

Colindale

Area Action Plan

Supporting Documents

Property Market Report

June 2008

**Local
Development
Framework**



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1. Introduction

- 1.1 Colindale is facing significant change and has been identified as one of three “Key Strategic Opportunity” areas earmarked for sustainable high quality growth in the London Borough of Barnet’s Three Strands Strategy and emerging Local Development Strategy.
- 1.2 The existing study area lacks cohesiveness but is, however, well served by Public Transport. Colindale is located on the west side of the London Borough of Barnet in North West London. The study area is located approximately 13 km (8 miles) to the North West of Central London. The study area is surrounded by Edgware to the north, Hendon one mile to the east, Brent Cross a mile and a half to the south east and Finchley approximately two miles to the west.
- 1.3 The area benefits from an established transport infrastructure with Colindale underground station providing regular Northern Line services to central London to the South East and Edgware to the North. There are also a number of bus routes which serve the area. The M1 runs along the eastern boundary of the study area and the Northern Circular Road runs along the southern boundary. The A5 road runs along the western edge of the study area.

Source: Google Maps

- 1.4 Historically the Colindale area was developed as an industrial destination, as businesses looked to locate factories there especially after the First World War. However, as transport links to the area improved land prices increased and factory expansion was not feasible. The area therefore became largely residential, but there are also a number of ancillary institutional, business and educational uses.

Key Land Uses

- 1.5 The residential element is dominated by one of Barnet's largest social housing estates, the Grahame Park Estate. The Grahame Park Estate was built in the 1960s and 1970s by the Greater London Council on a former aerodrome site. The estate was expanded through a number of phases of development however each additional phase resulted in poor integration and linkages with the existing uses. It is now an internalised development, which has a negative image and limited diversity of use.
- 1.6 By contrast the surrounding Barnet area is relatively prosperous. As described in detail in the property market analysis section below, residential prices in the area are forecast to increase steadily in the near future, and the area is the focus of attention in terms of developments which will help Barnet to meet its housing target aspirations. Additionally, developments around the Grahame Park estate are starting to create more of a balanced community in the area.
- 1.7 Educational and institutional uses in the area include Barnet College, the now vacant Colindale Hospital, St James' High School, The RAF Museum, The Regional Police Headquarters, (the Peel Centre) and, although residential in use, Middlesex University's Halls of residence which has 90 self contained flats and 540 bedrooms. The RAF Museum in particular is an important visitor attraction, and consists of five exhibition halls on a large site.
- 1.8 Employment uses include a small number of industrial units on the eastern edge of the residential area. Occupiers at these units include Travis Perkins and local businesses. The main employment uses are located to the west of the main residential area between Colindale station and Edgware Road. These include the National Blood Bank, the British Library Newspaper Library and the Colindale Business Centre.
- 1.9 The Mayor's London Plan published in February 2004 identifies Colindale as a "Strategic Area" for intensification within the North London Sub – Region, with the potential to accommodate 2,000 new homes, 500 new jobs and an ambition to maximise employment and high quality sustainable development.

- 1.10 The London Plan and Sub-Regional Development Framework (SRDF – 2006) for North London identifies that development in Colindale would be primarily for new housing with a mix of uses to provide local employment and services.
- 1.11 As part of the current review of the London Plan, it is proposed that Colindale will be re-designated as an “Opportunity Area”. A Greater London Authority led capacity study indicates that the area has the potential to deliver over 10,000 new homes and 1,000 new jobs, reflecting the strategic importance of the area.

2. Property Market Overview

- 2.1 The starting point with regards to our property market analysis is an assessment of the current provision within the Borough, with specific reference to Colindale. It is equally important to consider the national and regional market trends and likely demand from each property market sector, this will inform the likely developer and investor interest in a given area. The following commercial market review therefore considers on a sector by sector basis, the current provision of accommodation within the area, identified likely requirements based upon current market knowledge and likely future market trends which may impact upon any development proposals within the Borough and, more specifically, Colindale.

Residential Market Overview

- 2.2 Difficult residential market conditions have been well reported in recent months. The uncertainty in the global financial markets caused by the recent credit crunch has caused a high degree of caution amongst developers and investors and the market is in a period of correction with a reduction in sales values and a softening of investment yields reported across many areas of the UK.
- 2.3 The credit crunch has continued which has severely restricted property lending by the financial institutions. In the residential market the availability of mortgage finance has also become restricted which has led to a reduced volume of sales and fall in values. A number of the major national house builders have recently reported poor results. Some have announced that they have withdrawn from the site-buying market until market conditions improve.
- 2.4 The Halifax House Price Index for March 2008 stated that average national house prices fell by 2.5% in March. The Halifax reported that there was a mixed regional picture with modest rises in Greater London, but falls of 5% in West Midlands and 4.7% in Wales. The Halifax report said that they expected there to be a modest fall in house prices during 2008.
- 2.5 According to the RICS Housing Market Survey for March 2008 "House prices declined for the seventh consecutive month and at the fastest pace in the Survey's history. New buyer enquiries declined for the 14th consecutive month with the pace of decline reaccelerating. New vendor instructions, having picked up last month,

declined slightly. Confidence in both the price and sales outlooks fell to their lowest levels in the Survey's history."

- 2.6 The above views are confirmed by a number of the publicly quoted house builders who have reported that, as a result of the credit squeeze, demand from prospective purchasers for new homes has fallen and the number of sales has also reduced sharply over the last few months. This is a further indication of the slowdown in the residential market. What was originally anticipated would be a short sharp correction to property values has clearly now become more extended, with few commentators predicting an improvement in market conditions during 2008.
- 2.7 The market is currently weak and recent events mean that it is almost impossible to predict with any certainty future movements in property prices, although it is anticipated that there will be a correction in values in the short to medium term. Commentators are regularly reviewing their predictions in view of ever-changing available financial data.

London Borough of Barnet – Average House Price Change 2007 - 2008

- 2.8 For comparative purposes the table below identifies the average house price change over the last 12 months from March 2007 to March 2008 across all London Boroughs. In comparison to other London Boroughs, Barnet has witnessed average growth at 1%, which represents a minimal increase relative to other London Boroughs.

BOROUGH	REGION	AVERAGE HOUSE PRICE - £ 2007 *	AVERAGE HOUSE PRICE - £ 2008 *	% CHANGE 2007-2008 *
Barking and Dagenham	Greater London	181,276	204,200	13%
Barnet	Greater London	384,178	388,744	1%
Bexley	Greater London	214,744	230,507	7%
Brent	Greater London	313,346	352,308	12%
Bromley	Greater London	297,786	339,366	14%
Camden	Greater London	505,658	529,169	5%
Croydon	Greater London	239,750	268,741	12%
Ealing	Greater London	328,722	357,540	9%
Enfield	Greater London	281,457	290,352	3%
Greenwich	Greater London	254,259	271,474	7%

Hackney	Greater London	319,279	369,902	16%
Hammersmith and Fulham	Greater London	500,738	560,646	12%
Haringey	Greater London	356,430	386,137	8%
Harrow	Greater London	321,247	335,687	4%
Havering	Greater London	233,971	265,089	13%
Hillingdon	Greater London	266,589	275,041	3%
Hounslow	Greater London	326,684	313,501	-4%
Islington	Greater London	407,870	461,700	13%
Kensington and Chelsea	Greater London	719,840	754,087	5%
Kingston upon Thames	Greater London	335,098	362,854	8%
Lambeth	Greater London	333,092	371,967	12%
Lewisham	Greater London	248,295	281,953	14%
Merton	Greater London	336,435	350,054	4%
Newham	Greater London	212,210	248,825	17%
Redbridge	Greater London	273,596	310,689	14%
Richmond upon Thames	Greater London	494,596	500,750	1%
Southwark	Greater London	312,878	364,007	16%
Sutton	Greater London	255,199	274,688	8%
Tower Hamlets	Greater London	311,817	352,138	13%
Waltham Forest	Greater London	235,847	262,790	11%
Wandsworth	Greater London	434,940	465,132	7%
Westminster	Greater London	544,972	591,147	8%

*12 months to March 2008

Source HBOS

Note - Prices shown in the tables below are arithmetic average prices of houses on which an offer of mortgage has been granted. These prices are not standardised and therefore can be affected by changes in the sample from quarter to quarter. Figures include properties sold for £1 million plus.

Barnet Overview

- 2.9 Barnet offers an attractive location within North London due to its close proximity to Central London, and access to the principle commercial centres of North London and vehicular access to North London's main arterial road networks. As such Barnet has witnessed significant year on year capital growth in excess of UK averages as detailed within the chart below:

Source - HBOS

Residential Development pipeline

- 2.10 The development pipeline within the Colindale area of Barnet has been very active over recent years, and this trend is likely to continue with a number of major developments planned. The housing market within the area will therefore be influenced considerably within the next five to ten years by the delivery of a large amount of new residential accommodation. Effectively the quantity of housing has the potential to create a micro-market where housing values could differ from the national market trend. Equally, developer expectations need to be managed. The table below outlines both recently completed developments and the future development pipeline:-

Site	Number of units	Planning Status	Additional Comments
Adastral South	320 in total (net increase of 220)	Detailed approval 2002	Development by Bellway Homes and Notting Hill Housing Trust. Complete and fully occupied.
Grahame Park	3,440 in total	Outline approval January 2007	Development commenced on site, by Choices for Grahame Park – Genesis Housing Group/Countryside Properties. Approximately 10,000 sq m of commercial/community uses.
Beaufort Park	2,800 units	Outline approval April 2005. Detailed approval given for roughly 1,700 units	Development by St George. 8,000 sq m of commercial use. 500- 600 additional units and 3,000 sq m of commercial uses anticipated.
Colindale Hospital	Approximately 1,000 units	Outline application expected early 2008	Developer Fairview New Homes.
Barnet College	Approximately 300-400 units	Outline application expected early 2008	Developer Fairview New Homes.
Newspaper Library	Approximately 500-600 units	Outline application expected end 2009	
Middlesex	Approximately	Outline	1,000 student rooms. Will

University Student accommdoation	500 units	application expected end 2009	form a new student village.
Hendon Police Training College	Approximately 2,000-3,000 units		
Zenith House	220 units	Detailed approval subject to no direction from Mayor	Genesis Housing Group. With commercial use.
Kidstop (former National Grid Site)	84 units	Detailed approval October 2006	Development commenced on site. Developer is Barratt Homes.
Greenpoint	90 units	Pre application stage	Commercial uses to be included.
Brent Works	90 units	Pre application stage	Site located opposite Colindale Hospital. Fairview New Homes.
A41 Frontage	Approximately 90 units	Pre application stage	Site located on corner with Aerodrome Road. With commercial floorspace.
Kwik Fit	Approximately 60 units	Pre application stage	A5 adjacent to Kidstop site.
Land at St James School	30 units	Detailed approval 2004	Development nearing completion.
TOTAL	Approximately 9,500- 10,500 units.		This figure excludes the Middlesex University site.

- 2.11 The London Plan and Sub Regional Development Framework for North London identify Colindale as an area for intensification in terms of residential provision. It is proposed that development would be for new housing with a mix of uses to provide local employment and surfacing. As part of the current review of the London Plan, it is proposed that Colindale will be re-designated as an Opportunity Area with the potential to deliver over 10,000 new homes and 1,000 new jobs. The mixed use nature of the largest developments outlined above could yield the 1,000 jobs referred to above. In particular, the majority of these jobs could come from the 20,000 sq m of retail accommodation.

Target market

- 2.12 While there is a need to maximise development value, not only to meet developers' profit expectations, but also to maximise wider planning obligations, the influx of significant numbers of flats to the market place for both private and affordable accommodation needs to be balanced by a level of family housing / maisonettes. There needs to be "follow on" space, not just one and two bedroom flats. Creating a development of small units does not cater to the family markets, but primarily to the non family accommodation. This is important as clearly developers will be looking to maximise profit and as such, planning for any future development needs to be robust in assessing the appropriate development type / mix for a given site and the subsequent contribution obligations to secure planning.
- 2.13 Further, the level of residential provision needs to be considered in the context of the social and economic infrastructure which will be needed to support such a level of new housing. For example, consideration of education, health, employment and retail facilities all need to be considered to meet the wider demands on society of prospective occupiers. Subject to the appropriate infrastructure, the development in and around Colindale could offer suitable residential accommodation for a broad range of people at differing stages, for example singles/ couples, family orientated accommodation, through to larger family housing and retirement accommodation. Given the anticipated sales values within the area, as commented upon later, the opportunity exists for a high level of owner occupiers.

Affordable Housing

- 2.14 The Council is keen to ensure greater flexibility between tenures, maximise housing choice from social rented through intermediate and into owner occupation. Housing has a crucial role to play in meeting the Council's strategic vision of "Putting

Communities First” and given the residential growth prospects for the Colindale AAP, creating a truly sustainable mix of housing will be critical to the future success of the area.

2.15 Underpinning Barnet’s strategic approach to housing are a number of key objectives including:-

- Creating High Quality New Homes
- Creating Mixed and Sustainable Communities
- Creating Cohesive Communities
- Creating Environmentally Sensitive Homes
- Addressing Housing Need

Regional Guidance

2.16 The London Plan provides the spatial development framework for London and outlines policy principals for affordable housing with which the Borough’s own Local development Frameworks (LDF) and supplementary planning documents must be in “general conformity”. Specific guidance on affordable housing is set out in Policy 3A.6: Definition of Affordable Housing and Policy 3A.7: Affordable Housing Targets.

- Policy 3A.6: Definition of Affordable Housing – UDP policies should define affordable housing as housing designed to meet the needs of households whose incomes are not sufficient to allow them to access decent and appropriate housing in the Borough. Affordable housing comprises social housing, intermediate housing and in some case low cost housing. UDP policies should ensure that new affordable housing provision seeks to meet the full spectrum of housing need.
- Policy 3A.7: Affordable Housing Targets. – UDP Policies should set an overall target for the amount of affordable housing provision over the plan period in their area, based on an assessment of all housing needs and a realistic assessment of supply. In setting targets, boroughs should take account of regional and local assessments of need; the Mayor’s strategic target of 50% of provision should be affordable, and within that, the London-wide objective of 70% social housing and 30% intermediate provision; and the promotion of mixed and balanced communities.

2.17 It is worth highlighting that in light of the recent changes in administration there have been early signs that the new Mayor may soften the 50% target in favour of the

general delivery of more homes. It is, however, likely that it will be some time before further guidance is released in this respect.

Local Guidance - Barnet's Housing Needs Assessment – May 2006

2.18 The Council commissioned Fordham Research to carry out Housing Needs Assessments (HNA), to identify the need for affordable housing within the borough. The key findings of the HNA were:-

- Barnet has a shortfall of 5,148 affordable units per annum (for the next five years)
- The affordable housing requirement in Barnet is significantly above the national and regional averages.
- There is a shortfall of all sizes of affordable accommodation, with the largest shortfall being for one and three-bedroom homes.
- Owner occupation is beyond the reach of the majority of households who do not already own their own homes; low cost home ownership schemes could help to improve access to home ownership.

Barnet's Affordable Housing Requirement

2.19 The Council's affordable housing policy is set out in the adopted Barnet UDP (2006) and further guidance is provided within the Affordable Housing Supplementary Planning Document (February 2007). The policy states "that the Council will seek to negotiate the maximum reasonable amount of affordable housing on sites of 10 or more units gross or 0.4 hectares or more, and will seek to ensure that these units will continue to be affordable for successive occupiers".

2.20 The Council will normally expect from negotiations on affordable housing that 50% of the accommodation built will be affordable housing. The Council's vision, as set out in Barnet's Housing Strategy, is to enable a step-change increase in the supply of housing, including the provision of affordable accommodation, to meet housing need. It seeks to provide the widest range of housing options for the community. The delivery of the Council's Three Strands Approach towards a Sustainable Community Strategy also requires a holistic and flexible approach towards the mix of affordable housing provision. Therefore with regard to the London Plan objective of 70:30 social rented to intermediate ratio, the Council will negotiate an appropriate affordable mix which delivers wider sustainable development and regeneration objectives for Barnet.

Recent Schemes within the Colindale AAP Area

- 2.21 The redevelopments of the Former RAF East Camp Site and the Graeme Park Estate are the two largest proposals to come forward within the Colindale AAP. Both schemes have been granted planning consent and the redevelopment of the Former RAF east Camp Site (now known as Beaufont Park) is largely complete with the redevelopment of Graeme Park due to commence shortly.
- 2.22 The Beaufont Park scheme comprises 2,800 residential units, approximately 7,850 sq m of retail, financial and professional services, food and drink, business, leisure and community uses and driving test centre with associated landscaped open space, car parking and access arrangements.
- 2.23 The redevelopment of Graeme Park involves the demolition of 1314 existing residential units and the construction of 2977 new residential units providing a total of 3440 units on the estate once complete. In addition the scheme comprises approximately 9074 sq m of replacement retail, office use, food and drink and social community uses and associated public and private open space, car parking and access arrangements.
- 2.24 The Beaufont Park scheme comprises 30% affordable housing and redevelopment of Graeme Park will comprises 34% by units or 43% by habitable rooms. These affordable housing levels are below the guidance set out in the London Plan of 50% however was within the range of the emerging UDP guidance of 30 – 50% at the time planning permission was granted.

Private Market Mix / Unit Sizes

- 2.25 We would anticipate that new private accommodation will provide a range of modern flats, houses and townhouses to meet aspirations for a mixed and integrated community.
- 2.26 We would anticipate that a developer would seek a private market led approach to the size of the private units and the numbers of each specific type of unit to ensure a large cross section of accommodation can be targeted to a wide target market to attract and maintain demand levels and sales rates.

Regional Guidance

- 2.27 Guidance on the appropriate mix of units is provided within The London Plan Supplementary Planning Guidance on Housing Policy 3A.4 – Housing Choice. The Policy states “Boroughs should take steps to identify the full range of housing needs within their area”.
- 2.28 The GLA housing requirement study has estimated that the London-wide net housing requirement over the next 15 years to meet both current unmet demand and projected household growth, incorporating assumptions about the extent of voluntary sharing by single person households, is divided between houses hold sizes as follows:-

Overall Housing Mix	1 bedroom household 32% 2/3 bedroom household 38% 4 bedroom or larger household 30%
Social Housing Mix	1 bedroom household 19% 2/3 bedroom household 39% 4 bedroom or larger household 42%
Market Housing Mix	1 bedroom household 25% 2 / 3 bedroom household 75% 4 bedroom household (see para below)
Intermediate Housing Mix	1 bedroom household 66% 2/3 bedroom household (see para below) 4 bedroom or larger household 34%

Source: GLA Housing requirement study

- 2.29 The market housing mix is based on an assessment of household requirements and affordability and does not reflect that fact that higher earning households may be able to afford, and wish to buy, housing with more bedrooms than their actual household requirements

- 2.30 In relation to intermediate housing, the study does not distinguish between types of intermediate provision, consequently, although there may not be an overall shortage of 2 and 3 bedroom intermediate provision, there may be unmet demand for certain forms of intermediate provision such as shared ownership, for this size of household. It is therefore inappropriate to apply the above proportions crudely at local authority level or site level as a housing mix requirement. This applies especially in relation to market housing, where, unlike for social housing and most intermediate provision, access to housing in terms of size of accommodation is in relation to ability to pay, rather than housing requirements.

Local Guidance

- 2.31 The Council have recognised that it may be unrealistic that all Barnet's housing needs can be met and therefore housing needs have to be prioritised. The Council expects the mix of social rented accommodation to meet the priority housing need. Based upon the interrogation of the housing Service's saffron database the Council's preferred mix for social rented dwellings is:-

- 1 bedroom homes – 2 persons – 25%
- 2 bedroom homes – 4 persons – 25%
- 3 bedroom homes – 5 / 6 persons – 40%
- 4 bedrooms homes 7 persons plus – 10%.

- 2.32 In terms of intermediate housing the Council's priority is for 1 and 2 bedroom homes according to the affordable housing SPD.

Local Precedents

- 2.33 The Grahame Park estate currently comprise 1,777 residential units (753 flats, 494 maisonettes and 530 houses). Of these units 1,365 are social rented and 412 are privately owned. A housing survey undertaken in 2001 identified a number of problems including overcrowding and in some instances of under-occupation and families living in unsuitable accommodation and accommodation in a poor state of repair.
- 2.34 In respect of the proposed mix of units, of the existing dwellings, 463 will be rented in the redeveloped Graeme Park and 2,977 new homes will be constructed. The overall housing mix will comprise 1,977 private units for sale and 1,000 social rented

and affordable units. The table below provides a breakdown of the proposed unit mix.

Mix of Affordable Housing Table

Affordable	Unit Size	Unit No	Hab rooms	% Total Affordable units
Flats	1 bed	222	444	22%
	2 bed	382	1,146	38%
	3 bed	63	315	6%
Maisonettes	3 bed	28	140	3%
Houses	3 bed	277	1,385	28%
	4 bed	28	168	3%
Sub Total		1,000	3,673	

Mix of Market Housing

For Sale	Unit Size	Units No	Hab Rooms	Unit Split Percentage
Flats	Studio	255	255	12.90%
	1 bed	605	1,210	30.60%
	2 bed	1,104	3,312	55.84%
Houses	3bed	13	65	0.66%
Sub total		1,977	4,842	

Combined Size Mix

Unit Size	Units No	Percentage
Studio	255	8%
1 bed	827	28%
2 bed	1,486	50%
3bed	381	13%
4 bed	28	0.9%
Total	2,977	

- 2.35 The above table demonstrates that the proposals are heavily weighted towards flatted accommodation with a large number of 2 bed units.
- 2.36 Beaufont Park comprises a mix of market housing, discount market, shared ownership and social rented is proposed. In total 42% will be affordable according to the London Plan definition (which includes intermediate and low cost for sale housing and entry point worker Studios) whilst 30% of the housing is affordable which was on accordance with the Emerging Local Plan at the time the scheme was developed. The 30% affordable housing will comprise social rented (14%), shared ownership (7%) and discount sale (9%). The table below sets out the tenure and size mix of the affordable housing element of the scheme.

Affordable Housing Mix

Tenure	Size Mix
400 social rented	200 two bed units and 200 three bed units
200 shared ownership	50 one bed, 100 two bed and 50 three bed units
240 discount market sale	144 one bed and 96 two bed units

Size Mix (affordable and market)

Studio	1 Bed	2 Bed	3 Bed
19%	15%	48%	18%
532	420	1,344	504

- 2.37 It is worth highlighting that the discount market housing is being sold at 80% of open market value and is only available to people whose income does not exceed 45% of the discounted offer price of the relevant unit. These units are typically comprises circa 26 sq m (280 sq ft) of floor area.

Side by Side Summary Table Unit Mix (Percentage)

Local Guidance (UDP) Social Rented Only		Graeme Park Overall Mix		Beaufont Park Overall Mix	
Studio	-	Studio	8%	Studio	19%
1 bed	25%	1 bed	28%	1 bed	15%
2 bed	25%	2 bed	50%	2 bed	48%
3 bed	40%	3 bed	13%	3 bed	18%
4 bed	10%	4 bed	0.9%	4 bed	-

Unit Sizes

- 2.38 There has been much debate about unit sizes in the UK in recent years. Recent evidence (Source: Policy Exchange) has suggest that the UK has the smallest average floor space for new build schemes in Europe. It has been suggest that this is one of the reasons for the growth of the buy to let market, which is seen as a barrier for first time buyers being able to get onto the property ladder. It also makes a more transient market as people are finding it difficult to upgrade / move to larger premises within the same developments.
- 2.39 This trend has been recognised by English Partnerships who have now introduced mandatory minimum standards for all homes built on their sites. Under these new criteria, which units are on average 10% more generous than previous published guidance. The table below sets out the unit size standards proposed by English Partnerships.

Unit Type	English Partnership Standards	
	Sq Ft	Sq M
Studio	-	-
1 bed	549	51
Small 2 bed	710	66
Large 2 bed	829	77
3 bed	1,001	93
4 bed	1,141	106

Source: English Partnerships

- 2.40 The Local Plan does not specifically provide guidance on appropriate units sizes however the affordable Housing SPD (2007) refers to the need for schemes to comply with Housing Corporation guidance if developers are to qualify for funding / grant. The unit size guidance applies to social rented properties and for ease of reference is set out in the table below.

Dwelling Sizes for Affordable Homes

Dwelling Type	Area in Sq M for flats
1 bedspace	30 – 35
2 bedspaces	45 – 50
3 bedspaces	57 – 67
4 bedspaces	67 – 75
5 bedspaces (1 storey)	75 – 85
5 bedspaces (2 storey)	82 – 85
6 bedspaces (1 storey)	85 – 95
6 bedspaces (2 storey)	95 – 100
6 Bedspaces (3 storey)	100 – 105
7 Bedspaces (2+ storey)	108 – 115
7 + Bedspaces	Add 100 per bedspaces

Source: Housing Corporation, Housing Quality Indicators (April 2005)

Local Precedents

2.41 The Beaufont Park planning approval detailed the size of the affordable units required to meet the Housing Corporation Standards. The scheme comprises a total of 840 affordable housing units of which 400 are social rented, 200 are shared ownership and 240 units are for sale at discount market rates. The units sizes per affordable housing type are as follows:-

Social Rented

- 100 two bedroom units no less than 56 sq m
- 100 two bedroom units no less than 66 sq m
- 100 three bedroom unit no less than 71 sq m
- 100 three bedroom unit less than 86 sq m

Shared Ownership

- 50 one bedroom units no less than 41 sq m
- 100 two bedroom units no less than 56 sq m
- 50 three bedroom units no less than 71 sq m

2.42 Although the above is useful in terms of existing guidance and recent local precedents it is clear that there is no “one rule fits all”, each scheme and indeed site need to be considered in isolation to come to the appropriate mix of tenures and uses to satisfied market conditions as well contributing to meeting housing need in the Borough as a whole.

Delivery Rates

- 2.43 Given the scale of the proposed development within the area it is highly likely that the development will be released as a number of phases by landowners / developers. In a competitive market place, as will be evident based upon the scale of development envisaged, developers will be keen to unlock value from sites and achieve ambitious sales rates. The need to secure sales in an optimum timescale needs to be balanced against the number and level of incentives required to achieve such sales as opposed to the retention of empty units post completion. Equally, differentiation in product type and offer will be important to sustain sales rates and uphold sales values.
- 2.44 Through consideration of the likely rate of sales for flats within the proposed development, we would anticipate a private dwelling take up rate of 8 – 10 units per month if averaged over the whole life of the development programme (and being inclusive of pre-sales and units sold off plan). We would not envisage a significant period of time post completion of the development to complete all sales.
- 2.45 With regards to affordable housing, to ensure certainty of delivery, we would anticipate that the Council will request, as a minimum, that the affordable accommodation will be delivered in parallel with the private accommodation and handed-over on completion of each block / phase, as appropriate.

Values

- 2.46 Residential sales values vary significantly within the Colindale area of Barnet depending on location and style of accommodation. The significant amount of new build residential accommodation coming to the market in the vicinity of the study area has assisted in lifting the benchmark for residential values in the area. This is set to increase further as the wider regenerative benefits of neighbouring developments ripple across the area to assist in attracting investors and occupiers from higher demographic profiles to the area. A summary of the residential sales values within several of the key schemes in the area are is provided below:
- The most significant residential development which is currently being undertaken in the study area is on the former RAF East site. This scheme, called **Beaufort Park**, is located on Grahame Park Way. The developer is St George and upon completion there will be ancillary retail use. We understand

from the marketing agents that 2,800 units are planned, with final completion of the development scheduled for August 2015. Since the beginning of the marketing period in summer 2005, we understand that approximately 400 units have been sold. In terms of values, for one bed private units the majority of flat prices range between £210,000 (equating to £460 per sq ft) and £240,000 (equating to £505 per sq ft). The highest specification one bed flats are selling for roughly £300,000. For two bed units, the vast majority of flats range between approximately £320,000 (equating to £490 per sq ft) and £350,000 (equating to £480 per sq ft for a larger flat). The highest specification 1 bed units are selling for as much as £460,000.

- Another development in the study area which was completed recently is **Salisbury Mews**, and is located on Ajax Avenue in the study area. This scheme was developed by Martin Grant Homes and was completed in September 2006. All ten of the units built were sold within three months of the start of the marketing period. Average values are £280,000 per unit, minimum values are 250,000 per unit and maximum values are £300,000 per unit. (Source- London Residential Research)

- **New Hendon Village** is a small scheme located in the vicinity of Beaufort Park. So far 16 units have been developed but there are plans to extend this scheme if further planning consents are granted. All 16 units were sold in summer 2007, and we are informed that demand for these units was strong. Prices for 1 bed flats at this scheme were in the range of £190,000- £210,000, equating to a value of £4,197 per sq m (£390- £410 per sq ft). Prices for 2 bed flats were £225,000- £240,000, equating to a value of £4,090- £4,305 per sq m (£380- £400 per sq ft). As with the development at Beaufort Park, flats at this development are smaller than average, and therefore reflect high values on a price per sq ft basis. (Source- Estate Agents)

2.47 In conducting an analysis of the Colindale area, it is also useful to look at the area of Barnet which is immediately to the east of the study area and slightly east of the M1. This provides an indication of the values in the broader Barnet area which might be achievable if improved links under the M1 could be established, and if the image of the area can be enhanced.

- At 22 **The Grove**, which is located 500m east of the study area on the east side of the M1, David Ambrose Homes have constructed a scheme which consists of 14 private units. These have all been sold. Average values here are £3,993 per sq m (£371 per sq ft) and £393,000 per unit. Minimum values are £3,627 per sq m (£337 per sq ft) and £300,000 per unit and maximum values are £4,273 per sq m (£397 per sq ft) and £550,000 per unit. (Source- London Residential Research)
- At **Baxendale Court**, which is also located 500m east of the study area to the east of the M1, Linden Homes have completed a development of 12 private units which have all been sold. Average values at this development are £388,000 per unit, minimum values are £335,000 per unit and maximum values are £460,000 per unit. (Source- London Residential Research)

2.48 The above examples highlight the range of residential accommodation coming forward to the market at present and the range of sales values likely to be achievable, based upon different product types.

Retail & Leisure Commentary

National Trends

- 2.49 Analysts are reporting that retail growth prospects are limited in the short to medium. This trend is largely a consequence of lower consumer spending growth in the current economic climate and tighter retailer profit margins. Weak growth in disposable incomes, a correction in the housing market and tighter credit conditions all point to slower growth in retail spending. (DTZ research)
- 2.50 Indeed a moderate decline in rental growth is expected in the retail sector. This fall in growth is likely to be driven by the decrease in retail spending referred to above, in conjunction with lower retailer margins. Looking further ahead, an uplift is likely in 2009 although a large amount of new retail capacity being delivered from 2008 to 2010 is also likely to contribute to softer rental growth in the short to medium term. (DTZ research)
- 2.51 From the perspective of retail sector property performance, yields for retail properties have moved out considerably over the last twelve months for both town centre and out of town retail properties.
- 2.52 From an occupier / investor perspective, it is important to understand how the retail and leisure markets are changing, adapting and diversifying to suit consumer needs. Our understanding of the marketplace recognises the following trends:-
- There increasingly exists more of a cross over between retail, leisure and cultural activities within town centres.
 - Expenditure on leisure activities continues to increase coupled with an increasingly mobile and active population base.
 - Shopping is becoming more of a leisure activity with more genuine mixed use schemes being developed in town and city centres to provide a wide range of facilities and to encourage dwell time within high quality urban environments.
 - Occupiers and investors are increasingly willing to accept genuine mixed use developments, to include town centre residential, offices and leisure uses (to include bars / restaurants / cinemas) together with retail.

- It is important to consider other market sectors, assessing current trends and future potential. This is particularly prevalent with the move towards sustainable, mixed use, developments within town centres.

Regional Context

- 2.53 Clearly the overall national trends, as identified above, are more compatible with the principal retailing locations / destinations within the Borough, such as Brent Cross, a 79,000 sq m (850,349 sq ft) regional shopping centre and major town centres such as Chipping Barnet, North Finchley and Edgware.
- 2.54 Retail competition in the region around Colindale is fierce with competing retail destinations (both High Street and in the form of purpose built shopping centres) in the rest of the Barnet area, Watford, St Albans, Harrow, Uxbridge and Central London. Colindale is also situated in a region of London where there is strong out of centre competition.
- 2.55 The most significant shopping centres that have the potential to attract Colindale's population include the following:

Shopping Centre	Floor Area (sq ft)	Approximate distance from Colindale in km
Harlequin Shopping Centre, Watford	725,000	9.5
Brent Cross Shopping Centre, Hendon	880,000	1.5
Broadwalk Shopping Centre, Edgware	208,000	1.5

- 2.56 In terms of the development pipeline for out of town shopping centres there is a considerable amount of development planned in the region. The most significant scheme is the proposed extension of Brent Cross Shopping Centre. A planning application to provide 592,000 sq ft of net additional floor space as well as residential provision was made in March of this year. Proposals are also currently being advanced for the extension of the Broadwalk Centre in Edgware. This possible

scheme includes the provision of 130,000 sq ft of additional retail floorspace and residential accommodation.

- 2.57 In terms of retail warehousing, there is strong provision in the Borough of Barnet, and also within close proximity to Colindale. There are limited opportunities for further provision of such accommodation within Colindale due to planning policy, limited land availability, visibility and likely access difficulties. Significant retail parks that have the potential to attract Colindale's population include the following:

Retail Park	Floor Area (sq ft)	Use classification and Key Tenants
Brent South Retail Park	90,000	Open A1. Sportsworld, TK Maxx, Borders, DFS, Next
Hyde Retail Park	130,000	Bulky Goods. Carpetright, Dreams, Harveys, MFI, Paul Simon
Pentavia Retail Park	96,000	Argos Extra, Comet, Homebase, TGI Fridays
Borehamwood Shopping Park	213,500	Open A1. Argos, Halfords, JJB Sports, Next, Sportsworld
Waterfields Shopping Park	80,000	Open A1. Boots, Borders, Sports Soccer

- 2.58 In addition to the above, it should be recognised that the Borough provides a number of smaller town centres and district and local centres, many of which are important from a strategic / economic property perspective. Setting this diverse range of centres into context, the table below identifies the retail hierarchy in the Borough, as detailed in the Barnet Unitary Development Plan (Revised Deposit 2001):-

Description	Location
Regional shopping centre	Brent Cross

Major town centres	Chipping Barnet North Finchley	Edgware
District town centres	Brent Street Church End Finchley East Finchley Temple Fortune Burnt Oak	Cricklewood Golders Green New Barnet Whetstone Mill Hill
Local town centres	Childs Hill East Barnet Hendon Central West Hendon	Colindale - The Hyde Friern Barnet Market Place
Local Neighbourhood Centre	Apex Corner Deansbrook Road Grahame Park Hampden Square New Southgate	Colney Hatch Lane Golders Green Road Hale Lane Holders Hill Circus Great North Road

Source : Barnet Unitary Development Plan – Revised Deposit 2001

- 2.59 The Hyde (along the A5) is recognised as a local town centre providing a supporting role to the larger centres across the Borough. The existing retailing provision within the Grahame Park Estate is also identified as a local neighbourhood centre in addition to further, localised retailing throughout the area, in particular situated along Edgware Road (A5) and Colindale Avenue.
- 2.60 The Hyde, which comprises a double parade of units either side of the Edgware Road, provides the principle retailing location within Colindale. The Hyde predominantly comprises secondary / tertiary retail accommodation and is mainly focused towards local independent retailers, although there are a small number of national and regional tenants to provide a diverse mix of uses appropriate for its status as a local town centre with an ability to benefit from passing trade. Encouragingly, the centre has a relatively low number of vacancies, although due to the configuration and land availability, there is little prospect of any further significant development at this location.

- 2.61 The Grahame Park Estate Centre, within Colindale, is recognised as a neighbourhood centre, which provides an important economic and social function for the community. The centre, which comprises 2,352 sq m (25,317 sq ft) of retail floorspace, provides a number of uses including a grocers, chemist, newsagents, telephone shop, baker, hairdresser, bookmakers, public house and a post office. Furthermore, the provision of approximately 10,000 sq m (107,650 sq ft) of non residential space is planned as part of the outline planning permission for the development of 3,440 residential units on the estate.
- 2.62 Retail accommodation to support the significant residential proposals for the study area is also planned as part of the Beaufort Park development. There is planning permission for 8,000 sq m of retail space, and we understand from retail agents marketing the scheme that a large proportion of this accommodation has been built. At the time of writing, approximately 20% of this space has been let to a variety of occupiers. The most significant of these operators is Tesco. We understand from agents involved in the transaction that Tesco will occupy approximately 4,000 sq ft of space, and that a long leasehold arrangement was agreed at between £250 and £300 per sq ft. Other operators who have agreed to occupy space include Bright Horizons (playschool), Youngs (Public House), Churchill Insurance, a local estate agent and a local hairdresser.
- 2.63 One of the issues for the AAP is the level of new retail development which is supportable within the AAP study area. As mentioned above, there is an established retail hierarchy, and careful consideration would need to be given to the impact on these existing centres, if significant levels of additional retail floorspace were to be promoted within the Colindale area.
- 2.64 A detailed consideration of both the capacity for new retail development within the Colindale area and the potential impact (if any) of such development upon the existing centres, should ideally be undertaken with the benefit of an up to date, borough-wide retail capacity study, which takes into account both existing and emerging development proposals – both in terms of new retail development, and also proposals for new residential development. Such an approach is particularly relevant for Barnet, where a number of significant development proposals, of varying scale, are currently being advanced. Chief amongst these are the proposals for Brent Cross/Cricklewood, for which a planning application has recently been submitted, and which envisage a significant expansion of the Brent Cross sub-regional shopping centre. In addition, we are aware that The Mall Corporation is

advancing proposals for a potential extension of the Broadwalk shopping centre in Edgware. Other development proposals are currently under consideration or emerging e.g. potential proposals by Tesco/St James for a new foodstore on Watling Avenue, Burnt Oak.

2.65 So far as we are aware, the principal extent retail studies for Barnet are the North West London Retail Study, April 2004 (GVA Grimley/RPS) and the Borough Wide Retail Study, February 2000 (CB Hillier Parker). Both studies are now somewhat out of date, and are also predicated on significantly out of date household interview survey data; in addition, so far as we are aware, neither study made specific recommendations for the Colindale area.

Initial Retail Capacity Calculation

2.66 In the absence of up to date retail capacity analysis, we have undertaken our own initial “broad brush” estimate of the level of convenience retail floorspace which could potentially be supported by the proposed new development in the Colindale area.

2.67 We would stress that this is only an initial calculation, based upon a number of assumptions, and it would be appropriate to undertake a thorough and comprehensive retail study of the area, before finalising any formal consideration of the need/capacity for new retail floorspace, and its format. This should investigate whether, inter alia, there are currently – or will be in the future – deficiencies in retail provision in the surrounding area, which might be met by a greater level of new retail development, in conjunction with the new housing proposals. In addition to our initial quantitative calculation (set out below) there may also be specific qualitative factors which need to be taken into consideration in due course.

2.68 The methodology which we have adopted for the initial capacity calculation reflects a number of straight forward step by step stages, as follows:

- i Calculate net additional dwellings within the AAP area;
- ii Calculate the likely net additional population;
- iii Calculate net additional convenience goods expenditure;
- iv Derive sustainable floorspace assumptions arising from this additional expenditure.

2.69 The results of this methodology are set out, below:

Number of proposed dwellings	10,000	
Less existing dwellings demolished	1,777	

Net additional dwellings		8,223		
Average occupancy rate		2.25		Persons per dwelling
Net additional population				18,502
National average per capita expenditure (convenience goods) in	2006	£	1,609	
Increase to completion in	2018	1		% pa
National average per capita expenditure (convenience goods) in	2018			£ 1,813.06
Total new convenience goods expenditure generated in	2018			£ 33.54 m
Assumed local retention rate (i.e. % retained within the Colindale area)				85 %
Available local convenience goods expenditure				£ 28.51 m
Generic sales density of multiple national food store				£ 12,000 per sq m net
SUPPORTABLE CONVENIENCE GOODS FLOORSPACE				2,376 sq m net sales floorspace
Sources and Footnotes: MapInfo Brief 07/02, DTZ estimates.				
Assumes that the residential development is completed by 2018.				
Comparison goods expenditure would be additional to the above estimates. Most comparison expenditure from within the study area would be attracted to existing and committed larger shopping centres outside the study area. However, a small proportion would be potentially available to support limited comparison floorspace.				
Net sales floorspace is a term typically used in retail capacity analysis. It is <u>not</u> the same as net internal or net lettable floorspace, but refers to the floorspace within a retail store or stores which is actively used for the sale of goods. For a smaller supermarket this will be typically with the range of 60% to 70% of the gross floorspace. Again for a "typical" smaller supermarket, 80% of net sales would be devoted to the sale of convenience goods, with the remaining 20% of net sales floorspace being used to sell non food items.				

2.70 Our analysis indicates that, by 2018 (by which date the majority of new development within the AAP area is likely to be complete) there should be sufficient expenditure generated by the new residents of the AAP area to support circa 2,376 sq m of additional convenience net sales floorspace. This is the overall additional capacity generated by the new residential development within the AAP area.

2.71 When this is considered in the context of the existing/committed floorspace at Beaufort Park, and the limited additional floorspace proposed at Grahame Park (both of which will potentially need to be supported by the above capacity figure) this

indicates that there may be sufficient capacity for a further small convenience foodstore, supported by some limited comparison retail provision. It is likely that this would equate to an additional neighbourhood centre comprising a supermarket of approximately 27,000 sq ft gross, together with limited additional retail, A3/A4/A5 and service uses:

Total supportable convenience goods floorspace within AAP area:	2376 sq m net sales (see above)
Less Beaufort Park convenience floorspace:	1393 sq m (gross) x 0.65 = 905 sq m net sales
Less Grahame Park net additional convenience floorspace:	2807 sq m gross (proposed) less 2352 sq m gross (existing) = 455 sq m (gross) 227 sq m x 0.65 sq m = 140 sq m net sales
Assume 50% of this net additional floorspace is convenience floorspace = 227 sq m (gross):	
Further supportable convenience floorspace:	1323 sq m net sales
+ allowance for non food sales (for typical smaller supermarket):	330 sq m net sales
Total	1654 sq m net sales
Total Gross Floorspace	2545 sq m (gross) (27,394 sq ft gross)

2.72 The above figures are supported by our indicative capacity analysis. However, as we have indicated above, there may well be other, qualitative considerations (in addition to the results of any more detailed capacity analysis to be undertaken at a later stage) which may affect any consideration of what represents an “appropriate” level of new retail floorspace for the AAP area. For example, the inclusion of a larger food superstore would arguably have qualitative benefits (e.g. in terms of a greater range of goods, including additional non food items) when compared to a number of similarly sized smaller foodstores (e.g. at Grahame Park, Beaufort Park and elsewhere within the AAP area), which would arguably provide greater choice for Colindale residents and contribute to more sustainable shopping patterns, via a reduction in the need for residents to make car borne shopping trips to larger foodstores outside the AAP area.

- 2.73 In terms of the phasing of such additional provision, the existing proposals for new stores at both Grahame Park and Beaufort Park would suggest that any additional neighbourhood centre would only be required towards the end of the period referred to above (i.e. to 2018). However, in this context, it must be borne in mind that it is extremely difficult to exactly “match” new retail provision to capacity estimates given that development needs to occur on a financially viable basis, including an appropriate mix of uses, and that a significant component of any new development, such as a new foodstore, would need to be opened as a complete trading entity – it would not be appropriate or commercially acceptable for such retail operations to open in “stages”.
- 2.74 It must be remembered that the above calculation does not provide any assessment of the potential impact of further neighbourhood retail provision at Colindale, upon the surrounding retail centres. However, by definition a neighbourhood centre, of the scale which we have outlined above, would be a relatively modest development in retail capacity terms. In addition, it is extremely important to emphasise that, as the basis for our capacity calculations, we have looked at the level of retail provision which would be supportable as a result of the additional residential development (and hence additional available expenditure) being promoted as part of the AAP process. As such, we have arguably predicated our analysis upon a “nil impact” hypothesis, as it does not rely upon clawing back trade from the existing residential population within Colindale which currently “leaks” to other nearby retail destinations.

Leisure Market Commentary

A3 / Public House / Restaurant Market

- 2.75 The public houses industry has been faced with difficulties over the last year. On a macro level the sector has not escaped the negative effect of the credit crunch which has hit the property sector in general with fewer transactions taking place. The lower levels of activity are a result of the restrictions in the debt markets imposed by the credit crunch, and limitations on the cost and availability of finance has also had an effect on large corporate deals in the sector. Experts comment that average pub values rose by 6.5% in 2007, compared to 8.5% in 2006. (Source: Christie and Co.)
- 2.76 On a sector specific level, the smoking ban has had a large impact, and the industry is still reacting to this new law. It is forcing operators to change their target consumers, with more businesses prepared to offer food menus as they seek to attract new groups such as families. Experts in the industry predict that the ban will

lead to the closure of pubs which cannot adapt to the new regulations. (Source: Christie and Co.)

- 2.77 Nonetheless, experts predict that despite a current climate of lower consumer expenditure, the sector should witness steady growth. This assertion is largely underpinned by the success of the casual restaurant offer which provides value for money. (Source: Christie and Co.)
- 2.78 In terms of public house provision in the study area, there are opportunities for new operators. The demand generated from significant residential development will be substantial, especially if the proposals of The London Plan and Middlesex University are completed as these would create 8,000 new homes and residences for 2,000 students.
- 2.79 In terms of the restaurant industry, commentators predict steady ongoing growth. The number of restaurant outlets is increasing in tandem with population expenditure on eating out. There is fierce competition in the private restaurant market, but the pub dining industry is continuing to develop as it is increasingly offering higher quality products. Popular restaurants such as Café Rouge and Wagamama continue to open new restaurants and to seek new opportunities.
- 2.80 Experts state that average restaurant values increased by 8.0% in 2007, compared to 4.9% in 2006. This supports the prediction of steady growth described above. (Source: Christie and Co.)
- 2.81 There is little current evidence of demand for such restaurant uses within the Colindale area, however it is our opinion given the growth prospects of the area and the likely mix of uses, that quality operators such as Strada, Café Rouge, Ask, Prezzo, Restaurant Bar and Grill etc could be attracted to the Colindale area in the future.

Health and Fitness

- 2.82 On a national scale the prospects for health and fitness are reasonable with steady year on year increases in the membership of fitness centres and record revenue levels achieved in recent years.
- 2.83 At the top end of the market, targeting more affluent customers, are a number of premium operators (including David Lloyd Leisure, Esporta and Holmes Place). In the 'mid range' are businesses such as Cannons, and the 'value end' comprises Fitness First and LA Fitness. Health and fitness clubs are flexible in terms of their

locational requirements, and can form part of mixed development schemes, or 'leisure boxes' including offices and shopping. They require good access, particularly in the evenings and at weekends when the majority of clients arrive.

- 2.84 Currently there is limited leisure provision in the study area. The Peel Centre, which is part of the police training academy for North London offers private facilities that are not accessible to the general public. There are no public centres in the study area, with the nearest offer being Barnet Burnt Oak Leisure Centre. This centre is located to the north of the study area, approximately 1.5km to the north of Colindale station. In addition, Barnet Cophall Leisure Centre is situated roughly 1km to the east of the study area, but is difficult to access due to the M1 motorway.
- 2.85 More widely the Borough currently provides a good range of both public and private health and fitness facilities. The Borough includes seven public facilities detailed in the table below:-

Public Leisure Facilities in Barnet
Barnet Burnt Oak Leisure Centre
Church Farm Pool
Compton Sports Centre
Cophall Pools and Stadium
Finchley Lido
Hendon Youth Sports Centre
Queen Elizabeth Sports Centre

- 2.86 Of most significance to Colindale is the provision of a new leisure centre at Burnt Oak which has recently opened. The Barnet Burnt Oak Leisure Centre located on Watling Avenue, includes a range of facilities open to the public including a Wellness Health and Fitness Centre with 100 pieces of the latest equipment, dance studio, crèche, a four court badminton sports hall and modern indoor changing rooms. In addition the outdoor facilities include an all weather pitch for 7-a-side football and hockey, two junior 11-a-side grass football pitches and an outdoor facility changing room. There are also two outdoor tarmac areas for netball, football, basketball and tennis.
- 2.87 In addition to the Local Authority leisure facilities there are a number of private health and fitness operators within / in close proximity to Colindale. These include the following:-

Name	Location
The Burroughs Club	Middlesex University, 2 Campus Way, Hendon NW4 4TJ
Barnet College	Grahame Park Way, NW9
The Laboratory Spa & Health Club	1a, Hall Lane, NW4 4TJ
Nautilus Hendon Health Club	Spalding Hall, 2 Victoria Road
Holmes Place Hendon Health Club	260 Hendon Way, NW4 3NL
Mr Fitta Health Club	7 Sentinel Square, Brent Street, NW4 2EL
North London Fitness Centre Ltd	TJ Fitness, Back Lane, HA8 OLQ
Body Talk	299 Burnt Oak Broadway, HA8 5ED
Physique Body Building Clinic	106 High Street, Edgware, HA8 7HF
Exercise Studio	120 High Street, Edgware
Fit Lady Gym	Hendon Film Studios, NW9 7EU
Hendon Youth Sports Centre	Marble Drive, NW2 1XQ
Barnet Cophall Pools and Stadium	Great North Way, Hendon, NW4 1ps

Source yell.com

- 2.88 Only Holmes Place, of the above listed operators, is recognised as a mainstream health and fitness operator. This is principally due to the current population profile within the area. Colindale is well placed to attract further the first / second tier operators through further development and diversify to include a higher proportion of economically active and affluent people.

Hotel Market

- 2.89 Hotel experts comment that strong market fundamentals should be the main driver in helping the sector to perform reasonably through the current commercial property market downturn. Although price increases dropped in 2007 relative to previous years, the average increase in prices was 6.1% according to agents Christie and Co. The sector should perform more favourably than other classes of commercial property.
- 2.90 The sound fundamentals referred to above include good investor appetite which is buoyed by the relative decision of the IOC to award the 2012 Olympic Games to London, and the resilience of the tourism industry. Demand is also outstripping supply, and it is likely that this scenario will remain. This situation is in contrast to the climate for the sector at the beginning of the decade when investors were less comfortable with the risk inherent in hotel property given the lack of guaranteed income.
- 2.91 Given the growth potential behind the hotel industry and the likely mix of uses for the area, there is a good opportunity for hotel development. An example of an occupier that could operate successfully in the area is Premier Travel Inn. The company is actively seeking sites and often develop sites in conjunction with their Brewers Fayre restaurants and Costa Coffee operations. This is one example; however, we are of the opinion that further operators would be interested in operating from the area, given the likely growth prospects for Colindale.

Employment Market

- 2.92 Although it performed badly over the last 12 months (recording a total 2007 return of -3%), the office market outperformed the other property sub sectors over the last year and forecasters predict that this trend will continue for at least the next 2 to 3 years. This is largely because rental value growth for the sector is stronger than for retail and industrial property.
- 2.93 Occupier demand remained solid up until recently, but the continuing losses in the financial sector and growing fears that credit market problems will be transmitted to the wider economy have begun to undermine demand. Job losses in the financial sector have not been significant so far, but occupier demand from banks and the wider financial sector is expected to remain moribund for the foreseeable future. (DTZ research)
- 2.94 As a result of the declining activity in the financial sector and weakening economic fundamentals, office rental growth is expected to remain minimal during 2008 and

2009. In conjunction with softer occupier demand, a strong development pipeline over the next two years in Central London will push availability higher and suppress rental growth. Analysts expect that Central London offices will rebound strongly during 2010 in response to improved economic fundamentals. (DTZ research)

2.95 Following a period of low growth over the next two years, South East rents are likely to recover well in response to strong tenant demand, underpinned by healthy professional services sector growth and eroding availability. In the recent past, an oversupply of office space suppressed rental levels, but with availability levels now substantially lower, rental growth prospects have improved. While the influence of a slowing domestic economy is also likely to be felt in the near term, economic recovery and a weak supply pipeline will support rental growth in the medium term. (DTZ research)

2.96 In terms of office returns on a sector basis, analysts are predicting that the return this year will be at 2% this year and will then return to levels of 8-9% in 2009 and 2010. (Cluttons research)

Local Dynamics- The Colindale Area

2.97 The office and industrial markets in and around the study area are dominated by local businesses. The majority of the business use is in the south west corner of the study area between Colindale station and Edgware Road, where there are office buildings of up to 10,000 sq ft. In addition, there are a number of industrial units on the eastern edge of the study area. These are small warehouses of 2,000- 3,000 sq ft. Most of these units have work yards and are occupied by local businesses, although building suppliers Travis Perkins operate from one of these units.

2.98 It is anticipated that any major office development within Colindale would require a significant level of pre let accommodation prior to a developer committing to development. However, we believe that opportunities exist to build upon the strength of small and medium sized businesses in the Borough. For example, we are aware that if such development were to be provided the University would potentially be interested in occupying some of the space. The growth of these businesses could then be fundamental in complementing future residential led mixed use developments in the area. We also understand that a major existing local employer, the National Blood Transfusion Service, occupy a key site in the heart of Colindale and have plans to enlarge their presence in the area within the next 3 years.

- 2.99 With regard to office rental values, we understand these are in the region of £13.00 per sq ft. To illustrate this we are aware of the letting of an office property of 3,850 sq ft on West Hendon Broadway to the east of the subject study area last summer for a rent equating to £13.50 per sq ft.
- 2.100 In terms of industrial values, we understand that rents are in the region of £9.00-£10.00 per sq ft. We are aware of property being marketed in the subject area at Colindale Business Park for roughly £9.90 per sq ft, and at Kingsbury Trading Estate, slightly outside the study area, for £9.75 per sq ft. Both units were placed on the market this year.
- 2.101 Any future development of office and industrial property would need to be on a small scale. Larger employment space development would not be feasible as it would not fit with future residential proposals, and the existing market profile of the area, and it would unlikely to be possible to implement the infrastructure requirements of such a scheme.

3. Strengths / Weakness and Key Issues

3.1 The following sets out the strengths and weakness of the area from a property market perspective and the key issues which can be drawn from the analysis:-

Strengths	Weaknesses
<ul style="list-style-type: none"> • Proximity to many good transport links, the M1, Edgware Road and tube stations. • Further infrastructure improvements planned in the short term. • Proximity to established retail centres at Brent Cross and The Hyde. • RAF Museum which attracts significant numbers of visitors. • Significant local employment at the Peel Centre and education facilities. • Current housing regeneration and new-build plans well advanced. • Proposals to expand the student accommodation in the study area and proximity to main University campus in Hendon. • Links to adjacent centres, Mill Hill, Hendon, Burnt Oak. • Strong developer / Investor demand. • Recent positive press. • A number of proactive landowners in the study area 	<ul style="list-style-type: none"> • Poor image of the existing housing estates. • No strong sense of place or vibrancy. • Indirect links to strategic roads. • Lack of cohesiveness. • Lack of current commercial demand (but improving). • Relatively high property prices. • Poor local retail and leisure provision. • Poor location for large-scale commercial/employment uses.

Key Issues

Housing Sector

- Future development would need to provide a mix of unit types to accommodate a wide cross section of both public and private ownerships to assist in creating more mixed and balanced communities.
- There are a number of identified large-scale development opportunities within Colindale, including the Grahame Park Estate, RAF East Camp, Barnet College and Colindale Hospital sites. Development would need to be appropriately phased in accordance with an assessment of unit sales rates to ensure that the market is not flooded with an over supply of land or residential units which would have a detrimental affect on land and sales values and take up.
- The scope to introduce alternative business / community / local retail and leisure uses to stimulate activity should be considered to enable a mix of development within Colindale, to deter the area from becoming predominantly a dormitory suburb. The development of key focal points will greatly help to foster a community focus.

Local Retail and Leisure Uses

- Barnet provides a wide range of retail accommodation ranging from Brent Cross, the major sub regional centre, through to local neighbourhood centres which provide more of a localised retail function. Limited possibilities for significant retail expansion however strong opportunities to provide a good mix of local retailing to support the growing population.
- Opportunities to provide further local centres or parades to serve any future residential development within Colindale could be possible, if linked to wider regeneration and residential developments. In isolation they are unlikely to be strong value generators. However they would be justified on the basis of the importance of the provision of local shopping facilities for new residents.
- Opportunities for further leisure development such as health and fitness and sports provision which would need to reflect and complement the existing facilities.

- The introduction of evening economy activity such as bars, restaurants, hotel and associated leisure activities could potentially assist the diversity, attractiveness and use of the area if appropriately integrated within the wider community.
- Given the current profile of Colindale it is unlikely that significant interest would be achieved from mainstream bar / restaurant operators unless they could be integrated within mixed-use or commercial developments. However in light of the large scale of development planned commercial interest in the area is likely to increase significantly.
- The RAF Museum provides a major draw to Colindale and is seen as an important North London destination. The Museum attracts in the region of 200,000 visitors a year in addition to the use of the facility for exhibitions, conferences and large scale catering functions. Opportunities to enhance and fully promote the Museum should be supported and encouraged. Maximising important local assets e.g. RAF Museum, University Accommodation, Peel Centre, educational facilities etc will be a key element of the areas' future success.

Office and Industrial Land Use Sectors

- Demand for large scale B1 office accommodation is likely to be limited given the characteristics of the area. However there may be opportunities to build upon the small and medium sized employment accommodation within the Colindale area. This type of accommodation, if appropriately planned and developed, could be complimentary to future residential led mixed-use developments within Colindale. We are aware that the university would potentially be interested in occupying space if such accommodation were to be provided.

APPENDICES

Appendix 1: Key Site Option Matrix

Colindale Area Action Plan – Key Sites Option Matrix					
Ref	Key Sites	Current Situation	Anticipated Timescales	Proposed / Suggested Use	Comments / Issues
1	Grahame Park	The Grahame Park estate is currently a poor quality housing estate with a large proportion of social rented accommodation. Development is due to start shortly and is being promoted by Choices for Grahame Park. Once complete the scheme will comprise circa 3,400 residential units with replacement commercial and community facilities.	Start on site shortly.	As per Grahame Park Masterplan.	<p>The Grahame Park Masterplan has now been adopted and the first phase of development is due to commence shortly. We understand the commercial / community aspects of the scheme will be delivered within this first phase of development.</p> <p>Although the project will be phased over time there is maybe little opportunity to influence the proposals; however the AAP should promote appropriate linkages and uses which complement the proposals for the Grahame Park Estate.</p>
2	Colindale Hospital	Fairview Homes recently acquired the former Colindale Hospital site from the NHS. The proposals are still being developed, however, the scheme is likely to be predominately residential in	Short Term	Largely Residential led however should include a creative mix of uses including retail / leisure and	Further consideration needs to be given to the appropriate balance of commercial use so not to detract from the proposed retail heart.

		<p>character however also include retail, hotel and A3 uses around an enhanced Colindale Tube Station. In addition we are also aware that Fairview is in discussion with Bexley College in relation to relocating their existing building (which is also within the AAP area) to the hospital site.</p>		<p>some business use around the new transport hub. Possible relocation site for Barnet College if sufficient land is released.</p>	<p>From a commercial perspective it is important that the properties fronting Colindale Avenue are included to form a comprehensive development and design response.</p> <p>There may be viability issues around business use in this location, however, it is important to consider such use in the context of the comprehensive development and the quantum of residential accommodation planned.</p> <p>The site also represents a good relocation for Barnet College, assuming a sufficient site area can be created which is suitable to meet all the Colleges full operational requirements.</p>
3	Barnet College	<p>Proposals for housing accommodation up to 1,000 units.</p> <p>As above - We understand that Fairview Homes are currently in discussions with the College in respect of a possible land swap on the hospital site.</p>	<p>Short to Medium - depending on suitable relocation of existing uses</p>	<p>Possible Future Uses:-</p> <ul style="list-style-type: none"> - Residential - Education - Mix of the above 	<p>The site is somewhat divorced from the core AAP area however is well positioned fronting Grahame Park Way.</p> <p>Residential use is likely to be the highest value use in this location.</p> <p>Releasing the highest value for this site will be important to assist in</p>

					<p>contributing to the development costs associated with the new College building and its associated facilities.</p> <p>The site could be considered one of the better locations for either education or business use however both uses are likely to have an adverse impact on land value / viability.</p>
4	British Library	It is anticipated that the existing building will be surplus to requirements after 2010. Initial proposals include redevelopment of the site for circa 500 residential units.	Medium Term - Post 2010	<p>Possible Future Uses:-</p> <ul style="list-style-type: none"> - Residential - Commercial - Business Use - Education 	<p>The redevelopment of the Library site is a medium term opportunity and should be considered within this context.</p> <p>Clearly the site would be attractive to the residential market given its proximity to the Colindale Tube.</p> <p>An element of active use fronting Colindale Avenue should be considered. This should complement the proposals for the Hospital site.</p> <p>Given its location directly adjacent to the Brent Works site there may be opportunity to expand and promote additional employment uses in this location.</p>

					<p>Lastly – the site is also situated adjacent to an area of open space. Therefore there the site (in part) could be considered a good location for education use, either for Barnet College or the proposed primary school. Educational use would greatly benefit from the adjoining open space provision.</p>
5	Brent Works Site	<p>Brent Works is one of the largest clusters of business use in the AAP Area. We are aware that there has been some pre-application discussion in respect of residential development by Fairview Homes.</p>	Medium Term	<p>Possible Future Uses:-</p> <ul style="list-style-type: none"> - Employment - Residential 	<p>The Brent Works site is currently 100% employment use and therefore the retention of an element of business use should be considered.</p> <p>Clearly the existing site is in need of upgrading and therefore the linkages with the adjoining library site are important from a viability and critical mass point of view.</p> <p>If suitable alternative employment locations can be identified then given its proximity to Colindale Tube, residential development (again with active frontages) should be considered.</p>

					NB - Barnet College existing site could be a suitable alternative employment site subject to the comments set out above.
6	Middlesex University Site	<p>The Middlesex University site currently has 500 bed spaces.</p> <p>The university requires circa 2000 bed spaces located within a student village environment and located no further from the transport network than their existing campus.</p>	Short Term - depending on suitable relocation site.	<p>Possible Future Uses:-</p> <ul style="list-style-type: none"> - Key site for strategic improvements to the Highways network. - Part of the Retail Heart - Residential - Community use 	<p>Given the requirement for continuity of operations / bed spaces that a land swap may be required.</p> <p>The site is strategically located at a key junction / roundabout. A priority for this site should be to ensure that the infrastructure network is improved to create improved linkages with the Grahame Park Estate proposals.</p> <p>Given the sites strategic location the site should be considered a part of the new heart for Colindale – linked with the Western end of the Peel Centre Site (see comments below).</p>
7	RAF Museum	This is the main site of cultural significance in Colindale. It provides the only link with the history of the area as one of the pioneering centre's of aviation.	Short to Medium Term	<p>Possible Future Uses:-</p> <ul style="list-style-type: none"> - Community & Cultural Use - Tourism uses. 	<p>The site currently has poor accessibility and is not public facing.</p> <p>Small scale improvements to the museum and overall cultural offer.</p> <p>The museum should be more public facing to act as a greater draw for</p>

					<p>the area.</p> <p>A marketing and promotion strategy for the facility should be developed.</p>
8	The Peel Centre	The Peel Centre is a large police training facility which is now largely surplus to requirements. The site is centrally located within the AAP area	Medium to Long Term	<p>Possible Future Uses:-</p> <ul style="list-style-type: none"> - Key site for strategic improvements to the Highways network. - Main site for the creation of the Retail Heart for Colindale - Residential use - Community use - Educational uses - Employment Uses 	<p>This is the largest site within the AAP area and therefore capable of accommodating a wide range of uses.</p> <p>The western element of the site is strategically located and could form the new heart of Colindale including retail, community, leisure, improved public realm facilities as well as residential use at the upper floors.</p> <p>There are a number of sensitive buildings on the site including a memorial which will need careful consideration in due course</p> <p>Generally speaking the residential content throughout the site should be maximised to assist viability.</p> <p>It is important that the residential properties fronting Colindale Avenue are included to form a more comprehensive development and to provide greater frontage for the site</p>

					<p>(we understand the Police are in the process of acquiring these units which were sold under the right to buy scheme).</p> <p>The site could provide a key link from Colindale Tube into the main residential area i.e. Beaufont Park and the redeveloped of the Grahame Park Estate.</p> <p>The eastern part of the site could also be a possible relocation site for the Middlesex University. This element of the site is currently largely vacant and therefore in theory could come forward in the shorter term meeting the timescale for the University. This could from a new Learning Corridor which runs from Colindale Tube to the University Campus in Hendon.</p> <p>Consideration should be given to the retention of the existing open space provision given the wider development context. The open space could be utilised by both the public and the education institutions in the AAP area.</p>
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9	Beaufort Park	Nearing completion, Beaufort Park comprises 2,800 units, with 8,000 sq m of commercial space. A further phase of development is planned comprising 300 - 400 units and a further 3,000 sq m.	Short - on site with further phase planned shortly	Proposed Future Uses:- - largely residential - some commercial	Complete as proposed.
10	Edgware Road Frontages	This is a fragmented area which currently has a mix of low, medium and high density properties.	Medium to Long Term	Proposed Future Uses:- - Mixed use responding to the Oriental City development	Medium to Long Term opportunity which needs to be considered comprehensive. As the A5 divides two boroughs it will be important that both Council work together to ensure comprehensive development of the area as well as improvements to the highways network. In the large part sites which come forward should be considered for mixed use development with retail / active ground floor uses and residential or business use above.



urban
practitioners



70 Cowcross Street
London EC1M 6EJ
Telephone: 020 7253 2223
Fax: 020 7253 2227
www.urbanpractitioners.co.uk