

Car parks to communities

Research just published by Lichfields asks: can retail parks help meet London's housing need?

The UK's housing challenge has developed over the years into a widely acknowledged crisis, nowhere more so than in London, which is currently planning for around 558,000 new homes over the next 10 years of the draft London Plan (published July 2026) against a local housing need of 850,000 over the same period.

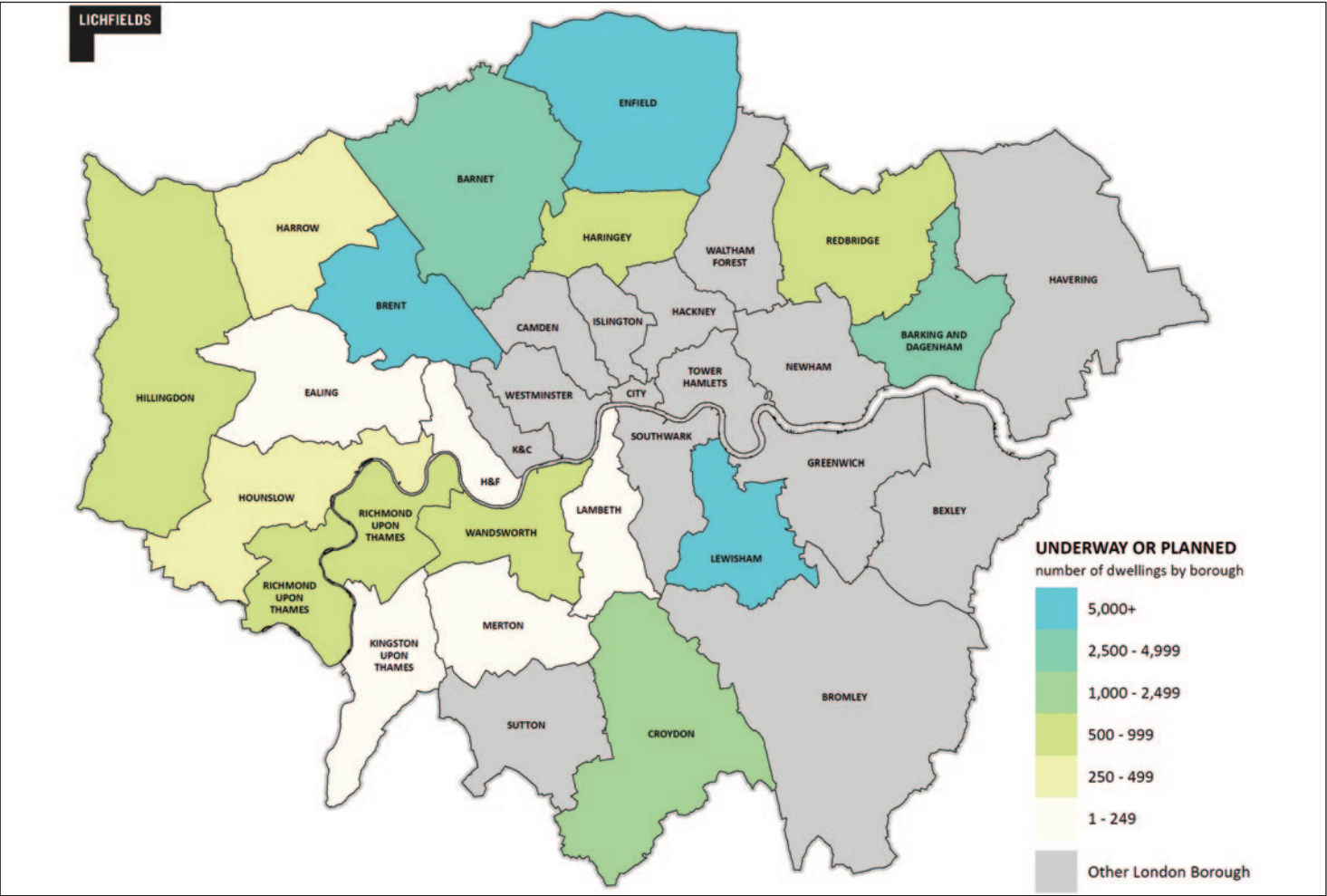
With this in mind, out-of-centre retail parks represent one of the clearest and most immediate opportunities to pivot from low intensity land use, with areas predominantly occupied by car parks and single storey units, repurposed to residential led mixed-use communities.

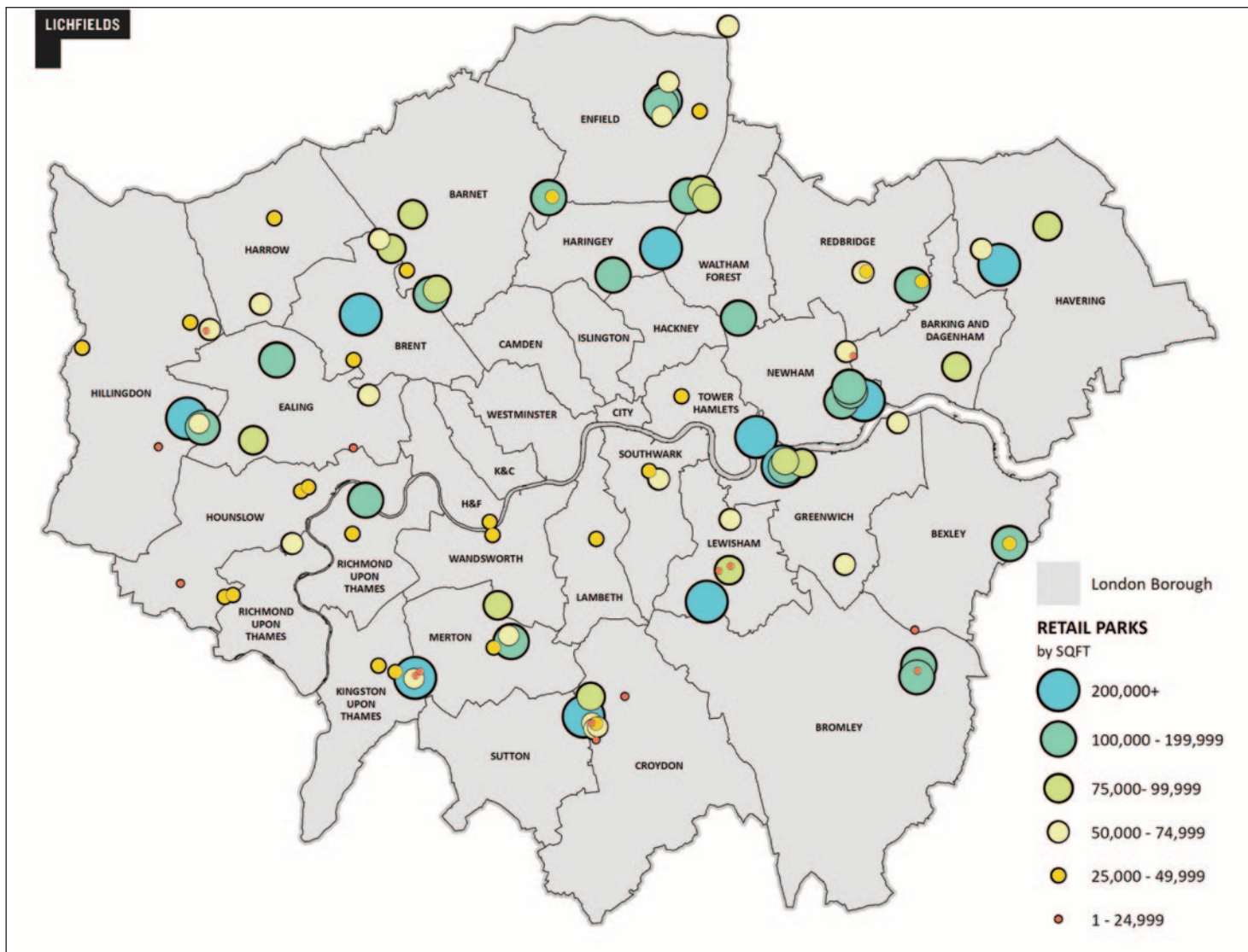
Over 2025 and 2026, Lichfields has undertaken an analysis of London's retail parks to identify and define guiding principles for a design-led approach, helping to deliver sustainable, mixed-use neighbourhoods that can contribute meaningfully to London's housing needs while creating better places, stronger communities and enhanced local centres.

London retail parks could provide land for 11,200 new homes
Nineteen retail parks across London could accommodate around 11,200 new homes as part of mixed-use redevelopment, according to research from planning and development consultancy Lichfields.

The study, Car parks to communities, looked at 102 retail parks across 29 London boroughs, representing around 9.1 million sq ft of retail floorspace. It identified 19 sites across 13 boroughs with potential for further housing after screening for accessibility, planning commitments and policy protections, flood risk and proximity to local services.

Redevelopment is already taking place on a number of sites. 29 of the 102 retail parks are undergoing residential-led redevelopment in one form or another and could deliver up to 16,800 homes. A further 28 developments on land next to retail parks are already delivering 17,500 homes. Together, around 34,000 homes >>>





>>> are currently being developed on or adjacent to retail park sites across London.

James Singer, Associate Director at Lichfields and author of the research, said: "London needs more homes and some retail parks have clear potential to help provide them, particularly where large parts of a site are taken up by surface car parking or low-density development.

"That doesn't mean every retail park is suitable for housing. Many are trading well, and factors such as land value, existing tenants and lease structures can make redevelopment difficult.

"In a lot of cases, the more realistic approach is to redevelop sites in stages, keeping successful retail and leisure uses while adding homes and improving the wider site. That can make better use of the land while retaining uses that continue to perform well."

The research comes as London looks for ways to increase housing supply under the draft London Plan, published in July. The plan makes provision for around 558,000 new homes over the next 10 years, against an identified local housing need of approximately 840,000.

Existing and proposed London planning policy supports the redevelopment of low-density retail parks and car parks for housing where sites are suitable. However, viability, existing uses and the ownership and lease arrangements of individual parks will

have a major bearing on what can be delivered.

Retail parks have remained relatively resilient compared with other parts of the retail market, while strong occupier demand and limited new supply can support high existing use values. Existing leases, ownership structures and redevelopment costs can make residential schemes difficult to bring forward.

Vacancy across the retail parks analysed was around 15% at the time of the research, compared with an average of approximately 6% across the wider retail park market. The research found that some of this reflects sites already moving towards redevelopment, where tenancies have been allowed to lapse ahead of future plans.

For sites with development potential, the study points to phased delivery as one way of retaining retail and leisure uses while introducing housing, community facilities, new streets and public space. It considers London examples including Hurlingham Waterfront in Fulham, Lewisham Retail Park and Southbury Leisure Park in Enfield.

James added: "The opportunity is not just to increase the number of homes on these sites, but to turn places built around cars into neighbourhoods where people can live, shop and spend time. That means thinking carefully about the mix of uses, the quality of public space and how each site connects with the surrounding area." ■