savills¹⁶ shows that in the case of London, where there is greater operational performance transparency, serviced apartments RevPAR has grown by an average of 3.9% per annum between 2014 and the end of 2019. Over the last three years the uplift has averaged 5.2% per annum. London hotel RevPAR growth has lagged this with an average annual growth of 2.0% over the last five years, with a three year average of 3.3%.
- 6.6.6. Anecdotally, this outperformance has also been seen during previous recessions. In the aftermath of the Global Financial Crisis (GFC), corporates' use of contract staff, alongside cost sensitivities, meant London serviced apartments experienced a pronounced uptick in operational performance as corporates saw them as a more cost effective alternative to hotels. This is a trend that we could see mimicked across the UK and Europe as we recover from the Covid-19 pandemic.

¹⁵ https://www.savills.com/research_articles/255800/301061-0

¹⁶ https://www.savills.com/research_articles/255800/301061-0

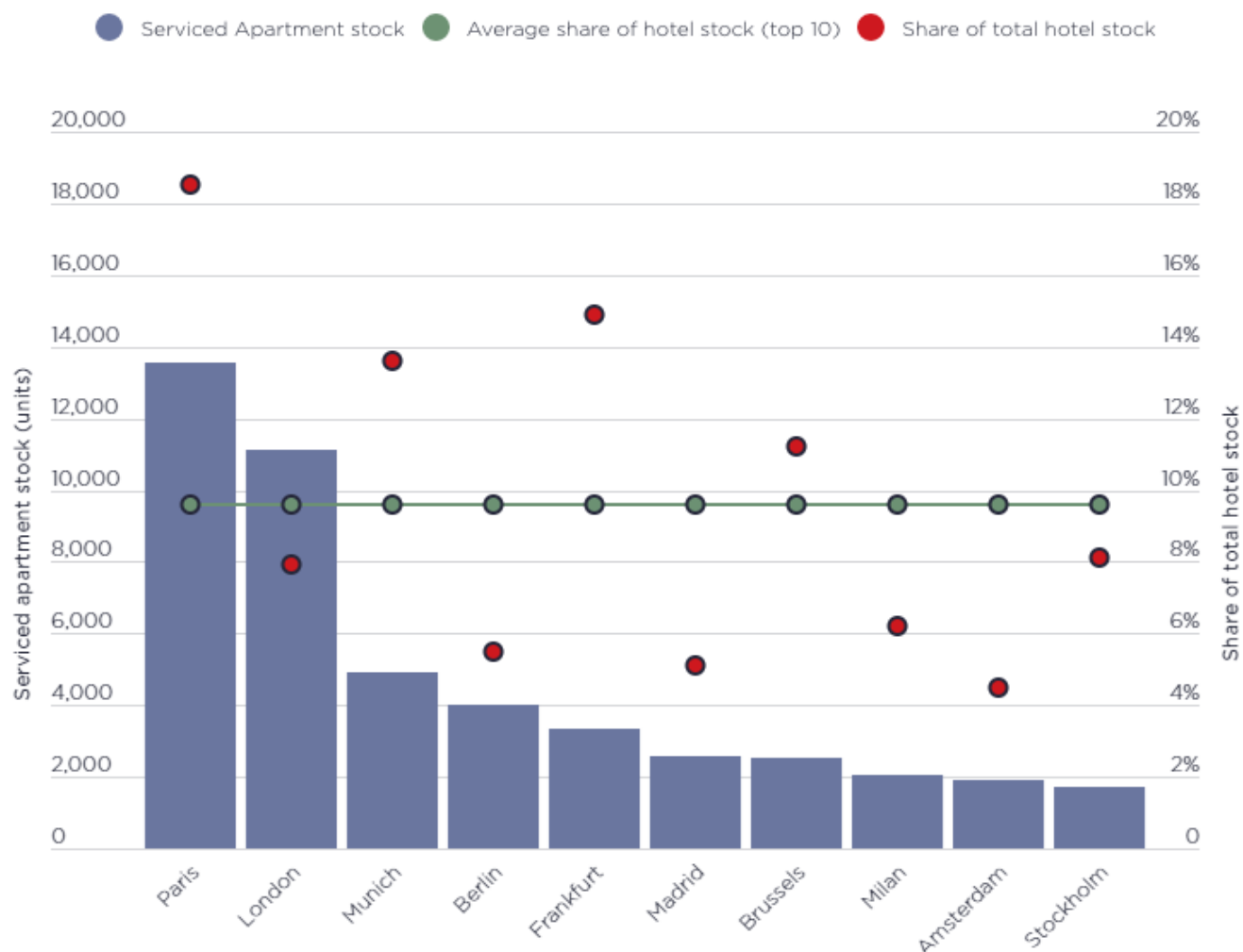
- 6.6.7. For example, room2, an aparthotel operator, has responded well to the market fluctuations caused by the Covid-19 pandemic, as it benefits from a lean cost base, and is able to target a wider group of consumers who can stay for a longer length of time than typical hotel guests¹⁷. In 2020, room2 launched its room2 lite product, created to tap into the budget hotel sector, benefitting from hybrid leases, low capex requirements and short refurbishment timescales. Reflecting its appeal as an alternative for landlords looking for long-term, sustainable income, room2 are in advanced negotiations with Travelodge and other landlords across the UK to convert to room2 lite as of August 2020¹⁸.
- 6.6.8. Further research published by Savills¹⁹ also finds that London's serviced apartment stock accounts for 7.9% of the total hotel supply in London. This is lower than the average proportion of serviced accommodation of 9.6% across the top 10 European gateway cities, indicating potential demand for more serviced accommodation (**Figure 6.8**). Serviced accommodation bedrooms account for only 3.6% of the total hotel stock in Hillingdon clearly demonstrating the growth potential of this sector.
- 6.6.9. Therefore the Proposed Development's provision of an apart-hotel (which is a category of serviced accommodation) means the scheme is more likely to be commercially resilient than a traditional hotel in response to the market challenges presented by the Covid-19 recovery.

¹⁷ <https://reactnews.com/article/covid-19-should-be-the-catalyst-to-drive-a-revolution-in-the-uk-budget-hotel-sector/>

¹⁸ Ibid

¹⁹ https://www.savills.com/research_articles/255800/301061-0

Figure 6.8 Serviced Apartment Stock Across the Top 10 European Gateway Cities



Source: Savills Research Spotlight: European Serviced Apartment Market 2020, STR

6.7. Price Competitiveness

- 6.7.1. Hillingdon Tourism Study (2007)²⁰ identified that Hillingdon's hotel accommodation is increasingly being used by visitors as a cheaper alternative to hotels in central London.
- 6.7.2. As shown in **Figure 6.7** above, London overall is one of the most expensive destinations in terms of hotel accommodation. Central London has the highest average rates whereas outer London offers better value for money accommodation. This is shown in **Figure 6.1** above with the London Surrounding West sub

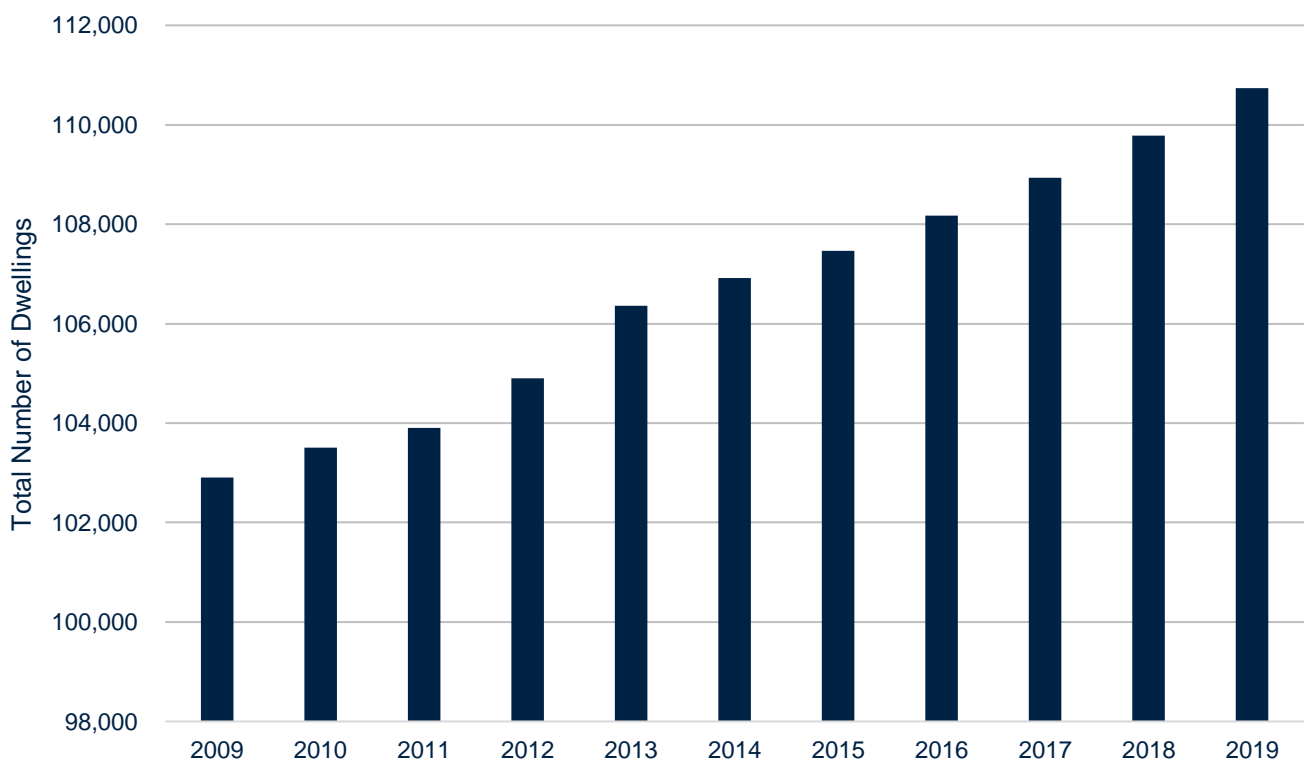
²⁰ London Borough of Hillingdon Local Development Framework Background Technical Report Tourism Study, January 2007

market having an average rate in 2018 of just over £81 per room versus £160 for London as shown above²¹. Therefore Hillingdon has a clear advantage in terms of offering more affordable accommodation (about half the price of the London average) but still with convenient access to Central London and Heathrow.

6.8. Hillingdon's Housing Growth

6.8.1. The Hillingdon Tourism Study (2007)²² identified that Hillingdon's hotel accommodation is increasingly being used for those visiting family and friends in the local area. This is likely to grow further given continued housing growth being experienced in Hillingdon. **Figure 6.9** presents the increase in Hillingdon's housing stock from 2009 to 2019. This shows an 8% increase in the number of dwellings over the ten year period.

Figure 6.9 Housing Stock in Hillingdon (2009-2019)



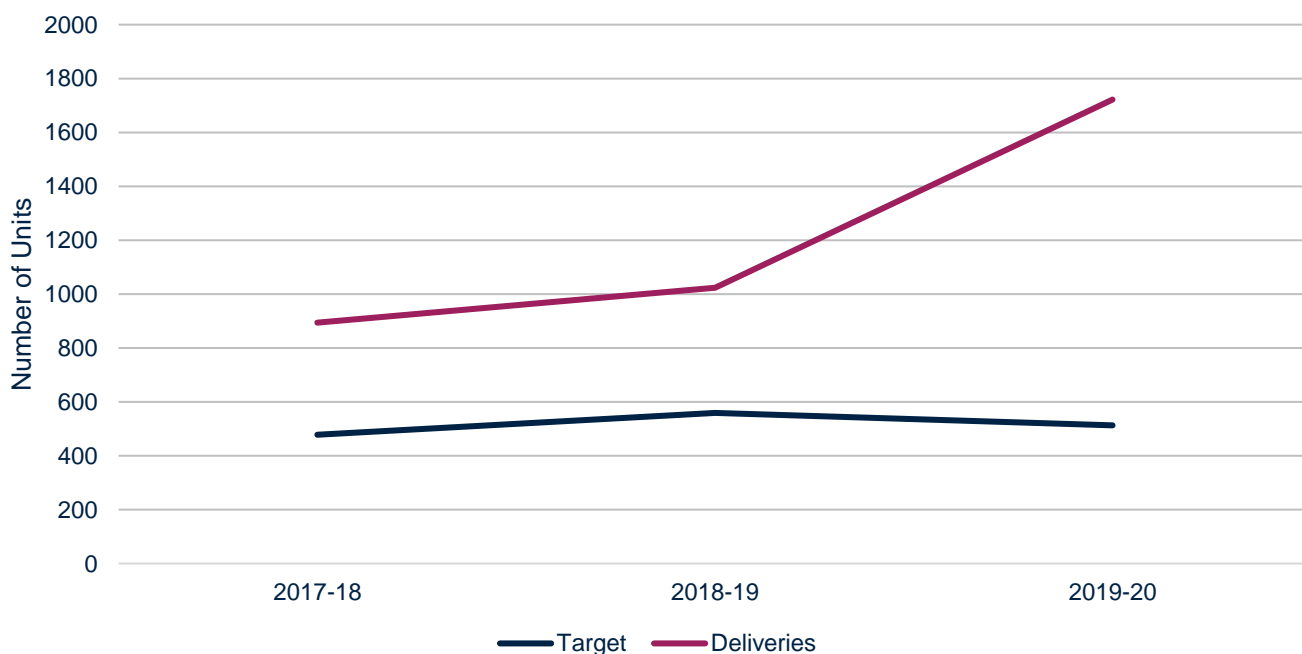
Source: Ministry of Housing, Communities and Local Government (MHCLG) 2019

6.8.2. **Figure 6.10** presents the results of Hillingdon's Housing Delivery Test from 2017 to 2020. This shows that the number of housing deliveries has consistently exceeded the housing target over the three year period.

²¹ STR (2021): Trend Report – Industry Trend: Submarket – London Surrounding West

²² London Borough of Hillingdon Local Development Framework Background Technical Report Tourism Study, January 2007

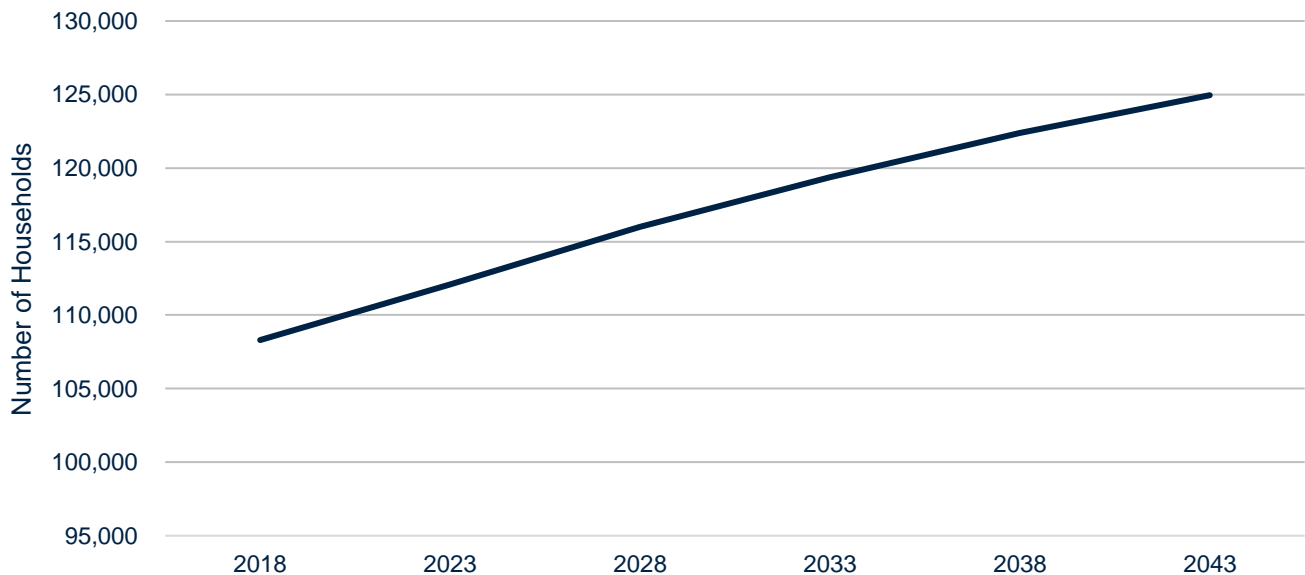
Figure 6.10 Hillingdon's Housing Delivery Test (2017-2020)



Source: Ministry of Housing, Communities and Local Government (MHCLG) 2020

6.8.3. **Figure 6.11** presents Hillingdon's projected household growth from 2018 to 2043. This indicates a 15% growth over the 25 year period, further indicating that visiting friends and relatives will continue to be a demand driver for hotels in Hillingdon.

Figure 6.11 Hillingdon's Projected Household Growth (2018-2043)

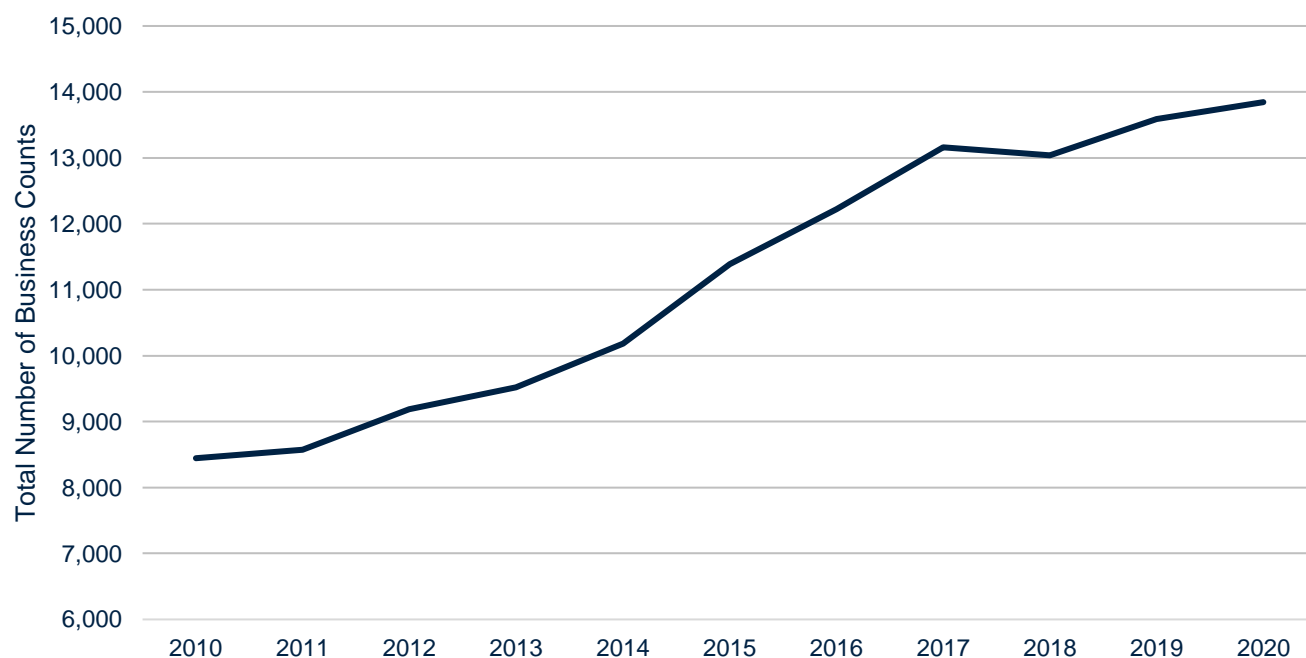


Source: ONS 2018-Based Household Projections for Local Authorities and Higher Administrative Areas within England

6.9. Hillingdon's Business and Jobs Growth

- 6.9.1. The Hillingdon Tourism Study (2007) also identified the business and conference market as key growth drivers for the tourism sector. This is directly related to the number of businesses and business growth in Hillingdon.
- 6.9.2. **Figure 6.12** presents the change in total business counts from 2010 to 2020. This shows a 64% growth over the ten year period.

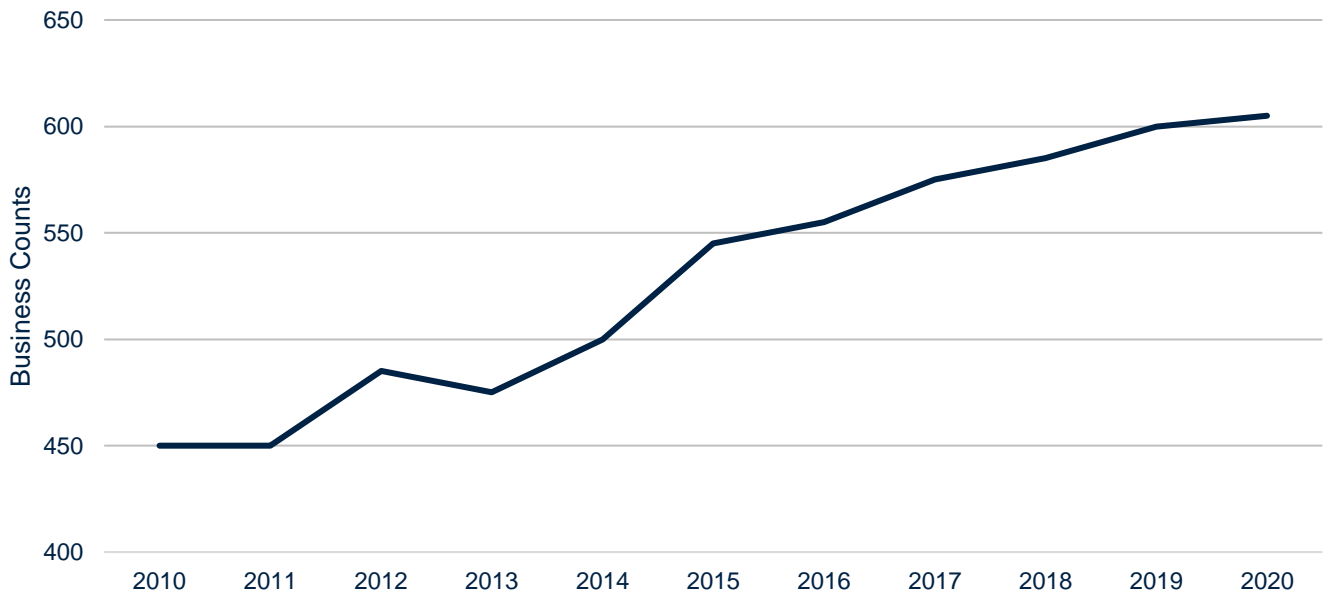
Figure 6.12 Hillingdon Total Business Counts Growth (2010-2020)



Source: Business Register and Employment Survey (BRES), 2020

6.9.3. **Figure 6.13** below shows the business counts growth in the Accommodation and Food Service Activities (which includes hotels) sector between 2010 and 2020. This indicates a 34% growth in the sector over the ten year period.

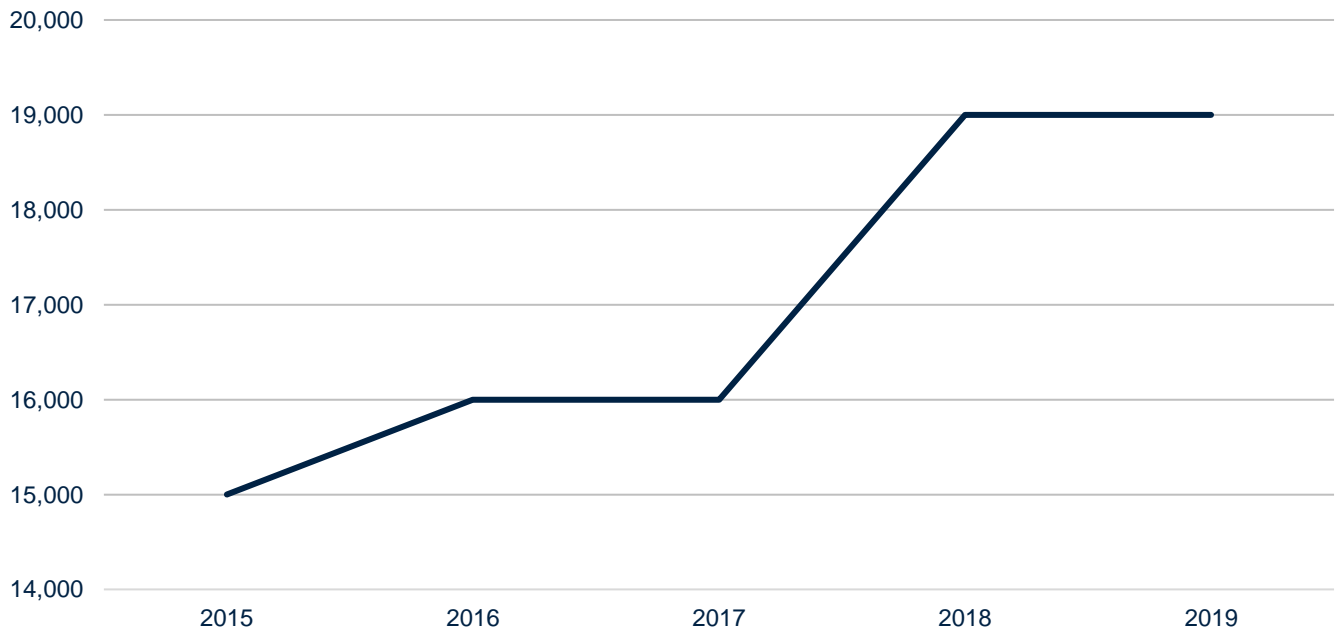
Figure 6.13 Business Counts Growth in the Accommodation and Food Service Activities Sector (2010-2020)



Source: Business Register and Employment Survey (BRES), 2020

6.9.4. **Figure 6.14** presents the job growth in Hillingdon's Accommodation and Food Service Activities sector from 2015 to 2019. Hillingdon's Accommodation and Food Service Activities sector employed 15,000 people in 2015 which has increased to 19,000 people in 2019, signifying a 27% increase in the number of employees in this sector.

Figure 6.14 Jobs Growth in Hillingdon's Accommodation and Food Services Activities Sector (2015-2019)



Source: Business Register and Employment Survey (BRES), 2020

- 6.9.5. In terms of Hillingdon's workforce, the working age population (people aged 16-64 years) is anticipated to grow by 5% between 2019 and 2029, from 198,249 in 2019 and 208,084 in 2029. This equates to an annual growth of 0.5%²³.
- 6.9.6. **Table 6.2** below presents the job growth in Hillingdon by industry sector from 2011-2031. The Accommodation and Food Service Sector is expected to experience a 51% increase in the number of jobs from 2011-2031, which equates to an annual growth of 2%. Overall job growth in Hillingdon is estimated to be 1% per annum to 2031, further indicating visitors to Hillingdon for 'business purposes' is likely to remain strong into the future.

Table 6.2 Job Growth in Hillingdon by Sector (2011-2031)

Sector	Jobs (2011)	Jobs (2031)	Growth 2011-2031 (%)	Annual Growth (%)
Agriculture, Forestry and Fishing	74	52	-30%	-2%
Mining and Quarrying	568	191	-66%	-5%
Manufacturing (Total)	8,204	7,683	-6%	0%
Electricity, Gas, Steam and Air	495	644	30%	1%
Water Supply	350	426	22%	1%
Construction	7,587	10,182	34%	1%

²³ Oxford Economics, 2021

15-17 Uxbridge Road, Hayes

Hotel Need Assessment and Sequential Test



Wholesale and Retail Trade	23,711	27,245	15%	1%
Transportation and Storage	34,746	41,092	18%	1%
Accommodation and Food Service	12,580	19,050	51%	2%
Information and Communication	7,101	8,780	24%	1%
Financial and Insurance	2,225	2,381	7%	0%
Real Estate Activities	1,310	2,452	87%	3%
Professional, Scientific and Tech	17,868	17,628	-1%	0%
Administrative and Support	21,021	29,910	42%	2%
Public Administration and Defence	9,472	8,488	-10%	-1%
Education	12,344	14,781	20%	1%
Human Health and Social Work	12,288	18,835	53%	2%
Arts, Entertainment and Recreation	2,698	2,255	-16%	-1%
Other Service Activities	3,049	3,817	25%	1%
Total	177,692	215,891	21%	1%

Source: Oxford Economics, 2021

6.10. Conference Demand

6.10.1. The Hillingdon Tourism Study (2007) identified people attending conferences as a key market for Hillingdon's serviced accommodation. Paragraph 4.9 states that whilst the Heathrow hotels primarily serve travellers using the airport, the proximity to one of the world's foremost airports means that many of the Heathrow hotels offer a range of conference facilities to meet the needs of international organisations. Hillingdon's proximity to Heathrow enables Hillingdon's serviced accommodation to serve this key market.

6.11. Visitor Attractions and Leisure Market

6.11.1. Hillingdon also benefits from a number of visitor attractions that generate demand for hotels. Some of the Borough's key leisure and cultural facilities are listed below:

- The Colne Valley Park with wildlife and water sports facilities;
- The Grand Union Canal;
- Ruislip Lido;
- Bayhurst Woods Country Park;
- Minet Country Park;
- Harmondsworth Moor;
- Golf courses including Haste Hill, Northwood, Ruislip Golf Course, Uxbridge Golf Course and Stockley Park Golf Course; and
- The Willow Tree Marine, Yeading.

6.11.2. Hillingdon also provides convenient access to a number of major attractions outside of the borough including visitor attractions in London, Surrey, Windsor, Buckinghamshire and Oxford. These include Legoland, Windsor Castle and Great Park, Kew Gardens, Ascot, Wembley, Twickenham and Brooklands.

Sequential Test

7. Sequential Test Methodology

7.1. Introduction

- 7.1.1. At a pre-application meeting, LBH officers' advised that the uplift in aparthotel units between the extant scheme and the Proposed Development would need to be subject to a sequential test.
- 7.1.2. This advice is based on Policy DMTC 1 of the London Borough of Hillingdon's Local Plan Part 2 which expects proposals for 'main town centre uses' to demonstrate that there are no available or suitable sites in a town centre where an edge of centre or out of centre location is proposed. As hotels are defined as a main town centre use in the NPPF and the Subject Site is not located in a town centre, a sequential test is required.
- 7.1.3. The full policy context relating to a sequential test is summarised in Section 3. Some of the key points that are enshrined in our sequential test methodology, based on the Government's Town Centre and Retail PPG, are –
- The sequential test guides main town centre uses towards town centre locations first, then, if no town centre locations are available, to edge of centre locations, and, if neither town centre locations nor edge of centre locations are available, to out of centre locations (with preference for accessible sites which are well connected to the town centre);
 - Recognition that promoting new development on town centre locations can be more expensive and complicated than building elsewhere, local planning authorities need to be realistic and flexible in applying the test; and
 - Recognition that applying the sequential test is not an academic exercise divorced from the commercial realities of what it is that developers and landlords are seeking to supply in response to market demand. Therefore, both flexibility and deliverability should be taken into account.

7.2. Criteria

- 7.2.1. The criteria we have used to assess sites included as part of our sequential test are listed below:
- Planning designation: in order to assess whether the site would be suitable to accommodate the uplift in the proposed amount of aparthotel units from the extant permission (ie 43 aparthotel units);
 - Recent planning permission and construction status: in order to assess whether there are any current or proposed developments for the site, and whether the site is 'available' to accommodate the uplift in the proposed amount of aparthotel units; and

- Deliverability: in order to assess whether the site is deliverable for a hotel. A minimum of 70-80 bedrooms is considered to be the threshold for a deliverable purpose built hotel scheme according to advice from Savills' Hotel Agency. Hotels smaller than this are typically not viable given the number of rooms is not high enough to make running a hotel and any onsite facilities cost effective. Obviously there will be exceptions to this rule, such as smaller independent hotels, but this is considered to be an appropriate threshold for the majority of hotel operators. For context 41 of Hillingdon's existing 57 hotels are above this threshold with an average size of 299 bedrooms.

7.3. Site Selection

- 7.3.1. In accordance with the 'town centre first' objective for hotel use, we have compared the Subject Site alongside key town centre and edge of centre site allocations included within the Local Plan Part 2: Site Allocations and Designations document (2020). The town centre sites we have assessed include -
- Eastern End of Blyth Road – Sites A, B and C within Hayes Town Centre which are allocated for residential-led mixed-use development; and
 - Land to the South of the Railway, including Nestle Site, Nestle Avenue – Sites A, B and C within Hayes Town Centre which are allocated for residential-led mixed-use development.
- 7.3.2. We have focused on sites within and on the edge of Hayes town centre given it is the closest major town centre to the Subject Site and because these locations provide similar access to the key growth drivers the Proposed Development is endeavouring to tap into, namely Heathrow Airport and key employment areas along the Uxbridge Road Corridor. Uxbridge Town Centre is considered too far removed from these growth drivers and is therefore not included within the sequential test.
- 7.3.3. We have also assessed the suitability of the following site due to its proximity to the Subject Site. It too is allocated for development in the Local Plan Part 2: Site Allocations and Designations document (2020):
- Hayes Bridge, Uxbridge Road – allocated for residential and B8 uses

8. Sequential Test Assessment

8.1. The Subject Site (15-17 Uxbridge Road)

Introduction

- 8.1.1. Before assessing the allocated sites in the town centre, we first assess the Subject Site against the criteria listed in Section 7 to determine its suitability to accommodate the uplift in the proposed amount of aparthotel units.

Planning Designation

- 8.1.2. As outlined in Section 3, the Subject Site is within the Springfield Road Strategic Industrial Location (Preferred Industrial Location) as defined in the Local Plan Part 2 Site Allocations and Designations (January 2020) and the updated Policies Map.

- 8.1.3. However, it should be noted that the Subject Site has not been used for industrial or warehousing purposes since at least the 1980s. The Subject Site most recently comprised of the Waggon and Horses Public House employing 3 to 4 people, and included a small element of bed and breakfast accommodation.

Recent Planning Permissions and Construction Status

- 8.1.4. As discussed in Section 2 the Subject Site benefits from an extent planning permission for a 131 unit aparthotel. The Proposed Development involves an uplift of 43 aparthotel units as well as a café/restaurant/flexible workspace/gym areas cycle parking and basement level car parking.

Scheme Deliverability

- 8.1.5. A minimum of 70-80 bedrooms is considered to be the threshold for a deliverable hotel scheme according to Savills Hotel Agency. The proposed uplift of 43 aparthotel units would result in a proposed scheme of 174 aparthotel units which exceeds the minimum threshold for a deliverable scheme. Given the size of the proposed aparthotel it is able to achieve high design standards and provide high quality onsite facilities including a café/restaurant/flexible workspace/gym areas available for use by visitors to the hotel and potentially local residents subject to a management agreement.

- 8.1.6. It is unlikely the 43 aparthotel units would be deliverable in isolation. It would also represent an underdevelopment of the site considering the adjoining Hyatt Place hotel is 13 storeys high.

8.2. Hayes Town Centre Site Allocations

Introduction

- 8.2.1. As mentioned in Section 7, the following Town Centre sites were considered using the Local Plan Part 2:

15-17 Uxbridge Road, Hayes

Hotel Need Assessment and Sequential Test

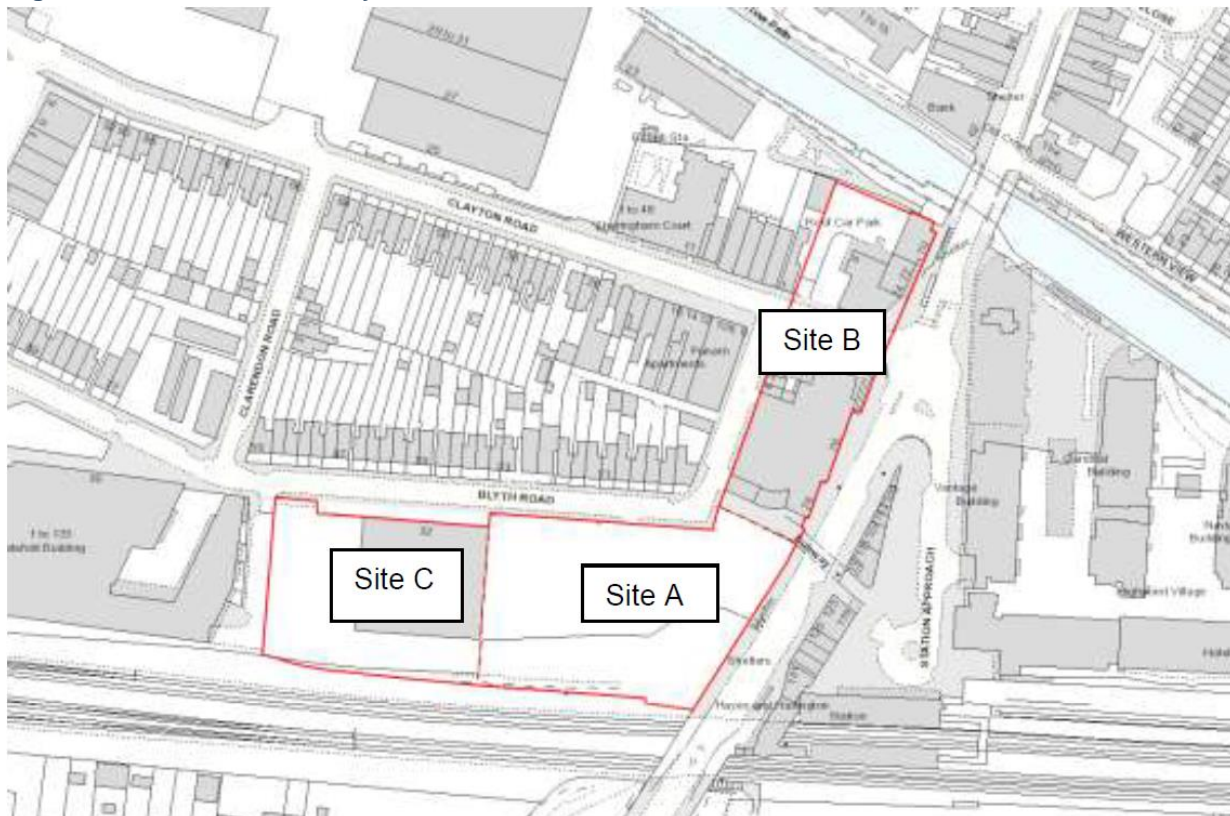
Site Allocations and Designation document (2020):

- Eastern End of Blyth Road – Sites A, B and C
- Land to the South of the Railway, including Nestle Site, Nestle Avenue – Sites A, B and C

SA 3: Eastern End of Blyth Road, Hayes

8.2.2. The sites, shown in **Figure 8.1**, occupy a prominent position at the southern gateway into Hayes Town Centre.

Figure 8.1 Eastern End of Blyth Road Site Allocation



Source: London Borough of Hillingdon Local Plan Part 2: Site Allocations and Designations (2020)

Site A

8.2.3. Site A measures 0.3 ha, with a PTAL rating of 4. The Site is designated for residential-led mixed-use development.

8.2.4. Planning permission (ref: 1425/APP/2011/3040) was granted in 2013 for a residential-led mixed-use scheme comprising of 120 residential units and 600 sqm of floorspace for small and medium enterprises (SMEs). This development is currently under construction and therefore Site A is not available for an

aparthotel development²⁴.

- 8.2.5. Furthermore, it is not considered that the proposed uplift of 43 aparthotel units could be accommodated on the remainder of the site because a minimum of 70-80 hotel bedrooms is considered to be the threshold for a deliverable hotel scheme according to Savills Hotel Agency.

Site B

- 8.2.6. Site B measures 0.4 ha, with a PTAL rating of 4. The Site is designated for residential-led mixed-use development.
- 8.2.7. Prior approval for part of the site (Trident House) for a change of use from offices to 60 residential units (ref: 3151/APP/2014/3777) has been built out. The Council notes in its Site Allocations document that it will seek to bring forward mixed-use development to capitalise on the proximity of the Site to the future Crossrail link at Hayes and Harlington station. No planning applications for the remainder of the site have been submitted.
- 8.2.8. It is not considered that the proposed uplift of 43 aparthotel units could be accommodated on the remainder of the site given its small size and because a minimum of 70-80 hotel bedrooms is considered to be the threshold for a deliverable scheme according to Savills Hotel Agency. Therefore, the uplift of aparthotel rooms would not be deliverable at this site.

Site C

- 8.2.9. Site C measures 0.4 ha, with a PTAL rating of 4. The Site is designated for residential-led mixed-use development.
- 8.2.10. Planning permission (ref: 68974/APP/2018/2146) was granted in 2019 for a scheme comprising of 188 flats and commercial floorspace (use class A1-A5 and B1), with community amenity space and child play space. This development appears to be under construction, meaning that the site is not available to accommodate an aparthotel development²⁵.
- 8.2.11. Furthermore, it is not considered that the proposed uplift of 43 aparthotel units could be accommodated on the remainder of the site because a minimum of 70-80 hotel bedrooms is considered to be the threshold for a deliverable scheme according to Savills Hotel Agency.

SA 5: Land to the South of the Railway, including Nestle Site, Nestle Avenue

- 8.2.12. In 2012, Nestle announced the planned closure of its Hayes plant, which is currently used for the manufacture of coffee. The Council is seeking to bring forward a comprehensive development scheme that includes the adjoining sites. The allocation is shown in **Figure 8.2**, where only part of Sites A, B and C fall

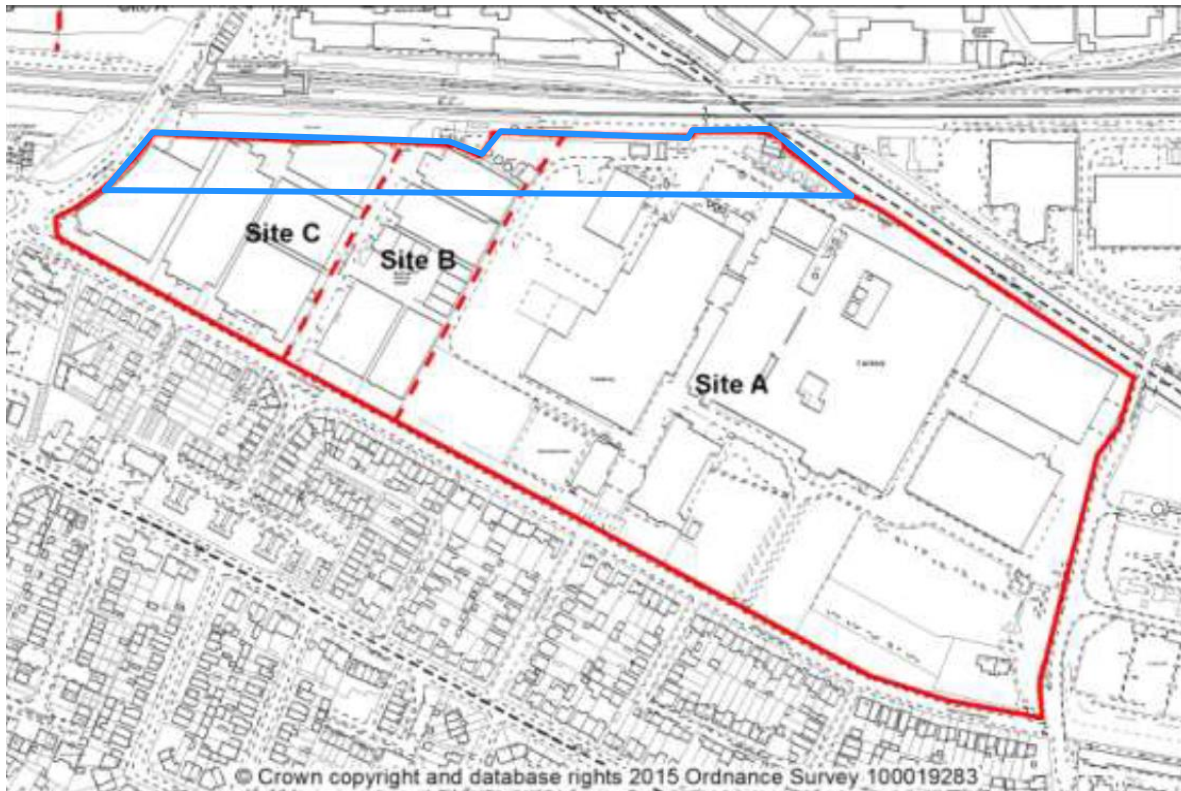
²⁴ <https://www.my.glenigan.com/#/project/11233300/summary>

²⁵ <https://www.my.glenigan.com/#/project/18264293/summary>

within the Hayes Town Centre boundary as outlined in blue.

- 8.2.13. The three sites identified in this allocation form the most significant growth point within the Hayes Housing Zone. The Council is keen to ensure that complementary design principles are adopted and the resulting infrastructure requirements associated with planned levels of growth are fully assessed and integrated. In addition, proposals from individual landowners should, as far as possible, come forward in a co-ordinated manner without prejudicing the development aspirations on other parts of the site.
- 8.2.14. One of the key principles for Sites A, B and C is that developments will reflect the Council's latest evidence of housing need in terms of type and tenure of residential units. Furthermore, another key principle is that developments will be expected to comprise a proportion of employment-generating uses to be agreed with the Council. Suitable uses include B1, and elements of B2 and B8 that are compatible with the residential elements of the scheme.

Figure 8.2 Land to the South of the Railway, including Nestle Site, Nestle Avenue



Source: London Borough of Hillingdon Local Plan Part 2: Site Allocations and Designations (2020)

Site A

- 8.2.15. Site A measures 12 ha, with approximately 0.37 ha falling within the Hayes Town Centre boundary, and PTAL ratings of 1b, 2, and 3. The Site Allocations document identifies the site for the provision of 1,000

residential units, as well as the provision of B8 and small scale commercial units that support residential development.

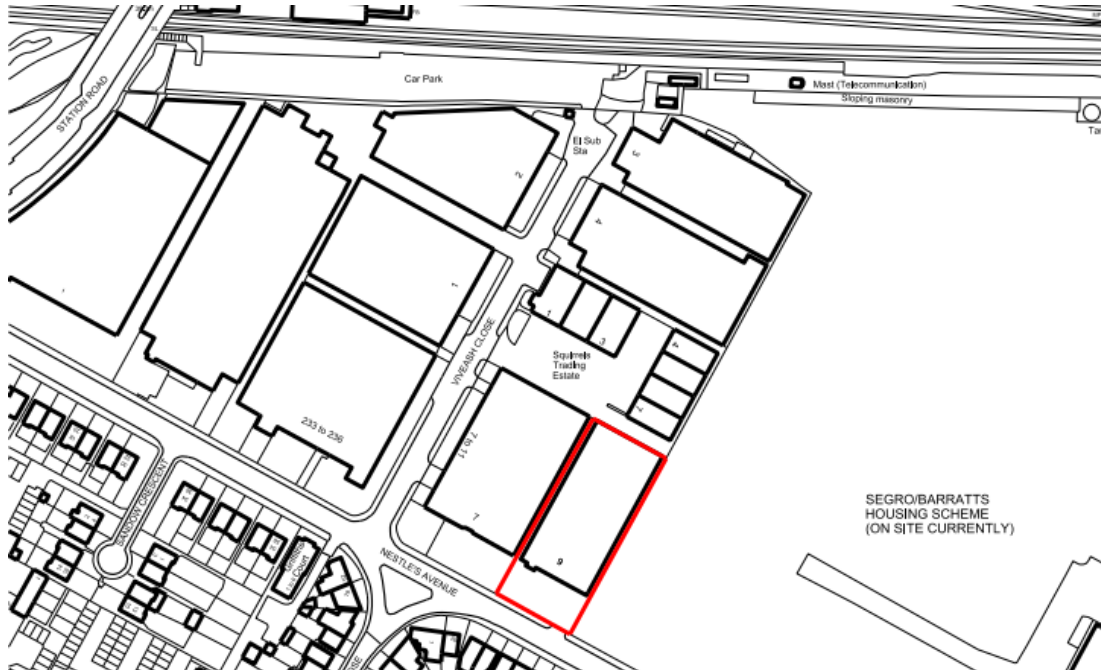
- 8.2.16. Planning permission (ref: 1331/APP/2017/1883) was granted in 2017 for a scheme comprising 1,386 dwellings (Use Class C3), office, retail, community and leisure uses (Use Class A1/A3/A4/B1/B8/D1/D2), 22,663sq.m (GEA) of commercial floorspace (Use Classes B1c/B2/B8 and Data Centre (sui generis)). The scheme is currently under construction and is being marketed as 'Hayes Village' by Barratt London²⁶. The Hayes Village development covers the entirety of Site A, therefore Site A is not available to accommodate the proposed uplift in aparthotel units.
- 8.2.17. Furthermore, it is not considered that the proposed uplift of 43 aparthotel units could be accommodated on the site because a minimum of 70-80 hotel bedrooms is considered to be the threshold for a deliverable scheme according to Savills Hotel Agency.

Site B

- 8.2.18. Site B measures 1.76 ha, with approximately 0.41 ha of the site falling within the Hayes Town Centre boundary, and a PTAL rating of 4. The Site Allocations document identifies Site B for the provision of 300 residential units.
- 8.2.19. A planning application (ref: 51175/APP/2020/2543) was submitted in 2020 for a scheme to provide 103 residential units. A decision is expected in 2021. The scheme covers part of Site B as shown in **Figure 8.3**.

²⁶ <https://www.barratthomes.co.uk/new-homes/middlesex/h725301-hayes-village/>

Figure 8.3 Location Plan for Planning Ref: 51175/APP/2020/2543



Source: Location Plan, Planning ref: 51175/APP/2020/2543

8.2.20. If permission for the above scheme is granted, approximately 0.55 ha of the site would remain available for development. However, as noted above, this site forms part of the most significant growth point within the Hayes Housing Zone. The Site Allocations document identifies Site B for the provision of 300 residential units, meaning that even if the above scheme is implemented, 197 residential units could still be provided on-site, in order to meet Hillingdon's housing needs. Furthermore, the Site Allocations document notes that suitable employment-generating uses for the Site include B1, B2 and B8.

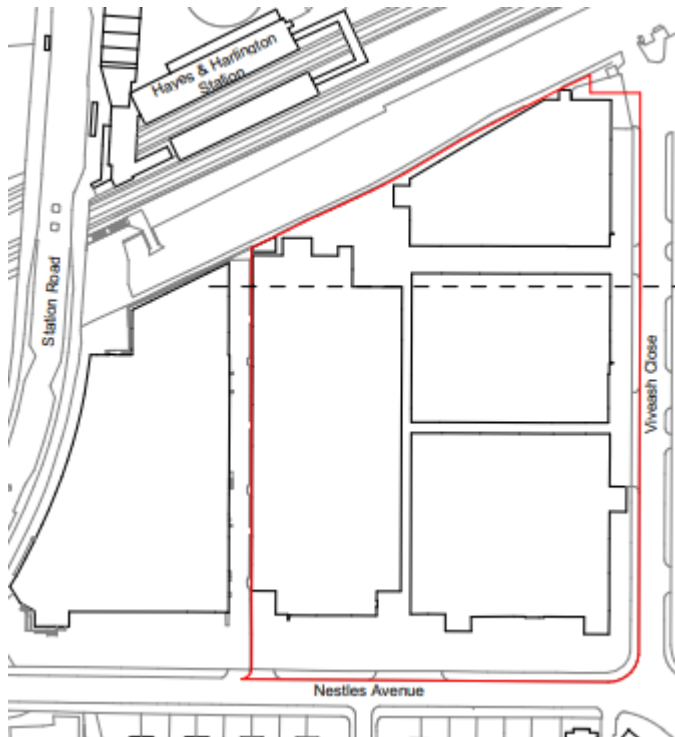
8.2.21. Therefore it is doubtful a hotel development will come forward on the remainder of the site. A 70-80 bedroom hotel development is needed to be deliverable. This scale of hotel would likely undermine the housing and employment targets for the site being met.

Site C

8.2.22. Site C measures 2.2 ha, with approximately 0.75 ha of the site falling within the Hayes Town Centre boundary, and a PTAL rating of 4. The Sites Allocation document identifies Site C for the provision of 500 residential units.

8.2.23. Planning permission (ref: 73238/APP/2018/1145) was granted in 2019 for a scheme comprising 457 residential units, 264 sqm of A1 retail floorspace, 229 sqm of A3 café floorspace, and 2,273 sqm of B1 office floorspace. This scheme covers the majority of Site C as shown in **Figure 8.4**.

Figure 8.4 Location Plan for Planning Ref: 73238/APP/2018/1145



Source: Amended Location Plan, Planning ref: 73238/APP/2018/1145

- 8.2.24. A planning application for a mixed-use development for the remainder of the site (ref: 1699/APP/2017/2201) was withdrawn in 2018. This leaves approximately 0.53 ha of the site (of which 0.24 ha is within the town centre boundary) available for development.
- 8.2.25. As mentioned above, the Site forms a part of a significant housing allocation within the Hayes Housing Zone, and the site could play a part in providing a further 43 residential units to meet the 500 unit target set out in the Site Allocations document, and help to meet housing needs in the Council. Furthermore, the Site Allocations document notes that suitable employment-generating uses for the Site include B1, B2 and B8.
- 8.2.26. Therefore it is doubtful a hotel development will come forward on the remainder of the site. A 70-80 bedroom hotel development is needed to be deliverable. This scale of hotel would likely undermine the housing and employment targets for the site being met.

8.3. SA 36: Hayes Bridge, Uxbridge Road

- 8.3.1. The site (shown in **Figure 8.5**) forms part of the Hayes Bridge Industrial Area, much of which has been developed for housing. The site now only accommodates one self-storage business and following an assessment in the Council's Employment Land Study, it is considered that the site no longer justifies an employment designation. The Council will support the release of the site for residential-led mixed used development.

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- 8.3.2. Although the site is located outside of Hayes Town Centre, it is assessed due to its proximity to the Proposed Site.

Figure 8.5 Hayes Bridge, Uxbridge Road



Source: London Borough of Hillingdon Local Plan Part 2: Site Allocations and Designations (2020)

- 8.3.3. The site measures 0.8 ha and has a PTAL rating of 1b. The site is allocated for 40 residential units and B8 uses will be considered suitable on the southern part of the site fronting Uxbridge Road.
- 8.3.4. Currently, there are no planning applications or permissions relating to the site. Therefore, the site is considered available for development.
- 8.3.5. However, as mentioned above, the site is allocated for housing as well as B8 uses, meaning that the site would unlikely be able to accommodate the proposed uplift of 43 aparthotel units. Furthermore, it is not considered that the proposed uplift of 43 aparthotel units could be accommodated on the site because a minimum of 70-80 hotel bedrooms is considered to be the threshold for a deliverable scheme according to Savills Hotel Agency. Therefore, the uplift of aparthotel units would not be deliverable at this site. It is also not sequentially preferred to the Subject Site given it is not located within a town centre.

8.4. Summary

- 8.4.1. Based on the above assessment, it can be seen that none of the sites assessed within the Hayes Town Centre are sequentially preferable to the Subject Site at 15-17 Uxbridge Road. Therefore, the sequential test is considered to be passed and the Subject Site is assessed to be the most sequentially preferable location to accommodate the proposed uplift of 43 aparthotel units given it benefits from an extant

15-17 Uxbridge Road, Hayes

Hotel Need Assessment and Sequential Test



permission and is therefore deliverable.

9. Conclusion

9.1. Hotel Needs Assessment

- 9.1.1. Currently only 459 rooms out of 12,691 hotel bedrooms exist in Hillingdon within the serviced accommodation sector (including aparthotels) accounting for only 3.6% of total supply, well below London and European city averages. Moreover, the serviced accommodation sector has proven more resilient than the wider hotel sector in response to the market challenges presented by the Covid pandemic. This makes investment in the serviced accommodation sector more attractive than traditional hotels in the current climate.
- 9.1.2. The need for additional hotel bedrooms is supported by market evidence showing occupancy rates in Hillingdon and London being well above 70%. This is the accepted industry benchmark for when hotel demand out-strips supply, demonstrating the immediate need for additional supply.
- 9.1.3. Other demand drivers for hotel accommodation in Hillingdon include proximity to Heathrow Airport, growth in London tourism, the resilience of serviced accommodation, price competitiveness, conference demand, visitor attractions and the leisure market. Furthermore, economic indicators such as housing, business counts and jobs in Hillingdon have been growing.

9.2. Sequential Test

- 9.2.1. For the sequential test the report has assessed allocated sites in the Local Plan Part 2 falling within Hayes Town Centre as potential sites to accommodate the proposed 43 unit uplift between the Proposed Development and extant scheme. A summary of the assessment of each site is provided below:
- Eastern End of Blyth Road – Site A: the 43 additional units proposed would not be deliverable at this site, and construction of a residential-led mixed-use development covering the entirety of the site is underway
 - Eastern End of Blyth Road – Site B: remainder of site would not be able to accommodate the proposed uplift of 43 aparthotel rooms as a minimum of 70-80 hotel bedrooms is considered to be the threshold for a deliverable scheme according to Savills Hotel Agency
 - Eastern End of Blyth Road – Site C: the 43 additional units proposed would not be deliverable at this site, and construction of a residential-led mixed-use development covering the entirety of the site is underway
 - Land to the South of the Railway – Site A: the 43 additional units proposed would not be deliverable at this site, and construction of a residential-led mixed-use development covering the entirety of the site is underway
 - Land to the South of the Railway – Site B: the 43 additional units proposed would not be deliverable at this site, and the site forms part of a significant housing allocation in the borough
 - Land to the South of the Railway – Site C: the 43 additional units proposed would not be deliverable at this site, and the site forms part of a significant housing allocation in the borough

15-17 Uxbridge Road, Hayes

Hotel Need Assessment and Sequential Test



- Hayes Bridge, Uxbridge Road (outside of Town Centre boundary): the 43 additional units proposed would not be deliverable at this site, site is allocated for residential and B8 uses

9.2.2. Based on this assessment, it can be seen that none of the sites considered within Hayes Town Centre are sequentially preferable to the Proposed Site at 15-17 Uxbridge Road. Therefore, the sequential test is considered to be passed.