

London Tall Buildings Survey

2021

The disruption brought by the Covid-19 pandemic had a significant impact on the London development market in 2020, and the tall buildings pipeline was no exception.

As expected, the data points to a slight slowing in the delivery of new tall buildings last year, defined as being at least 20 storeys in height. That includes a decline in both the number of new planning applications put forward by developers and new construction starts - bellwethers for the state of the market.

Yet there were also signs of resilience. The overall pipeline remains significant, with 587 tall buildings at various stages of the planning process at the end of the year, some 7.9% higher than in 2019. Most of the planned towers are residential, accounting for almost 90% of the pipeline.

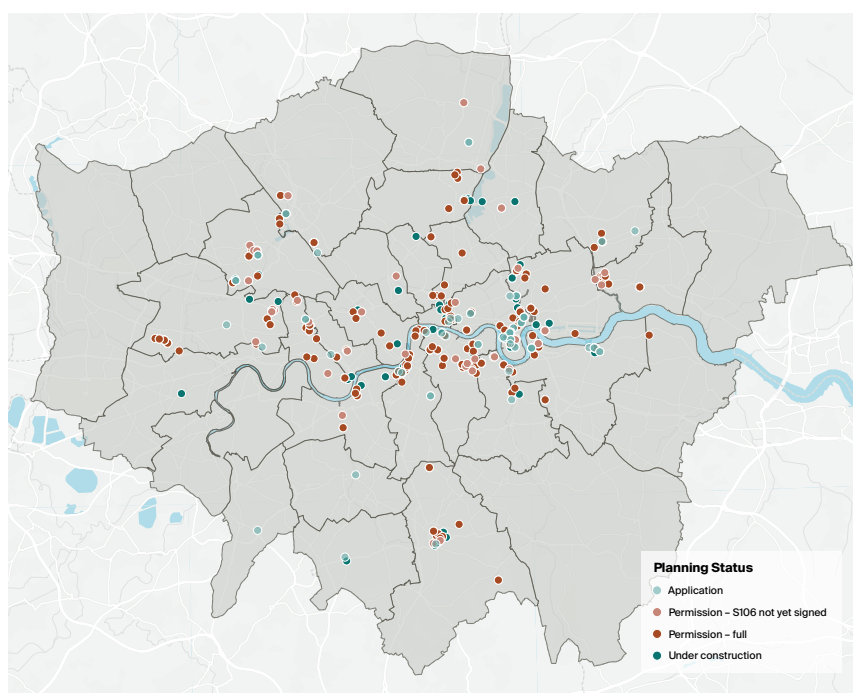
The planning system also proved robust with an increase in the number of planning consents granted in 2020.

A total of 35 residential and commercial tall buildings completed over the course of the year, a marginal 5.4% fall compared with 2019.

WHERE NEXT?

Follow the link to download the full *Tall Buildings report* via the NLA website

LOCATION OF TALL BUILDINGS BY PLANNING STATUS



LONDON TALL BUILDINGS PIPELINE AT A GLANCE

TALL BUILDINGS IN THE PIPELINE,
UP 7.9% FROM 544 IN 2019 TO

587

2020 STARTS ON
SITE DOWN

-46%

NEW APPLICATIONS
DOWN

-24%

PERMISSIONS GRANTED
IN 2020 UP

+14%

Applications

Developers submitted 78 planning applications for tall buildings in 2020, down 27.1% on a year earlier. Submitted applications remain around 36% lower than the market peak in 2018. That said, 2020 was still a bumper year for planning applications being lodged, the third highest on record. Of the applications submitted in 2020, 57 (73%) were submitted in the second half of the year, suggesting developers were happy to push ahead with long-term plans, in spite of the disruption caused by the pandemic. Of the applications made in 2020, six were granted full planning permission the same year and a further nine were approved at Planning Committee but were yet to sign s106 agreements by 31st December.

Permissions

The number of planning permissions granted in 2020 was 10.8% higher than in 2019, with 72 full permissions granted. This compares with 65 the previous year as the high number of applications submitted in 2018 and 2019 continue to work their way through the system. This was the highest ever recorded volume of planning approvals for tall buildings. Rising permissions for tall buildings suggests an increasing willingness of Planning Committees to approve proposals, either as standalone schemes, or as part of a larger masterplan. Some 11% of permissions were for commercial buildings, down slightly from 12% the previous year.

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Starts

In 2020, just 24 tall buildings commenced construction, a decrease from 44 the previous year and the lowest number of new starts for tall buildings across London since 2013. A drop in new starts is consistent with the decline seen in the wider London development market over the last couple of years, but the more uncertain economic backdrop of last year, site shutdowns, rising build costs, as well as increased affordable housing obligations, will have contributed to a reduced appetite for risk. Given an average build time of around four years for the tall buildings completed in 2020, future surveys will register a slowing in delivery rate as the pipeline works its way through over the next three to four years.

Completions

In total, 35 residential and commercial tall buildings were completed in 2020, slightly below the number completed the previous year but still a relatively high volume when compared with previous years. As in previous years, the data suggests that tall buildings are an increasingly deliverable form of development outside of the historically

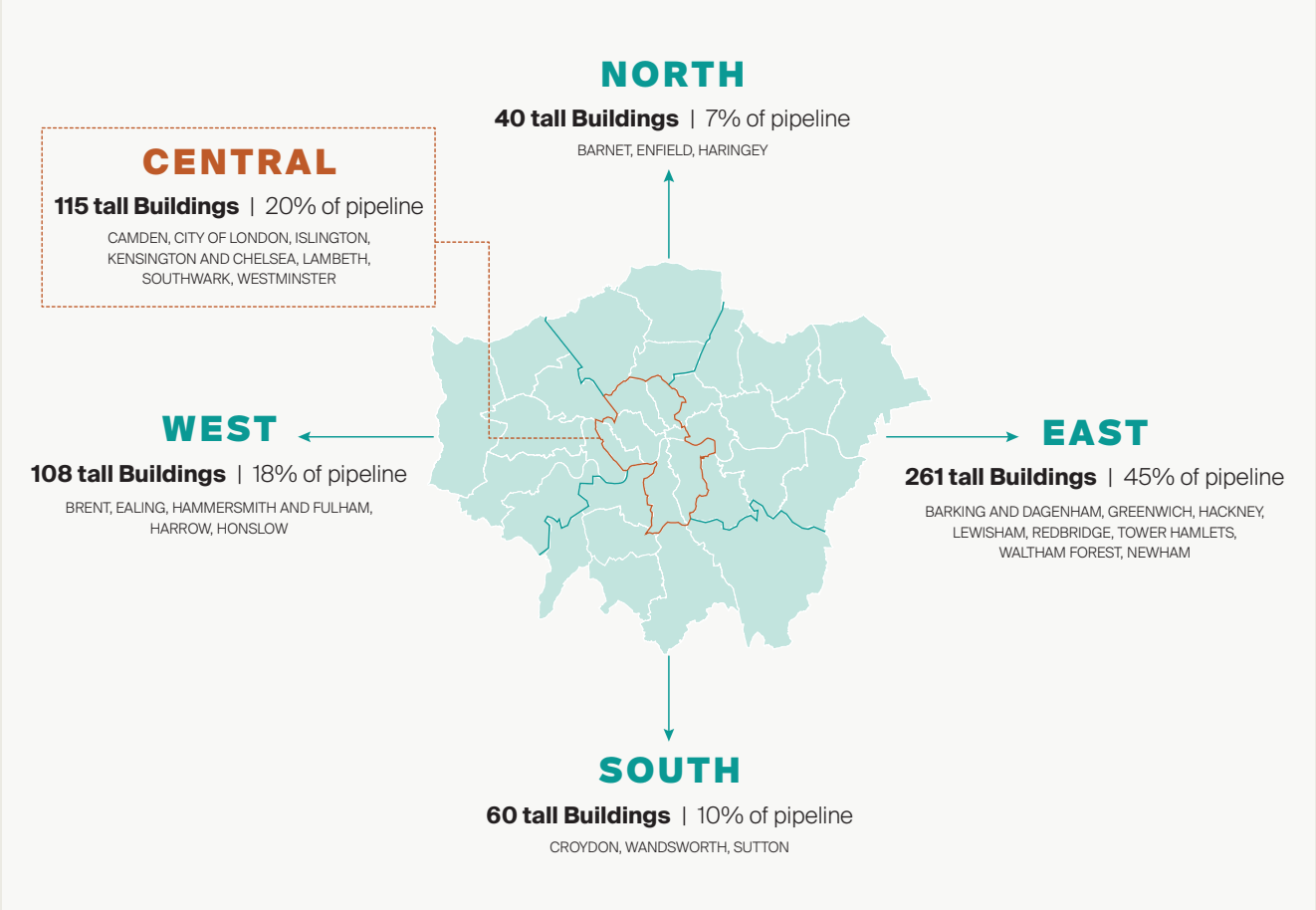
‘prime’ areas, with nine buildings completed in outer London in 2020, up from six in 2019.

The data suggests that 2021 could be a bumper one for completions, with 52 tall buildings expected to complete this year – a 49.6% increase on the 2020 total, though much will depend on the medium-term performance of the property market and the economy.

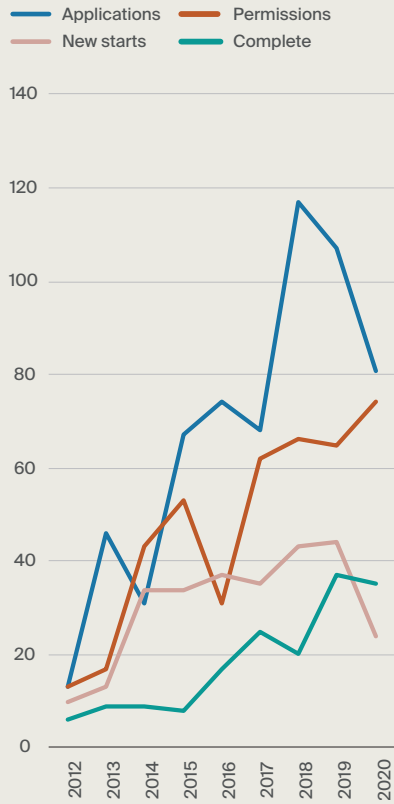
Methodology

Consistent with previous years’ London Tall Building Surveys, tall buildings have been defined as buildings of 20 storeys or above in height that are at various stages from application to construction. The data for 2020 refers to the period from 1st January 2020 until 31st December 2020. For residential schemes, current and historic data has been supplied by Molior London. ‘Completion’ refers to the point at which a building can be occupied. Where applicable, for larger sites, application, permission and start dates refer to individual buildings. Commercial building data comes from Knight Frank’s commercial buildings database.

LOCATION OF TALL BUILDINGS

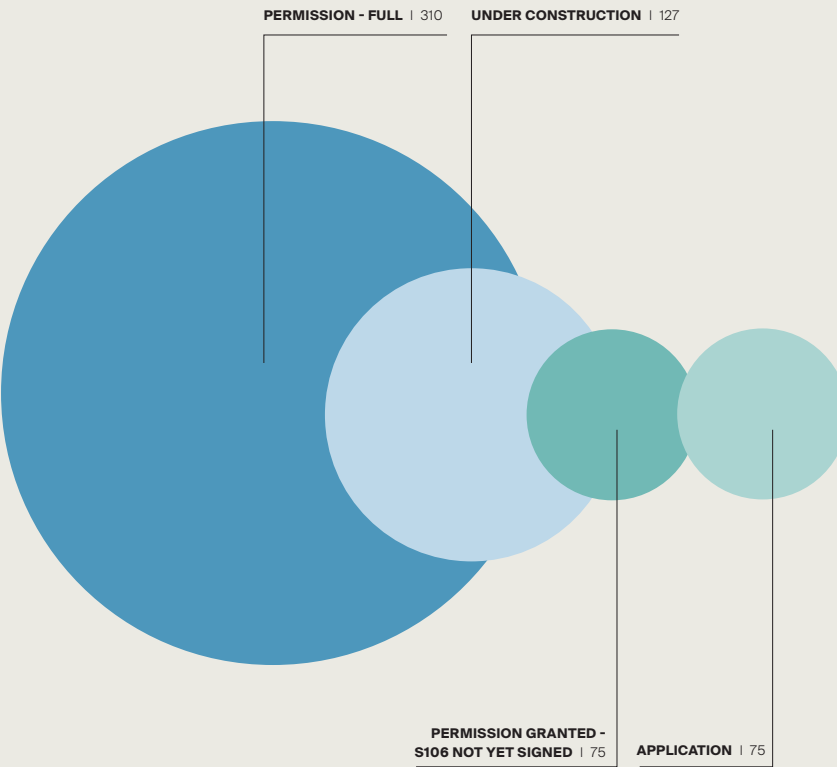


TALL BUILDINGS BY PLANNING STATUS
Totals for year



Source: Knight Frank Research

LONDON TALL BUILDING PIPELINE 2020
by current planning status



Source: Knight Frank Research

PLANNING FOR TALL BUILDINGS

New and emerging planning policy developments for London look set to make it harder to secure planning permission for tall buildings, at least in the short-term.



STUART BAILLIE,
HEAD OF PLANNING, KNIGHT FRANK

Since 2000, successive Mayors of London have, through their London Plans, facilitated the rise of tall buildings in London. Their policies progressively encouraged higher density development with limited restrictions other than strategic views and an association of density with public transport accessibility.

Generally speaking, higher density development has been directed towards urban centres, Opportunity Areas and Housing Zones. It was for the developer and their architects to promote and negotiate the merits of a tall buildings through planning applications. Some outer London Boroughs have remained resistant to height but the de facto benchmark for 'tall' has been the GLA referable height threshold of 30m (circa 10 stories).

The recently adopted New London Plan marks a significant change in policy.

Firstly, following a late and heavy steer from the Secretary of State, Draft

Policy D9 was amended to reflect the Government's preference for 'gentle density'. This led to a 'minimum' height threshold set at six storeys (18m), at which point Policy D9's list of requirements for assessing a tall building scheme must be addressed.

Boroughs can set higher thresholds for tall buildings in specific locations, or even borough wide, but this must be evidenced as an appropriate approach to height, taking account of local character and context. Conversely, certain boroughs, such as Richmond-upon-Thames, that have historically considered a lower definition of 'tall' will now need to take account of the six storey threshold and this might push building heights up.

Furthermore, borough's will also have to prepare their own evidence to satisfy Policy D1 which directs them to prepare area assessments that "define an area's character and capacity for growth", and to plan for growth by using these assessments to identify locations.

Boroughs are also "encouraged to set out acceptable building heights, scale, massing and indicative layouts for allocated sites". The policy also notes that floorspace indications for a range of uses may be required.

There are a few instances where the Government's intervention in the London Plan would seem to have led to a degree of mixed messaging in relation to building height. The language does place more emphasis on the planned 'optimising' of sites rather than the previously stated 'intensification' of sites. Yet there are still references to 'intensification' in relation to town centres, industrial land and in relation to delivering more housing.

The Mayor's influence on tall building proposals remains at the referable height threshold of 30m (c.10 storeys),

rather than the new 18m (6 storey) generic tall building threshold, with both referenced in the London Plan.

The policy changes should result in a more open and transparent approach to building height but no obvious end to the complexities of promoting 20 storey-plus tall buildings in London. It will be interesting to see how boroughs respond to the new policies alongside the requirement for local level design codes and guidance. Planning Inspectors may well have a significant influence on how these policy changes are applied in practice.

The under supply in Grade A office stock and the ongoing challenge of needing at least 52,000 new homes per annum will mean continued growth in London's tall building pipeline in the medium to long-term.

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WHAT ARE THE IMPLICATIONS FOR TALL BUILDING DEVELOPMENT?

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| <p>1) Additional work for Local Planning Authorities in their Local Plan preparation to define appropriate height and identify where tall buildings are going to be acceptable.</p> <p>2) Updates to even recently adopted Local Plans will be required to bring them into conformity with the new policy requirements. This could delay the determination of live or emerging applications.</p> <p>3) Additional work for landowners and developers to promote their sites for tall buildings much earlier in the plan-</p> | <p>making process or risk having to wait until the next iteration of the Local Plan emerging.</p> <p>4) Creating greater transparency in relation to tall buildings proposals at the Plan making stage whereby communities and other stakeholders would have awareness of such proposals in advance of planning applications coming forward.</p> <p>5) It will of course still be possible for a developer to take forward a tall building scheme via the conventional planning application route, but it will become a more politically charged proposal if</p> | <p>the scheme deviates from the tall buildings policies.</p> <p>6) The 'public benefit' of a development remains an important policy consideration even if it is now clear that the new London Plan points more favourably towards the protection of heritage and existing character when considering tall buildings.</p> |
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We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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