

Old Oak & Park Royal: London's greatest regeneration opportunity



CGI: Gateway to the regeneration area – the confluence of the Grand Union Canal and Mitre Bridge on Scrubs Lane marked by City & Docklands' Mitre Yard and North Kensington Gate developments

Vision of the future

The only place where HS2 will meet Crossrail, Old Oak & Park Royal is London's next great regeneration opportunity.

Successful large-scale regeneration projects typically combine three key ingredients: transport and infrastructure improvements, lifestyle changes and investment into strategic schemes. Kick-started by the development of HS2 and Crossrail infrastructure, Old Oak & Park Royal is set to see all three of these ingredients brought to life over the coming decades.

Currently Old Oak & Park Royal encompasses London's largest reservoir of strategic industrial land. Its more than 1,700 businesses employ 44,000 people across a wide range of sectors and form a key nexus in the logistics network serving the capital and beyond.

However, the area is set to boast many more strings to its bow. The Old Oak & Park Royal Development Corporation (OPDC) Local Plan sets out an ambitious 20-year plan to transform this underdeveloped part of London into a vibrant town centre made up of distinct neighbourhoods accommodating a wide range of residential, industrial, commercial, and recreational amenities.

New residential and commercial development centred around Old Oak Common Station and stretching north to Willesden Junction and south to North Acton will lead to the creation of attractive, high-density, accessible neighbourhoods and places where people ultimately want to be. New green spaces, outdoor markets, cafes and restaurant offerings will give people a reason to visit and to stay, encouraging greater spending in the area.

25,500

Potential to deliver number of new homes over next 30 years.

65,000

New jobs across Old Oak & Park Royal

£7.6 billion

Estimated annual GVA of new jobs

£15 billion

Economic boost to Old Oak & Park Royal from HS2 station

68,500 sqft.

Class A commercial floorspace requirement (2018-2038)



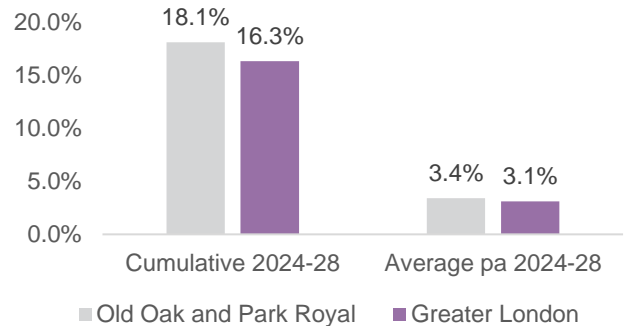
CGI: Old Oak Common transport infrastructure improvements – new station aerial image

Strong price and rental growth prospects

House price forecast

JLL's latest residential forecasts are forecasting that Old Oak & Park Royal is expected to experience an increase of 18.1% in house prices over the next five years (2024-2028), surpassing the growth rate of London (16.3%). The growth in house prices can be attributed to the ongoing regeneration efforts in the area and the positive impact of new transportation infrastructure. As the prevailing uncertainty settles in the coming year, these factors will likely support the growth of house prices in the surrounding Old Oak area.

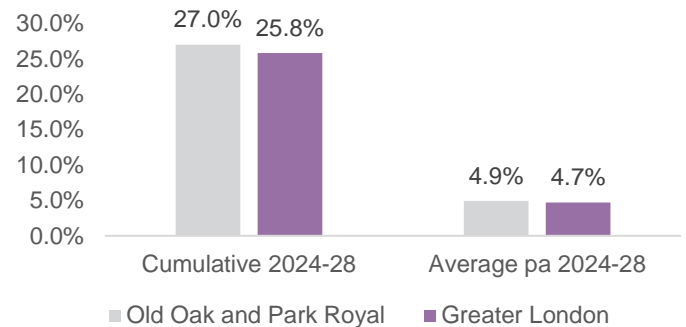
Sales price growth forecasts



Rental forecast

Over the next five years, strong rental growth is anticipated, primarily driven by high demand and limited availability of rental properties on the market. JLL's rental forecast for Old Oak & Park Royal indicates a 27% growth over the next five years, outperforming the projected rental growth for London (25.8%). Due to the ongoing regeneration efforts, the area is attracting more affluent renters. This influx of higher-income renters creates a favourable environment for rental growth.

Rental growth forecasts



Holiday Inn London West

Developer: Al Dau Development

Status: Planning Granted

The Holiday Inn London West development is currently the most significant within the residential pipeline in Old Oak & Park Royal. The site gained full planning permission in August 2021, for 506 private units.

The Castle PH

Developer: Tide Construction

Status: Under Construction

The Castle PH scheme by Tide Construction is the largest scheme under construction across Old Oak and Park Royal, supplying 462 total units. This scheme will be a Co-Living Scheme.

The largest private scheme currently under construction is the Perfume Factory supplying 238 private BTR units. This will be managed by UNCLE.

CGI: City & Docklands' One West Point development, recently completed in the Old Oak and Park Royal area.

The ‘regeneration effect’

In terms of scale, the transformation of Old Oak & Park Royal is on a par with major Central London regeneration areas such as Canary Wharf or the Queen Elizabeth Olympic Park in Stratford.

New retail and transport hubs appeal to more than just visiting shoppers, with new residents keen to live in well-connected locations with great shopping, food and leisure on their doorstep. Often forming part of large-scale regeneration and neighbourhood improvement they can be a sure sign that an area is one to watch.

Across London historically house prices outperform in areas where we see significant neighbourhood improvements. At JLL we are forecasting growth in prices at Old Oak & Park Royal over the next five years will exceed the London average.

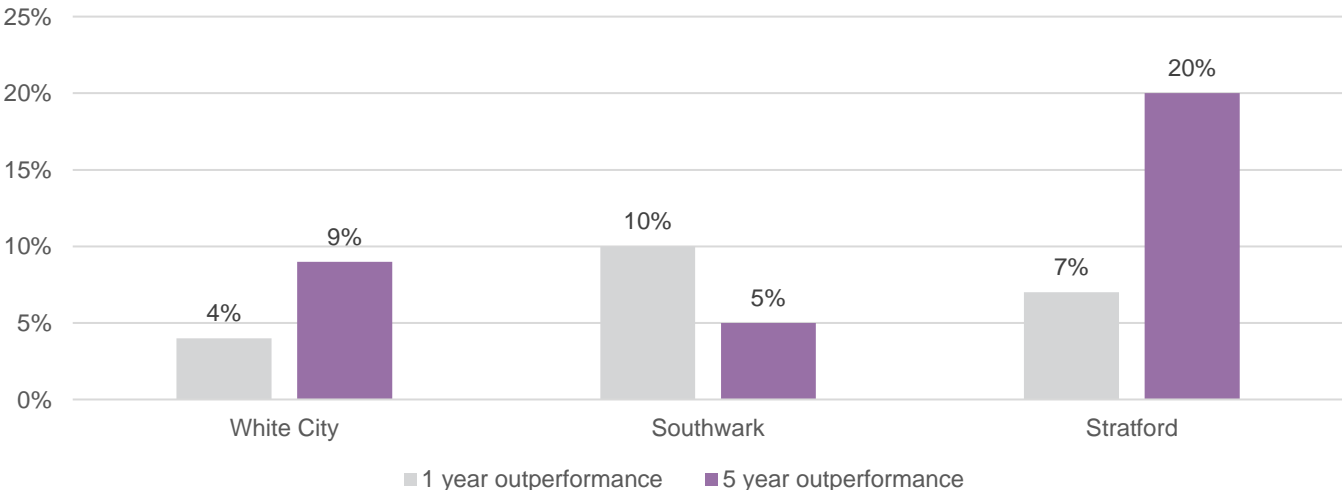
We have seen other areas of London see a price uplift following new retail and improved transport. Examples include:

White City – Westfield White City opened in October 2008. House prices in the area a year after the opening outperformed the regional average by 3.5 percentage points. 5 years after the opening of the White City Westfield mall the gap had increased further, White City house prices had increased by 30%, 9 percentage points higher than London at 21%.

Southwark - A year after Southwark saw the opening of a new tube station part of the Jubilee Line extension in 1999, house prices in the area had risen by 29%. This was 10 percentage points higher than London where house prices rose by 19%. Five years after the opening of the new station Southwark house prices had increased by 92%, again outperforming London.

Stratford – Stratford, like Nine Elms, combined transport and retail improvements. In 2016 Stratford stations were rezoned from Zone 3 to Zone 2. A year after, prices had risen by 15%, a seven-percentage point outperformance over London growth. Five years on Stratford house prices had risen by 40% compared to 21% London wide. Stratford saw the opening of the largest shopping centre in Europe “Westfield Stratford” in 2011. Five years after the opening house prices had increased by 60%, close to 20 percentage points higher than London house prices at 41%.

Price growth premiums following retail and transport improvements



Old Oak & Park Royal potential outperformance

Regeneration area outperformance

The Elizabeth line has turned Old Oak & Park Royal into one of the best commuter areas of London, with the key employment hubs and Heathrow airport accessible within 23 minutes.

Over half of areas surrounding Elizabeth line stations reported annual rental growth, higher than their respective regions. High demand for rental properties in locations along the Elizabeth line has underpinned strong rental growth experienced over the past year. With the line now fully open and connected, residents can benefit from reduced travel times on the Elizabeth line and congestion on other lines.

In our latest buyers and tenant survey, 92% of tenant said the proximity to public transport was either very important or important to them, with 67% willing to pay a rental premium to be close to transport links. Historically, North and West London have been better connected than the East, so recent transport improvements in East London have significantly increased the appeal of the area over recent years.

70% of areas surrounding Elizabeth line stations recorded annual rental growth of 10% or more.

The recent opening of the Elizabeth line has already had a positive effect to the area:

Old Oak & Park Royal has seen house prices in the area increase by 3.5% in the last year and 14.3% in the last five years, outperforming Greater London where house prices fell by -1.1% and increased by 12.6% in the respective time frame.

Old Oak & Park Royal rents marginally outperformed Greater London in the last 5 years, increasing 30.9% vs. 29.9% respectively.



CGI: Old Oak Common urban realm design – Western Parkland

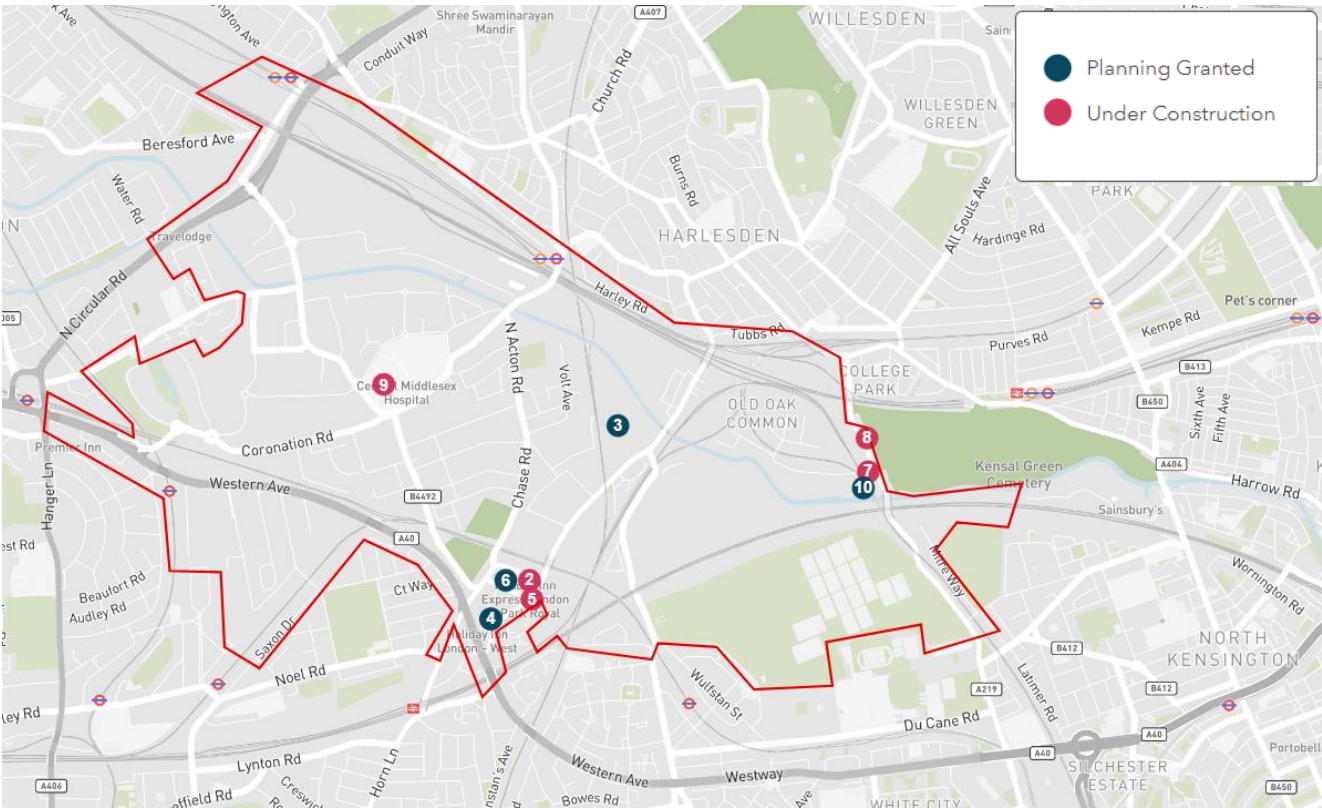
Current Old Oak & Park Royal key developments

According to the OPDC there are a total of 3,481 homes in the planning pipeline. The pipeline comprises schemes with 100 units or more, which have obtained planning permission or are under construction. Of these units, 1,991 are private, comprising a mix of BTR and for sale. In total, there are approximately 1,454 BTR units within the planning pipeline.

The development pipeline is largely concentrated in the North Acton area. The majority of units within the OPDC area have planning granted (2,036), while 1,445 units are under construction.

As transport opportunities arise, particularly since the opening of the Elizabeth Line at Acton Mainline, we suspect there will continue to be a host of new planning opportunities and developments in the area surrounding the station. Across the London borough of Ealing, there were 2,055 applications during 2023, up from 1,598 in 2022. Similarly, permission granted more than doubled from 1,049 in 2022 to 2,249 in 2023.

Major developments of 100 homes or more





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CGI: Old Oak Common Station exterior

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