

LONDON 2012: GAMES CHANGER

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By Noella Pio Kivlehan

At an electoral hustings in April 2008, then London mayor Ken Livingstone claimed he didn't bid for the 2012 London Olympics because he wanted three weeks of sport; he did it because it was "the only way to get the billions of pounds" out of the government to develop the East End.

"It's exactly how I played it to ensnare the government to put money into an area it has neglected for 30 years," he said.

Entrapment or not, Livingstone's ploy paid off. Ten years on from the London Olympics, Stratford and the surrounding east London area has undergone a complete rejuvenation thanks in part to the £9bn spent on the games.

But questions remain about who has benefited most from the cash ploughed into the area.

In 2007, Lord Sebastian Coe, chairman of the London Organising Committee, said the games would help deliver 30,000 to 40,000 homes but, significantly, he did not mention a timescale. The London Legacy Development Corporation (LLDC) says that to date, locally, more than 11,000 homes have been completed, of which around 30% are considered affordable.

What is undeniable, however, is the rapid transformation of the Lower Lea Valley area. "For the Olympics, the mantra was the 2+4+1 plan," says consultant Geoff Fisher, who worked at property agency Strettons at the time and on the Olympic site from the start. "Two years to acquire all the land, four years to clear, clean and build the facilities and a year spare to have practice grounds to make sure of refinement of operations and people. This last-year provision was key to the games' success."

Today, the site includes the Queen Elizabeth Olympic Park (QEOP), Westfield Stratford shopping centre, commercial and residential developments the International Quarter London (IQL) and East Village and the Chobham Academy school.

In a decade, it has gone from being an underdeveloped light industrial area to a thriving community combining housing, business, many sports venues and one of Europe's largest shopping centres. In the next decade, investment in the area is expected to easily top £20bn.

For further information,
please contact:

Celine Abebe
Seven Hills
celine.abebe@wearesevenhills.com

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Ken Livingstone,
Mayor of London



Nigel Hugill was chief executive of developer Chelsfield in 2005 when it gained permission for Stratford City, the name given to the urban regeneration project. He believes the Olympics has delivered a meaningful legacy in the area.

“There is no question in my mind as to the objective extent of area improvement,” says Hugill. “The Olympics gave east London a good shove, but it was already well on the way to becoming a recognisable new piece of city of European significance.”

The shove, and government money, was exactly what Livingstone wanted.

We reflect below on the effect the 2012 Olympics has had on east London’s property market.

Residential

The LLDC says more than 11,000 homes have been completed and it adds that a total of 33,000 new homes will be built in and around the Olympic Park site by 2036. More than a third of the new homes will be affordable, according to LLDC’s website, with many built for long-term rent as well as to buy.

Half of the 2,800 homes in the former Athletes’ Village are now affordable housing run by Triathlon Homes. The rest are owned and rented privately by build-to-rent (BTR) specialist Get Living. “The surprising stat we always put out there is the highest referencing employer is the NHS; we have a lot of health and public sector workers renting units,” says Get Living chief executive Rick de Blaby.

Get Living’s latest development, launched in July, comprises 524 homes at East Village, plus a cinema room, fitness space, two rooftop gardens and bookable kitchen and dining areas. Fully furnished one-bedroom flats can be rented for around £1,850 a month, rising to £4,000 per month for four-bedroom homes.

It is Get Living’s second East Village scheme after Victory Plaza, a 482-unit, twin-tower private rental development completed in 2019.

But this kind of scheme has come under fire for failing to provide affordable housing.

“The harsh reality is the Olympic legacy hasn’t helped the issue of homelessness in Newham and east London,” says Josie Parsons, chief executive of Local Space, a partnership between Newham and housing professionals to provide high-quality homes for key workers and those facing homelessness.

“Sadly, it’s the opposite,” she adds. “The housing crisis dwarfed the housing-related benefits of the Olympic legacy and the direction we’re still heading in isn’t good.”

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Savills



Village life: Get Living completed its first East Village scheme in 2019 and recently launched a second 524-home development

Parsons does admit the games left “fantastic public spaces for local people”, referring to the 10ha of new parks. Get Living’s de Blaby agrees: “East Village is probably unrepeatable today, as you’d never get this scale of development and amount of generous public realm again.”

There is more to come in East Village and beyond. Get Living’s East Village management office on Celebration Avenue will make way for 850 homes, while a Sainsbury’s store will be demolished and turned into 500 student accommodation units.

Other residential schemes include L&Q’s 850-home Chobham Manor in Stratford; Unibail-Rodamco-Westfield’s 1,200-home BTR scheme Cherry Park; and Pudding Mill/Bridgewater Triangle, which will have 1,500 homes over two sites. Further developments East Wick and Sweetwater are set to create 1,850 new homes as well as schools and other community spaces.

According to Sophie Rosier, Savills’ director of London residential development, Stratford is now a destination to visit – a “stark contrast” to before 2012.

“As a result of the games, the whole of east London has been repositioned,” she says. “The impact it’s had on Hackney Wick, Canning Town and the ripple effect through the Eastern Corridor’s been huge. It’s not just the E20 postcode; it’s everything that’s happened around it.”

The area has also led the way on BTR development, with Savills’ data showing that over the past 10 years, 8,205 private homes have been completed, 43% of them BTR.

“East Village remains one of the first and largest BTR schemes in London,” says Rosier. “This was a gateway to a different way of living in the capital with purpose-built, managed rental stock.”



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Commercial

Since it opened in 2011, Westfield Stratford shopping centre has become a significant retail centre in east London. But like any shopping destination, the 1.9m sq ft centre has been hit by the double whammy of retailers’ struggles and the impact of Covid lockdowns.

Urban&Civic’s Hugill believes the centre will always be a core part of the site. “Westfield was very good and quite prescient about mixing [tenants and uses],” he says. “As things have moved forward, that mix has changed even further and I was always confident that the scale of those facilities would be strong.”

Next to Westfield is the niche retail offering in East Village, with 44 units ranging from 1,000 sq ft to 2,000 sq ft, and rents of £25,000 a year on the 1,000 sq ft units.

Richard Allen, head of retail at Get Living, says the developer wanted to create a village feel and offer something that would appeal to residents. “Most of our retailers are smaller independents and many are one-offs,” he adds.

Other commercial developments at QEOP include Here East, a 1.2m sq ft campus being built on the site of the broadcast and press centres created for the games.

Here East says a community of 3,800 entrepreneurs, academics and creatives are based at the building. They include Loughborough University London, Sega’s Sports Interactive, BT Sport and Ford’s Smart Mobility team.

Here East chief operating officer Mike Magan says the scheme is 90% occupied, with fully fitted-out category-A space letting for £52.50/sq ft and shell and core studio space for £25/sq ft.

The V&A museum will also open its East Storehouse building at Here East in 2024, providing a purpose-built home for more than 250,000 objects, 350,000 books and 1,000 archival collections. “The V&A is moving its national collection from Blythe House to Here East, where it will be open to the public for the first time,” says Magan. “I don’t think any of us really appreciate what a game-changer that will be to the park, but also for Here East.” It is estimated that 200,000 people will see the collection in its first year.

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“
The experience of the games gave the area a feeling of purpose.
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Bek Seeley



Source:
Shutterstock / IR Stone
 Gold rush: Westfield Stratford, opened a year before the games, is east London's main retail centre.

The V&A East Museum will be separately housed in nearby East Bank, the mayor of London's £1.1bn Olympic legacy project. Spread over three sites, East Bank will be one of the world's largest cultural and educational districts when it opens later this year. It is hoped 1.5 million visitors will visit the park, creating 2,500 jobs and generating £1.5bn for the local economy.

As for other workspace, Lendlease and LCR's International Quarter London, next to Westfield Stratford, will have 2.6m sq ft of offices. "Based on current plans, the Olympic Zone will become the third-largest office location in London behind the City and Canary Wharf," says Gary Powis, director of development consultancy at Strettons.

Bek Seeley, managing director for development, Europe, at Lendlease, which has responsibility for IQL, credits the London games with "supercharging" plans for the area.

"The transport connectivity put in place and cleaning up of land opened up the area," she says. "[The games] were really significant and the experience gave the area a feeling of purpose."

She believes big events like the Olympics and Commonwealth Games have a catalysing effect. "You get a passion behind them and they create memories that become associated with a place."

Seeley adds that this gives investors and developers the confidence to invest in an area. Importantly, it has also created opportunities for small businesses. "There are many of stories on the park of people setting up on their own," she concludes.



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Sports facilities and parks

Fourteen sports venues were created for the 2012 London Olympics, but many of these were temporary facilities.

In 2022, the Queen Elizabeth Olympic Park has several legacy sporting venues including the London Stadium, now home to West Ham Football Club; the London Aquatics Centre; the Copper Box Arena; and the Lee Valley VeloPark.

The Copper Box Arena, where handball and modern pentathlon events took place during the Olympics, is now the capital's third-largest arena, holding 7,500 spectators, as well as including a state-of-the-art gym and fitness facilities.

The Lee Valley VeloPark remains a popular centre for cycling, with the public able to pay to ride around the velodrome or use the outside facilities.

The London Aquatics Centre had its wings clipped post-Olympics when it was modified, and the two temporary seating areas removed, reducing the 17,500 capacity to 2,800. The centre is now used primarily as a local swimming pool.

As for the main Olympic stadium, Urban&Civic's Hugill says it was originally designed to be dismantled. "Half was going to go to Rio, leaving a small athletics stadium afterwards to host things like regional schools finals," he says. "Then they decided they liked it so much they wanted to keep the structure."

In 2013, West Ham FC controversially took it over on a 99-year lease, paying vastly reduced rates. "[The move] was a very bad decision because the upkeep was [significant], and it was never designed as a football stadium," says Hugill. "[But] West Ham got a considerable stadium for next to nothing. Tottenham paid £750m for their stadium."

Shaun Dawson, chief executive of Lee Valley Regional Park Authority, which manages a number of the London 2012 sporting venues including the VeloPark, believes the games have left a legacy of "world-class sport infrastructure that, unlike many other host nations, has stood the test of time".

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The world-class sport infrastructure has stood the test of time.
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Shaun Dawson,
Lee Valley
Regional Park Authority



Net advantage: West Ham Football Club gained a new home at a bargain price when it took over the former 2012 London Stadium

The venues, he says, continue to welcome “beginners, schools, community groups, clubs and corporates every day, complemented by a series of major international events”.

Another important aspect has been the environmental legacy. The 2012 Olympics schemes used green roofs and habitats to increase biodiversity on site and reduce flood risk through water conserving landscapes. Extensive pedestrianised areas were created along with large green spaces and trees.

Marylís Ramos, director in the Savills Earth team, says all new neighbourhoods on the Olympic site were built to meet Legacy Communities Scheme Biodiversity Action Plan targets, which aimed to enhance biodiversity across the park, but also put measures in place to enable long-term habitat management.

“This clarity of vision at the beginning really helps to embed things like biodiversity net gain from the start,” she says.

Ramos singles out L&Q’s Chobham Manor as exemplar, saying it was one of the first developments in London to target zero carbon emissions, at a time when that was not a mainstream ambition.



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