

Kinleigh Folkard & Hayward



From selling to dwelling

Re-thinking London's local high streets

January 2021



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Market forces, new planning policy and social change have aligned to make a window of opportunity for London's town centres.

The Covid-19 pandemic has accelerated the home working trend overnight and inflated levels have remained, especially among office workers. This social change could bring a much-needed boost to some of London's town centres, especially in the outer zones.

The alignment of favourable government policy to revitalise town centres, the most recent financial support being the £831m Future High Streets Fund to be shared amongst 72 high streets in England, together with the increased number of residents working from home, could mean we are entering the next cyclical phase for our cities.

Our research demonstrates the scale of opportunity for new housing in London's high streets, under the new planning laws mentioned below. The table highlights the top ten town centres in terms of number of units and the map shows the opportunity at Borough level.

Modelling capacity

For each town centre, we quantified the amount of vacant retail space, vacant non-retail space, 50% of comparison retail space (i.e. chain stores) and any department store space still present at District¹ level town centres. This is our measure for the level of space that has the theoretical potential² to become housing more easily, as a result of the planning policy changes. We converted this total potential floorspace for each high street into the number of two-bed homes³ to estimate the scale of potential new housing that could be delivered across London's town centres.

Number of units

16,117
potential
new homes



Source: Dataloft/GLA/Experian

Future High Streets Fund

£11.3
million

of the £831m fund has been awarded to Sutton High Street

Source: UK Government
January 2021

New planning policy

In the summer of 2020, as the country was emerging from the initial lockdown, the Housing Secretary Robert Jenrick announced new planning policies. The new laws, which came into effect in September, aim to provide a boost to the supply of new homes by cutting red tape while also helping to regenerate town centres and alleviate the pressure on greenfield land.

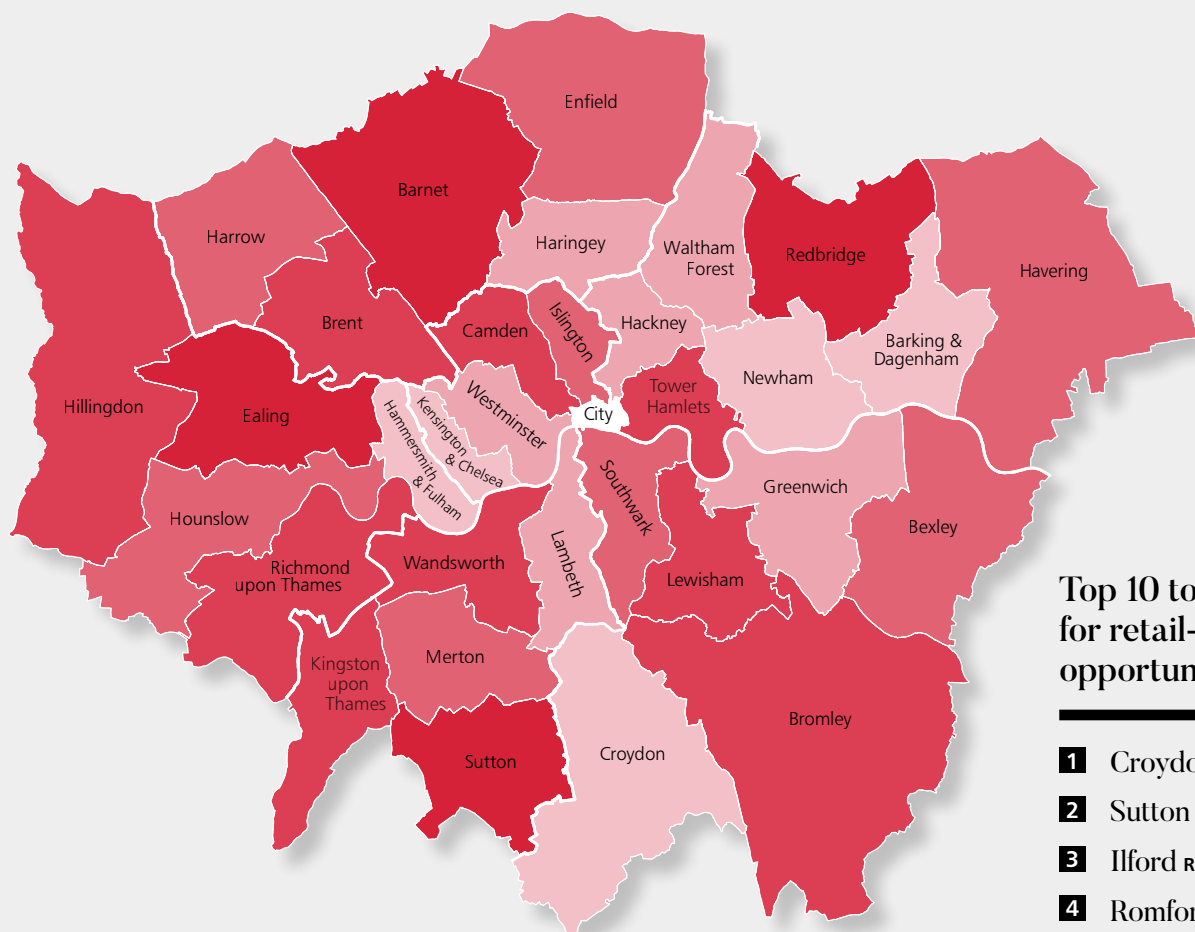
Adapting to needs

The new laws could see a wider scope for permitted development rights (PDR) if the outcome is a net gain in homes. PDR developments are generally less costly and time-consuming and the move has been largely welcomed by the property industry.

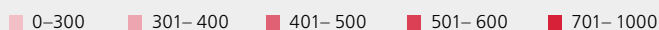
In the past, permitted development has been criticised for delivering homes which are too small. This will be addressed by the new law, which requires these homes to meet minimum space standards.

We may see ground floor units or whole buildings being converted into new homes. It could lead to the 'defragging' of the high street, where retail is consolidated into a tighter zone. This may only be viable in the more peripheral town centres in London.

In high streets where land is at more of a premium, we expect to see more emphasis on 'airspace' development, with new homes being added on the top of existing buildings.



Potential number of new homes



Source: Dataloft/GLA/Experian

N.B. The West End and Knightsbridge were excluded.

¹ as classified by the GLA

² developers need to check PDRs are available to them, as borough councils set the specific planning policy. Other legal, design and technical aspects will also need to be overcome as with any development site.

³ using average minimum space standards in the Draft New London Plan

Top 10 town centres for retail-to-housing opportunities

- 1** Croydon CROYDON
- 2** Sutton SUTTON
- 3** Ilford REDBRIDGE
- 4** Romford HAVERING
- 5** Streatham LAMBETH
- 6** Stratford NEWHAM
- 7** Hounslow HOUNSLOW
- 8** Green Street/
Upton Park NEWHAM
- 9** Canada Water ROTHERHITHE
- 10** Edmonton Green ENFIELD

Although change of use from commercial to residential is supported if there is demand, buildings essential to communities such as pubs, libraries and theatres are protected.

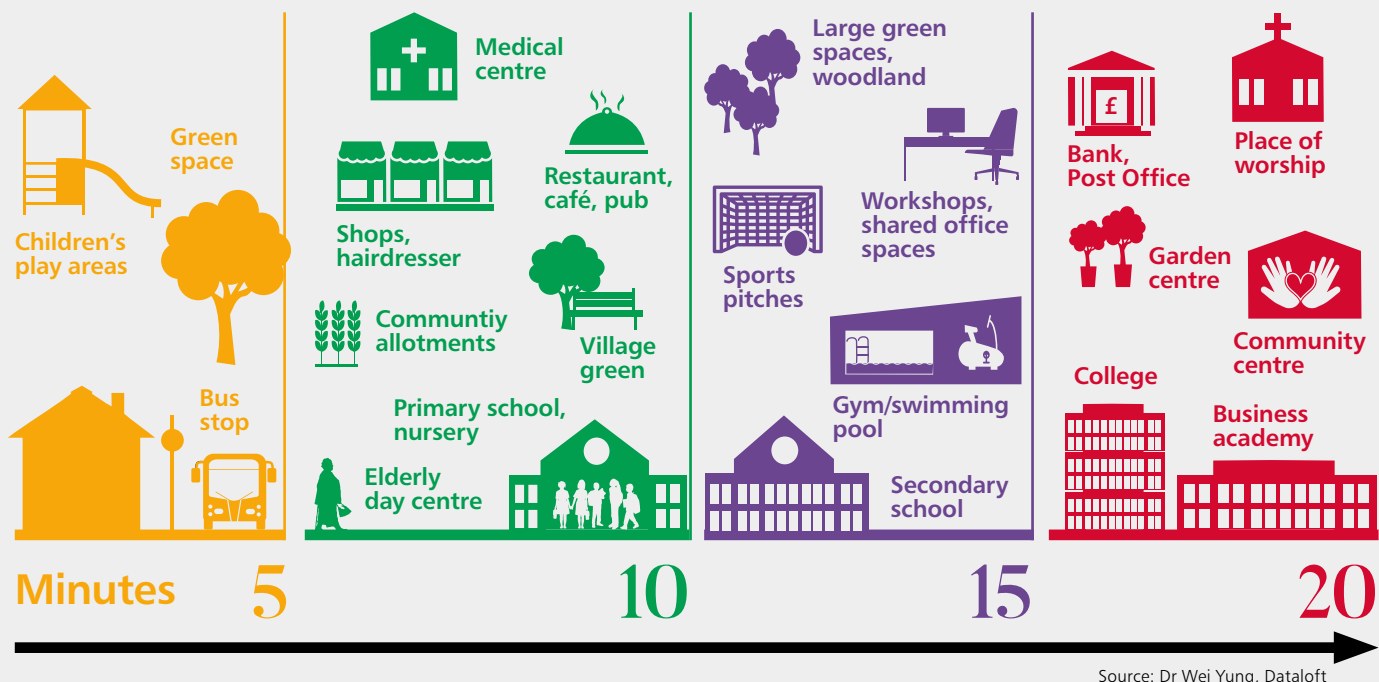
Permitted Development Rights Policy (PDR)

Three new prior approval application types

- | | | |
|--|---|--|
| <p>1</p> <p>Upward extension of existing dwelling (i.e. additional storeys)</p> | <p>2</p> <p>Demolition of existing buildings to replace with new dwellings</p> | <p>3</p> <p>New dwellings in additional storeys</p> |
|--|---|--|

The Mayor and councils need to work together to adapt to new demands from their residents while at the same time managing the often conflicting objectives of central government, including accelerating new home delivery, rejuvenating the high streets and meeting green targets.

John East, KFH Land and New Homes Director



The 20-minute neighbourhood

Lockdowns and the growing green movement are adding weight to this planning concept. The premise is that everyday amenities should be within a 20-minute walk/cycle.

Increases popularity

This concept can foster a strong sense of community and connection to a place, as residents socialise locally, support local businesses and enjoy local parks. There are also improved public health benefits through less reliance on vehicles and the resulting improved air quality.

Many places within inner London are already 20-minute neighbourhoods and this is what makes them highly sought after. For London's town centres further out, this is the reason to embrace this city design narrative.

Connectivity within places, not between

Prior to the pandemic, it was the connectivity

between places (especially to major employment hubs) which was a key factor in some locations being ranked more highly than others for housing development.

During the pandemic, the focus has switched to helping residents move safely within their neighbourhood, for example by providing temporary cycle lanes and wider pavements. This has enlivened many of London's high streets.

New housing will be a key component in the evolution of town centres. Opportunities from the conversion of vacant retail space and airspace development have the bonus of reducing pressure on the Green Belt. The legacy of 2020 could be a renaissance of our local town centres.

Homes for 2030

80%
want to live in a community with amenities for all ages

Source: Home for 2030, July 2020

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