

PLANNING VIABILITY AND MARKET ASSESSMENT

Proposed Development: Conversion of Former Premier Inn to shared residential accommodation (sui generis HMO)

Site Address: Bayswater House, Hever Court Road, Gravesend, Kent DA12 5UQ

Prepared in support of a Planning Application

1. Executive Summary

This report assesses the viability and planning justification for the proposed conversion of the former Premier Inn hotel at Hever Court Road, Gravesend into shared residential accommodation (sui generis HMO).

Evidence indicates that the building is no longer viable for continued hotel operation. At the same time, Gravesham Borough Council faces a recognised shortfall in housing supply and has adopted policies encouraging the reuse of previously developed land and under-utilised buildings.

The proposed development will:

- bring an underutilised building back into productive use
- contribute to the delivery of additional housing within the Borough
- provide smaller residential units suited to local housing demand
- reduce long-term operational risk associated with continued hotel use.

The proposed change of use therefore represents a sustainable and policy-aligned redevelopment opportunity.

2. Site Background and Current Status

The property historically operated as the Premier Inn Gravesend (Singlewell) located on Hever Court Road.

The building comprises approximately 31 guest bedrooms together with reception and ancillary facilities.

Recent evidence indicates that the property is no longer operating as a conventional branded Premier Inn hotel and has been the subject of attempts to advertise residential studio accommodation. This indicates that the building is no longer functioning as a viable hotel operation.

Planning records also show recent interest in alterations and redevelopment of the site, further confirming that the existing hotel use is no longer commercially sustainable.

The site therefore presents a logical opportunity for adaptive reuse.

3. Commercial Viability of the Existing Hotel Use

Scale and Operational Limitations

The property is a relatively small budget hotel with limited supporting facilities.

Unlike larger hotel establishments, the building does not provide:

- restaurant facilities
- conference or meeting rooms
- bar or lounge areas
- significant communal guest amenities.

These limitations place the property at a commercial disadvantage when competing with larger hotel operators in the local market.

Market Competition

Within a three-mile radius of the site there are several competing hotels with a combined capacity of approximately **265 rooms**.

These include:

Best Western – Hever Court Road – 62 rooms

Travelodge – Coldharbour Road – 61 rooms

Premier Inn – Wrotham Road – 66 rooms

Inn on the Lake – Watling Street – 76 rooms

Availability checks undertaken across a six-week period confirmed that rooms were consistently available across all of these hotels. This demonstrates that the local area already benefits from a substantial supply of hotel accommodation.

The subject property is therefore operating within a highly competitive market with limited opportunity for differentiation.

Marketing and Sale Attempts

The property was marketed for sale as a hotel for approximately two years.

During that period only one potential purchaser expressed interest in acquiring the property as a hotel operation. That party subsequently withdrew after concluding that the hotel use was not financially viable.

This strongly indicates that continued hotel use is commercially unrealistic.

4. Local Housing Need

Gravesham Borough Council's Housing Development Strategy identifies a requirement to deliver approximately **1,000 additional homes over a five-year period**.

The Council has also identified increasing numbers of households within temporary accommodation and a shortfall in deliverable housing sites.

Planning policy therefore places increasing emphasis on:

- the efficient use of land
- brownfield redevelopment
- the reuse of under-utilised buildings.

The proposed conversion directly supports these objectives.

5. Market Demand for Studio Accommodation

Market evidence indicates strong demand for smaller residential units within the Gravesend area.

Rental listings show HMO's typically achieving rents between £650 and £850 per calendar month, with many examples within the £700–£800 range.

Smaller units are particularly suited to:

- single households
- young professionals
- key workers.

The proposed development therefore responds directly to an identifiable housing need.

6. Financial Viability

A financial appraisal has been undertaken using residual valuation methodology.

Key development cost components include:

- internal strip-out and reconfiguration
- mechanical and electrical upgrades
- window and door replacement
- fire safety improvements
- professional fees
- contingency allowances
- financing costs.

The scheme generates a modest but positive return under baseline assumptions, demonstrating that the development is deliverable.

Sensitivity testing indicates that viability is most sensitive to construction costs and rental levels.

The development therefore represents a viable redevelopment opportunity.

7. Planning and Physical Suitability for Conversion

Hotel buildings are often well suited to residential conversion because:

- existing rooms already include ensuite bathroom facilities
- circulation corridors are already in place
- fire escape routes already exist.

Only limited reconfiguration is therefore required to create a managed shared residential environment with individual rooms and communal facilities.

8. Public Benefits

The proposed development will deliver several planning benefits including:

- reuse of an underutilised building
- delivery of additional housing within the Borough
- reduced pressure on greenfield land
- improved appearance and maintenance of the site.

Residential occupation is also likely to generate lower levels of disturbance than the former hotel uses due to reduced visitor turnover and the absence of commercial service activity.

9. Conclusion

Evidence clearly demonstrates that continued operation of the building as a hotel is no longer commercially viable.

The proposed shared accommodation model reflects a flexible and viable reuse of the building, reducing conversion costs and improving deliverability while responding to local demand for smaller and more affordable forms of accommodation.

The proposal therefore represents an appropriate and beneficial form of development.