

Stockley Park

London, United Kingdom

Project Type:
Commercial/Industrial

Case No:
C031002

Year:
2001



SUMMARY

The transformation of a site that had been a garbage dump for most of the 20th century into one of Britain's most successful office parks. Of the 416-acre site, 141 acres are devoted to the business park, with more than 2 million square feet of office space already built. The remainder of the site includes a regional park with playing fields, riding trails, and an 18-hole golf course. The transformation was accomplished through what was at the time the largest earth movement process in Europe, and it resulted in an attractive, financially successful business park and a valued amenity for the surrounding community.

FEATURES

- Remediation and reclamation of a former 416-acre garbage dump
 - Trend-setting, technology-oriented business park
 - High-quality architecture and landscaping
 - Public/private partnership to develop both the project and much-needed public amenities
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SPECIAL FEATURES

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- Trend-setting, technology-oriented business park
- High-quality architecture and landscaping
- Public/private partnership to develop both the project and much-needed public amenities

DEVELOPER

Stockley Park Consortium Ltd.
Broadbent House
64/65 Grosvenor Street
London W1X 9DB
United Kingdom
020-7255-7490

ARCHITECT

A variety of architectural firms designed the buildings at Stockley Park, including:

Arup Associates
Sir Norman Foster & Partners
Skidmore Owings & Merrill
Peter Foggo Associates
Troughton McAslan
Eric Parry Associates
Geoffrey Darke Associates
Ian Ritchie Architects

LAND PLANNER

Arup Associates
Boston House
37 Fitzroy Square
London W1P 6AA
United Kingdom
020-7465-5555

PROJECT WEB SITE

www.stockleypark.co.uk

GENERAL DESCRIPTION

Stockley Park, one of the leading business parks in Europe, features more than 2 million square feet of office space in 27 buildings and has a list of high-powered tenants such as CISCO Systems, EDS, and Glaxo Wellcome. A host of renowned architectural firms have been involved in designing the buildings at the park—which also features lush landscaping, water features, and even a regional park with a golf course and other recreational amenities—and its location, only 2.2 miles (3.5 kilometers) north of Heathrow Airport and near the M25 highway ringing London, is outstanding. From 1916 until the early 1980s, however, the now-attractive site was used as a garbage dump. Although it was closed and capped, it was highly polluted and only barely able to support any vegetation. Two phases of the project already have been completed, and the final phase now is under construction.

SITE AND DEVELOPMENT PROCESS

The refuse under the ground of the 416-acre site was generating levels of methane high enough to start underground fires, and water leaching from the site into the nearby Grand Union Canal was highly polluted. The London borough of Hillingdon, which controlled the site, faced a serious dilemma. The site was unattractive for development and had no value as an amenity. Officials' deliberations were complicated by the fact that the site was technically located within London's green belt and therefore could not be easily developed. Furthermore, central government restrictions on local government spending greatly limited the ability of the borough to do anything with the site on its own.

In 1981 a developer, Peter Jones, approached the borough with a proposal to redevelop three-quarters of the site into a golf course and public park at no cost to the borough if he was given permission to develop a 100-acre science park on the remainder of the site. The borough, seeing a way out of the morass, agreed. Jones began to prepare site plans, acquired some neighboring parcels to consolidate the site, and gathered the financial backing of the Universities Superannuation Scheme to fund the first phase of the development. Jones's company, Trust Securities Holdings, soon ran into financial difficulties, however, casting doubt on the viability of the whole Stockley Park plan.

Stuart Lipton, then chair of Stanhope Properties, saw the opportunity that Stockley Park afforded. He created Stockley PLC to acquire Trust Securities and salvage the Stockley Park plan, retaining the concept that Jones had developed. In 1984, he received permission from the borough council and the British Department of the Environment to proceed. In 1987, another development firm, Mountleigh, gained control of Stockley Park and controlled it for 17 months. Lipton then organized a consortium involving Stanhope Properties, Kajima Corporation, the Prudential Insurance Company, and Chelsfield that bought the project back in October 1988 and continues to own it today.

PLANNING AND ENGINEERING

The developer hired Arup Associates to create a master plan for Stockley Park. The plan sought to maximize the site's visual and amenity value while minimizing the amount of material that had to be brought to or taken off the site. Killing two birds with one stone, the developer moved more than 4 million cubic meters of landfill from the southern part of the site, where the business park is located, to the northern part of the site, arranging it to create a landscape of hills and swales. At the same time, gravel from the eastern part of the site was used to create clean, level building pads for the business park and the waterways that run between the pads. This work, which took place between 1984 and 1987, was the largest earth movement project that Europe had ever seen.

The reclamation effort at Stockley Park was more than just an immense exercise in earth moving: it successfully addressed the mitigation of soil pollution. A complex system of clay buffers and drainage pipes diverts polluted groundwater from the site so that it can be properly treated, and methane produced on site is collected and burned off. To encourage the growth of healthy plants in the public park, a soil composed of clay and cleaned sewage sludge was imported to cap the landfill soil, and 1.5 million earthworms were released at the site to aerate the soil and improve its quality. The results have been spectacular. Today, the site generates virtually no adverse environmental impacts and the landscaping program has been very successful.

In defining an appropriate program for Stockley Park, the developer used the services of DEGW, a consultancy in London, to identify potential tenants and their space and usage requirements. In cooperation with other members of the consultant team, DEGW undertook research in Europe and North America to identify the latest trends in business park development; the firm also prepared case studies and conducted focus groups to evaluate different development alternatives in order to identify the best program for Stockley Park.

Through its research, the development team recognized the shifting of the economy toward services generally and the growth potential of the high-technology industry in particular. The development team also was savvy enough to focus more on functions (like information creation and management) than on specific economic sectors. In surveying potential tenants, DEGW found that most of the firms needed flexible space that could be quickly reconfigured to suit their changing needs. Other important factors were accessibility, communications capacity, and surrounding amenities. More generally, the development team confirmed the need for an American-style business park, a development type previously unseen in Britain.

Public involvement was important in the planning of Stockley Park. The developer made a concerted effort to inform and involve local residents, holding open houses and producing a monthly newsletter to keep them up to date on the

park's planning and development, and also conducted surveys and worked with local community organizations to identify the community's needs. These outreach efforts revealed that support for Stockley Park was strong, not just because of the jobs that it would create, but also because of the community recreational amenities that the park would provide. The developer also worked to foster cooperation between the tenants of Stockley Park and businesses in the surrounding area by bringing them together in meetings to find out what their businesses could offer each other. Today, Stockley Park continues in this tradition by working with the borough of Hillingdon to provide skills training programs for local residents.

A variety of techniques were used to contain development costs at Stockley Park; one of the most important was maintaining control of the construction cost of the buildings by setting firm guidelines early in the architectural design process. Although the buildings' quality is high and they were designed by well-known architectural firms, they are far from extravagant. Most are fairly simple in their configuration and ornamentation, employing a shell and core design that is common in North America but relatively unused in the U.K. Most buildings have the same interior plan. Apart from helping to keep costs down, this approach also helped to ensure that the buildings would be flexible enough to meet the changing demands of the occupiers at Stockley Park. Efficient procurement practices during construction further contained development costs.

Generally of two or three stories, most of the buildings at Stockley Park are built with open floor plates radiating off a central atrium, a design that maximizes usable space, allows for a fast construction schedule, and is easily reconfigured. Cable ducts are routed to all of the buildings, and tenants can choose their own communications providers. Raised floors enhance the flexibility of the space. Tenants also can choose how they would like the space fitted out: they can provide specifications themselves, or they can opt for a standard fit-out package.

One of the most highly valued amenities at Stockley Park is the landscaping. Apart from the regional park on the northern portion of the site, the business park features trees, flowers, and waterways at every turn. Indeed, one of the main goals of the planning process was to create and maintain attractive vistas, and the planners have succeeded in combining the best of European Romantic traditions of landscape design with more formal British landscaping in a thoroughly modern setting. Virtually all of the parking areas at Stockley Park are screened by plantings.

OPERATIONS AND MANAGEMENT

As in North America, there are increasing concerns in the London area about traffic congestion, dependence on the automobile, and pollution. Given Stockley Park's suburban location, it is not surprising that most of the people who work there arrive by car; however, planners are trying to find alternative modes of transportation to give people the option of not driving themselves. The development plan for Stockley Park included the construction of a new bypass road that today serves most of the traffic coming to the site. Indeed, there was significant upfront investment in infrastructure at Stockley Park, which imposed a considerable financial burden early in the development process.

In March 1998, the Stockley Park Transportation Plan was announced. The plan's main goal is to achieve a 20 percent reduction in car trips to the site by encouraging use of public transit, bicycling, and car sharing. Working with local governments and transit agencies, Stockley Park has been able to make good progress, although it has not achieved the 20 percent reduction in car trips yet. Some specific techniques used to achieve its goal include improving bus service to the site, generating increased awareness of alternative transportation options through the Internet, and selling transit tickets at locations in Stockley Park. Other initiatives include increasing the number of commuter trains stopping at nearby Hayes station and offering a journey-planning service that helps employees figure out how best to get to and from Stockley Park.

Another important objective in developing Stockley Park was to provide a variety of amenities that would be valued by both occupiers and their employees. For instance, there is Spark, the online community for those who work at Stockley Park. But the centerpiece of the amenity package is a building called the Arena, where visitors have access to a health club, a swimming pool, and a restaurant, as well as the clubhouse for the 18-hole Robert Trent Jones golf course next door. All of these facilities are well used, and not just by those working at Stockley Park: almost half of the members of the health club are residents from the surrounding community. The 300 acres of park facilities also include an equestrian center, playing fields, and jogging paths. The park was officially opened in 1993, and ownership of the lands was officially transferred back to the borough of Hillingdon at that time, going a long way toward addressing the community's pressing need for recreational space.

Ongoing maintenance is an important aspect of Stockley Park's continuing success, and maintenance costs are passed through to tenants. Great effort also is made to ensure that the occupiers at Stockley Park are satisfied with their investment. Since the first tenants moved in, the development team has conducted extensive post-occupancy surveys to find out what tenants think of their space and what they would like to change if possible. Before they move in, tenants are given a thick manual to help them get the most out of their investment in real estate at Stockley Park.

Stockley Park has tried to stay as flexible as its tenants by tweaking its design concept as time goes by. Compared with the first phase, the third phase of Stockley Park, with detailed planning by Kohn Pedersen Fox, exhibits a number of changes. Floor plates have become deeper, averaging around 88.5 feet (27 meters); ceilings have gotten higher; and lease terms have become shorter. Even the architecture at Stockley Park is changing with the times, with the latest buildings featuring a permeable all-glass facade that creates an airspace in front of the actual wall of the building. As always, ongoing customer service is essential.

Stockley Park has succeeded in satisfying both its tenants and its investors. The office space is completely occupied, and demand has been sufficient to justify the development of the park's third and final phase. With rents ranging from \$38 to \$50 per square foot, space is a bargain compared to that in central London, and no site in the London area can offer Stockley Park's combination of amenities and accessibility. The project also is a hit with local residents, who appreciate the new park facilities and the more than 8,000 jobs that have been created, more than one-third of which have gone to local residents. The project has won numerous awards over the past 15 years, and it continues to serve as an outstanding model of office park development.

EXPERIENCE GAINED

- Developers need tremendous capacity to handle all of the work required for a project as large as Stockley Park. When the development schedule stretches over many years, firms also need to be able to weather changes in the real estate market.
- Before a project like Stockley Park gets underway, developers need to have a fully developed long-term strategy that addresses everything from preliminary planning to an exit strategy down the road.
- Starting with a site that has virtually no value, as was the case in Stockley Park, can be a blessing. Stockley Park faced tremendous obstacles; however, given the great potential for adding value to the site, overcoming the obstacles was worth the effort involved.
- The project team armed itself with solid research at every stage in the development process. Whether it involved determining the type of project to build in the first place or how to save costs on construction, the quality of information paid real dividends.
- Good construction management practices can save a lot of money and speed up the development process so that the client gets the product more quickly. However, a tight production schedule means that the developer must have tight control over the project, and there is less room for delays and correcting mistakes.
- Good architecture and good landscaping are highly valued tenant amenities; both add value to the project and enhance its overall quality. Tenants are often willing to pay a premium for space in a business park that has a pleasant environment.

PROJECT DATA			
LAND USE INFORMATION			
Site area: 416 acres (141 acres is dedicated to the business park)			
Gross building area			
Use	Completed (square feet / meters)	At buildout (square feet / meters)	
Office	2,011,820/187,099	2,549,740/237,125	
Leisure	80,000/7,440	80,000/7,440	
Number of buildings: 27			
Total parking spaces: 7,285			
Structured: 340			
Surface: 6,945			
LAND USE PLAN			
	Phase I	Phase II	Phase III
Site area	92 acres/37.26 hectares	23.9 acres/9.67 hectares	24.5 acres/9.92 hectares
Buildings	1,560,000 square feet/ 145,080 square meters	452,000 square feet/ 42,036 square meters	537,920 square feet/ 50,026 square meters
Plot ratio	0.33	0.43	0.51
Parking ratio	1 space/350 square feet	1 space/270 square feet (25 square meters)	1 space/470 square feet (43.7 square meters)
OFFICE TENANT INFORMATION			
Percent of NRA occupied: 100 percent			
Average annual rents (current): \$38–\$50 per square foot, net			
Average length of lease: Ten to 15 years			
Typical terms of lease: Tenant is responsible for repairs and insurance			
Tenants: Approximately 30 tenants in suites from 5,000 to 300,000 square feet (463 to 27,778 square meters)			
DEVELOPMENT COST INFORMATION ¹			
Site acquisition cost: Not applicable			
Site improvement costs: > \$65 million			
Construction costs: > \$265 million			
Soft costs: Not applicable			
¹ Development costs incurred between 1985 and 1999. No allowance for inflation.			
DEVELOPMENT SCHEDULE			
Site purchased: 1985			
Planning started: 1984			
Construction started: 1985			
Leasing started: 1986			
Phase I completed: 1991			
Phase II completed: 1999			
Phase III started: 2000			

DIRECTIONS

From Heathrow Airport: Drive north on A408, in the direction of the M4. Continue driving north on A408/Stockley Road to the exit for Stockley Park.

Driving time: Approximately ten minutes in non-peak traffic.

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This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI-the Urban Land Institute.



COURTESY OF ARUP ASSOCIATES

Stockley park, one of the leading business parks in the United Kingdom, has served as a model for other developments.



A massive effort was required to move the landfill around the site and to address environmental contamination. The developer had to ensure the safety of the building sites while also seeing to it that the landscaping plan would be viable.



Many of the buildings at Stockley park have been designed by renowned architects. Extensive landscaping adds to the attractiveness of the environment.



The Arena provides recreational facilities for members of the surrounding community as well as for employees of the tenants at Stockley park.



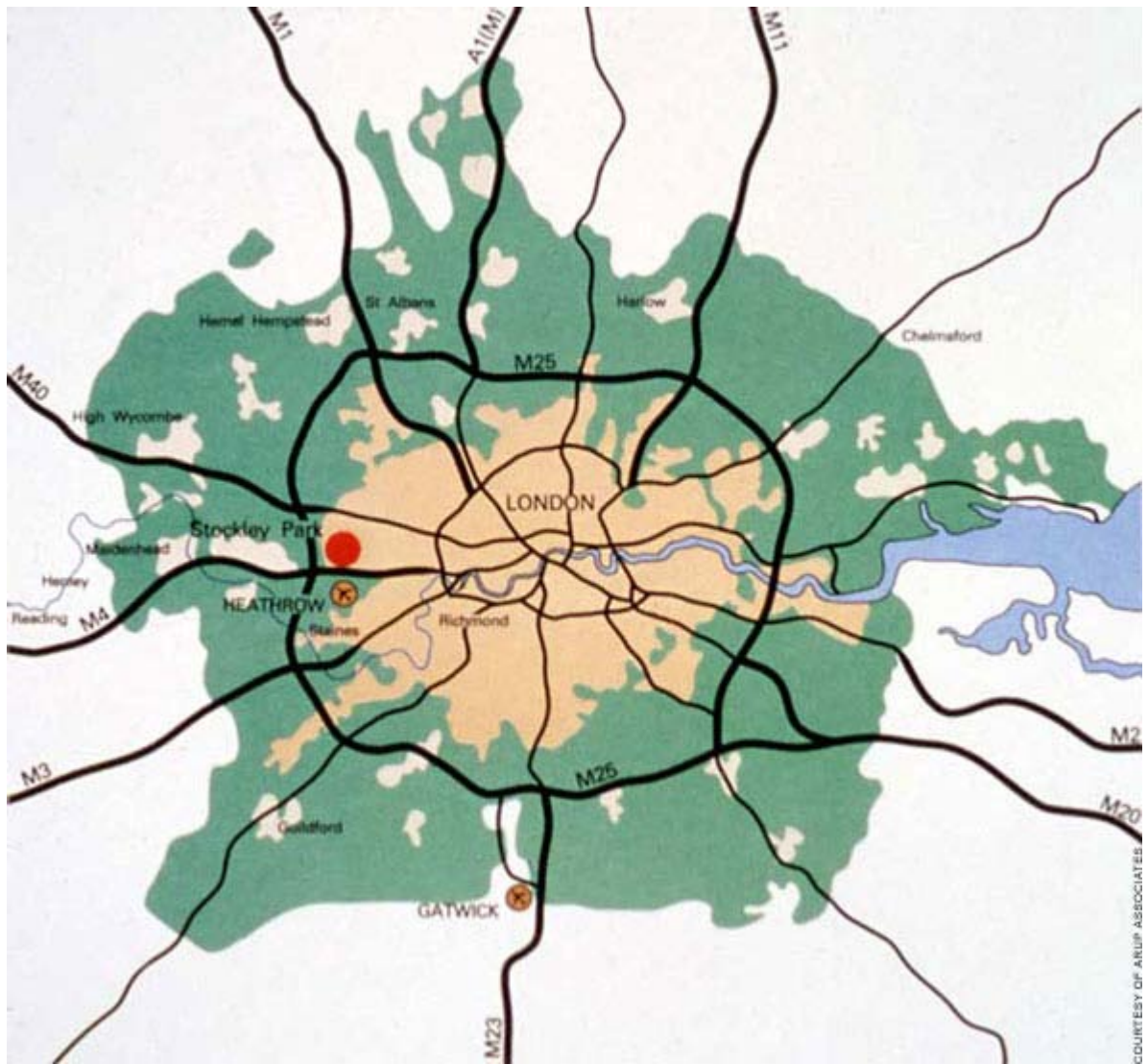
High-quality architecture and landscaping characterize the buildings in phase II.



The land reclamation effort at Stockley park has been so successful that it is hard to believe that the site was a garbage dump for almost a century. The golf course is popular, and the landscape is filling in well, with a variety of trees and plants.



Site plan.



Location plan.