OPDC Local Plan Consultation

Goodhall Street

Boyer

Prepared on behalf of Raban Goodhall Limited | September 2017

Report Control

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APPENDIX

1. INTRODUCTION

1.1 Boyer, working alongside Grid Architects, has been appointed by Raban Goodhall Ltd to consider the potential for redevelopment of their site known as the 'Former Railway Institute' (FRI) and associated buildings to its rear (west) and car parking area.

1.2 Earlier versions of OPDC Local Plan had incorrectly indicated the site as being in industrial use. We appreciate the latest version of the Local Plan correcting this error and now correctly indicating the site as being in residential use.

1.3 The aim of this written representation is to clearly evidence our client's site and adjoining properties are at odds with the surrounding residential area and through redevelopment could make a more significant contribution to the wider area in accordance with the aspirations of the Draft Local Plan.

1.4 In this regard the evidence presented includes a comprehensive redevelopment area (Figure 1) incorporating 4 sites as follows –

- Site 1 - FRI and associated buildings containing a low density residential development of 11 units with associated car parking and amenity space;
- Site 2 - 80 Goodhall Street currently occupied by a double heighted standalone warehouse (B8 use class);
- Site 3 - 86 Goodhall Street currently occupied by a small 5 unit industrial estate; and
- Site 4 - Network Rail land adjacent to Old Oak Lane containing advertising hoardings.

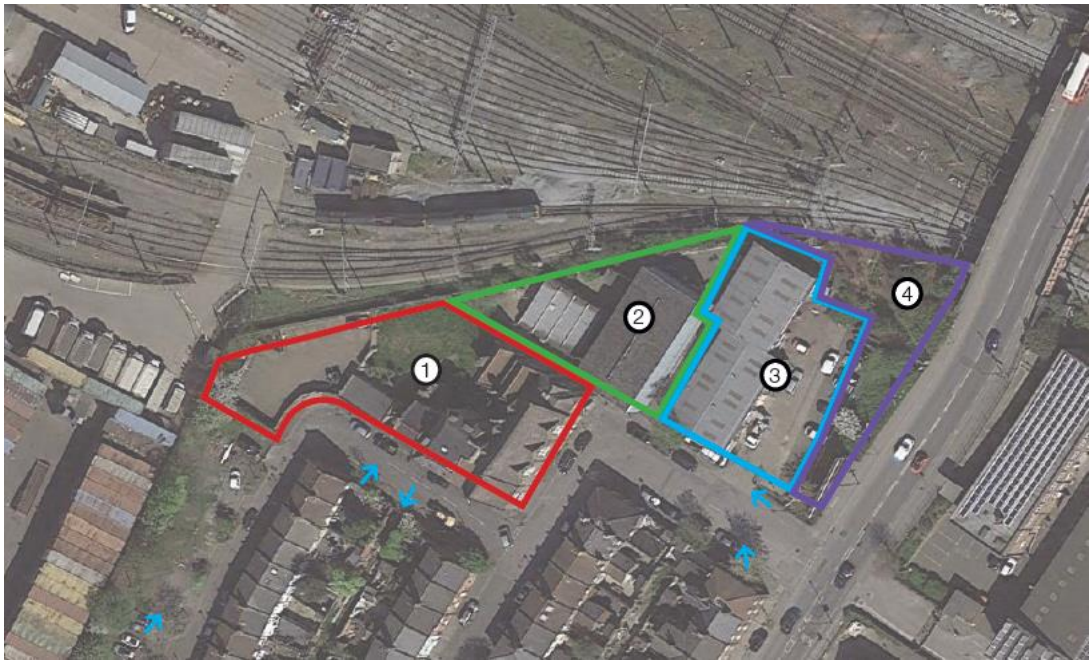


Figure 1 – Comprehensive Development Site

1.5 Three high level development options for the comprehensive development site are outlined in Appendix 1 delivering between 69 to 87 homes and 947 sqm of commercial floorspace.

1.6 Together these sites could be comprehensively redeveloped to provide much needed new housing; including affordable housing; alongside more intensively occupied employment floorspace which increases the number of jobs on the site. The new housing will be better quality than that which currently exists on the FRI site; will be car free based on the site's close proximity to current and future transport infrastructure; while the employment component could provide a combination of B1a and B1c floorspace designed to meet the needs of SMEs.

1.7 Without comprehensive redevelopment of the 4 sites it's unlikely the FRI building could be maintained given the significant costs of bringing the existing residential units up to modern standards. Demolition of the FRI building, should the site be redeveloped in isolation would enable a significant uplift in housing and therefore better optimise the site's potential and high PTAL rating. Alternatively a comprehensive mixed use scheme across the 4 sites would unlock greater value that may be used to cross subsidise improvements to the FRI.

1.8 Comprehensive mixed use redevelopment of the 4 sites will also enable a scheme which better interfaces with the existing residential streets to the south; the Old Oak conservation area and provide a more active frontage to Old Oak Lane in accordance with the Local Plan aspiration. While we appreciate the industrial sites at 80 and 86 Goodhall Street are currently designated SIL; we feel these sites are physically disconnected from the core SIL areas of Park Royal and therefore can play a more significant role based on their proximity to Willesden Junction station and as a key Gateway site on Old Oak Lane. In essence we consider the redevelopment potential of the 4 sites together is more in keeping with the wider aspirations for Old Oak rather than that of the core Park Royal SIL.

1.9 It is hoped the below socio-economic evidence and design analysis can act as the precursor to further constructive discussions with OPDC to ensure the Local Plan better reflects the future role these sites can play. We feel this would mean de-designation of 80 and 86 Goodhall Street from SIL and the combined sites being promoted in the Local Plan for mixed use development.

1.10 The below written submission is structured as follows –

- Section 2 - Site History and Context detailing the site's relationship to the wider area; relevant Local Plan considerations; and the current economic performance of the 4 sites;
- Section 3 – Viability Analysis which considers the feasibility and wider viability for intensifying the existing SIL sites for industrial use;
- Section 4 – The Proposal incorporating a mixed use development which re-provides commercial floorspace; makes better use of the sites gateway location and public transport accessibility; and details the scheme's socio economic benefits; and
- Section 5 – Conclusions.

2. SITE HISTORY AND CONTEXT

Site History

2.1 The sites being put forward as appropriate for comprehensive redevelopment for mixed use is the FRI site; the 2 adjoining industrial properties to the west and Network Rail land adjoining Old Oak Lane (Figure 1).

2.2 The 2 industrial properties are currently occupied and provide circa 1,036 sqm of floorspace. The economic performance of these existing industrial properties is discussed further below.

2.3 The FRI building; also known as the 'The Clubhouse'; is the largest single building in the Old Oak Lane Conservation Area. Its former use was as a private social club for railway workers but became unoccupied and unused in 1999. During this time the building fell into substantial disrepair attracting anti-social behaviour, vandalism and became a significant eyesore within the local community.

2.4 Following planning permission in 2010; the FRI building and two existing residential units at 73 Stephenson Street; where refurbished and converted to provide 11 residential units. These residential units are 100% occupied by Council housing tenants. The Council considered that the loss of the historic community use could be justified given the wider long-term benefits of the proposal redevelopment for housing; and given the FRI had been vacant for a period of approximately 10 years.

2.5 While the provision of housing for Council housing tenants was seen as a positive by the Council; many local respondents; including those from The Island Triangle Resident's Association (TITRA) were concerned with the development being 100% social housing. The preference was for a mix of social and private housing. Respondents also sought that the amenity space provided should be opened up for public access given the lack of such space in the local area.

2.6 While these comments around a mix of tenancies and publically accessible amenity space where ultimately not accommodated within the previous scheme these considerations could be integrated within the proposed mixed use scheme across the combined 4 sites; including the re-provision of commercial floorspace.

Local Plan

2.7 One of the key foundations of the proposed Local Plan is protecting the SIL in Park Royal for continued and intensified industrial use; while in Old Oak, land is being de-designated from SIL (87 hectares) in order to support the redevelopment of new homes and jobs alongside new town centres and upgraded transport infrastructure.

2.8 While we agree with these broad principles; our major concern is that the Local Plan seemingly ignores the redevelopment potential of our client's site which itself is located in close proximity to major public transport infrastructure as well as existing and proposed town centre activities. Rather than be promoted for redevelopment in recognition of its favourable location it suffers from a status quo approach within the Local Plan.

2.9 This includes maintaining the SIL designations on 80 and 86 Goodhall Street; despite them being disconnected from the core Park Royal SIL; and being located adjacent to an existing residential community and conservation area. Also the only mechanism proposed for protecting the FRI building is to recommend its local listing without recognition of its recent reuse for low cost residential housing. The Local Plan also fails to recognise that given the age of the building; and that it was vacant for 10 years; it is still in need of significant further refurbishment works to secure its long term future. We elaborate on this point further below with regards to its proposed local listing.

2.10 Based on the site's location at the northern gateway into Old Oak and its prominent frontage to Old Oak Lane we feel it should be viewed as a key Gateway Site. Also given its close proximity to Willesden Junction station (3 minutes' walk); Harlesden High Street and Atlas Junction Cluster (both only 5-6 minutes' walk); we strongly feel the site is suitable for a high quality mixed use development that provides much needed new housing; including additional affordable housing; that provides an active frontage to Old Oak Lane and increases the number of jobs on the site for key growth sectors.

2.11 Currently the combined sites provide low density residential housing at circa 70 units per hectare on the FRI site; as well as low density employment across 80-86 Goodhall Streets at circa 27 total jobs equating to 1 job per 38 sqm.

2.12 The lowest residential density proposed in the Local Plan for sensitive edges is 300 units per hectare; increasing to 550 units per hectare for stations and key destinations. This clearly demonstrates the current housing levels on the FRI site as being extremely low; particularly when you consider the site's existing PTAL of 4-6a.

2.13 While we acknowledge the Park Royal SIL is an extremely important economic generator for London; the fact is 80-86 Goodhall Street is disconnected from the SIL core being separate by train lines; and the Island Triangle residential neighbourhood. The sites are also not an identifiable cluster of note providing only 1,036 sqm of floorspace. While we acknowledge the above mentioned low density employment is systematic of many industrial/warehouse areas it's important; as per the London Plan and proposed Local Plan; that sustainable sites are redeveloped to optimise the benefits of regeneration and growth; particularly those with a PTAL of 4-6a. We will also demonstrate below that 80-86 Goodhall Streets already have a reasonably high plot ratio in excess of 50% and therefore cannot be viability intensified for continued industrial use.

2.14 In this regard we outline in the proceeding sections how redevelopment of the site for mixed use will increase both housing and the number of jobs on the site.

2.15 While we consider the redevelopment potential of our client's site is ignored we support many of the wider policy principles outlined in Local Plan Policy P8 including –

- Supporting the delivery of a range of vibrant mixed use neighbourhoods;
- Retaining existing residential uses;
- Delivery of new town centre and employment uses along Old Oak High Street and within Atlas Junction neighbourhood town centre;
- Active and positive frontages that help to activate the public realm on Old Oak Lane;
- Mitigating impacts of SIL uses on the surrounding housing; and
- The enhancement and expansion of Old Oak Community Gardens within the Island Triangle.

2.16 What we are struggling to understand is why sites such as those around Old Oak Common Station and Wormwood Scrubs are being promoted for a mix of employment floorspace that is compatible with housing, including space for small businesses, and community facilities while our client's site located in close proximity to an equally important transport node is not promoted for redevelopment to maximise its potential for new homes and more intensively occupied employment floorspace.

2.17 While we appreciate the area around Willesden Junction station is the subject of its own policy (P11 Willesden Junction); P8 makes limited mention of the significant investment being made at Willesden Junction station. This is a significant level of transport investment (culminating in an increased PTAL of 6a) directly adjacent to our client's site and the adjoining Ursula Laap Estate and is considered to underline the significant redevelopment potential of both sites. This is currently not recognised in Policy P8 neither is both site's importance as key Gateways from Harlesden Town Centre and Willesden Junction Station towards the proposed Atlas Junction Cluster; HS2 Old Oak Common Station; Old Oak High Street and East Acton.

2.18 The vision for Policy P8 refers to new development having to respond to the area's complex context of the nearby Old Oak Common Station, HS2 construction sites, rail lines, Grand Union Canal and the area's residential heritage. Willesden Junction Station; whilst not within the area of P8 will have an equally important regenerative role to the sites in the northern areas of P8. Given it lies only 0.1 miles from our proposed comprehensive redevelopment site and the adjoining Ursula Laap Estate this should be referenced in Policy P8; as well as the positive influence these site; if redevelopment for mixed use; will have in bringing new Gross Development Value (GDV) and local spend into the nearby Harlesden Town High Street and the proposed Atlas Junction Cluster.

2.19 In essence we feel the Local Plan should recognise the redevelopment potential of our client's site having regard to its high PTAL; gateway location; and in recognition that the existing 4 individual sites offer a combination of low density housing and jobs. Comprehensive redevelopment of the 4 sites would result in addition housing across both private and affordable housing tenures; including 25% family (3+ beds) housing. Employment floorspace would also be reprovided as part of this high quality mixed use development that will be more intensively occupied and therefore increasing the number of jobs on this highly accessible site.

Proposed local listing

2.20 Confusingly the initial Draft Local Plan (Regulation 18 Consultation) did not propose the FRI for local listing. Somewhat unrelated the site was incorrectly included as being in industrial use not residential at this time; an error that has subsequently been corrected in the Regulation 19 version of the Local Plan.

2.21 Now within the Regulation 19 version of the Local Plan under Policy P8 the FRI building is proposed for local listing. The Heritage Strategy (2017) now specifically mentions the FRI -

'21. Former Railway Institute, Goodhall Street, NW10 6TT – key building of local interest that has a strong physical presence and which represents its former important social function. Significantly altered to the rear but capable of repair and re-use.'

2.22 This reference appears to continue the line from the LB of Ealing Old Oak Lane Conservation Area Appraisal (March 2007) regarding the FRI being at risk of demolition and redevelopment on the basis of it being vacant and falling into disrepair. The site has now been refurbished for residential accommodation and therefore has been 'repaired and reused.' The Heritage Strategy should be updated to reflect this fact.

2.23 Given the need for new housing; especially in key growth areas such as Old Oak; our client is considering redevelopment options for the FRI site. The site could feasibly accommodate an increased level of housing by way of the site currently having a relatively low plot ratio resulting from surface car parking and significant ground floor amenity space. As mentioned the current residential density is only circa 70 units per hectare; well below what would be expected for a site that has a PTAL rating up of 4-6a.

2.24 Demolition of all existing buildings on the site; including the FRI building; would assist in optimising the redevelopment potential of the site and provide necessary amenity space by way of balconies and roof gardens. Demolition of the FRI building is also considered more effective from a viability perspective due to the significant refurbishment costs to bring the FRI building up to modern standards. While the FRI building and rear properties were only refurbished and converted within the last 10 years the implemented low cost housing scheme was marginal in terms of viability and required grant funding. An extract from the planning officers report states -

'Given the current economic downturn and the very difficult housing market, this development represents an ideal opportunity for inward investment and attracts new developers to the borough. The overhaul cost of this development is approximately £4,000,000, of which £500,000 will be grant aided from Ealing Empty Properties.'

2.25 While this scheme helped secured the building's short term future and brought a long term vacant building back into productive use; the building still requires significant investment to improve the current accommodation including -

- No wheelchair access;
- No lift;
- Only one means of escape;
- 25% of the residential units are single aspect;
- Some of the units have blind bathrooms with no windows;
- Most of the kitchens are integrated with living rooms; and
- The rubbish disposal is located within a separate self-contained building which has been subject to malicious fires

Figure 2 – FRI Building boarded up and squatted before conversion into low cost housing (Source: LB of Ealing)

2.26 The cost of undertaking these upgrades to the FRI building are considered prohibitive without being able to provide more housing on the site to help cross subsidise these necessary improvements. Given the footprints of the existing buildings and issues such as meeting amenity space requirements; maintaining privacy; access and right to light considerations; it would difficult to increase the number of units significantly on the site to make these upgrades to the FRI viable. Therefore to deliver a viable scheme on the FRI site; which maximises the site's high PTALs; and has due regard to existing residential amenity and conservation area considerations; it is considered necessary to demolish the FRI building.

2.27 Retention of the FRI building is more likely however if the FRI site is comprehensively redeveloped alongside the 3 adjoining sites outlined in Figure 1. This would enable a larger scheme to help cross subsidise the necessary works to the FRI building and therefore secure its long term future.

Current Economic Performance

2.28 There are currently two single storey industrial buildings on 80-86 Goodhall Street. The buildings were both built in the early 1990s and despite being in reasonable condition are starting to show their age.

2.29 A summary of the existing units and occupiers is shown below.

Table 1 – Existing Units Summary

Address	Business Description	Floorspace (sqm)[1]	Use Class	HCA Assumed Density (sqm per employee)	Estimated Jobs (HCA density)	Estimated Jobs (CoStar)
Unbloc Units 1-2 86 Goodhall Street	Plumbing, drainage services	239	B1c	47	5	20*
Miku Unit 3 86 Goodhall Street	Car Accessories and parts	106	B1c	47	2	2**
Collins Motors Units 4-5 86 Goodhall Street	Car Service, MOT, Tyres	256	B2	36	7	5

[1] Source: VOA Business Rates

BTM International 80 Goodhall Street	Import/Export Food Products	435	B8	70	6	6
Total		1,036			21	33

*Likely to include some employees not based on site

** No CoStar estimate available therefore HCA density estimated used instead

2.30 There are four businesses currently occupying the site, these include a plumbing/drainage company, a car parts company, a car garage and a food export/import company.

Figure 3 – 80 Goodhall Street (view from font of FRI)

Figure 4 – 86 Goodhall Street (view from residential property)

2.31 As shown in Table 1, there are between 21-33 jobs on the site. The estimate of 33 jobs is likely to include some employees who are not based on the site and does not take part time employees into account. Therefore, for the purposes of this analysis we have assumed a mid-point of 27 jobs, which based on our site visit, seems like a realistic estimate. This represents a job density of 1 job per 38 sqm. Whilst this is a reasonable density for industrial use, it is lower than the potential density that the equivalent office floorspace could yield; or even a combination offices and light industrial floorspace provided within a mixed use development. The potential increase in jobs is discussed further in the socio-economic benefits of mixed use redevelopment in Section 4.

Local Employment Market

Industrial market

2.32 We fully appreciate the industrial market in London and the wider south east is experiencing relatively low vacancy. This current situation can be attributed to many aging industrial properties not being viable to refurbish or intensify for industrial purposes; and the threat from higher-value uses such as residential. Many industrial locations also suffer from poor accessibility attributed to both London-wide traffic congestion and site constraints limiting access by larger vehicles. Many of the larger and more profitable warehousing and distribution companies are relocating to outside of London where land is cheaper; in more plentiful supply; and more conveniently located to motorways.

2.33 In recognition of these wider market trends we acknowledge the importance of the core Park Royal SIL in meeting the needs of Central and Greater London. We also support the Local Plan's approach to intensifying industrial development within the core Park Royal SIL to ensure these needs continue to be met into the future. In terms of market indicators we consider rents; rental yield and availability (not vacancy) to be the lead indicators of an area's economic strength.

2.34 In terms of rents we agree with the Industrial Land Review that headline rents have strengthened for the most part in Park Royal over the last 3 years to circa £15 psqft for the best quality sites in the SIL core. According to CoStar average rents across Park Royal have stagnated somewhat recently indicating its higher quality spaces which are most in demand.

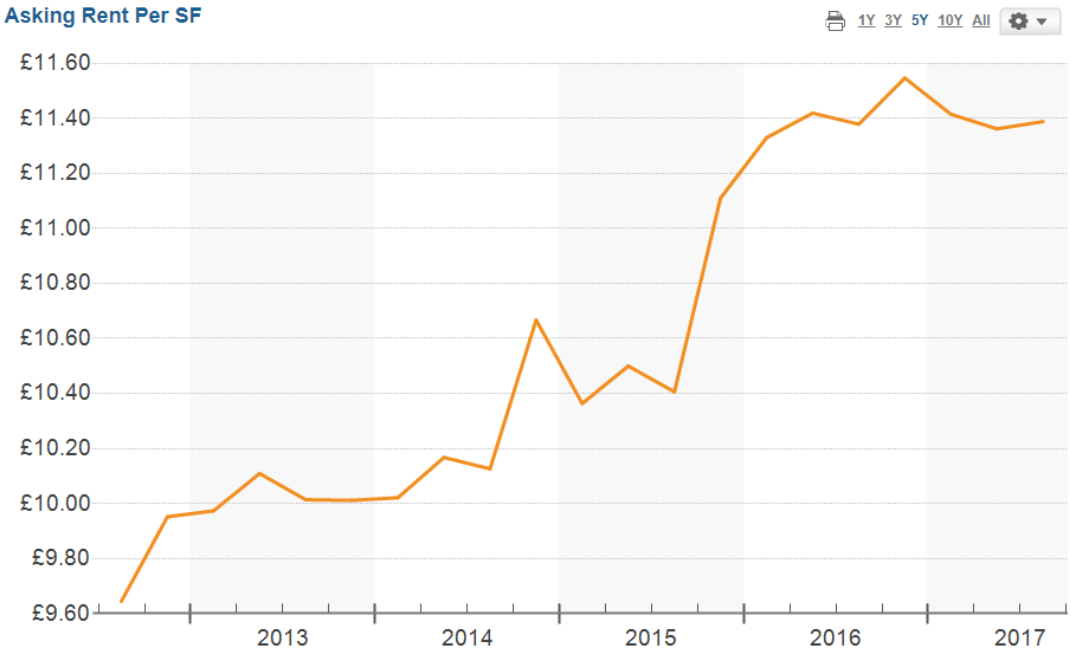


Figure 5 – Average asking rents in Park Royal SIL

2.35 Rents at 80-86 Goodhall Street these are considered to be in the range of £10-£11 psqft; below both the prime rents in Park Royal and the average rents for 3 star rated properties (according to CoStar) of circa £11.40 psqft.

2.36 The Industrial Land Review confirms current industrial floorspace vacancy across the entire Local Plan area is 7.5% (161,000 sqm) which we note is comfortably above the 5% frictional vacancy rate required for efficient market operation. According to CoStar vacancy rates in the core Park Royal SIL are also above the 5% frictional capacity rate at 5.4%.

2.37 However we are of the opinion 'availability' is a more useful indicator as this is defined as the total amount of space that is currently being marketed as available for lease. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date, although it excludes space available in proposed buildings. Vacancy levels are considered less useful as it includes all vacant space including that which isn't available to the market. Space not available to the market can include space that has been abandoned potential awaiting redevelopment. Effectively this space is not available to meet current and future demand hence why we considered vacancy a less useful statistic. Industrial floorspace availability in Park Royal is currently at circa 8.9% (108,000 sqm) for industrial and light industrial properties; well above the 5 year average of 6% according to CoStar (August 2017). We do appreciate however these figures can fluctuate within a short period of time.

2.38 The above availability rates in Park Royal help to demonstrate that the existing businesses at 80-86 Goodhall Street should be able to find alternative accommodation locally if these sites are redeveloped for mixed use. The existing 1,036 sqm of commercial floorspace at 80-86 Goodhall Street represent only 0.64% of the currently available industrial floorspace across the entire OPDC area; and 0.95% across available industrial floorspace within Park Royal.

Office market

2.39 Park Royal and Old Oak is currently not a recognised office location within the wider London context. As noted in the Industrial Land Review limited new large office developments have come forward in the area over the last 10 to 15 years; the most notable being First Central 200 on the former Guinness brewery site. Currently circa 50,000 sqft (4,600 sqm) is available to the market within this development.

2.40 The Local Plan proposals will help change this perception of Old Oak as an office location. As outlined in para 9.16 of the Local Plan; a new major commercial hub, including large format office uses, will be created around the planned Old Oak Common station, to take advantage of the 'game chancing' public transport investment and connectivity. Other existing and new centres will also provide opportunities for smaller office developments.

2.41 Low cost and open workspace is also a focus of the Local Plan to support small and medium enterprises focused on flexible and co-working space let at affordable rents. We feel the proposed redevelopment scheme outlined in Section 4 can help meet this policy aspiration. This space will contrast with the larger floor plate tower block offices provided around the planned Old Oak Common station.

2.42 As can be seen from the GRID capacity analysis (Appendix 1) all 3 of the mixed use proposals include 947 sqm of commercial floorspace. This space is located to provide a positive ('active') frontage to Old Oak Lane in accordance with the Local Plan policies. The commercial space will be provided with service vehicle access and parking via a laneway located on the ground floor to the north eastern end of the site. It will be under the street level of the bridge and therefore will not detract from the active frontage to Old Oak Lane. While service vehicle provision is kept to a minimum to accord with the car free principles of the scheme; some service vehicle access is considered a market necessity to support the commercial space; especially considering its flexible nature across both the B1a/B1c use classes.

2.43 The flexible open workspace provided with the mixed use proposals is considered to meet both current and future market need. A number of similar type spaces are already located in the local area demonstrating local market demand. These local examples are provided by The Collective, Workspace Group and the Spaces companies. These companies are all established and prominent in letting sole workspace environments and mixed use residential and workspace environments to young professionals and small and medium-sized enterprises. Figure 6 below shows the location of these workspaces, all within 3 miles of the proposed Goodhall Street redevelopment sites.

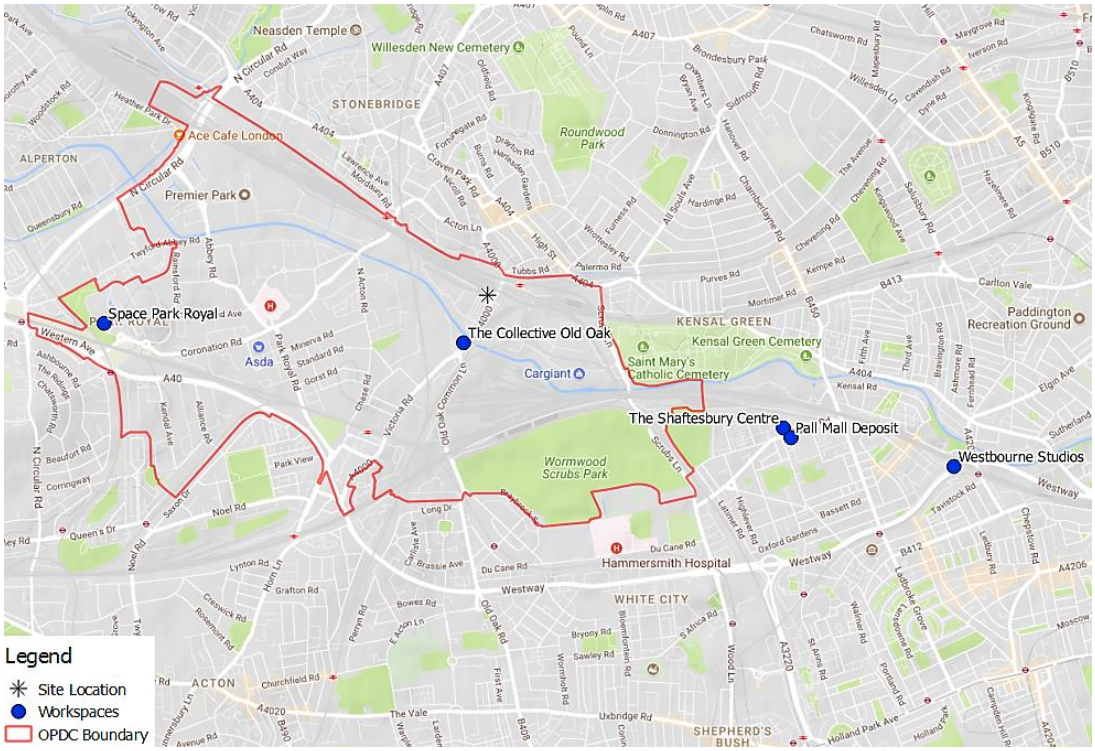


Figure 6 - Workspaces in proximity to the site

2.44 The Collective is a pioneering co-working property company based in London that provides living and working space to young professionals and small and medium-sized enterprises with the aim of enhancing creativity and innovation. The company started in 2010 and has a total of 6 properties including Kings Cross and Hyde Park. The company has now seized an opportunity in Old Oak and developed a mixed-use, residential and workspace facility. The facility houses 550 residential rooms across 10 floors with a range of en-suites and studios and communal kitchens on every floor. The Collective Old Oak is only 0.2 miles (5 minute walk) from the site, details of which are set out below:

Table 2 The Collective property near the site

Property	Space Available	Facilities	Distance from Site
The Collective Old Oak Nash House, Old Oak Lane , NW10 6FF	Types: Meeting rooms, hot desks, co-working, offices Communal Living: 550 residential rooms (452 en-suites, 63 studios, 10 shared en-suites kitchenettes and 10 shared ensuites)	Breakout space Outdoor space Workshops and business support Cleaning Café/restaurant Kitchens Gym Showers Bike Storage CCTV Library Cinema Spa Laundrette	0.2 miles (5min walk)

Figure 7 – The Collective

2.45 The Workspace Group is a real estate investment trust based in London. The company lets offices, industrial and workshop space to small and medium-sized enterprises. According to their website, the company currently owns 69 properties across 3.6 million sq ft in London whilst managing a number of other properties. The Group has a strong presence and has invested in three properties that all are within 3 miles of the site to support the ongoing demand for workspace, details of which are outlined below:

Table 3 - The Workspace Group properties near the site

Property	Space Available	Facilities	Distance from Site
The Shaftesbury Centre 85 Barlby Road, W10 6BN	Types: Studio Size: 387 sq ft	24 hour access Caretaker Cycle Racks Parking Showers Disabled Access	2.1 miles (10min drive)
Pall Mall Deposit 124-128 Barlby Road, W10 6BL	Types: studio, office, meeting rooms Size: 345 sq ft – 1091 sq ft	24 hour access Bureau facilities Café Caretaker CCTV Centre Manager	2.1 miles (10min drive)

		Parking Showers Reception Disabled Access Cycle Racks Loading Bays	
Westbourne Studios 242 Acklam Road, W10 5JJ	Types: Office studios, meeting rooms, co-working Size: 571 sq ft – 1249 sq ft	24 hour access Bureau facilities Café Caretaker CCTV Centre Manager Parking Showers Reception Disabled Access Cycle Racks Loading Bays	2.6 miles (13min drive)

Figure 8 –

Westbourne Studios

The Shaftesbury Centre

Pall Mall Deposit

2.46 The Spaces Company is a workspace provider to small and medium-sized enterprises, originating from Amsterdam. The company has a total of 11 UK locations, of which 4 are in London. The Spaces company has a significant global outreach with a further 63 international locations in the regions of Asia Pacific, North and South America, Europe and Africa. The investment into the 20,936 sqft Park Royal co-working workspace is 2.1 miles (10 minute drive) from the site.

Table 4 - The Spaces Company property near the site

Property	Space Available	Facilities	Distance from Site
Space Park Royal 6th Floor, First Central 200, 2 Lakeside Drive, NW10 7FQ	Types: Co-working space, offices, meeting rooms Size: 20,936 sq ft	Breakout space Café Business club	2.1 miles (10min drive)

Figure 9 –Spaces Company

2.47 Interest in any new office space on the comprehensive redevelopment site will not come solely from the companies aforementioned. There are many other local operators that specialise in space for certain types of businesses in a range of fields. Though central London is a prime and competitive location that hosts the Central Activities Zone (CAZ), many workspace providers are increasingly pursuing opportunities that are outside but still close to central London and with transport connections and amenities such as bars/restaurants and retail etc. to diversify their portfolios.

Growth Sectors

2.48 The OPDC Future Employment Growth Sectors Study identifies a number of sectors most likely to capitalise on the nature of development proposed at Old Oak. The Study concludes these sectors are likely to be focused around office uses and include professional and financial services; and ICT and digital media services. There are also potential opportunities within the low carbon (including clean tech), advanced manufacturing sectors and med tech/life-science activities.

2.49 The flexible workspace proposed within the mixed use proposals (Appendix 1); is considered to cater for many of these growth sectors as summarised below.

Table 5 – Growth sector analysis

OPDC Growth Sector	Suitability of proposed commercial space
ICT, Media and Creative Services	The ICT, media and creative services sector typically occupies small or large office premises, or shared workspace for the smallest firms (all B1a). Media and certain other creative activities may require light industrial space which can be converted for their needs (B1c). Firms involved in software development would typically require very low floorspace requirements; all is needed is a computer, good internet connections and networks. Space requirements for this type of activity would be comparable to office floorspace requirements. The commercial floorspace proposed within mixed use scheme (Appendix 1) can accommodate a combination of B1a/B1c floorspace and is therefore considered

	suitable for this OPDC future growth sector
Business and Professional services	Firms in the business and professional services sector tend to require B1a space. The need for attractive space carries out into the surrounding area, with good quality facilities for staff required as well as good transport connections. Increasingly, hot desking and flexible working is being encouraged within such facilities; as are shared workspaces / co-working for small companies let on flexible terms. Most co-working spaces offer monthly membership fees in return for a hot desking environment with fast Wi-Fi connections, meeting rooms and kitchens as well as hosting business and social events. The commercial floorspace proposed within the mixed use scheme (Appendix 1) can be designed to accommodate shared workspace. The high public transport connectivity and proximity to existing and proposed town centre uses provides the necessary support services to make the proposed commercial floorspace attractive for firms in this sector. The close proximity of 'The Collective Old Oak' is testament to this fact.
Creative Manufacturing	Businesses in the creative manufacturing sector require a wide variety of different spaces. For smaller businesses, maker-spaces with a high degree of flexibility are the most preferable, enabling close collaboration with other young businesses. Maker-spaces require a wide range of facilities to enable makers to manufacture products. They can incorporate a wider range of maker equipment depending on the makers they wish to attract, and this includes 3D printers, laser cutters, hand tools, soldering irons and sewing machines. Artists' Studios can also fall within the wider creative manufacturing sector. The commercial floorspace within the proposed mixed use scheme (Appendix 1) can accommodate B1c floorspace and is therefore suitable for some businesses within the creative manufacturing sector such as 3D printing; small scale manufacturing where environmental impacts can be easily controlled; and Artists' Studios.
Advanced Manufacturing	The advanced manufacturing sector has very similar spatial requirements to the general manufacturing sector, however there is a greater need for R&D space to enable businesses to undertake innovative research alongside production. Incubator and accelerator spaces can also play an important role in developing and supporting innovative SMEs. The proposed commercial floorspace within the mixed use scheme (Appendix 1) may appeal to those Advanced Manufacturing companies involved in R&D; or innovative SME's bringing forward new technologies. We are aware a number of such companies currently occupying Workspace Group premises in and around London such as Pulselive – Hawk-Eye; and FAC Technology.
Low Carbon	Those involved in low carbon manufacturing will have similar requirements to the advanced manufacturing sector. Those involved in some other sectors of the low

	carbon economy, such as environmental consulting, would require office space. Close proximity to skilled labour is also important given the R&D required by the sector, and good access to graduates from local universities helps. To help attract this type of workforce, excellent infrastructure and a pleasant working environment are beneficial to firms when choosing where to locate. The commercial floorspace proposed within the mixed use scheme (Appendix 1) will accommodate those companies in need of R&D space and office space. The high public transport connectivity and proximity to existing and proposed town centre uses provides the necessary support services to make this area attractive for firms in this sector.
Life Sciences	Limited suitability other than for small spin off companies involves in industries such pharmaceutical R&D and biotechnology. The close proximity to Central Middlesex Hospital may be a potential attractor.

3. VIABILITY ANALYSIS

Methodology

3.1 Crucial to the mixed use proposal outlined in the GRID Capacity Analysis (Appendix 1); is redeveloping 80-86 Goodhall Street alongside the FRI site and Network Rail land. As discussed this larger comprehensive redevelopment site will enable the development potential of the 4 sites to be optimised.

3.2 Obviously 80-86 Goodhall Street are currently designated SIL therefore we have felt it necessary to demonstrate that these sites cannot realistically be intensified for industrial use. Building on the above local industrial market assessment; we consider below both the practicality and viability for intensifying 80-86 Goodhall Streets for better quality industrial / warehouse floorspace. While the existing premises are of a reasonable quality they currently offer low density employment. Given the premises are fully let any significant increase in jobs would require intensification.

3.3 To understand if intensification is viable we have adopted a Residual Land Value methodology as detailed below.

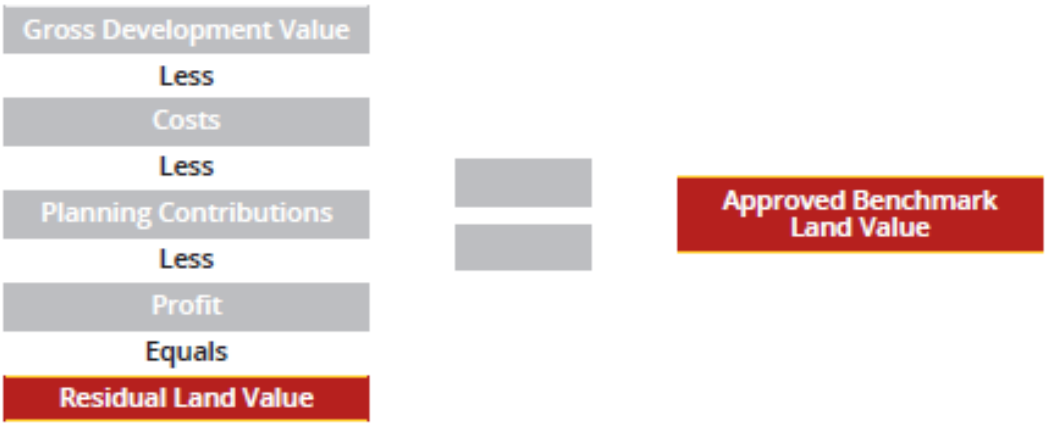


Figure 10 - Residual Land Value Methodology

3.4 The Homes and Communities Agency (HCA) good practice guidance manual, "Investment and Planning Obligations: Responding to the Downturn" (1 July 2009), states that a "viable development will support a residual land value at a level sufficiently above the site's Existing Use Value (EUV), or Alternative Use Value (AUV), to support a land acquisition price acceptable to the landowner." The concept of a providing a competitive returns to a willing land owner and willing developer to enable the development to be deliverable is included in para 173 of the NPPF.

3.5 This effectively means schemes that have a residual land value greater than an appropriate benchmark land value are considered viable and are likely to come forward. Schemes where residual land value is lower than the benchmark land value are considered unviable and unlikely to come forward. This is based on the accepted assumption that a developer will always seek to bring forward the highest value scheme.

3.6 In undertaking this assessment, we have also had regard to the Royal Institution of Chartered Surveyors (RICS) draft guidance note on Financial Viability in Planning (April 2012).

Benchmark Land Value of 80-86 Goodhall Street

3.7 According to CoStar (August 2017) the average rent[2] in Park Royal for industrial / warehouse premises is £11.07 psqft with an investment yield of circa 5%[3]. The yield in particular could be argued as being ambitious with regards to 80-86 Goodhall Street given the adjacency to residential properties. Also 80 Goodhall Street has limited servicing areas and its sole loading bay directly abuts the highway.

3.8 Both properties are also disconnected from the core Park Royal SIL and are not a significant industrial cluster in their own right; again supporting a softening in yield in our option. The typical investment yield of industrial / warehouse investments locally sit within a range of 4%-6% as detailed in Appendix 2. The lower yields are generally attributed to larger distribution / warehouse properties located in the core areas of the Park Royal SIL.

3.9 Therefore to calculate the existing use value of the site we have applied a rent of £11 pqft (£118.40 psqm) and yield of 6%. In terms of lease incentives we feel a 6 months' rent free is appropriate based on local lease deals.

3.10 Based on these assumptions; and taking into account the existing combined floorspace of 1,036 sqm; the site Existing Use Value (EUV) is circa £1.85 million after purchasers' costs. A Landowner's premium needs to be added to this Existing Use Value to reflect the need to offer the landowner a return so the site is released for redevelopment. We have use 20% consistent with the 'Whole Plan Viability Study' (2017) completed by BNP Paribas[4]. This results in a Benchmark Land Value (BLV) of £2.2 million.

3.11 This is the BLV we compare to the RLV generated by a potential industrial redevelopment of the site to assess the viability of intensifying the site for industrial use.

[2] For 3 star rated properties (consistent with the ratings assigned to 80 and 86 Goodhall Street) leased in Park Royal with the last 2 years
[3] For 3 star rated properties sold within the last 5 years in Park Royal
[4] https://www.london.gov.uk/sites/default/files/50._whole_plan_viability_study.pdf

Potential new floorspace via intensification

3.12 Before we can test the viability of industrial redevelopment at 80-86 Goodhall Street we need to determine how much floorspace can be accommodated on these sites. The starting point in most redevelopments is the amount of existing floorspace and the exploration of possibilities to increase the quantum of development to ensure redevelopment is profitable.

3.13 The existing industrial floorspace on the site is around 0.21ha and contains 1,036sqm of floorspace; resulting in a plot ratio of circa 50%. The 'Industrial Land Review' considers a plot ratio of 60% as a reasonable guide for the purposes of forecasting future industrial floorspace potential in Park Royal. In arriving at 60% the Review notes that the development density of new industrial development is generally lower than the density of the replaced space; reflecting market demand for larger yard space.

3.14 We agree with this assumption and also note 80-86 Goodhall Street is not included within the 'Intensification Study Area' considered within the Park Royal Intensification Study. They are however referenced in the Study as sites outside of the study boundary where there may be an opportunity to increase industrial densities when sites come forward for development.[5] No analysis is provided as to how 80-86 Goodhall Street can be intensified given the -

- Adjacency of residential properties and related amenity impacts;
- Adjacent conservation area;
- Sites are not suitable for larger more space efficient and multi-storey industrial premises;
- Need to accommodate sufficient parking and servicing areas; and
- Inability to subdivide the existing buildings; particularly 80 Goodhall Street, into smaller units.

3.15 The existing industrial sites are located directly adjacent to the north and north western boundaries of the Island Triangle residential community which creates potential amenity conflicts. The majority of industrial sites in the core Park Royal SIL do not have to contend with sensitive neighbour issues which is one of the key underlying strengths of the SIL core; and well-functioning industrial clusters generally. The proximity of residential properties will not appeal to potential industrial developers.

[5] P46; Park Royal Intensification Study

Figure 11 – Loading bay directly adjacent to residential housing

Figure 12 – View from residential properties on Goodhall Street to standalone warehouse

3.16 The existing industrial units are also out of character with the enclosed streets and fine grain brick terraces systematic of the Old Oak Lane Conservation Area. In accordance with the recommendation of Part 3 of the Heritage Strategy redevelopment of the existing industrial premises for a comprehensive mixed use development would enable the –

- Public realm and accessibility within and around the adjacent residential enclaves to be improved;
- Existing housing to be better integrated with their surroundings along with an appropriate transition in scale and mass; and
- Heritage interest of the residential streets to be better communicated and promoted and their connections with their surroundings to be improved. As stated critical to the comprehensive redevelopment proposals outlined in Appendix 1 is unlocking developmental value to enable the FRI building to be retained as a focal point of the new mixed use development. In the absence of comprehensive redevelopment optimisation of the development potential of the FRI site in isolation would require the demolition of the FRI building.

3.17 We agree with the 'Industrial Land Review' that the majority of industrial developers tend to build speculative units that are targeted at medium and larger businesses rather than micro or small businesses. 80-86 Goodhall Street is not considered appropriate for larger buildings for a number of reasons. Firstly larger units occupied by larger businesses generally generate more vehicle movements; including a larger proportion of HGVs. Any increase in vehicle movements would only further exacerbate potential amenity conflicts with the adjacent residential properties. Secondly; as the Industrial Land Review notes new industrial development is coming forward with lower plot ratios reflective of market demand for self-contained and secure yard areas. This market reality is seemingly at odds with Policy T4 which requires car-free for non-residential developments, unless it can be justified based on operational or business need. Even the 'Car Parking Study' produced by Savills states –

'*Industrial units would require some car parking due to the nature of the workspace and types of customers i.e. often car borne and to assist with movement of heavy goods. Also to accommodate out of hours shift working and to support trade requirements.'*

3.18 86 Goodhall Street currently has a shared car parking and servicing area with space for approximately 20 cars and 5 individual loading bays for each of the 5 units. During a site visit on the 9th August the parking and servicing area was well used. A similar situation was evident at 80 Goodhall Street; whereby the servicing laneway to the rear yard space was being use for car parking. The servicing laneway if unobstructed by parked cars would not be suitable for HGVs nor is the rear yard given they are of an insufficient width and dimension to accommodating adequate turning circles. These restrictions may be one of the reasons why 80 Goodhall Street's primary loading bay is located to the front of the property directly adjacent to the public highway and not more than a metre or so from residential properties within the FRI building. Given the loading bay lies directly adjacent to the public highway any necessary reversing manoeuvres into the bay are undertaken within the public highway. The site is therefore clearly constrained in terms of servicing and yard space.

3.19 None of the existing industrial buildings on either site are considered appropriate for significant intensification within their existing curtilage. For instance 3 of the 5 industrial units at 86 Goodhall Street have mezzanines floors range from 4 sqm to 56 sqm. Therefore if the remaining 2 units had mezzanines added at the maximum level this would result in only circa 112 sqm of additional floorspace. It is likely the primary purpose of these additions would be to improve existing business operations rather than increase the number of jobs on site. Given the constrained layout of 80 Goodhall Street with a single loading bay adjacent to the public highway and narrow service laneway to a small rear yard; it's highly unlikely the existing standalone warehouse building could be subdivided to provide more intensely occupied and smaller light industrial units.

3.20 Given the above consideration 80-86 Goodhall Street is considered to have limited intensification potential.

Figure 13 – Narrow service laneway between 80 & 86 Goodhall Street

Figure 14 – Service yard at 86 Goodhall Street well used indicating it will be difficult to intensify industrial use

Industrial Redevelopment: Viability Assumptions

3.21 Now that we have established a Benchmark Land Value (of £2.2 million for 80-86 Goodall Street) we can determine if intensification of existing industrial use is viable. While we have indicated above intensification of 80-86 Goodhall Street is not considered feasible we have adopted the 60% plot ratio figure considered reasonable by the 'Industrial Land Review' for the purpose of forecasting future industrial floorspace at Park Royal.

3.22 The full list of viability assumptions used in our viability modelling (Appendix 3) is tabulated below.

Table 6 – Viability Assumptions

Viability Assumptions	Potential Industrial Intensificaion Scheme on 80-86 Goodhall Street
Floors area	• 1,267 sqm (GEA) equivalent to a plot ratio of 60% consistent with the Industrial Land Review the purpose of forecasting future industrial floorspace at Park Royal • 1,140.30 sqm (GIA / NIA) representing a 10% reduction on GEA to calculate area for letting purposes
Rent	• £150 psqm / £14 psqft – which is only a marginal reduction to prime rents in the core Park Royal SIL which is considered an ambitious assumption given adjacency to residential properties which would be a concern for an industrial developer
Build Cost	• £849 psqm (Median BCIS for LB of Ealing warehouses/stores) August 2017. This is a conservative estimate given premises of 500 to 2000sqm GFA have a BCIS median build cost of £1,017 psqm
External Works /	• 10% of build cost

Viability Assumptions	Potential Industrial Intensificaion Scheme on 80-86 Goodhall Street
Services & Utilities	
Demolition Costs	• Approx. £54 psqm (£5 psqft). Based on existing floorspace of 1,036 sqm to be demolished the total costs equals circa £55,000
Yield	• 5% for rent capitalisation purposes
Purchasers costs	• 6.5 % of Gross Development Value to reflect the increase in Stamp Duty from 17 March 2016. Breakdown is 4.7% Stamp Duty; 1% Agency Fee; 0.5% Solicitor Fee; and 0.3% miscellaneous
Professional Fees	• 10% of construction costs
Contingency	• 5% of construction costs
Developer's profit	• See results table
Marketing and letting	• 10% Letting Agent Fee • 5% Letting Legal Fee
Disposal fees	• 1% (of cap value) Sales Agent Fees • 0.5% (of cap value) Sales Legal Fees
Letting assumptions	• 6 months' rent free. We have not included any void period which is considered optimistic
Development programme	• Pre-construction - 2 months • Construction – 4 months • Post construction – 6 months • Total – 12 months based on overlapping stages
Finance	• 7% interest rate

Industrial Intensification: Viability Conclusions

3.23 Using these assumptions suggests a new build warehouse scheme at 60% plot ratio has a Residual Land Value of between +£1.0 to £1.2 million based on the developer's profit assumed. Given the 80-86 Goodhall Street's Benchmark Land Value (based on EUV Plus approach) is £2.2 million industrial intensification is not considered viable.

Table 7 - Viability Summary

Redevelopment scheme option	Scheme RLV	Site BLV	Surplus / Deficit
Industrial intensification;	+£1.0 million	£2.2 million	-£1.2 million

Developer's Profit 20% on costs			
Industrial intensification; Developer's Profit 15% on costs	+£1.1 million	£2.2 million	-£1.1 million
Industrial intensification; Developer's Profit 10% on costs	+£1.2 million	£2.2 million	-£1.0 million

3.24 Therefore 80-86 Goodhall Street is unlikely to yield any more floorspace or jobs into the future than it already currently does.

4. THE PROPOSAL

Design parameters

4.1 Grid Architects has produced some initial redevelopment ideas for the site and a copy of their 'Sketchbook' can be found in Appendix 1.

4.2 Grid Architects has presented three different options for mixed use redevelopment, all with replacement employment floorspace but with differing numbers of dwellings. These are referred to as the Low Risk Scheme, the Baseline Scheme and the Uplift Scheme. A summary of the potential dwelling numbers and floorspace figures are shown below and further details can be found in Appendix 1.

Table 8 – Grid Scheme Options

Scheme	No of Dwellings	Commercial Floorspace (GIA)
Low Risk	69	947
Baseline	75	947
Uplift	87	947

4.3 In accordance with Local Plan policies the comprehensive redevelopment scheme options demonstrates mixed used development of site can –

- Provide a high quality gateway development adjacent to Willesden Junction Station;
- Help secure the long term future of the FRI building by helping to funding necessary improvements;
- Deliver an uplift of both market and affordable housing more in keeping with the site's high public transport accessibility and prominent gateway location;
- Deliver family accommodation in accordance with Local Plan policy;
- Deliver Affordable Housing in accordance with Local Plan policy;
- Deliver a car free development (other than limited service vehicle access) in accordance with Local Plan policy and therefore help promote a modal shift towards more sustainable modes and help achieve a low carbon development;
- Broadly re-provide the commercial floorpace that currently exists on 80-86 Goodhall street and in doing so increase the number of jobs
- Deliver commercial floorspace more suited to the identified future growth sectors outlined in the OPDC evidence base;
- Provide a positive 'active' frontage to Old Oak Lane in accordance with Local Plan policy including a service laneway not visible from street level;
- Facilitate the enhancement and expansion of Old Oak Community Gardens within the comprehensive development site's western boundary in accordance with Local Plan policy and in doing so enable future mitigation to the HS2 safeguarded site and any future industrial development on this land;

- Help improve the public realm and accessibility within and around the adjacent residential enclaves; and
- Better integrate with the adjacent residential housing and conservation area in terms of scale; mass and building materials.

4.4 All 3 redevelopment options will bring a range of socio-economic benefits compared to the status quo, as outlined below.

Socio-Economic Benefits – Construction Phase

4.5 Whilst under construction, the proposed mixed use development will generate economic benefits in the form of jobs, GDP and increased local spending as set out below.

4.6 Depending on which of the schemes is built, the total construction cost of the development is estimated to be between £15.9m and £19.5m and is expected last for between 1.9 and 2.3 years[6].

GVA

4.7 The construction industry is a key contributor to the economy. Recent research[7] has shown that for every £1 spent on construction £2.84 is generated in total economic benefits in the form of direct, indirect and induced impacts, as follows:

- Direct impact – wage income and corporate profit generated in the construction sector plus spend on non-labour inputs;
- Indirect impact – supply chain impacts of construction and their knock on effects, i.e. increase in output and income up and down the supply chain;
- Induced impact – increase in household income as result of increased employment / income in construction and other sectors which leads to an increase in spending and demand / output in the overall economy

4.8 The construction investment of £15.9m to £19.5m would therefore generate an estimated £45m to £55m in direct, indirect and induced impacts.

Construction Employment/Job Creation

4.9 Jobs will be created during the construction phase of the development. Research has shown that it is possible to predict job creation associated with the future construction of developments, based on overall construction costs.

[6] Average build cost of £2,000 per sqm has been used for the purposes of assessing potential job creation. This should be treated as a very broad estimate at this stage as no site specific considerations have been taken into account (Source Building Cost Information Service [BCIS] Ealing August 2017).
[7] L.E.K. Consulting cited in HBF The Economic Footprint Of UK House Building Http://Www.Hbf.Co.Uk/Uploads/Media/Economic_Fotprint_BPF_Report_March_2015_WEB.Pdf

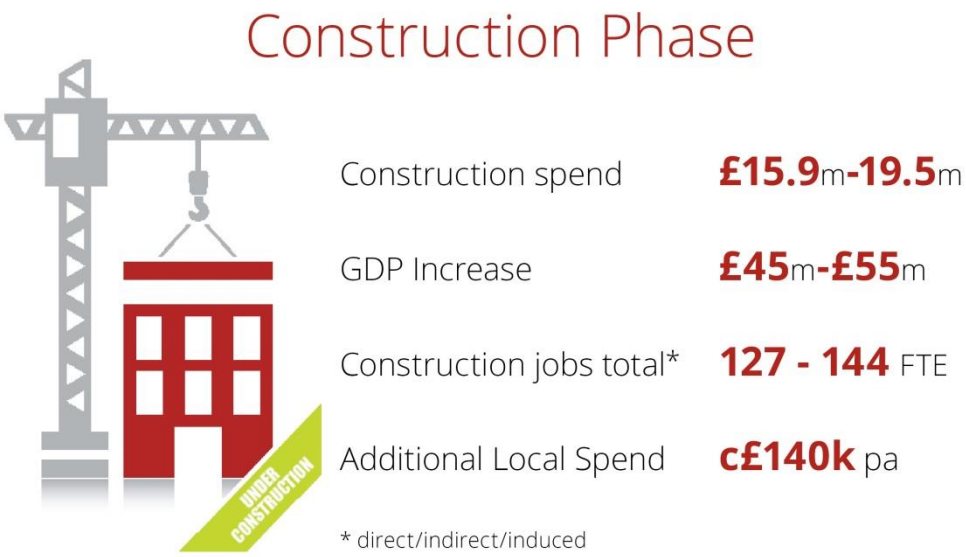
4.10 On average, around £153,000 of construction spend annually in London delivers one Full Time Equivalent (FTE) job[8]. Based on a capital cost of £15.9m to 19.5m, the proposed development will generate between 104 and 127 over the course of the construction period (around 53-55 jobs per annum).

4.11 Construction employment is not just expected to be generated on-site (direct), but with an element being generated elsewhere in the construction supply chain and income stream (indirect / induced). The Homes and Communities Agency (HCA) provides indicative multipliers to take account of indirect and induced employment, which based on a standard multiplier of 1.7 (typically used for areas in Greater London), would amount to an additional 73-79 jobs being created by the construction phase of the proposed development, across indirect and induced measures.

Additional Spending

4.12 The workforce based at and visiting the site over the duration of the construction period is expected to have a local spending impact. Recent data[9] shows that employees in the UK, on average spend £10.59 per day in and around their place of work, the equivalent of around £2,500 every year per person employed.

4.13 Based on the direct jobs generated over the course of the construction period, this is expected to generate between £137k and £140k per annum in additional spending in the local area during the construction phase.



[8] Department for Business, Innovation and Skills (2014)
[9] VISA Europe (2014) UK Working Day Spend Report

Socio-Economic Benefits – Operation Phase

Jobs

4.14 The amount of commercial floorspace being re-provided is comparable with existing provision but could increase the number of permanent jobs within the development. The scheme design is currently at an early stage however at present it is estimated that the site could accommodate around 947sqm (GIA) of commercial floorspace for a mix of B1a/B1c use.

4.15 To estimate the number of jobs from this floorspace, the HCA Employment Density Guide 2015 has been used[10]. As the mix of B1a/B1c is not yet known, 2 options are presented below; one with 100% B1a floorspace and one with 50% B1a and 50% B1c floorspace.

Table 9 – Job Estimates (note - floorspace shown in NIA)

Option	B1a Floorspace (assumed density)	B1a Jobs	B1c Floorspace (assumed density)	B1c Jobs	Total Jobs
1) 100% B1a	805 (10-12)	67 - 81	0 (47)	0	67-81
2) 50% B1a and 50% B1c	402.5 (10-12)	34-40	402.5 (47)	9	43-49

4.16 As shown above, there is potential for between 43 and 81 jobs on the site depending on the final floorspace mix and density achieved. As discussed previously, there are currently estimated to be around 27 jobs on the site and therefore even at the lowest end of this range this represents a 60% increase in the number of jobs that exist with the comprehensive redevelopment area (Figure 1) currently. Based on the range above, the net uplift would be between 16 (+60%) and 54 (+200%) net additional jobs.

4.17 There will also be indirect and induced employment associated with the operational phase of the development. Based on a standard 1.7 multiplier, it is estimated that there would be an additional 30-57 indirect and induced jobs created through the supply chain.

4.18 The total number of direct, indirect and induced jobs generated from the development is estimated to be between 73 and 138.

10 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484133/employment_density_guide_3rd_edition.pdf

GVA

4.19 The additional jobs will generate additional GVA. There are many ways to measure GVA however for the purposes of this analysis we have used a measure of GVA for workforce job for London. Based on data from the Greater London Authority (GLA), an increase of 73 to 138 jobs represents a GVA increase of between £4 and £7.7 million[11].

4.20 When compared to the existing c27 jobs on site, this represents a significant increase of between £2.9 and £6.6million.

Additional Spending

4.21 There will be additional spending within the local economy as a result of the additional jobs created. Based on 43-81 FTE employees, local spending from those working from the proposed commercial floorspace is likely to be between £107k and £202k per annum.

4.22 There will also be additional spending generated in the local area from the residents of the new dwellings. The latest available data from ONS[12] on household spend identifies that average household expenditure is £531.30 per household per week (or £27,627 per year) on all goods and services. On this basis, 58-76 net additional dwellings[13] will spend between £1.6 and £2.1 million per year, however this includes all expenditure and not all of this will be spent on goods in the local area.

4.23 It is widely recognised that spending on convenience shopping in particular is relatively localised and it can be assumed that the majority of this expenditure will be undertaken on nearby High Streets and food stores. For the purposes of this assessment, if it is assumed that all convenience and a proportion of comparison/leisure related expenditure is spent in the Old Oak area, the total spend potential generated by the new residents of the development and available to the local area is estimated to be between £440k and £570k per annum.

Business Rates and Council Tax

4.24 We estimate that the existing industrial units generate around £18,000 per year in Business Rates. The nature of the new commercial floorspace is still somewhat unknown which makes it difficult to estimate business rates, however this could be up to around £75,000 per annum[14]. This represents a net increase of £57,000 per annum.

[11] GVA for new jobs based on 'other service activities' sector due to current unknown nature of jobs. Existing jobs based on GVA for 'wholesale and retail trade' sector. Source https://data.london.gov.uk/dataset/gva-per-workforce-job

[12] ONS Family spending in the UK 2016 – published Feb 2017

[13] Net dwellings figure takes account of 11 existing dwellings on FRI site

[14] Based on assumptions from nearby workspace style office space. This should be treated as a very approximate estimate.

4.25 The 69-87 residential units will also produce Council Tax revenue. Based on an assessment of the potential council tax bands of the new properties, it is estimated this would generate between £102k and £129k per year. Minus the existing 11 properties on the site, this represents an increase of between £86k and £111k per annum.

4.26 Overall, taking into consideration the proposed and existing business rates/council tax revenue, the development is expected to generate an additional £143k to £170k per annum for the Council.

New Homes Bonus

4.27 New Homes Bonus is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. Councils can decide how to spend the money however it is expected that it will be spent on the communities where new housing is being provided.

4.28 Based on the same assumptions relating to the banding of the proposed properties as discussed above, it is estimated that the development would generate a payment of between £457k and £576k (depending on which scheme is built) over the 4 years following completion.

Community Infrastructure Levy

4.29 Additional revenue towards the improvement of the Borough's infrastructure, such as schools, transport links and open spaces will also be generated through CIL.

4.30 The draft Charging Schedule for OPDC requires sets charges for residential (£175 psqm) and office use (£70 psqm). Therefore, the CIL payment for the site could be up to £970k (low risk scheme) to £1.2million (uplift scheme). A further estimated £214k to £262k will be paid in Mayoral CIL to help fund Crossrail[15].

[15] This is a broad estimate. It does not include any buildings which may meet the 'in use test' and would therefore reduce CIL or any other relief which may be applicable.

Operational Phase

New homes	**69-87**
Commercial Floorspace	**947 sqm**
New jobs*	**43-81**
Additional spend	**£500**k **- 600**k pa
Business Rates	**£75,000** pa
Council Tax	**£102**k **-129**k pa -
New Homes Bonus	**£457**k **-1£29**k
CIL	**£1.1**m **- £1.4**m

5. CONCLUSIONS

5.1 As outlined it is considered the existing SIL designated sites at 80-86 Goodall Street are not prime candidates for intensification. This means they are like to remain as low density employment locations that are spatially disconnected from the core Park Royal SIL. Their design and operation is not in keeping with the adjacent residential properties and the Old Oak Conservation Area.

5.2 The existing FRI building is currently promoted in the Local Plan for local listing. Although converted for low cost housing in 2010 its long term future remains at risk given the current housing is below minimum standards and the building still requires significant improvement works. These works are not considered viable without cross subsidisation from new development. Given the FRI site also has a low residential density the most viable solution (should the site be considered in isolation) would be to demolish the FRI and optimise the site for higher density modern housing.

5.3 A more comprehensive solution; that better contributes to the wider regeneration to occur in Old Oak; would be to redevelop the FRI site alongside adjoining properties to provide a mixed use development. Here the FRI's long term future could be secured alongside new market and affordable housing; re-provision of commercial floorspace and high quality architecture more befitting of the sites gateway location and proximity to public transport infrastructure and new town centres uses.

5.4 As demonstrated through our detailed analysis above, the proposed mixed use scheme options will bring a range of socio-economic benefits to the area. In summary these include:

- Between 69 and 85 new dwellings providing a mix of market and affordable properties
- Replacement of c1,000sqm employment floorspace
- Between 60% and 200% uplift in number of jobs on site (plus additional indirect and induced jobs)
- Boost to the construction industry in the form of GVA and new jobs etc
- Increased GVA and local spending from new workers and residents to support local retail/services
- Revenue for the Council for services, facilities and other general improvements to the area in the form of increased Council Tax and Business Rates, New Homes Bonus and CIL.

5.5 When compared to the socio-economic outputs of the existing sites, which are likely to remain as per the status quo based on the proposed Local Plan, the mixed used redevelopment provides significant benefits to the local area and the wider economy.

APPENDIX 1 – GRID MIXED USE SCHEME OPTIONS

SEE SEPARATE ATTACHMENT DUE TO FILE SIZE

APPENDIX 2 – INVESTMENT DEALS

1 Unit 1 - Union Park - 139-141 Acton Ln — SOLD

London, NW10 7PB — **London County**

Sale Date:	**01/02/2016 (92 days on mkt)**	Bldg Type:	**IndustrialWarehouse**
Sale Price:	**£10,840,000 - Confirmed**	Year Built/Age:	**Built 1990 Age: 25**
Price/SF:	**£241.44**	NIA:	**44,897 SF**
Reversionary Yield:	**-**		
Net Initial Yield:	**4.76%**		
Comp ID:	**3572961**	Sale Conditions:	**Sale Leaseback**
Research Status:	**Confirmed**		

2 5 Bashley Rd — SOLD

London, NW10 6SD — **London County**

Sale Date:	**01/12/2014**	Bldg Type:	**IndustrialDistribution**
Sale Price:	**£8,500,000 - Confirmed**	Year Built/Age:	**Built 1971 Age: 43**
Price/SF:	**£194.13**	NIA:	**43,786 SF**
Reversionary Yield:	**-**		
Net Initial Yield:	**5.00%**		
Comp ID:	**3260173**	Sale Conditions:	**-**
Research Status:	**Confirmed**		

3 Unit 1 - Sovereign Park - Coronation Rd — SOLD

London, NW10 7QP — **London County**

Sale Date:	**21/07/2014 (89 days on mkt)**	Bldg Type:	**IndustrialWarehouse**
Sale Price:	**£7,000,000 - Confirmed**	Year Built/Age:	**Built 1988 Age: 26**
Price/SF:	**£180.89**	NIA:	**38,698 SF**
Reversionary Yield:	**-**		
Net Initial Yield:	**4.05%**		
Comp ID:	**3076520**	Sale Conditions:	**-**
Research Status:	**Confirmed**		

4 40 Cumberland Ave — SOLD

London, NW10 7RQ — **London County**

Sale Date:	**01/12/2012**	Bldg Type:	**IndustrialWarehouse**
Sale Price:	**£10,940,000 - Confirmed**	Year Built/Age:	**Built 1991 Age: 21**
Price/SF:	**£150.10**	NIA:	**72,887 SF**
Reversionary Yield:	**-**		
Net Initial Yield:	**5.90%**		
Comp ID:	**2653790**	Sale Conditions:	**-**
Research Status:	**Confirmed**		

5 41-44 Kendal Ave — SOLD

London, W3 0RP — **London County**

Sale Date:	**01/10/2014**	Bldg Type:	**IndustrialDistribution**
Sale Price:	**£26,000,000 - Confirmed**	Year Built/Age:	**Built 1989 Age: 25**
Price/SF:	**£95.29**	NIA:	**272,853 SF**
Reversionary Yield:	**-**		
Net Initial Yield:	**5.50%**		
Comp ID:	**3140006**	Sale Conditions:	**Sale Leaseback**
Research Status:	**Confirmed**		

6 Tudor House - 55 Victoria Rd — SOLD

London, NW10 6ND — **London County**

Sale Date:	**04/03/2014 (103 days on mkt)**	Bldg Type:	**Light IndustrialLight Manufacturing**
Sale Price:	**£4,350,000 - Confirmed**	Year Built/Age:	**Built 1981 Age: 32**
Price/SF:	**£192.88**	NIA:	**22,553 SF**
Reversionary Yield:	**-**		
Net Initial Yield:	**6.00%**		
Comp ID:	**2983696**	Sale Conditions:	**-**
Research Status:	**Confirmed**		

APPENDIX 3 – INDUSTRIAL INTENSIFICATION APPRAISAL; 15% DEVELOPER'S PROFIT

Goodhall St - Industrial Intensification; 15% profit

Development Appraisal
Boyer Planning Limited
01 September 2017

APPRAISAL SUMMARY — BOYER PLANNING LIMITED

Goodhall St - Industrial Intensification; 15% profit

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary	**Units**	**m²**	**Rate m²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Industrial Redevelopment	1	1,140.30	150.00	171,045	171,045	171,045
Investment Valuation						
Industrial Redevelopment						
Market Rent	171,045	YP @	5.0000%	20.0000		
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	3,338,457	
GROSS DEVELOPMENT VALUE				**3,338,457**		
Purchaser's Costs		6.5%	(217,000)			
				(217,000)		
NET DEVELOPMENT VALUE				**3,121,457**		
NET REALISATION				**3,121,457**		
OUTLAY						
ACQUISITION COSTS						
Residualised Price (0.2 Ha 5,274,338.11 pHect)			1,107,611			
				1,107,611		
CONSTRUCTION COSTS						
Construction	**m²**	**Rate m²**	**Cost**			
Industrial Redevelopment	1,267.00 m²	849.00 pm²	1,075,683	**1,075,683**		
Contingency		5.0%	53,784			
External Works		10.0%	107,568			
Demolition			55,000			
				216,352		
PROFESSIONAL FEES						
Other Professionals		10.0%	107,568			
				107,568		
MARKETING & LETTING						
Letting Agent Fee		10.0%	17,105			
Letting Legal Fee		5.0%	8,552			
				25,657		
DISPOSAL FEES						
Sales Agent Fee		1.0%	31,215			
Sales Legal Fee		0.5%	15,607			
				46,822		
FINANCE						
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)						
Land			72,786			
Construction			61,831			
Total Finance Cost				134,616		
TOTAL COSTS				**2,714,310**		
PROFIT						
				407,147		
Performance Measures						
Profit on Cost%		15.0%				
Profit on GDV%		12.2%				
Profit on NDV%		13.0%				
Development Yield% (on Rent)		6.3%				
Equivalent Yield% (Nominal)		5.0%				
Equivalent Yield% (True)		5.2%				
IRR		26.3%				
Rent Cover		2 yrs 5 mths				

Goodhall St - Industrial Intensification; 15% profit

Profit Erosion (finance rate 7.000%)	2 yrs