

# West Norwood & Tulse Hill Business Space Demand Study

Parade Mews  
Art Studios

BIG EGG  
DESIGNS

No parking  
in front of  
these gates

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# 1. Introduction





# Introduction to Report

## Context and Purpose

West Norwood & Tulse Hill (WNTH) is one of South London's most vibrant neighbourhoods. It benefits from cultural and demographic diversity, a strong and active community and a wide range of physical and non-physical assets.

It also has an important local economy made up of **c1,600** businesses employing around **6,000** people. Prominent examples include Mylands, Blackbird Bakery, Michael Ruh Studio, Cennox, Arriva, London Signs, Travis Perkins, A Small Studio, London Decorators Merchants, R2 Architects, Parade Mews Pottery, Co Accounting and Street Food Union.

These businesses are mainly located in four Key Industrial Business Areas (KIBAs) (West Norwood Commercial Area, Park Hall Trading Estate, Parade Mews and Knollys Yard) and in and around the West Norwood and Tulse Hill District Centre. These areas host a range of business spaces, from retail, industrial and light industrial units through to specialist workspaces (e.g. Workspace's Parkhall Business Centre, East Place Studios, Access Self Storage's old fire station site and the Portico).

Given the importance of the area to Lambeth's local economy, and its relatively constrained business space market, the London Borough of Lambeth (LBL) and Station to Station BID are looking to deliver and catalyse more business space in WNTH. The ambition is to unlock opportunities in order to deliver strong and inclusive economic growth that supports WNTH and its town centre.

A range of proactive steps have already been taken to do this. From a policy angle West Norwood Commercial Area ('Norwood Works'), Park Hall Trading Estate, Parade Mews and Knollys Yard have been designated as KIBAs (Locally Significant Industrial Sites) and in the Lambeth Local Plan 2020-2035 (adopted in September 2021), Policy PN7 has removed a section of Norwood High Street south of the railway and designated it as a Creative Business Cluster to promote greater flexibility in uses and spaces. From a practice angle, LBL and the BID have embarked on the *Making High Streets Work* (MHSW) programme which has received £150k of funding from the Mayor of London's *High Streets for All Challenge*. The programme aims to increase the amount of low-cost workspace in WNTH by utilising underused spaces within existing commercial properties. An *Evidence Base* and *Vision* document have been written to guide this.

**The LBL and Station to Station BID are looking to advance their ambition by bringing forward the MHSW programme and exploring other opportunities to deliver more business space in WNTH. To guide this they have commissioned Avison Young and Architecture 00 to produce an intelligence-led demand study for WNTH. The main aim is to provide comprehensive, in-depth and data-led insights to help understand demand and supply dynamics for business space in WNTH. This document sets out the findings of the study and considers the implications for future delivery.**





# Introduction to Report

## Objectives and Approach

The main objectives for the study are to:

- Provide a comprehensive, in-depth and data-led business space demand study;
- Analyse the demand and supply of different business space typologies;
- Propose an evidence-based future trajectory of both (i) demand and supply, and (ii) business space typologies within WNTH;
- Understand the scale of opportunity for business space in WNTH in response to demand in Lambeth's identified growth sectors;
- Identify whether there is demand for incubator or move-on space; and,
- Identify and capture any barriers or challenges attributed to accessing business space within an Equalities, Diversity and Inclusion context.

These objectives have been met by using our tried and tested methodology to explore demand for business space. This has involved analysing drivers of demand at national, regional and local scales. This is because, while local trends are important, they are intimately linked to wider economic, social and cultural trends. Our approach has involved undertaking objective economic, commercial and demographic analysis, and infusing this with qualitative insights from consultations, workshops and site visits.

This approach is captured in our report structure:

- **National Drivers** – An overview of national economic, commercial and policy trends influencing local-level business space demand.
- **Regional Drivers** – An overview of London-wide economic and commercial trends influencing local-level business space demand.
- **Local Drivers** – A deep dive into different drivers of local demand, structured around nine questions:
  - A. What are the characteristics of WNTH's economy?
  - B. Which sectors are likely to drive WNTH's future economy?
  - C. What potential does WNTH offer in relation to 'working close to home'?
  - D. What is the nature of WNTH's commercial market?
  - E. How is WNTH's commercial market performing?
  - F. What do stakeholders think about future business space demand in WNTH?
  - G. How much business space is in the pipeline in WNTH?
  - H. What other business space opportunities exist in WNTH?
- **Design Drivers** – A high level overview of design considerations that respond to local drivers.
- **Recommendations** – A set of general and place-specific recommendations to guide business space delivery in WNTH.



## Equalities, Diversity and Inclusion Lens

We have gathered qualitative and quantitative insights into the Equalities, Diversity and Inclusion (EDI) context related to business space in WNTH, and have captured these in pink boxes and pages throughout the report. This includes data on the diversity of the population, case studies of businesses owned by underrepresented groups, and reflections from local stakeholders on the challenges faced by underrepresented groups in accessing business space locally. We have also considered the implications of our findings for future workspace delivery, and Architecture 00 have provided some high level design guidance.

These insights have been shaped by a discussions with a wide range of local stakeholders, including those from underrepresented groups themselves, as well as a local resident from an underrepresented group who completed a London Living Wage Work Experience placement with the consultant team as part of this commission. This individual provided a wide range of perspectives and case studies which have been captured in this final report.



# Introduction to Terminology

There are three broad commercial space categories – office, industrial and light industrial. These are ‘conventional’ typologies that cater to more established and/or corporate occupiers. Most units in WNTH are conventional industrial or light industrial spaces, most notably in the West Norwood Commercial Area.

There are also more specialised and alternative commercial space typologies that have emerged over the last two decades to meet the specific needs of micro and small enterprises (MSEs). These are typically referred to as specialist ‘workspaces’ which range from co-working spaces targeted at digital businesses through to makerspaces for creative production businesses. Examples in WNTH include Parkhall Business Centre, Waring Street Studios and East Place Studios.

While the size, nature and diversity of the specialist workspace market has increased in recent years, it is still evolving and the role of the private sector is smaller than in the ‘conventional’ commercial market. Due to this, and the value of MSEs to local economies and communities, local authorities in London have become more involved in supporting the delivery of specialist workspace in recent years through both policy and practice.

This study considers demand for conventional employment space *and* specialist workspace targeted at MSEs. This is because there are opportunities to provide both across WNTH (e.g. conventional industrial space in the West Norwood Commercial Area and specialist workspace in the Town Centre). Due to this, the generic term ‘business space’ is used throughout the report when referring to both as a ‘catch all’. In some parts a clear distinction between the two is made depending on the nature of the discussion and the recommendations being made.

More detail on different specialist workspace typologies is provided in the table overleaf for context. This draws on accepted industry knowledge, as well as the recently completed [Making High Streets Work Evidence Base](#) and [Vision & Strategy](#) documents

## ‘Messy’ vs ‘Clean’ Activity

Production-type activities are referred to as either ‘messy’ or ‘clean’ in this report. This is to make a distinction between ‘cleaner’ service-based production activities (e.g. architecture, graphic design, web design) and ‘messier’ production activities that involve the production of physical goods and products (e.g. food production, art, making, chemical production). While this is a helpful way to differentiate and describe these activities it is important to note that some ‘messy’ activities are not loud, dirty and/or incompatible with other types of uses. Some have very little impact on surrounding communities and areas and any ‘mess’ is retained within the asset. This is important to note, particularly when talking to developers and communities, as language such as this can have negative connotations and impact perceptions. This language has been used in this report given the primary audience is LBL and Station-to-Station BID, and because it is helpful in providing clarity on place-based propositions.





# Introduction to Terminology

## Workspace Typologies

Typology	Description	Site/Location Requirements	Relevant Broad Sectors	Example Workspaces
<b>Co-Working Spaces</b>	Co-working spaces provide a combination of workplace and supporting facilities with easy in-out contractual conditions. The renting of space is set up to attract users who require ad hoc and short-term access to workstations and supporting facilities such as meeting rooms. The format of space is primarily open plan and of an informal setting, aimed at facilitating an interactive and creative networking environment to form a sense of community among users.	<ul style="list-style-type: none"> <li>Proximity to residential areas and/or strong public transport connectivity desirable as many start-ups seek to locate close to where their founders live</li> <li>Can be located in mixed-used neighbourhoods as they are compatible with other uses and amenities (i.e. residential, retail and F&amp;B uses)</li> <li>Large-open plan stock is preferred to support the required desk space; refurbished spaces can be suitable where done to a good standard</li> <li>Work best in established business locations for networking, collaboration and co-location reasons</li> </ul>	Professional, Finance and Technical Activities; Financial and Insurance Activities; information and Communication; Real Estate Activities; Administrative and Support Service Activities; Creative and Digital Activities	Platfo9m, Brighton (Platfo9m); Tripod, Brixton (Meanwhile Space); WeWork, Various; Workspace Group, Various; Bloom Space, Rugby (Bloom)
<b>Managed Workspace / Self Contained Offices</b>	Managed workspaces provide formal, individual and private spaces for small and start-up businesses complemented by a number of shared facilities such as meeting rooms and reception services. They tend to offer ready-furnished office space, with internet and phone lines pre-connected and devices already equipped. In reality many managed workspaces also incorporate some co-working space to cater for different types of occupiers.	<ul style="list-style-type: none"> <li>Require well connected and accessible locations so businesses can access their core markets efficiently</li> <li>Work best in established business locations for networking, collaboration and co-location reasons</li> <li>Occupiers tend to demand strong service and amenity provision, so locations close to town centres preferred</li> <li>High quality space is in highest demand as many businesses using these spaces are beyond the start-up phase</li> <li>Can be located in mixed-used neighbourhoods as they are compatible with other uses and amenities (i.e. residential, retail and F&amp;B uses)</li> </ul>	Professional, Finance and Technical Activities; Financial and Insurance Activities; information and Communication; Real Estate Activities; Administrative and Support Service Activities; Creative and Digital Activities	International House, Brixton (3Space); The Print Rooms, Borough (Workspace); Universal Workspace, Borough (Hubble)
<b>Incubators/Accelerators</b>	<p>Incubator spaces are designed to actively support the growth of start-ups or businesses in their early stages of development. A distinguishing feature of an incubator is the provision of business support. Support offered includes services such as training in areas such as business management (including cash flow, marketing), business mentoring and help with access to funding.</p> <p>Accelerator spaces are similar in that they typically provide space to start-up businesses or existing businesses (which might have been operating for several years) with the potential for fast growth and good financial returns. A key differentiator is the competitive nature of the selection process and dedicated support provided by the space management and/or investors who working closely with the business to guide their growth. In return for access to space and business support an accelerator typically requires an equity stake.</p>	<ul style="list-style-type: none"> <li>Proximity to higher education institutions or venture capital businesses desirable to support innovation and fundraising</li> <li>Require accessibility to city centres and business districts via public transport for networking and collaboration</li> <li>Occupiers tend to demand a strong amenity offer, particularly where this supports networking, collaboration and innovation</li> <li>Can be located in mixed-used neighbourhoods as they are compatible with other uses and amenities (i.e. residential, retail and F&amp;B uses)</li> <li>Space needs to be tailored to the needs of the occupier market</li> </ul>	Professional, Finance and Technical Activities; Financial and Insurance Activities; information and Communication; Real Estate Activities; Creative and Digital Activities	Bathtub2Boardroom, Old Street; CEME Innovation Centre, Basildon; Maidstone Innovation Centre, Maidstone (Maidstone Borough Council); Hethel Innovation Centre, Norwich (Hethel Innovation); Tottenham Green Enterprise Centre, Tottenham
<b>Creative Studios</b>	<p>Creative studios offer small independent units for creative activities. They tend to be cellular and part of a community of likeminded businesses grouped in a single location. There are two prominent types of creative studio:</p> <ol style="list-style-type: none"> <li><b>Artist studios:</b> These provide small spaces for art, craft and making activities. They are typically more affordable given the target market generally generates lower revenues than other types of economic activity;</li> <li><b>Creative/digital studios:</b> These provide small and open office type studios for service-based production activities such as architecture, graphic design and publishing.</li> </ol> <p>There are also a range of other activity-specific creative studios (e.g. music, dance, theatre) that often operate independently. There are also hybrid studios that bring together different types of creative activity in one place.</p>	<ul style="list-style-type: none"> <li>Well-connected secondary locations where values are low are suitable to most artists and some creatives to reduce costs to creative occupiers</li> <li>Different types of contexts (e.g. town centres, mixed-used developments, industrial estates) can be suitable depending on the nature of activities being undertaken</li> <li>Studios of varying sizes are helpful so that occupiers can move studios to flex their practice if needed</li> <li>Places with an existing creative ecosystem and strong supporting amenity offer are most desirable though not essential given cost pressures</li> </ul>	Creative and Digital Activities	Deptford Foundry, Deptford (Second Floor Studios); Grafton Road, Croydon (Artist Studio Company), Set Woolwich, Woolwich (Set), Ardleigh Studios, Essex (ACAVA), Parkhall Business Centre, West Norwood (Workspace), Great Western Studios, Royal Oak, and Lavern Road, Poplar (ACME)



# Introduction to Terminology

## Workspace Typologies

Typology	Description	Site/Location Requirements	Relevant Broad Sectors	Example Workspaces
<b>Maker Facilities</b>	<p>Maker-type facilities offer a range of shared facilities, tools and equipment for small businesses to use.</p> <p>The most common type is more affordable space targeted at small creative production businesses undertaking light industrial craftwork. They tend to have an 'open workshop' format and are essentially co-working spaces for manual activities. A range of tools, work stations and supporting facilities are provided on a relatively affordable basis.</p> <p>A more niche type are commercial makerspaces targeting higher-value and more innovative business activities. These respond to the fact that production activities have become more sophisticated in recent years, and prototyping and experimental space is now in higher demand. These spaces provide more modern and expensive equipment (e.g. laser cutting, 3D printing, electronics, heavy tools etc).</p> <p>Maker type facilities tend to operate on membership-based models, however some small individual units sometimes provide anchor tenants and secured income streams. There are two broad types of flexible kitchens – community/independent kitchens and commercial kitchens.</p>	<ul style="list-style-type: none"> <li>Space needs to be able to accommodate the broad range of tools and equipment occupiers require as well as workbenches and stations</li> <li>Proximity to residential areas and/or strong public transport connectivity desirable as many businessowners will look to work relatively close to where they live</li> <li>Proximity to education, business support, engineering and design services are critical to support making activities</li> <li>Industrial locations can be more suitable than mixed-used neighbourhoods for heavy production activities, but lighter activities can be suitable in more residential areas with careful mitigation</li> <li>Road access and proximity to suppliers is crucial for occupiers</li> </ul>	Creative and Digital Activities	<p>Bloqs, Meridian Water (Building Bloqs); Central Research Lab, Hayes; South London Maker Space, Herne Hill; Plusx, Brighton; Makerversity, Westminster; Made in Hackney, Hackney</p>
<b>Flexible Kitchens</b>	<p>The former are targeted at start-up food businesses and private users, and are typically offered at hourly rates. Users have access to a fully equipped kitchen that they can access on a basis that suits them.</p> <p>The latter are targeted at established small food businesses that need flexible space on a regular basis. They are typically available to book by the day or on a monthly rolling subscription. They tend not to offer dining space as well, whereas community/independent kitchens sometimes provide these to support businesses to experiment and test new ideas.</p>	<ul style="list-style-type: none"> <li>Space needs to be accessible to users – well-connected industrial locations are suitable for commercial kitchens, but town centres close to where people live are more advantageous for community kitchens particularly where dining facilities are provided</li> <li>Road access and proximity to suppliers is crucial for occupiers who need to access ingredients and equipment on a just in time basis</li> <li>Space needs to be able to accommodate a fully serviced kitchen and all associated health and safety features (e.g. ventilation, fire escapes, temperature control etc)</li> <li>Proximity to anchor institutions and employers can be beneficial for businesses looking to supply local organisations</li> <li>Proximity to higher education institutions or venture capital businesses desirable to support innovation and fundraising</li> </ul>	Accommodation and Food Service Activities	<p>Maida Hill Place, Harrow Road (Westminster Artisans); The London Cooking Project, Battersea; Run the Box, Hackney; The Olive Grows, Acton</p>
<b>Laboratory Space</b>	<p>Flexible laboratory spaces are targeted at advanced science and technology businesses and allow start-ups and established organisations to research, develop and experiment. There are two main types – wet labs and dry labs.</p> <p>Wet labs offer facilities for activities involving chemicals and potential 'wet' hazards. These spaces need to be carefully designed, constructed and controlled to avoid spillage and contamination and have high up-front investment costs. Dry labs are targeted to computer-based activities and are used for analytical purposes.</p>	<ul style="list-style-type: none"> <li>Require accessibility to city centres and business districts via public transport for networking and collaboration</li> <li>Occupiers tend to demand a strong amenity offer, particularly where this supports networking, collaboration and innovation</li> <li>Combination of wet and dry facilities are favoured to ensure a business can operate all aspects of its operations from a single site</li> </ul>	Professional, Scientific and Technical Activities	<p>Open Cell, Shepherds Bush (SynbitCITE); Queen Mary Innovation Lab (Queen Mary University); London Biosciences Innovation Centre (Royal Veterinary College)</p>
<b>Meeting Space</b>	<p>Meeting spaces are formal or informal areas where people can come together to meet, collaborate, create, workshop and discuss ideas. Informal spaces include cafes, bars, libraries, parks, public squares etc, and formal spaces include meeting rooms, board rooms and function rooms. They are often found within or around existing workspaces or community facilities, but can sometimes be found independently.</p>	<ul style="list-style-type: none"> <li>Space needs to be very close, or within, existing workspace to encourage usage</li> <li>Proximity to good public transport essential to cater for clients/visitors</li> <li>Range of space types required in an area to cater for different business needs</li> </ul>	All	<p>Hideaway Workspace, Streatham; Start Up Croydon; Hire Space Peckham Library</p>
<b>Event Space</b>	<p>Event spaces are places where activities that would have traditionally happened in the village hall can take place. They support activities such as rehearsals, art exhibitions, community events, clubs and corporate / business events. They can be permanent facilities, meanwhile spaces or multi-functional spaces that are used for different types of activities.</p>	<ul style="list-style-type: none"> <li>Space need to be large enough to cater for the activities local businesses/groups are looking to host</li> <li>Proximity to public transport and commercial space preferable</li> <li>Space needs to be adapted to accommodate different uses (e.g. related to sound, seating, lighting etc)</li> </ul>	Creative and Digital Activities	<p>Anerley Town Hall, Crystal Palace Park Rusty Laptop, Streatham Space Project</p>



# Introduction to Terminology

Many early specialist workspaces were set up and run by local authorities, economic development agencies, universities and/or not-for-profit organisations to support innovation and enterprise in their locale. Examples include the St John's Innovation Centre in Cambridge and Bathtub 2 Boardroom in Bethnal Green.

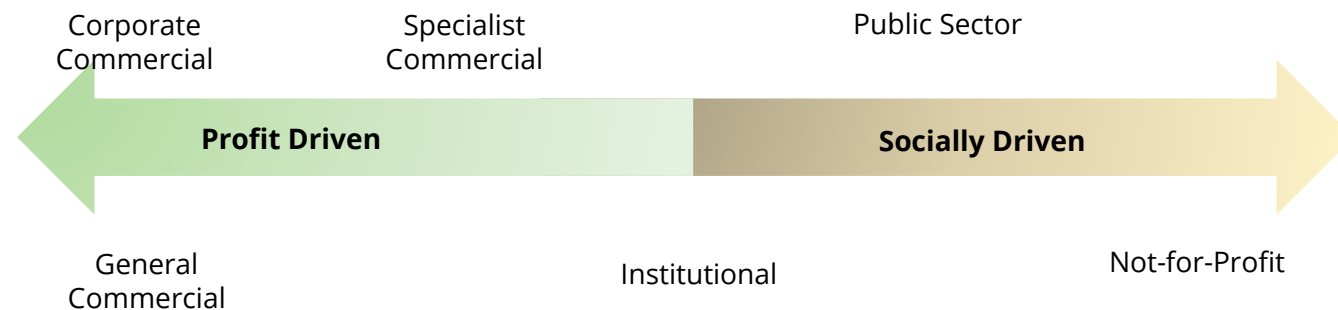
The needs, demands and requirements of MSEs have, however, changed and increased over time leading to a rise in specialist workspace operators who now run and manage most sector-specific space across London. The private sector has also realised the opportunities presented by the workspace market and several prominent commercial organisations now operate in this space (e.g. WeWork, Regus and Central Working).

There are six main types of operator, ranging from commercial organisations focused on securing profit through to community-focused organisations aiming to deliver social value to local communities. As the table overleaf illustrates, each has a different profile in relation to access to capital, appetite for risk, organisational capacity, profit requirements, space needs and target occupiers.

The suitability and appetite of each operator to take on space therefore depends on the nature of the workspace opportunity – particularly in relation to its aims, location, floorspace, layout, rates and target sectors. Careful consideration is required from the outset of any project to determine the most suitable target operators, and soft market testing and engagement can be a helpful part of this.

Conventional commercial space, in contrast, tends to be delivered by commercially-oriented businesses ranging from large developers (e.g. SEGRO, ProLogis, Newlands and Regus) to local smaller-scale investors. Most space is either run directly by the asset owner or via a commercial managing agent.

## Primary Drivers of Different Workspace Operators





# Introduction to Terminology

## Workspace Operator Types

Operator Category	Example Operators	Typical Typologies	Building Types	Business Maturity	Pros	Cons
Corporate Commercial	WeWork, Regus, The Office Group	Co-working; managed workspace	New and refurbished	Established	<ul style="list-style-type: none"> <li>Strong human and capital resources</li> <li>High levels of expertise and institutional experience</li> </ul>	<ul style="list-style-type: none"> <li>Memberships can be costly for occupiers</li> <li>Tend to only locate in prime business locations</li> </ul>
General Commercial	Trampery, The Collective, Bloom.space	Co-working; managed workspace	New and refurbished	Established, Start Up and Pre Start Up	<ul style="list-style-type: none"> <li>Strong human and capital resources</li> <li>High levels of expertise and institutional experience</li> <li>Target a broader market than corporate occupiers</li> </ul>	<ul style="list-style-type: none"> <li>Memberships can be costly for occupiers</li> <li>Tend to only locate in prime business locations</li> <li>Not targeted at local businesses</li> </ul>
Specialist Commercial	Plus X, Crate, MAKLab, Google Campus	Incubator/accelerator; co-working; makerspace	New	Established, Start Up and Pre Start Up	<ul style="list-style-type: none"> <li>Typically provide support services to support enterprise and business growth</li> <li>High level of sector specific expertise</li> </ul>	<ul style="list-style-type: none"> <li>Typically in specific sectors and services</li> </ul>
Institutional	Wellcome Trust, Imperial College, Queen Mary University of London	Incubator/accelerator space; lab space; managed workspace; co-working	New	Established, Start Up and Pre Start Up	<ul style="list-style-type: none"> <li>Tend to offer strong links to anchor institutions and the knowledge/expertise they hold</li> <li>High levels of expertise and sector specific understanding</li> <li>Occupiers can access ideas to support innovation and growth</li> </ul>	<ul style="list-style-type: none"> <li>Often rely on grants and funding to start-up</li> <li>Few examples and precedents to learn from</li> <li>High upfront and on-going costs</li> </ul>
Public Sector	Various	Co-working; managed workspace; incubator/accelerator; creative studio	New and refurbished	Established, Start Up and Pre Start Up	<ul style="list-style-type: none"> <li>Able to guide the vision and aims to address local needs and aspirations</li> <li>Typically offer low-cost membership to support small and local businesses</li> <li>Tend to focus on delivering social value and addressing disadvantage</li> </ul>	<ul style="list-style-type: none"> <li>Limited human and capital resources</li> <li>Often lack the sector specific knowledge and expertise required to fully meet sector needs and requirements</li> </ul>
Not-for-Profit*	Meanwhile Space, Second Floor Studio, Bathtub2Boardroom, 3Space, Interim Spaces,	Co-working; managed workspace; incubator/accelerator; creative studio; creative studio	New and refurbished	Established, Start Up and Pre Start Up	<ul style="list-style-type: none"> <li>Typically offer low-cost membership to support small and local businesses</li> <li>Tend to focus on delivering social value and addressing disadvantage</li> <li>Focus on a broad range of sectors, including less profitable ones</li> </ul>	<ul style="list-style-type: none"> <li>Tend to rely on external funding and/or heavy market discounts</li> <li>Can find it difficult to access the funding required to activate space</li> </ul>

\*There are several not-for-profit specialist workspace operators that focus on meanwhile projects (e.g. Meanwhile Space, 3Space, The Utilize Project, Interim Spaces, Makeshift). These typically involve activating unused or underutilised buildings and sites as temporary workspaces or alternative high street concepts (e.g. PopBrixton, Peckham Levels, Spark:York) until they are re-developed or re-used on a permanent basis. Most operators in this field operate on a not-for-profit basis and aim to provide low-cost workspace for start-ups, social enterprises and entrepreneurs, and to support them to grow and prosper. These projects are typically active for one to five years, though there are variations, and the length of the lease agreed strongly influences the level of investment that can be made by operators and occupiers in fit out.



# Introduction to Planning Policy

LBL adopted its *Local Plan 2020-2035* in September 2021. This up-to-date document sets out evidence-based planning policies to guide future development proposals, and address the needs and opportunities of the borough. It includes a wide range of overarching policies relevant to WNTN (e.g. related to Housing, Social Infrastructure, Transport, Environment etc), as well as some place-specific policies (i.e. *Policy PN7 West Norwood and Tulse Hill*). Some of the policies set out are particularly relevant for employment sites and business space in WNTN and, as such, a summary of these is provided below. These strongly influence the type of development that can come forward on opportunity sites, and have shaped the recommendations provided. Please note that the summary below includes abridged versions of the policies, and the full *Local Plan 2020-2035* should be consulted for more detail.

## Key Industrial and Business Areas (KIBAs)

*Policy ED3: Key Industrial and Business Areas* focuses on protecting and intensifying LBL's 28 KIBAs, or Locally Significant Industrial Sites (LSISs), including West Norwood Commercial Area, Park Hall Trading Estate, Parade Mews and Knollys Yard in WNTN. The policy wording is as follows:

- A. Development in KIBAs will be permitted only for business, industrial, storage and waste management uses, including green industries and other compatible industrial and commercial uses (excluding large scale retail), other than where clause (c) below applies.
- B. The intensification of business, light and general industry, storage and distribution uses is encouraged in KIBAs, in accordance with London Plan policy E7 section A. Development proposals of this type should have regard to operational requirements and mitigate impacts on the transport network where necessary.
- C. Areas of KIBA land with potential for both industrial, business, light and general industry, storage and distribution uses intensification and colocation with residential and other uses (in accordance with London Plan policy E7 sections B and D) are shown on the Policies Map.

The supporting text states that:

"KIBAs are Lambeth's Locally Significant Industrial Sites (LSIS) and... are a vital part of the local economy representing the borough's strategic supply of land for industry, business, logistics and services to support London's economic function and to enable sufficient land of the right type is available in the right places and at the right time...

"LBL undertook a review of its KIBAs to inform the partial review of the Lambeth Local Plan 2015 [and this showed that] the level of industrial floorspace capacity lost in Lambeth in recent years, in combination with these boundary changes, means that any scope for intensification within KIBAs must be prioritised for industrial floorspace capacity, rather than to allow space for non-industrial uses...



N.B. any reference to proposed site allocations in this document reflects the position in the Local Plan Reg. 18 draft, and does not pre-judge any subsequent changes that may be made to the document as it progresses.



# Introduction to Planning Policy

“KIBA land must be prioritised instead to meet the requirements of Lambeth’s Central Service Area location and the London Plan waste apportionment...”

“Industrial intensification appropriate within the KIBAs includes intensification for light and general industry including emerging industrial-related sectors; storage and logistics/distribution including ‘last mile’ distribution... wholesale, consolidation centres and collection points business and waste management uses use; utilities infrastructure; some rail and bus infrastructure; flexible hybrid spaces to accommodate services that support the wider London economy and population; low-cost industrial and related space for micro, small and medium-sized enterprises (including many in the creative, cultural and digital industries and other sectors such as food-making and distribution); and research and development of industrial and related products and processes. New B2 and B8 uses are particularly encouraged...”

“Given the position explained above, only three KIBAs or parts of KIBAs [including **Knollys Yard**] are identified... as having potential for industrial intensification and co-location with other uses [including residential], based on particular circumstances affecting those locations... [the other three KIBAs in WNTH are *not* suitable for co-location with other uses including residential]...”

“Some KIBAs include existing office space, usually in the form of small business units and/or as part of a permission for flexible B1 space. These business units are important to the Lambeth economy and in some cases are protected by an Article 4 direction removing permitted development rights for change of use from office to residential. However, going forward any potential for intensification within KIBAs should be for industrial uses that meet the definition in London Plan policy E4...”

More detail is provided on the Knollys Yard KIBA in the draft *Lambeth Site Allocations Development Plan Document Regulation 18 Consultation Draft (January 2022)* given the scale of the opportunity. This includes a clearly articulated vision:

“The site presents a significant opportunity for local regeneration to provide new, high quality light industrial space appropriate for businesses in key Lambeth growth sectors such as the creative, digital and low carbon industries. This will add to the existing and growing clusters in these sectors elsewhere in West Norwood and provide for a significant uplift in local jobs and employment opportunities. In addition, the site can accommodate new housing and affordable housing close to existing residential neighbourhoods and near to West Norwood/ Tulse Hill town centre. Improved pedestrian and cycle access to the town centre and new and inclusive areas of public realm will be essential to successful placemaking and improved connectivity, shortening journey times to the station for existing residents and promoting sustainable transport. Extensive urban greening and improvements to biodiversity value will enhance the existing network of green infrastructure in this part of the borough, and could contribute to opportunities for urban food growing”.





# Introduction to Planning Policy

## West Norwood and Tulse Hill

*Policy PN7 West Norwood and Tulse Hill* sets out that the Council will “...promote the role of West Norwood/Tulse Hill as a vibrant district centre through the development of key sites, to improve the quality and variety of retail floorspace and to increase workspace, education uses, community facilities, cultural uses and housing”. It states that “...development and investment will be directed towards focal areas”, as summarised on the map later in this chapter, and includes the below wording for each:

1. **West Norwood Central Retail Area (Site 18)** – “promoting mixed-use development including housing, a new street frontage... [and] an improved east-west permeability route... In order to incentivise land assembly and comprehensive redevelopment opportunities the density of new development should be optimised, provided that the architectural quality and detailing is of a high standard to enhance the appearance of the town centre... New commercial floorspace must provide flexible workspace to provide opportunities for creative and digital industries...”.
2. **West Norwood Commercial Area** – “protecting Lambeth’s largest industrial area whilst supporting opportunities for the evolution of West Norwood Commercial Area as a hub of creative enterprise, innovation and industry. Development should provide an increase in the amount, range, quality and flexibility of business premises and a variety of industrial uses in accordance with London Plan policy. The council will proactively seek opportunities to acquire land and work in partnership with existing landowners to increase the amount of industrial floorspace capacity and to diversify the employment offer”.
3. **Norwood High Street** – “designating the section of Norwood High Street to the south of the railway line a Creative Business Cluster to redefine and revitalise its role for creative and digital industries, building on the proximity to the Commercial Area, West Norwood station and the heritage and cultural area in the town centre. The Council will support the development and renewal of spaces appropriate for creative and digital enterprises to encourage a range of businesses such as makers, artists and designers to locate in the Business Cluster...”.

...The Council will promote the function of the Business Cluster by supporting: • mixed-use or enabling development, which may include residential on upper floors so long as it would not negatively affect the function of the Business Cluster or adjacent KIBA and would deliver ground floor workspace for makers and creative and digital industries; • proposals that maximise the delivery of workspace appropriate for creative and digital industries and include a range of unit sizes and workspace typologies; and • proposals which support and complement the creative and digital industries, such as the inclusion of ancillary sales/display space or meeting spaces. The Council will produce a Supplementary Planning Document for this section of Norwood High Street”.





# Introduction to Planning Policy

4. **West Norwood Cultural and Heritage Area** – “protecting and strengthening the role of existing cultural, community and heritage assets; supporting new community and cultural uses; preserving and enhancing the historic and heritage significance of West Norwood cemetery including measures to remove assets from the ‘at risk’ register and supporting public realm enhancements...”.
5. **Tulse Hill** – “improving its role as a gateway to the wider West Norwood area. Given the area’s high accessibility, the density of new development should be optimised, provided the architectural quality and detailing is of a high standard to enhance the appearance of the town centre...”.

## Lambeth Draft Site Allocations Development Plan

As previously set out LBL recently consulted on the draft *Lambeth Site Allocations Development Plan Document Regulation 18 Consultation Draft (January 2022)*. This includes site-specific guidance for Both Site 18 and Site 19. More detail on this is provided later in this document on the policies for these sites within the ‘What other business space opportunities exist in WNTH?’ chapter. It is worth noting that Site 18 is the subject of an existing, adopted allocation but the draft *Lambeth Site Allocations Development Plan Document Regulation 18 Consultation Draft (January 2022)* would update this if adopted.

### Class E

On 21<sup>st</sup> July 2020 Parliament passed *The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020* which facilitated changes to the current Planning Use Classes Order. The most significant change included the creation of Class E, which is a new categorisation of commercial business and services, bringing together into one use class the former separate use classes for shops, restaurants, office, light industrial workspace, and some community uses. This has been introduced to enable buildings in town centres to adapt to changing circumstances and provide a wider range of services and facilities without needing to apply for planning permission.

The introduction of Class E can be beneficial for some circumstances in town centre locations due to its ability to enable businesses to be more flexible and have a varied offer, as well as making it easier to unlock complex regeneration sites. However, it also has the potential to be harmful within town centre primary shopping areas where the critical mass of shop uses can be lost; and outside of town centres such as in designated industrial areas (including KIBAs) as a light industrial use can change into a shop, office, or restaurant without planning permission, potentially undermining the integrity of these areas, and reducing the stock of land protected for industrial.

It is worth noting that the that while local authorities have no control over *existing* uses that fall within Class E, they are able to use conditions to influence what happens in *new* developments now and in the future. It is also important to recognise that Class E uses themselves are now under threat from Class MA Permitted Development Rights which allow new Class E premises to be converted into residential dwellings. This is mitigated in some parts of LBL through Class MA Article 4 Directions which restrict this activity in certain locations, including the West Norwood and Tulse Hill Primary Shopping Area.



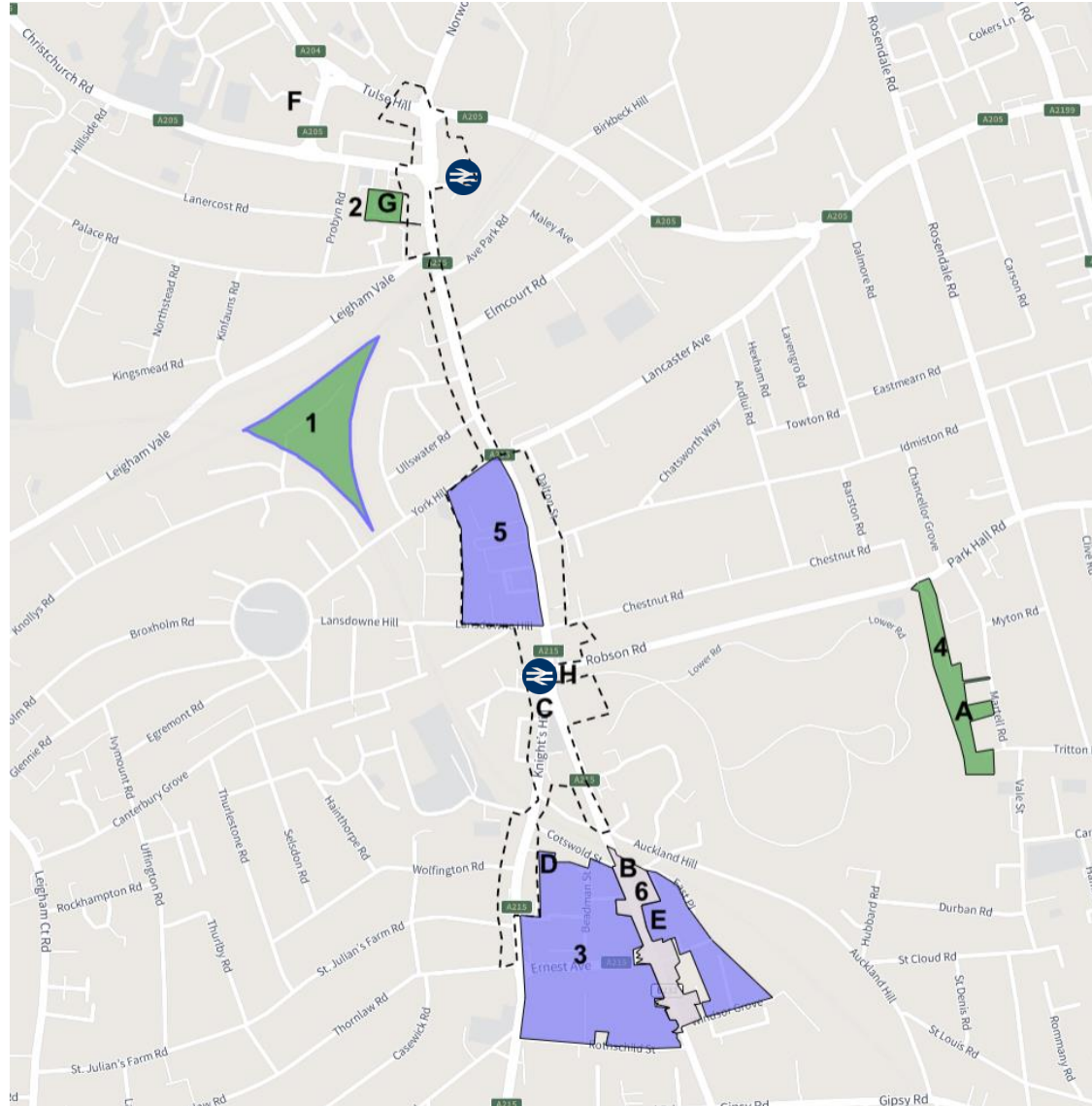
### Affordable Workspace

*Policy ED2: Affordable Workspace* of LBL's *Local Plan 2020-2035* identifies a requirement to deliver 'affordable' workspace as part of office schemes over 1000 sqm in Waterloo/Southbank, Vauxhall, Oval, Kennington, Clapham and Brixton – the expected discount to market rate, which is used to define what 'affordable' means, varies by location. At present the policy does *not* apply to WNTH so there is no expectation that employment-led schemes in the area should provide 'affordable' workspace as defined by policy. It will only be achieved via exceptional off-site payments in lieu of on-site provision in other parts of the borough that *are* considered in policy.



# Introduction to Planning Policy

## Context Map



The map on the left provides an overview of the local planning policy and workspace context in WNTH. More detail on the employment sites and workspace assets listed is provided throughout this report. For example:

- A deep dive into the opportunities associated with the employment sites is provided in the *'What other business space opportunities exist in WNTH?'* and *'Recommendations'* chapters.
- More detail on the workspace assets is provided in *'What is the nature of WNTH's commercial property market?'* chapter, including some detailed case studies.

### Employment Sites

1. KIBA: Knollys Yard Site 19
2. KIBA: Parade Mews
3. KIBA: West Norwood Commercial Area
4. KIBA: Parkhall Trading Estate
5. Allocation: Site 18
6. West Norwood Creative Business Cluster


### Existing Workspace Assets

- A. Park Hall Business Centre
- B. East Place Studios
- C. The Old Library
- D. The Portico
- E. Waring Street Studios
- F. GLOWS
- G. Parade Mews Studios
- H. West Norwood Library

- KIBA
- Draft Site Allocation (18 & 19)
- Creative Business Cluster
- West Norwood and Tulse Hill District Centre



# 1A. Snapshot of Findings



This sub-section provides a snapshot of the key findings emerging from the national, regional and local analysis. It also consider the implications of the findings for WNTH, and sets out a high level summary of the recommendations emerging from the study.



# Snapshot of Findings: National Drivers

**The national economy is starting to recover but a recession may be coming**



The UK's GDP grew by **+7.5%** in 2021 according to the ONS following a decline of **-9.3%** in 2020 linked to the COVID-19 pandemic. The OBR expect this to slow to **+3.8%** in 2022 but some are predicting a recession linked to inflation and the Ukraine crisis.

**The UK has clear growth sectors that will drive future commercial space demand**



Over the next two decades Experian project that employment growth will be highest in Professional Services, Public Services, Accommodation & Food Services, Transport & Storage, Information & Communication and Construction.

**The Government back five priority high-growth sectors**



The Government have identified Life Sciences, Creative & Digital, Clean Energy, Fintech and Defence as sectors that will shape the UK's future economy. The first three are also LBL's priority growth sectors.

## Implications for WNTH

- WNTH's business space offer should cater to the needs of high-growth high-priority sectors that are relevant to the area (e.g. Creative & Digital and Transport & Storage).
- WNTH may be well-placed to capitalise on the sub-urbanisation of business space given its transport connections into London and resident workforce.
- New workspace that comes forward should look to meet the needs of hybrid workers and provide the right mix of facilities, ancillary services and technology to meet changing employer and employee expectations.
- National demand is currently highest for spaces where businesses need to be in situ (i.e. industrious typologies) – this is likely to be particularly relevant in WNTH given its local industrial specialism.

**The national office market is showing positive signs of recovery**



Avison Young's research shows that total office take-up in 2021 across the Big Nine cities\* amounted to **8.2 million sq ft** which is only **-5%** below the ten-year average and **+42%** higher than in 2020.

**The nature and geography of office demand is changing due to hybrid working**



It is pushing businesses to look for more flexible space that suits this new working pattern and the growing increasing importance of wellbeing/collaboration/interaction in an increasingly remote world. Demand is also rising in suburban locations closer to where employees live.

**Demand for commercial space where businesses need to be in situ remains strong**



This is exemplified by the national industrial market, which has seen record levels of take up over the last two years. Last year was a record year for the UK industrial market as take-up of 'big box' Grade-A space surpassed **49 million sq ft**.





# Snapshot of Findings: Regional Drivers

London's economy has started to recover following the COVID-19 pandemic



Like the national economy London's Gross Value Added (GVA) grew by **+22%** in 2021 versus a decline of **-12%** in the preceding year. Projections suggest that growth in 2022 is going to be far slower and that there may be a recession in the first half of the year linked to Ukraine.

There are several sectors that are expected to drive the capital's future economy



The UK's growth sectors are expected to drive London's future economy, but the importance of Information & Communication and Finance & Insurance is expected to be higher in London given they are existing specialisms.

London's office market has started to recover from the impacts of the pandemic



Office take up in Central London reached **8.8 million sq ft** in 2021, which is a **+71%** uplift on letting volumes seen in 2020. While **-9%** down on the long-term average, the market was operating under stringent lockdown restrictions for much of the first half of the year.

## Implications for WNTH

- WNTH can capitalise on some of London's expected growth sectors (e.g. Creative & Digital, Transport & Storage, Low Carbon and Wholesale & Retail).
- There is a London-wide need to protect and intensify valuable employment locations such as West Norwood Commercial Area, Park Hall Trading Estate, Parade Mews and Knollys Yard.
- Demand appears to be strong for office and industrial space across London – the latter is likely to be most relevant to WNTH given it is a local specialism of the area.
- Affordability should be a key consideration of future employment schemes coming forward, particularly when catering for lower-value businesses/organisations that deliver social and/or cultural value.

Demand for industrial space has remained strong over the course of the pandemic



London's industrial market has also seen positive trends over the last few years, though take up has not been as strong as elsewhere in the country given constrained supply. Rents have also risen significantly owing to rising demand and limited supply.

London's commercial property and workspace markets are constrained



The city's industrial, office and workspace markets are highly constrained and all have seen supply decrease in recent years despite high levels of demand. This is due to competing pressures to provide more homes and ever-increasing land prices.

Affordability is a major issue for Micro and Small Enterprises across the city



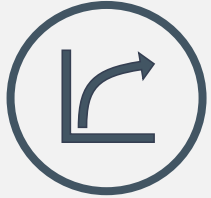
Constrained supply, coupled with high levels of demand, have increased commercial rents across the capital in recent decades. This has pushed many small businesses, social enterprises and charities out of specific locations and the city in general.





# Snapshot of Findings: Local Drivers

## WNTH has an important but static local economy



The area is home to **c1,600** businesses employing around **6,000** people. These figures have remained fairly consistent over the past five years, which is likely to reflect the constrained business space market. Some other local economies have grown over this period (e.g. Brixton).

## The area's sector mix is dominated by service sectors



WNTH's employment base is dominated by local service sectors such as Health (**1,750 jobs**), Education (**800 jobs**), Retail (**600 jobs**) and Accommodation & Food Services (**500 jobs**). This is typical for suburban locations like WNTH. Its KIBAs also support sectors that are vital to serving the Central Services Area.

## WNTH has some unique and valuable sector specialisms



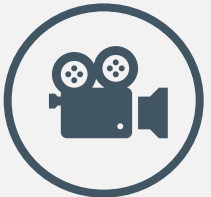
Several sectors are more specialised (i.e. more 'present') than in the London economy. These include Manufacturing, Transport & Storage and Arts, Entertainment & Recreation which have **1.9x**, **1.7x** and **1.1x** as many employees respectively than in the London economy.

## The Manufacturing base is driven by food and chemical production



**75%** of WNTH's Manufacturing jobs (150 of 200 jobs) are in either food or chemical production. The Food Manufacturing sub-sector has grown by **+88%** jobs over the past five years.

## WNTH's important Creative, Cultural and Digital sector is driven by 'clean' activities



These include Film, TV, Radio & Photography (**150 jobs**, **125** businesses), IT, Software & Computer Services (**125 jobs**, **120** businesses) and Music, Performing & Visual Arts (**50 jobs** and **70** businesses). The Film, TV, Radio & Photography sub-sector has doubled in size in recent years.

## Five of WNTH's key sectors have grown significantly in recent years



These include Construction (**+33%** jobs); Information & Communications (**+20%** jobs); Health (**+17%** jobs); Transport & Storage (**+11%** jobs); and, Professional, Technical & Scientific Activities (**+13%** jobs). The Creative, Cultural & Digital sector is not captured in this analysis.

## Projections identify sectors that will drive LBL's future economy



These include Health (**+7,600 jobs**); Accommodation & Food Services (**+4,000 jobs**); Public Administration (**+1,900**); Recreation (**+1,900**); Education (**+1,200**); Care & Social Work (**+1,100**); Real Estate (**+1,000**); and, Transport, Storage & Post (**+400**).

## Growth and specialised sectors have distinct spatial patterns



For example, Manufacturing activities are clustered in the West Norwood Commercial Area; Arts, Entertainment & Recreation is distributed across the town centre and near Parkhall; and, 'clean' creative and digital sub-sectors are clustered close to Parkhall.



# Snapshot of Findings: Local Drivers

The area is well-connected to other important economic nodes



Examples include **London Bridge** (Life Sciences, Professional Services, Tourism/Leisure), **Waterloo/South Bank** (Life Sciences, Professional Services, Tourism/Leisure), **Brixton** (Creative, Cultural, Leisure) and **Croydon** (Professional Services, Creative, Retail).

WNTH's population profile suggests that there may be demand for workspace from people looking to work close to home



**c.13,000** residents are classified as 'City Prosperity' - individuals that have high salaries and have senior roles. A further **6,100** are 'Rental Hubs' which are young professionals in their 20/30s renting in urban neighbourhoods.

The area's labour market also suggests that there may be demand for workspace from people looking to work close to home



Based on LBL's labour market it is estimated that **9,900** people are in Professional Occupations; **8,600** people are in Associate Professional and Technical roles; and, **5,600** people are Managers, Directors or Seniors in WNTH.

There are >580,000 people living within a twenty minute walk/cycle of the area which represents a large catchment



The area is accessible by foot/bicycle to people living in places like Brixton, Herne Hill, East Dulwich, Clapham, Sydenham, Crystal Palace, Streatham, Balham and Stockwell which increases its desirability as a workspace location.

WNTH's conventional commercial market is dominated by industrial uses



CoStar report that the area has over **415,000 sq ft** of conventional industrial and light industrial space. Most is in the West Norwood Commercial Area, Parade Mews and Park Hall Trading Estate.

Most of WNTH's conventional industrial stock is low quality and ageing



Most general industrial stock is classified by CoStar as being in "poor to reasonable condition". Industrial units are given a quality rating of **2.1** out of five and light industrial units are rated at **1.8** stars. This is less attractive to modern, higher-value occupiers but can be more affordable.

WNTH has a small but not insignificant conventional office market



There are around 17 office units totalling over **76,500 sq ft**. Most are located within the Parkhall Business Centre and around Chapel Road, but there are other small units tucked into the industrial estates and above shops on the High Street.

WNTH has some valuable workspaces, predominantly studios and co-working uses



Examples include Parkhall Business Centre (Managed Workspace), Parade Mews Studios (Creative Studios), East Place Studios (Artist Studios), The Portico (Creative Studios/Community Space) and Glows (Co-working/Makerspace).



# Snapshot of Findings: Local Drivers

South Lambeth's conventional commercial property market is highly constrained



Vacancy rates for office (**1.3%**), industrial (**2.4%**) and light industrial space (**6.8%**) are well below the GLA's 8% threshold for a 'healthy' commercial market that enables business and occupier churn.

Commercial property rents have increased significantly over the last decade in South Lambeth



Since 2012 average office rents have increased from £15.18psf to £26.42psf (**+74%**), industrial rents have increased from £9.41psf to £21.99psf (**+134%**) and light industrial rents have increased from £7.85psf to £17.72 (**+123%**).

Demand is high for conventional industrial and light industrial space across South Lambeth



Since 2012 most commercial property leasing activity in South Lambeth has been for industrial space. CoStar report that over **220,000 sq ft** of industrial and light industrial space has been leased over this period. This is substantiated by local agents.

WNTH's commercial property market may become *more* constrained over time



Analysis of planning data associated with schemes that have been completed or are under construction, unimplemented or approved shows that there could be a net loss of **c2,900 sqm** of employment space if schemes are implemented.

Demand appears to be highest for smaller conventional commercial property units across South Lambeth



Nearly all office and light industrial lease transactions have been for spaces under **2,000 sq ft** since 2012. Industrial transactions have mainly been **2,000-5,000 sq ft**. Studio operators provide space as small as 100 sq ft.

WNTH's specialist workspace operators generally charge between £10-30psf



Rents charged by workspace operators vary significantly across WNTH. They go up to **£30 psf** at the Parkhall Business Centre and as low **£12 psf** at Glows, which is some distance from the town centre and train stations.

South Lambeth's capital values suggest a fairly positive viability position for conventional space



A high-level analysis of build costs indicates that average construction costs sit *below* capital values that are being achieved for both office and industrial stock in the area, suggesting a fairly positive viability position.

WNTH's specialist workspace is well-occupied, and most have waiting lists



Most workspace in WNTH is fully occupied, and many operators have waiting lists. Most receive a few enquiries each week that they are often unable to fulfil as they are close to full capacity.

# Snapshot of Findings: Local Drivers

**Many of WNTH's specialist workspaces are looking for more space to expand within the local area**



Given the high levels of local demand several operators are interested in expanding locally (e.g. Parkhall Business Centre, East Place Studios and Portico). This is to provide more of the same types of spaces.

**Specialist workspace operators running space in Lambeth *outside* WNTH report similarly high demand**



Most of the Lambeth-based workspace operators consulted have a niche offer tailored to specific types of creative enterprises. These operators reported that their workspaces are almost fully occupied.

**Workspace operators running makerspaces and artists studios *outside* WNTH are interested in the area**



These operators also confident that if they opened new space in the area it would be fully occupied within a short space of time, and that they are attracted to WNTH. Discussions with agents substantiated this and illustrated demand from creative businesses.

**WNTH's remaining specialist workspaces all benefit from secure tenure**



All workspace operators that remain in WNTH either own their assets or are on secure long-term leases with LBL. Those that have closed, most notably ACME and Bainbridge Studios, did not have such secure tenures illustrating the importance of secure tenure.

**Creative operators require around 10,000 sq ft to set up new viable workspaces in WNTH**



Creative workspace operators noted that they would need c10,000 sq ft to deliver a viable workspace in WNTH and curate a meaningful creative ecosystem and network. There are several opportunity sites of this scale.

**Some specialist workspace operators with space *outside* WNTH have misconceptions about the area**



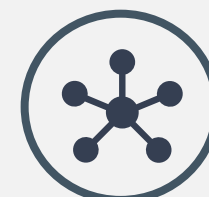
Operators that were less attracted to the area (generally those catering to 'clean' office activities) had misconceptions about the area, particularly in relation to its connectivity and the amount of economic activity in the area.

**Consultees indicated that the local workspace offer has some gaps that provide opportunities**



They indicated that there were opportunities to provide: (a) maker type space to support new and existing businesses; (b) for-hire meeting rooms for businesses of all size; (c) private 'pods' that allow quiet video calls to be taken.

**Consultees suggest several areas for investment to increase the attractiveness of the area to businesses**

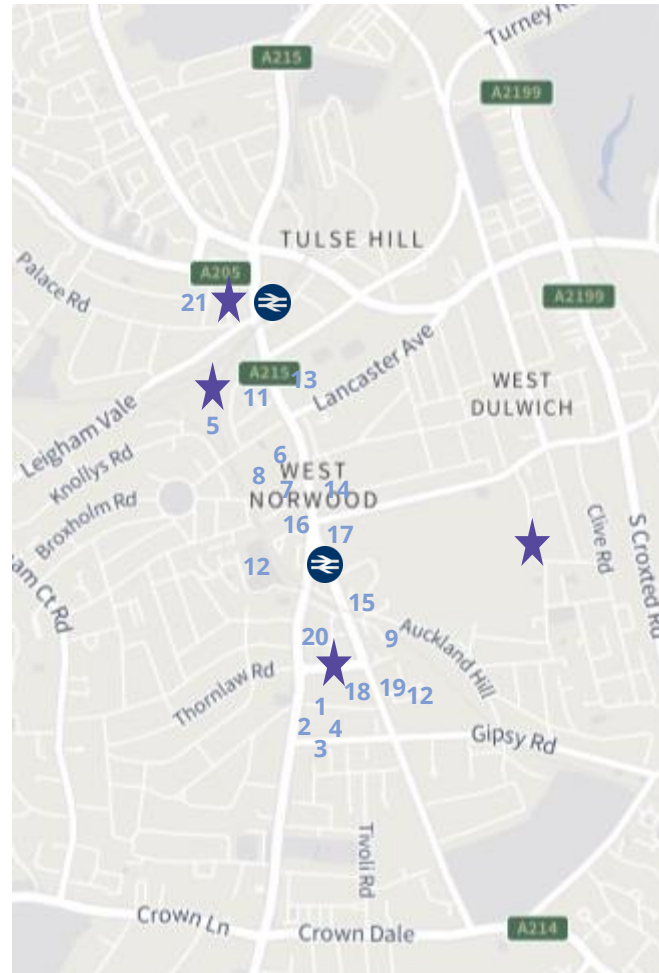


These include, but are not limited to, improved digital connectivity, enhanced active travel routes, better wayfinding and signage and diversifying the local F&B offer.



# Snapshot of Findings: Local Drivers

There are a significant number of opportunity sites for business space across WNTH. These range from large-scale fully or partially cleared sites awaiting development (e.g. Knollys Yard and Chapel Road/Knights Hill) and meanwhile opportunities (e.g. Bainbridge Studio's site) to re-development opportunities (e.g. 382 Norwood Road) and re-activation projects (e.g. Carlew House). Some of these are likely to be brought forward by the market, and therefore can be shaped by LBL through the planning system, whereas others will require direct intervention to help bring them forward and/or deliver ideal outcomes. A high level overview of these sites is provided below with more detail provided later in the report, including an overview of their planning policy position.



## Opportunity Sites:

- Weaver Walk:** Commercial unit, formerly used as a church, recently sold to industrial investor at auction (within West Norwood Commercial Area KIBA).
- Chapel Road/Knights Hill:** Large cleared site part of the West Norwood Commercial Area KIBA with potential for significant development for KIBA compliant industrial uses (within West Norwood Commercial Area KIBA).
- NMC House:** Former Norwood Mailing Co Ltd sorting office that lies vacant adjacent to Chapel Road/Knights Hill site and vacant units on Weaver Walk (within West Norwood Commercial Area KIBA).
- 19-21 Chapel Road:** Empty office block on the corner of Weaver Walk that was previously used by professional type businesses (within West Norwood Commercial Area KIBA).
- Knollys Yard:** Underutilised industrial site that provides opportunity for industrial intensification alongside residential in accordance with its Local Plan designation and draft site allocation policy (within Knollys Yard KIBA and Site 19: Draft Site Allocations DPD).
- Site 18:** Large town centre site allocated in the Lambeth Local Plan to provide around 400 homes and 5,000-7,000 sqm of commercial/community floorspace, as well as renewed town centre frontage, improved public realm and urban greening (within District Centre designation and Site 18: Draft Site Allocations DPD).
- Behind Texaco:** Three garages owned by LBL within Site 18, three of which are empty and could be activated on a meanwhile basis before development comes forward (within District Centre designation and Site 18: Draft Site Allocations DPD).
- Bainbridge Studios:** Former studios within Site 18 that could be activated alongside the Waylett Place Car Park on a meanwhile basis before development comes forward (within District Centre designation and Site 18: Draft Site Allocations DPD).
- ACME (Carlew House):** Former ACME studios that has recently been bought by an investor (within West Norwood Commercial Area KIBA).
- Salvation Army:** Currently unused and underutilised Salvation Army building (within District Centre designation).
- Leisure Centre:** High quality leisure centre with underutilised office and treatment space.
- Access Self Storage:** Self storage operator that incorporates a workspace offer at some of its other sites across London
- Co-op:** Neighbourhood supermarket with no development above it and low-quality and underutilised commercial space behind it (within District Centre designation).
- Pilgrim Hill Arches:** Low quality railway arches currently used for lower-value activities such as storage and motor repair.
- 382 Norwood Road:** Row of five one-storey shops in town centre that could be intensified to provide valuable business space (within District Centre designation).
- 543 Norwood Road:** Vacant former Barclays bank that is currently available to let (within Town Centre designation).
- No 82 Norwood High Street:** Former night club being considered for conversion into a workspace by landlord and a workspace operator (within Creative Business Cluster designation).
- Windsor Grove/Norwood High Street:** A cleared site on the corner of Windsor Grove that is under single ownership. This site is not within the KIBA but falls within the Creative Business Cluster (within Creative Business Cluster designation).
- Knights Hill Square:** Underutilised asset owned by LBL currently leased to UK Power Networks as part of the neighbouring sub-station (within West Norwood Commercial Area KIBA).
- Tulse Hill Methodist Church:** Underutilised and low density church of 1950s construction with surrounding ground level car parks and shops.





# Snapshot of Findings: Local Drivers

## Implications for WNTH

- Growth sectors like Information & Communication, Transport & Storage, Professional, Scientific & Technical Activities, Food Manufacturing and Film, TV, Radio and Photography are likely to drive future demand for business space.
- Local sector specialisms in Manufacturing, Transport & Storage, Arts, Recreation & Leisure, Food Manufacturing and Film, TV, Radio & Photography are likely to attract similar types of businesses to WNTH if the right type and quantum of space is available locally.
- WNTH can capitalise on its attractiveness to 'messy' creative production activities such as art and making.
- Growth sectors and local specialist sectors demand a broad range of business space typologies ranging from conventional light industrial space (e.g. Food Manufacturing) to creative studio space (e.g. Film, TV, Photography and Radio) and makerspace (e.g. Makers).
- Forthcoming business space should respond to and complement existing economic clusters within WNTH.
- WNTH could provide business space that complements the offer in nearby or well-connected neighbours such as London Bridge, Waterloo/South Bank, Brixton, Peckham and Croydon. This could include, for example, space for supply chain businesses that support London Bridge and Waterloo's growing Life Science and low-carbon sectors; production space to support Southbank's cultural institutions; and, lower-cost creative studios to support Brixton's Creative, Culture and Digital sectors. Vacant space at the West Norwood Leisure Centre also provides an opportunity to cater for the Health and Wellbeing sector, linking with health-based activity at Waterloo and London Bridge.
- The local demographic and labour market profile suggests that there may be demand from people looking to work close to home, particularly hybrid workers undertaking more 'office' type activities. The *Making High Streets Work* programme presents a good opportunity to test levels of demand for flexible, co-working type uses over the short-term.
- The scale of demand from people looking to work close to home could be expanded with improvements to active travel infrastructure, particularly to the north east and south of the area.
- There is clear demand and need for more industrial-type business space across the area, with demand significantly outstripping supply.
- Demand for more specialist workspace also appears to be strong, particularly for typologies like makerspace, artist studios and light industrial workshops.
- Future business space should primarily offer smaller units, unless larger anchor tenants are identified at the outset.
- Some businesses can afford to pay up to £30psf in WNTH, but these tend to be higher-value businesses undertaking 'clean' activities (e.g. architecture, graphic design, interior design etc). Most other businesses require lower rents between £10-25psf, most notably makers and artists who typically generate lower turnovers. It will therefore be important to ensure that more affordable workspace is provided and retained locally.
- It will be important to support existing workspaces to remain and expand in the area, as well as encouraging new operators to set up.
- Secure tenures are essential to keeping workspaces in the area for extended periods given rising rents and competing pressures for land and assets.
- Direct delivery of business space in the area may be viable given local capital values, build costs and yields.
- Misconceptions and information failures about WNTH and its locational advantages need to be tackled to attract businesses/operators.
- There are a broad range of opportunity sites that could be brought forward to deliver more business space locally.

\*N.B. any reference to proposed site allocations in this document reflects the position in the Local Plan Reg. 18 draft, and does not pre-judge any subsequent changes that may be made to the document as it progresses.

## Central Services Area

As stated in Paragraph 2.6 of Lambeth's *Local Plan*: "KIBAs are Lambeth's Locally Significant Industrial Sites (LSIS). In accordance with London Plan Policy E4, Lambeth's KIBAs are a vital part of the local economy representing the borough's strategic supply of land for industry, business, logistics and services to support London's economic function and to enable sufficient land of the right type is available in the right places and at the right time to support growth and innovation and be flexible enough to accommodate needs not anticipated in the Plan, allow for new and flexible working practices and enable a rapid response to changes in economic circumstances.

The London Plan places Lambeth within the Central Services Area and optimising employment use (CSA). CSA status requires a particular focus on sustainable 'last mile' distribution/logistics, 'just-in-time' servicing (such as food service activities, printing, administrative and support services, office supplies, repair and maintenance), waste management and recycling, and land to support transport functions, to service the functioning of the Central Activities Zone. Waste management and recycling are also particularly important uses in KIBAs given the requirement to meet the London Plan waste apportionment (see Local Plan policy EN7)".



# 1 Snapshot of Findings: Local Drivers

## S

### Strengths

1. Important local economy with unique and valuable businesses and sector specialisms
2. Distinct clusters of economic activity that define clear economic geographies
3. Important public transport connections to neighbouring areas and other important economic nodes (e.g. London Bridge, Waterloo, Croydon etc)
4. Collection of locally valued workspaces and commercial premises
5. Attractive amenity, lifestyle and high street offer that has improved in recent years
6. Strong labour market and skills profile that businesses can tap into
7. Carefully considered planning policy that protects/encourages business space
8. Comparatively affordable housing that is attractive to businessowners and workers

## W

### Weaknesses

1. Static local economy impacts the attractiveness of the area for inward investment
2. Dominance of low-quality commercial stock reduces the appeal of the area to higher-value occupiers
3. Highly constrained commercial property market restricts inward investment, business expansion and churn
4. Low quality physical environment in some commercial areas impacts the attractiveness of the area to some higher-value businesses
5. Recent loss of several high-profile and valued workspace assets catering to local artists and makers
6. Lack of awareness/understanding of area among some commercial operators

## O

### Opportunities

1. Wide range of potential growth sectors that can define a future higher-value and more diverse local economy
2. Significant number of opportunity sites, including some in public ownership, that could be used to deliver more much-needed business space
3. Strong local capital values suggest a positive viability position for new business space delivery
4. Positive demand signals for conventional industrial, light industrial and office space as well as specialist workspace typologies
5. Demographic and labour market profile suggests that demand may be high from people looking to work 'close to home'
6. The introduction of Class E presents opportunities for workspace on the high street

## T

### Threats

1. Competing pressures for land and property threaten existing business space even where protected by policy
2. The introduction of Class E threatens protected industrial areas (the KIBAs) through the introduction of non-industrial, town centre uses in inappropriate locations - this also threatens the town centre by allowing town centre uses outside of the centre boundary
3. Opening of Elizabeth Line may make some competitor areas more attractive for workspace operators and businesses (e.g. Woolwich, Abbey Wood etc)
4. Rising commercial property prices alongside inflation may push some more marginal businesses out of the area
5. High levels of inflation and potential recession may impact viability and interest in the area over short-to-medium term



# Snapshot of Findings: Recommendations

The findings of this report demonstrate that while WNTN has an important local economy, it can become an even stronger and more important business location. The evidence shows that there is a clear opportunity to build on the area's local strengths in relation to the production of goods by growing and supporting existing production activity, while at the same time seeking to curate a more innovative and higher-value production economy that delivers greater benefits to the area and its population. The area has the potential to become a key centre of both 'messy' and 'clean' production activity for the borough that supports and complements economic activity undertaken in other nearby economic nodes (e.g. London Bridge, Waterloo, Brixton and Croydon).

Focusing on WNTN's existing specialisms as well as higher-value production activities will help to support existing businesses and **maintain the area's local economic identity**, while also **stimulating economic growth and diversification**. The area also has a strong **lifestyle offer** which can be further enhanced to increase its attractiveness as a place to both live and work, building on principles of the 15 Minute Neighbourhood. To realise this opportunity a set of '**principles**' have been identified from this work to guide discussions, decisions, policies and negotiations related to business space as set out below. It is recommended that any future commercial intervention should align with these principles to ensure that the area achieves its economic potential.

1. Use business space opportunities to retain and support existing local economic specialisms that create economic, social and/or cultural value for the area.
2. Evolve the business space offer to better cater for growth sectors that will help diversify and increase the value of the local economy.
3. Prioritise the provision of new conventional industrial space, conventional light industrial space, serviced office space, creative studio space, makerspace, co-working space and shared kitchens.
4. Use business space opportunities to build and enhance existing clusters of local economic activity.
5. Complement economic activity in nearby economic nodes by providing business space for associated supply chain businesses, similar types of businesses and/or back office functions within local economic clusters.
6. Utilise design guidance to shape proposals and planning applications for priority business space typologies.
7. Prioritise in-demand small space that caters to the needs of the area's flourishing micro and small business base.
8. Encourage developers and operators to bring forward new business space to provide the highest-quality fit out possible while also remaining financially viable.
9. Focus on business space opportunities that can offer operators and businesses secure and long-term tenures.
10. Seek financial contributions to implement wider physical and non-physical interventions that may influence the attractiveness of the area to potential businesses.
11. Use opportunities to raise awareness of WNTN's strengths and opportunities, particularly to workspace operators and commercial property developers.
12. Consider how future business space opportunities can be 'multi-use' and 'multi-functional' to support activities that cater to specific demographic groups (e.g. young people, older people, disabled people) and the community more generally.

These principles illustrate '**What?**' should happen in relation to business space across WNTN, but are relatively high level and do not provide insights into '**Where?**' or '**How?**'. They are also not tailored to the unique characteristics and economic specialisms of WNTN's different employment areas. To address this **place-specific propositions** have been developed to guide future business space provision in different parts of the area – WNTN has been split into five sub-areas: (1) Knollys Yard, (2) Core District Centre, (3) West Norwood Culture and Heritage Area, (4) West Norwood Commercial Area *and* Creative Business Cluster, and (5) the Park Hall Trading Estate. A high-level overview of the propositions for each, and their purpose, is summarised overleaf.

The area-based propositions **build on existing local assets** and **economic characteristics**, while also responding to the nature of business space opportunities in each area. They provide a clear focus to guide action which should help strengthen each individual area *and* help the whole area to realise its potential as a key centre of both 'messy' and 'clean' production activity.

# Snapshot of Findings: Recommendations

**Deep dives** for each sub-area are provided later in the report which provide more detail on each proposition by setting out which types of business activity to prioritise and the types of business space to focus on, including precedent examples to illustrate the opportunity.

The main **opportunity sites** for each area are also identified to illustrate where new business space could be considered. This is accompanied by some high level **delivery steer** to demonstrate the next steps LBL and Station-to-Station could consider.

This analysis highlights that there are a wide range of opportunity sites across the wider area. It is therefore recommended that partners undertake a **prioritisation process** to identify which opportunities to focus resources on over the short-, medium- and long-term.

There are also, however, **wider business space actions** that LBL and Station-to-Station could consider to **(a) support existing business spaces to survive and proposer** and **(b) catalyse business space delivery locally through alternative mechanisms**. Implementing some of these will help to strengthen the business space ecosystem in WNTW and support its evolution and diversification.

Some example interventions are summarised overleaf with more detail later in the report. It is recommended that partners work together to decide which could be actioned as part of WNTW's wider regeneration action plan and programme.

It is also important to note that the delivery of business space alone is unlikely to be enough to fully realise WNTW's opportunity to become a centre of both 'messy' and 'clean' production activity for the borough, and to maximise local economic growth. This is because **drivers of growth** (e.g. business innovation, entrepreneurship, inward investment, business expansion etc) are linked to a wider range of factors.

A series of **physical and non-physical tactical interventions** are therefore required over the short- and medium-term to help maximise the economic benefits of intervention and help the area meet its economic potential. A series of potential action are therefore provided later in this report and summarised overleaf for partners to consider.

## Knollys Yard

**Proposition:** Provide business space that caters for 'lighter', higher-value, innovative and 'cleaner' small-scale production businesses

**Purpose:** To help diversify, increase the value and raise the profile of the local economy

## Core District Centre

**Proposition:** Diversify the town centre through the provision of a range of business space types targeted at local people

**Purpose:** To build the resilience of the town centre and provide much-needed employment space for entrepreneurs

## West Norwood Cultural and Heritage Area

**Proposition:** Reveal, celebrate and strengthen existing creative, cultural, leisure and business assets

**Purpose:** To ensure the area has a well-known and well-functioning amenity offer that serves local residents, workers and businesses, while also making the area more attractive for inward investment and worker relocation

## West Norwood Commercial Area

**Proposition:** In accordance with *Local Plan Policy ED3*, provide space for business, industrial, storage and waste management uses, including green industries and other compatible industrial and commercial uses, that will strengthen and diversify the existing cluster of 'heavier' and 'messier' industrial and production activity.

**Purpose:** To strengthen and build on existing local specialisms while also increasing the value and profile of the local economy

## Creative Business Cluster

**Proposition:** In accordance with *Local Plan Policy PN7*, provide space for creative and digital enterprises to encourage a range of businesses such as makers, artists and designers to the area. This will complement the 'messier' activity on the West Norwood Commercial Area.

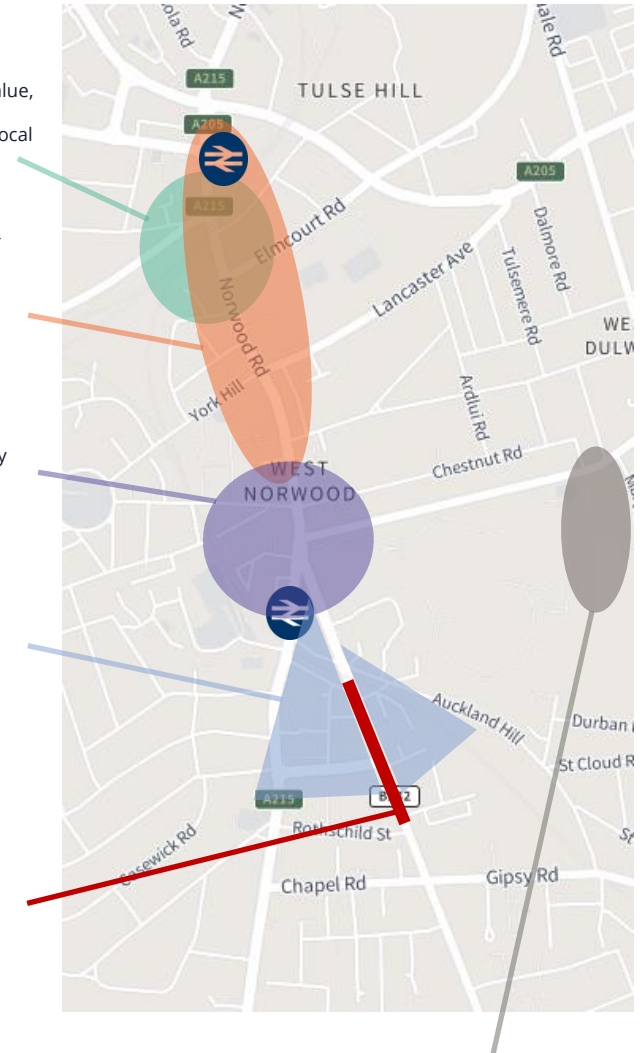
**Purpose:** To strengthen and build on existing local specialisms while also increasing the value and profile of the local economy

## Park Hall Trading Estate

**Proposition:** Continue to offer high-quality workspace that primarily caters for 'clean' creative production while also maintaining some space for 'messier' activities

**Purpose:** To build on cluster strengths and ensure the continued presence of higher-value 'clean' production activities in the area

\*: A deep dive on the Park Hall Trading Estate is not provided due to the lack of opportunity sites in the area





# Snapshot of Findings: Recommendations

## Potential Overarching Business Space Actions to Support Existing Space

**Peer to Peer Networks:** LBL could curate peer-to-peer networks for local business space operators. This would provide operators with an opportunity to: (a) learn how others are adapting to macro-economic pressures; (b) share best practice and ideas; and, (c) build new relationships and partnerships. It would also help to establish a two-way relationship between LBL and operators allowing better intelligence on the working models of operators to be gained.

**Funding Support:** LBL could reach out to operators to make sure that they are aware of, and are able to access, support schemes and funding available from the Government, GLA, LEAP, banks, financiers and charitable organisations. Where this is not the case they should be informed of the opportunities and supported to access any relevant funds particularly where it supports their expansion and/or helps them generate additional revenue.

**Guidance on Changing Landscape:** Many workspace operators find it challenging to keep up with changing policies, practices, legalities, opportunities and requirements at local, regional and national levels - this was particularly the case during the COVID-19 pandemic. LBL could provide 'live' up-to-date guidance for operators on what changes are happening, what they mean for them and what they need to do to adapt to ensure they respond appropriately to changing requirements.

**Flexible Workspace Portal:** LBL could build a portal like Open Poplar to connect potential occupiers to space that is available on flexible terms across the area. Landlords could be encouraged to advertise any non-traditional space that can be leased flexibly, from storage units and old flats to garages and basement spaces. The focus could be on marketing spaces that are not normally advertised through commercial agents and utilising underused areas. This could be delivered alongside and/or as part the *Making High Streets Work Programme*. This should be done with existing workspace operators who sometime have underutilised space that may be valuable to other organisations.

**Business Space Quality Funding:** LBL could consider setting up a loan fund for landlords, occupiers and asset owners looking to upgrade the quality of their commercial property and adhere to forthcoming EPC regulations.

## Potential Overarching Business Space Actions to Catalyse More Space

**Landlord Brokerage and Guidance:** LBL could work with private landlords to understand their main drivers and ambitions. These insights could be used to create collateral explaining the benefits of leasing commercial space to workspace operators, particularly targeting those owning high street retail units. Guidance could be included explaining the changes to the planning system and the opportunities this provides in terms of flexible workspace. This could incorporate ideas for converting space, tenant requirements and precedents from other areas.

**Business Rates Relief:** LBL could consider offering business rate relief to affordable workspace operators that deliver social value and/or deliver significant community or cultural value.

**Meanwhile Space Programme:** LBL could develop meanwhile space programme for WNTH that enables workspace operators to take on vacant high street units, car parks, vacant land, undercrofts and sites for temporary periods of time. This could incorporate the meanwhile sites identified in the area-based propositions, as well as those under Council ownership in Site 18, but also other units and sites that become available over time. Where a site is in private ownership LBL can act as a broker between developers and operators by identifying opportunities, supporting negotiations and providing revenue support where needed.

**Workspace Grant Fund:** LBL currently operates the *Future Workspace Fund* which is a by-application loan and grant fund for affordable and supportive workspace providers across the borough. A portion of this funding could be ringfenced for WNTH in future given the area's significant potential to support the borough's economy to grow and evolve.

**Making High Streets Work:** LBL and Station-to-Station are currently delivering the *Making High Streets Work Programme*. This should be pursued to test demand and need for neighbourhood type workspace and meeting space targeted at local people. This could also be extended to some of the meanwhile sites identified in this report where it aligns with the programme's aims and goals.

## Potential Tactical Interventions to Complement Business Space Provision

Tactical actions identified through this work that could be explored...

- Run a campaign with workspace operators to raise awareness of WNTH's locational advantages and opportunity sites to help challenge misconceptions.
- Develop branding and marketing collateral to attract businesses in priority sectors to the area and to help curate stronger clusters of likeminded businesses.
- Run a business support programme for businesses in priority 'retain' sectors to support them to grow and attract similar businesses to the area.
- Create a start up accelerator programme for high potential businesses in priority 'attract' and 'grow' sectors to support them to scale, grow and cluster.
- Work with telecoms providers and businesses to improve digital connectivity across the area.
- Collate details, evidence and studies on opportunity sites to create a 'live' database that can be shared with workspace operators and commercial space providers that may be interested in locating in WNTH.
- Explore options to offer business rates relief to micro and small businesses in priority sectors.
- Create business networks targeted at 'messy' and 'clean' production businesses to encourage local organisations to collaborate, share knowledge and offer expertise.
- Look to enhance the physical environment and connectivity of WNTH's KIBAs (most notably Knollys Yard and the Commercial Area).

A series of potential tactical actions from the *West Norwood and Tulse Hill Manual for Delivery (2017)* are also set out later in this report for consideration by LBL and Station to Station. Examples include:

- Lobby and support enhancements to West Norwood Station focused on improving its appearance, accessibility, services and interchange with other modes of transport.
- Actively pursue re-development of Site 18 as a key town centre hub.
- Explore the potential to refurbish Tulse Hill Station, including providing step free access and improving entrances.

# Snapshot of Findings: Next Steps

It is recommended that the next step for LBL and Station-to-Station BID should be to review the content of this report and agree which tactical interventions, opportunity sites and business space actions to pursue over the short-, medium- and long-term.

A **prioritisation framework** could be developed as part of this to identify opportunity sites to be pursued by partners for direct intervention. This could involve defining a series of parameters (or '**Critical Intervention Factors**') that are scored based on local knowledge, information presented in this report and discussions with relevant stakeholders (e.g. landowners, operators, businesses, councillors etc). These parameters could include:

- **Size and scale:** Higher score to be given where site/building is of a sufficient scale to provide business space.
- **Ease of development/renovation:** Higher score to be given where site/building is easier to develop or renovate from a practical perspective (i.e. clean site versus contaminated site).
- **Simplicity of ownership:** Higher score to be given where there are fewer ownerships and clearer routes to delivery.
- **Location and accessibility:** Higher score to be given when opportunity is located in a strategic employment area.
- **Need for public sector intervention:** Higher score to be given where site or opportunity unlikely to come forward without public sector intervention.
- **Potential impact of activation:** Higher score to be given where potential economic impact is highest.
- **Policy Alignment:** Higher score to be given where potential schemes align with planning policy context.

This would not be a scientific exercise, but a defined scoring mechanism would be required for consistency and objectivity.

Once priority sites have been identified LBL and Station-to-Station could undertake **feasibility work** for each and develop a clear overarching **delivery strategy**. This should be informed by engagement with landowners, operators, businesses and important local stakeholders. Typical activities undertaken ahead of delivery include: landowner engagement; soft market testing; site valuation; due diligence; developing design, delivery and planning strategies; exploring funding and finance options; and, undertaking business and operating model analysis. Given the expense and resource required it will be important to focus delivery on a small number of sites and to only intervene where the market is unlikely to deliver an ideal outcome. For sites where the market is delivering employment schemes LBL should continue to undertake **proactive development management** to ensure positive outcomes are delivered in line with the conclusions and overarching principles set out in this report, as well as relevant planning policies identified in the Introduction.

To ensure that the area reaches its economic potential, and both public sector and market led schemes deliver positive impact, it will be important for both officers and elected members to agree a clear **vision** and set of **outcomes** for the area's economy based on the evidence presented in this report and LBL's wider policies and strategies. This should involve co-creating an overarching aspiration, developing ideal propositions for opportunity sites, and working through the proposed prioritisation framework and subsequent feasibility work together. This is important because successful workspace schemes have clear **member and senior officer drive and buy-in**, which is essential given the level of Council time and money that often has to be invested to bring them forward as well as the complexities and challenges involved in delivery.

Once the vision has been agreed LBL and Station-to-Station BID could also set up an officer-led **West Norwood Business Space Working Group** to convene and push forward business space activities, and other tactical interventions that will support the evolution of the area's important employment areas. This group could lead the business space agenda and be responsible for monitoring and evaluating delivery over time – political engagement with this group will be important to ensure buy-in and support. Station-to-Station BID could also set up a **sub-group of local business space operators** that could act as a sounding board for the Working Group – somewhere for officers to test ideas and discuss business space activity locally. The sub-group could be involved in shaping project proposals and providing forthcoming planning applications.



# Snapshot of Findings: Equalities, Diversity and Inclusion Lens: Conclusions

Qualitative and quantitative insights are provided throughout this report on the EDI context related to business space in WNTH. This includes data on the diversity of the local population (Pg 87), commentary on business ownership (Pg 69), reflections from local stakeholders on the challenges faced by underrepresented groups in accessing space (Pg 111), and design considerations (Pg 134).

While these insights only scratch the surface of EDI issues, they do highlight that:

- (a) WNTH is a diverse area, and that future business space provision should where possible cater to and reflect the local population.
- (b) Underrepresented groups face a range of barriers to accessing space in WNTH, and operators and other local stakeholders can help address these.
- (c) EDI considerations should play an important role in the design, leasing and operation of space in WNTH.
- (d) EDI data is hugely limited as illustrated and discussed throughout this report which impacts the ability of policy makers to make decisions.

In relation to the penultimate point, there are a range of levers that LBL can pull to help make current and future business space in WNTH as inclusive as possible. Some guiding principles to influence future workspace delivery, drawn from the findings presented throughout this report, include:

- Encourage and support operators to engage closely with the WNTH community at the outset of new projects to explore how they can make spaces as inclusive and accessible as possible.
- Work with operators across the area to raise awareness of local business spaces to underrepresented groups, and provide information on how local people can access and best utilise space.
- Encourage operators to run programmes to support people from underrepresented groups to set up businesses.
- Ensure that all new business space complies with and where possible exceeds disability regulations, and provide support to those taking on older complex buildings to make them as inclusive as possible.
- Use guidance in this report to guide and shape design proposals for new space in WNTH (e.g. related to diversity of units, flexibility of layouts and shared space).
- Ensure EDI experts are consulted as part of new proposals to make them as inclusive as possible.
- Explore whether any of the opportunity sites set out in this report can be utilised to provide space targeted at underrepresented groups (see Arbeit Studios case study), and engage with groups to understand their needs.

While these represent practical steps, it is important to note that there is scope to do more research on this topic across the borough and London more generally. Little evidence currently exists on how underrepresented groups use and engage with workspace, particularly from an occupier and operator perspective. We are aware that the Greater London Authority (GLA) are planning to commission research on this topic to help address this deficit, and we recommend that LBL engage with this to gather more information that to inform policy and practice in WNTH.

## Inspiration and Learning: Arbeit Studios, New Cross

Arbeit Studios take empty spaces, ranging from small 750 sqft buildings to 15,000 sqft warehouses, and transform them into studio spaces for artists, designers, makers, start-ups and small businesses. They manage more than 170 units across north, east and south London, and host more than 250 businesses in total.



One of their newest workspaces is in New Cross, which incorporates 16 cellular units and a ground floor retail unit for artists and makers. In response to on-the-ground engagement undertaken before launching, Arbeit Studios has specifically targeted health and wellbeing businesses catering to Black/African/Caribbean/British people in New Cross as demand appeared to be strong from these types of businesses and it reflects the demographics of the neighbourhood.

The space has been carefully configured to meet the needs of these businesses through the provision of small units available on highly flexible terms. Occupants pay £400 per month, irrespective of the size of the unit, and sign a contract that lasts for no more than six months – this reduces the risk of taking on space and encourages participation.

Arbeit Studios report that the New Cross space is fully let and around 50% of units are taken by businesses owned by people from underrepresented groups. These businesses deliver a range of health and wellbeing services, including wig making and beauty technicians such as nail, eyelash and other beauty-specific technicians. They also report that they receive 2-3 enquiries per day from wellbeing-focused businesses to take space, and that when space becomes available it is re-let within a few days.



## 2. National Drivers





# National Drivers: Key Messages

**The national economy is starting to recover post-pandemic**



The UK's GDP grew by **+7.5%** in 2021 according to the ONS following a decline of **-9.3%** in 2020 linked to the COVID-19 pandemic. The OBR expect this to slow to **+3.8%** in 2022 but some are predicting a recession linked to inflation and the Ukraine crisis.

**The UK has clear growth sectors that will drive future commercial space demand**



Over the next two decades Experian project that employment growth will be highest in Professional Services, Public Services, Accommodation & Food Services, Transport & Storage, Information & Communication and Construction.

**The Government back five priority high-growth sectors**



The Government have identified Life Sciences, Creative & Digital, Clean Energy, Fintech and Defence as sectors that will shape the UK's future economy. The first three are also LBL's priority growth sectors.

## Implications for WNTH

- WNTH's business space offer should cater to the needs of high-growth high-priority sectors that are relevant to the area (e.g. Creative & Digital and Transport & Storage).
- WNTH may be well-placed to capitalise on the sub-urbanisation of business space given its transport connections into London and resident workforce.
- New workspace that comes forward should look to meet the needs of hybrid workers and provide the right mix of facilities, ancillary services and technology to meet changing employer and employee expectations.
- National demand is currently highest for spaces where businesses need to be in situ (i.e. industrious typologies) – this is likely to be particularly relevant in WNTH given its local industrial specialism.

**The national office market is showing positive signs of recovery**



Avison Young's research shows that total office take-up in 2021 across the Big Nine cities\* amounted to **8.2 million sq ft** which is only **-5%** below the ten-year average and **+42%** higher than in 2020.

**The nature and geography of office demand is changing due to hybrid working**



It is pushing businesses to look for more flexible space that suits this new working pattern and the growing increasing importance of wellbeing/collaboration/interaction in an increasingly remote world. Demand is also rising in suburban locations closer to where employees live.

**Demand for commercial space where businesses need to be in situ remains strong**



This is exemplified by the national industrial market, which has seen record levels of take up over the last two years. Last year was a record year for the UK industrial market as take-up of 'big box' Grade-A space surpassed **49 million sq ft**.



# National Drivers: Economic Trends

The United Kingdom's (UK) Gross Domestic Product (GDP) grew by **+7.5%** in 2021 according to the Office for National Statistics (ONS) following a decline of **-9.3%** in 2020 linked to the COVID-19 pandemic and associated public health restrictions. This trend outstripped expectations and marked the highest growth rate since World War II.

Early signs suggest that growth will be much lower in 2022 with GDP growing by **+1%** in the three months to February 2022 and shrinking in March by **-0.1%** as people cut back on spending. The Office for Budget Responsibility (OBR) project real GDP growth of **+3.8%** in 2022 which, while positive, is far lower than in the preceding year. Oxford Economics similarly forecast growth of **+3.6%** over the next year while some commentators are predicting a recession in the latter part of the year.

This slower growth is, in part, linked to the conflict between Russia and Ukraine which has resulted in a sharp rise in commodity prices, increased pressure on supply chains and sanctions on Russia. Whilst still early, rising energy prices, which have increased partly due to the war, generally act as a brake on economic growth.

Similarly Consumer Price Inflation increased by **+10.1%** in the year to August 2022 which is the highest figure since 1982. This level of change surpassed predictions, with the strongest upward contributions coming from transport, housing, restaurants and hotels. This will undoubtedly impact public facing industries, particularly in the non-essential market, as a result of more limited consumer spending.

These higher living costs, alongside national insurance tax rises, have led the Bank of England to increase the base interest rate to **1.75%**. This is expected to increase further in 2022 with the Bank of England forecasting inflation to reach more than **+13%** over the course of the year.

While COVID-19 has had a significant impact on the national economy all restrictions have now ended in England, Wales and Northern Ireland and Scotland. There was a surge in infections during February and March, although this was well below the peak in January 2022, but this did not appear to have a significant impact on the economy given the success of the vaccine programme. Commentators note that the economic risk of COVID-19 appears to be ebbing at present.



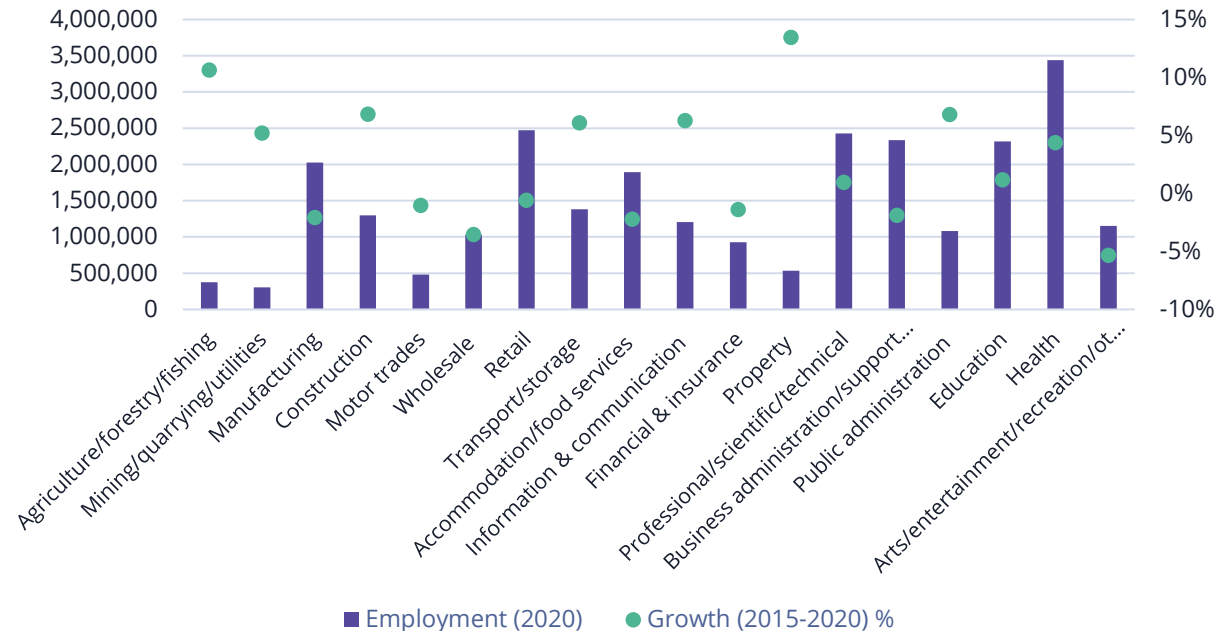


# National Drivers: Economic Trends

There are currently around **26 million** jobs in England according to the Office for National Statistics (ONS). The largest broad sectors in terms of employment are Health (**3.4m**), Retail (**2.5m**), Professional, Scientific & Technical Activities (**2.4m**), Business Administration (**2.3m**), Education (**2.3m**) and Manufacturing (**2m**).

Over the last five years several broad sectors have experienced significant employment growth in both absolute and proportional terms. These include Property (**+13%**), Construction (**+7%**), Public Administration (**+7%**), Transport & Storage (**+6%**), Information & Communication (**+6%**), Health (**+4%**) and Professional, Scientific and Technical Activities (**+1%**). Some sectors, in contrast, have declined (e.g. Arts, Entertainment & Recreation, Business Administration, Accommodation/Food Services, Retail, Wholesale, Manufacturing and Motor Trades).

**England's Absolute Employment (2021) and Employment Growth By Broad Sector (2015-2020)**

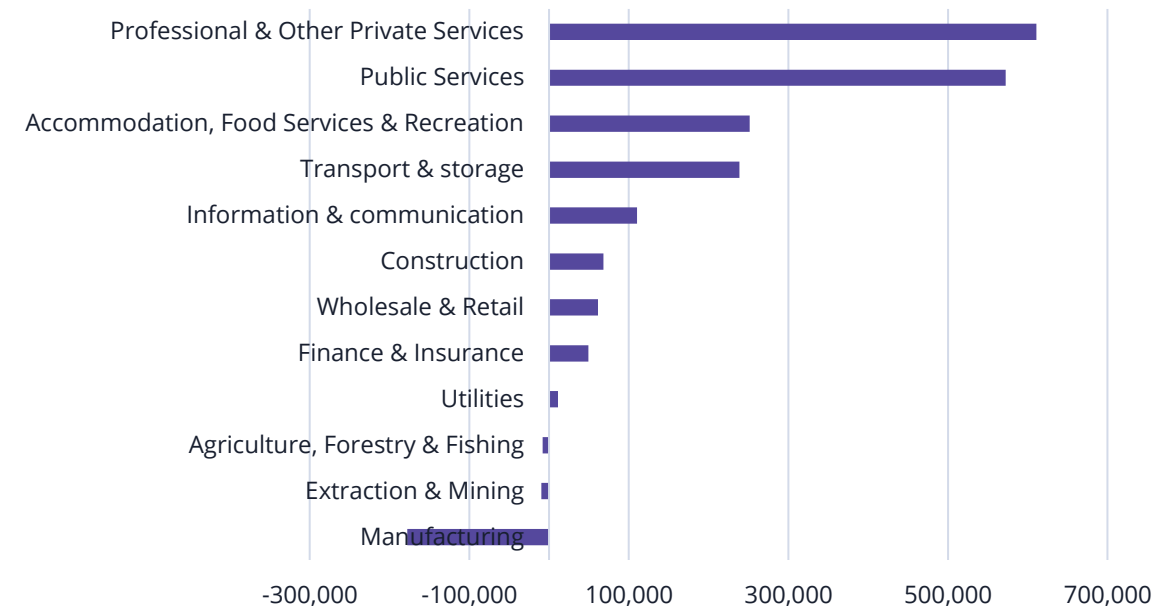


Source: ONS. BRES (2021)

Over the next two decades Experian project that employment growth will be highest in Professional Services (**+610k**), Public Services (**+527k**), Accommodation & Food Services (**+251k**), Transport & Storage (**+238k**), Information & Communication (**+110k**), Construction (**+68k**), Wholesale & Retail (**+61k**) and Finance & Insurance (**+49k**). Experian use slightly different broad sector categories to the ONS but there is overlap in how they are defined and grouped.

While these categories hide a range of sub-sectors, these industries represent the broad groups that will underpin the country's future economic growth which, in turn, will drive demand for a broad spectrum of different commercial space and workspace typologies. It is important to note that Government have also identified a range of sub-sectors as national priorities based on more granular economic analysis as discussed overleaf.

**United Kingdom's Projected Absolute Employment Growth By Broad Sector, 2020-2041**



Source: Experian. Regional Planning Service (2021)

# National Drivers: Economic Policy

The UK Government's current Economic Development Strategy is *Build Back Better: Our Plan for Growth* (2021) which supersedes the preceding *Industrial Strategy* (2017). This new plan sets out an approach to "tackling long-term problems to deliver growth that creates high-quality jobs across the UK and makes the most of the strengths of the Union".

The plan is structured around three core pillars of growth (Infrastructure, Skills and Innovation) which are accompanied by a series of commitments as summarised below. Three cross-cutting themes, which respond to Government's political priorities, are also pervasive throughout the document: (1) levelling up the UK; (2) supporting a transition to net zero; and, (3) encouraging the Government's vision for a Global Britain.

Pillar	Government's Commitments
Infrastructure	<ul style="list-style-type: none"> <li>Stimulate short-term economic activity and drive long-term productivity improvements via record investment in broadband, roads, rail and cities, as part of our capital spending plans worth £100 billion next year.</li> <li>Connect people to opportunity via the UK-wide Levelling Up Fund and UK Shared Prosperity Fund, as well as the Towns Fund and High Street Fund, to invest in local areas.</li> <li>Help achieve net zero via £12 billion of funding for projects through the Ten Point Plan for a Green Industrial Revolution.</li> <li>Support investment through the new UK Infrastructure Bank which will 'crowd-in' private investment to accelerate our progress to net zero, helping to level up the UK. This will invest in local authority and private sector infrastructure projects, as well as providing an advisory function to help with the development and delivery of projects.</li> </ul>
Skills	<ul style="list-style-type: none"> <li>Support productivity growth through high-quality skills and training: transforming Further Education through additional investment and reforming technical education to align the post-16 technical education system with employer demand.</li> <li>Introduce the Lifetime Skills Guarantee to enable lifelong learning through free fully funded Level 3 courses, rolling out employer-led skills bootcamps, and introducing the Lifelong Loan Entitlement.</li> <li>Continue to focus on the quality of apprenticeships and take steps to improve the apprenticeship system for employers, through enabling the transfer of unspent levy funds and allowing employers to front load apprenticeship training.</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>Support and incentivise the development of the creative ideas and technologies that will shape the UK's future high-growth, sustainable and secure economy.</li> <li>Support access to finance to help unleash innovation, including through reforms to address disincentives for pension funds to invest in high-growth companies, continued government support for start ups and scale ups through programmes such as British Patient Capital, and a new £375 million Future Fund: Breakthrough product to address the scale up gap for our most innovative businesses.</li> <li>Attract the brightest and best people, boosting growth and driving the international competitiveness of the UK's high-growth, innovative businesses.</li> <li>Support our small and medium-sized enterprises (SMEs) to grow through two new schemes to boost productivity: Help to Grow: Management, a new management training offer, and Help to Grow: Digital, a new scheme to help 100,000 SMEs save time by adopting productivity-enhancing software, transforming the way they do business.</li> </ul>





# National Drivers: Economic Policy

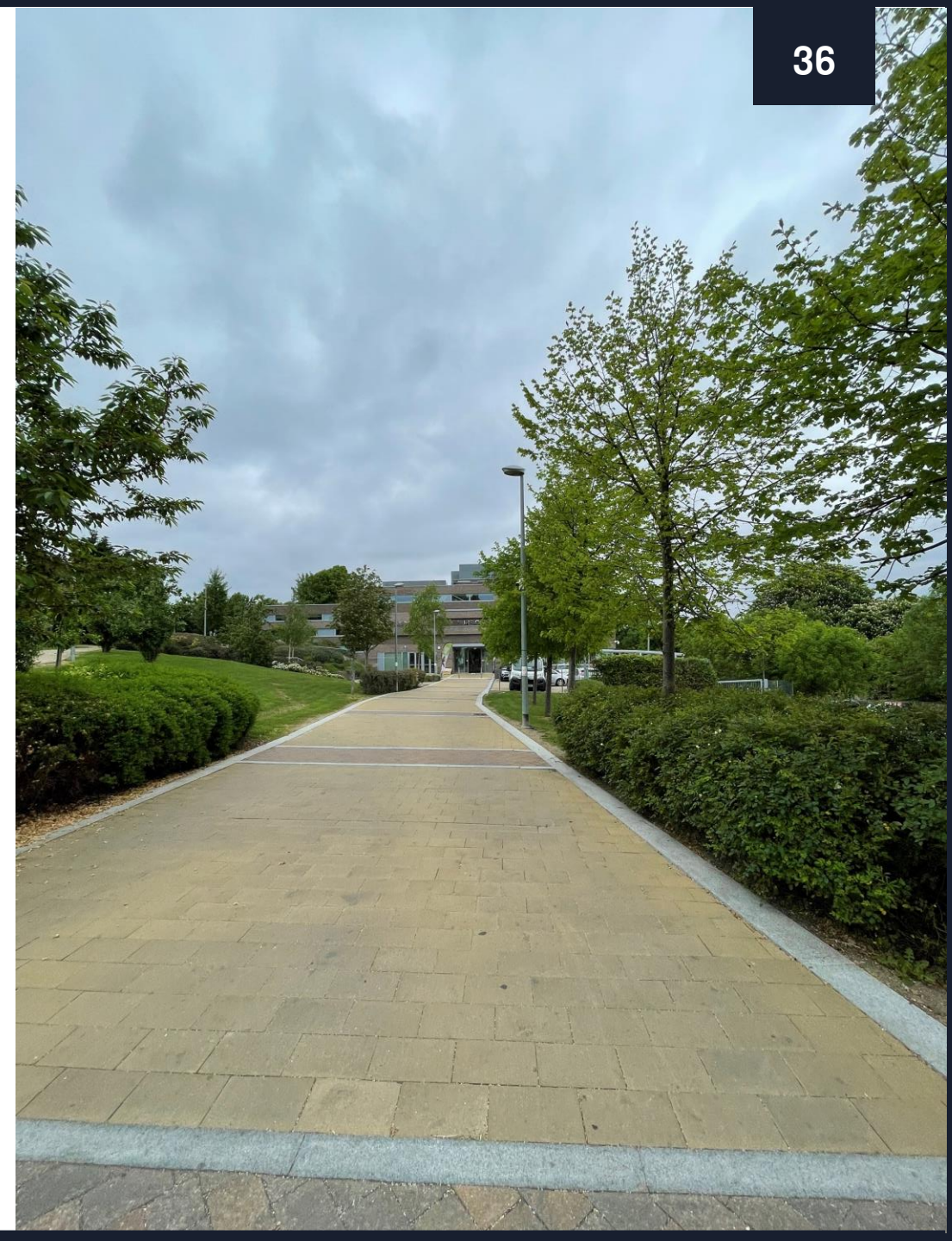
Under the 'innovation' pillar the Government identify five key sectors that they believe will shape the UK's future economy: Life Sciences, Creative & Digital, Clean Energy, Fintech and Defence – the first three are also LBL's priority growth sectors. On each they write:

- **Life Sciences:** "In life sciences we will build on our performance and leadership to date to create the most advanced genomic healthcare system in the world".
- **Creative & Digital:** "These industries are a major success story for the UK and a critical driver of innovation and growth. We will work to ensure that these sectors can flourish by nurturing a safe, fair and open digital economy, growing more creative businesses around the country and building on our advantages in foundational technologies like AI, quantum computing and digital twins, including through the National Data Strategy and upcoming Digital Strategy".
- **Clean Energy:** "In clean energy, we will bring about a green industrial revolution, targeting investment in technologies like carbon capture, hydrogen and offshore wind".
- **Fintech:** "The fintech sector adds almost £11 billion to the UK economy and employs a workforce of almost 76,500. At Budget 2020, the Chancellor asked Ron Kalifa to lead an Independent Strategic Review of how government, regulators, and industry can maximise the future growth of the UK fintech sector. The Review published its final report *The Kalifa Review of UK Fintech* on 26 February 2021. It addressed a range of priorities for the sector and made recommendations on amendments to UK listing rules, improvements to tech visas, and a regulatory fintech 'scalebox'. The government welcomes the report and is considering the Review's recommendations".
- **Defence:** "The Ministry of Defence (MoD) spends more than £20 billion each year with UK industry, supporting a total of over 200,000 jobs across the UK, and serving as one of the largest providers of apprenticeships. The MOD's Defence and Security Accelerator has supported more than 750 innovations by finding and funding ideas. In the forthcoming Defence and Security Industrial Strategy, we will set out further actions we are taking to foster vibrant and innovative UK businesses".

A wide range of commitments are made by Government to support these priority sectors, which span from the provision of finance to creating the right regulatory environment.

The three sectors that both Government and LBL have identified as priority sectors also have specific sector strategies which set out detailed plans to support their evolution and growth. These include the [Creative Industries Sector Deal](#), [Digital Strategy](#), [Life Sciences Vision](#) and [Clean Growth Strategy](#).

Alongside the growth sectors identified earlier in the report (Professional Services, Wholesale and Retail, Transport & Storage, Accommodation & Food Services, Public Services, Information & Communication, Finance & Insurance and Construction) these unique specialisms will help drive the country's future economy and therefore generate demand for different commercial space and workspace typologies.





# National Drivers: Future Office Market

## Scale of Office Demand

The economic downturn and shift to remote working precipitated by COVID-19 reduced demand for office space over the short-term. Demand is, however, a complex issue influenced by a wide range of factors such as financial returns, technology, economic growth, culture and productivity. **Evidence relating to these factors led to an early consensus among commentators that demand for office space was likely to rebound over the medium-term:**

- *“Covid-19 has been a drastic and society-changing experience that has greatly impacted office workers around the globe. We expect a shift towards 100% remote work by employers for the office workforce is very unlikely outside of a singular event like a pandemic. We reviewed very few studies of a completely remote organisation underscoring how rare office-free organisations have been in the recent past”. Cushman & Wakefield, History and Future of the Office Report (2020).*
- *“Ways of working have changed dramatically in the face of COVID-19; water cooler moments have morphed into zoom calls and kitchen tables have replaced desks. Much has been said of this being the ‘death of the office’, but there are stronger arguments to say that this time of necessary remote working is not the beginning of a permanent transition to working from home. Rather, COVID-19 is ushering in a broader structural shift towards flexibility around how, when and where we work that will alter the lay of London’s commercial real estate market, with our offices becoming both more data focused and community orientated”. New London Architecture, The Future is Flexible (2020).*
- *“Following the pandemic there will be an inevitable correction in the short term for office space as the economic impact flows through to corporate activity. The flexibility to work from home will be seamlessly integrated into working life, benefitting both employees and employers alike. A focus on well-being and de-densification, along with improvements to design to encourage interaction that is difficult to facilitate at home, are all elements which may change and that are likely to offset a decline in space as a result of increased homeworking. Office space will continue to evolve; it is far from over and, as a result of the crisis, is arguably going to play an even greater role in driving corporate well-being and productivity”. JLL The Future of Global Office Demand (2020).*

This sentiment was captured in projections related to office demand. Cushman & Wakefield's 2020 *Global Office Impact Study and Recovery Timing Report*, for example, set out that the impacts of working from home are likely to be offset by factors such as economic and population growth and that office demand will continue to grow over the next decade. They modelled a short-term decline in demand but expected the global office sector to start absorbing space again in 2022 with vacancy rates returning to pre-crisis levels by 2025.



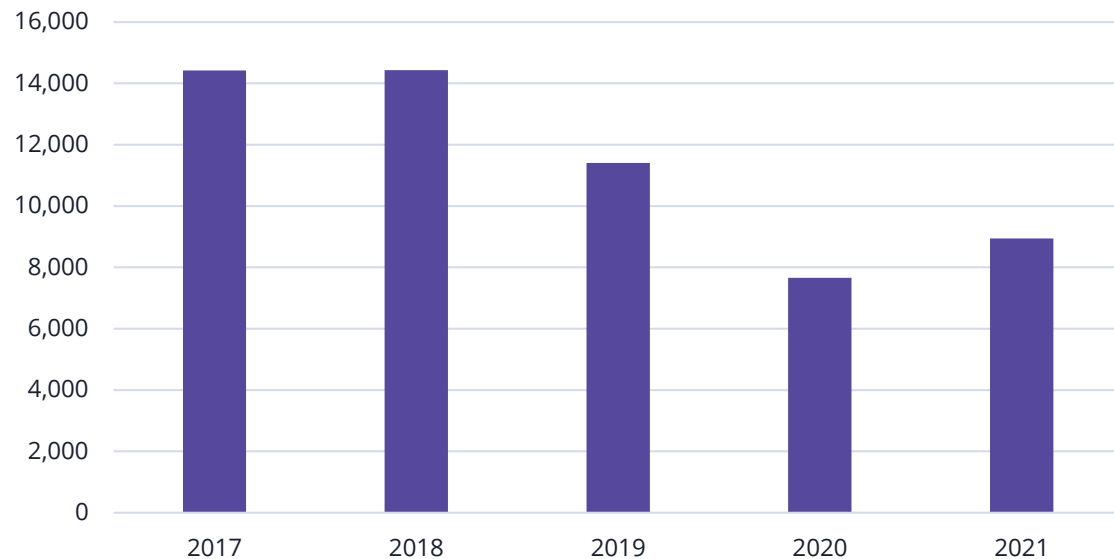


# National Drivers: Future Office Market

Recent trends partly support these early projections - evidence shows that demand appears to be recovering following the uptake of the vaccine and easing of restrictions. Data from Centre for Cities, for example, indicates that footfall in major city centres has increased significantly in early 2022 and is now only **-7%** below pre-pandemic levels overall. This includes during the week, primarily driven by office workers, where levels are only **-10%** lower than before the pandemic.

These trends are reflected in office take up figures – Avison Young's most recent *Economic and Property Market Review* shows that total office take-up in 2021 across the Big Nine cities (Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, Manchester and Newcastle) amounted to **8.2 million sq ft** which is only **-5%** below the ten-year average and **+42%** higher than in 2020. The last quarter of the year was the highest for more than three years, driven by the second largest deal across the Big Nine on record – HM Revenue & Customs taking **465,000 sq ft** at Pilgrim's Quarter in Newcastle City Centre.

**Total Number of Office Lease Deals (United Kingdom), 2017-2022**

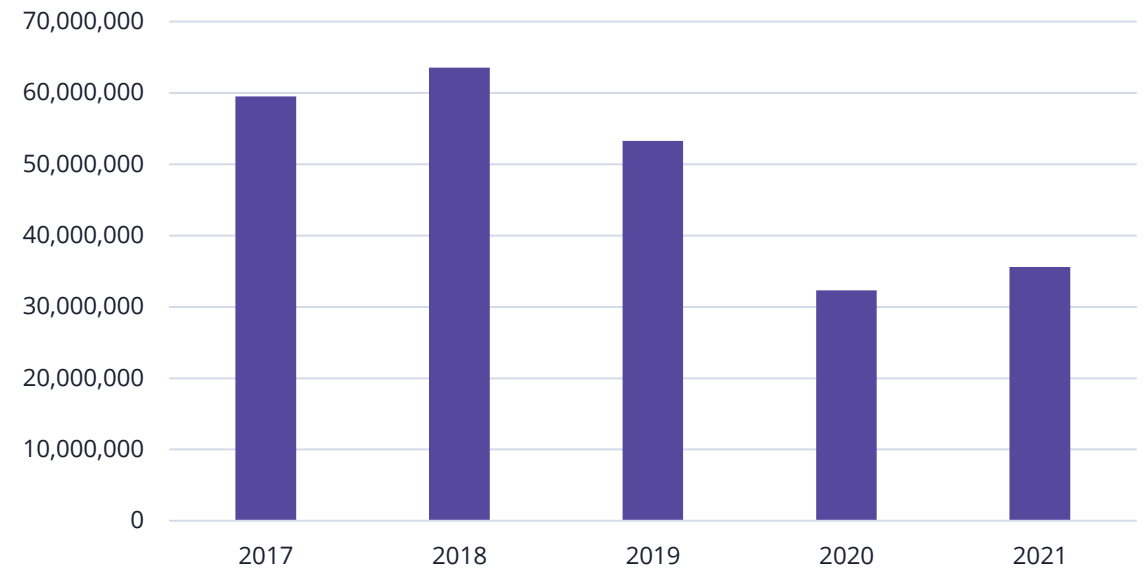


Source: Co-Star (2021)

UK wide trends are reflected in the figures below which draw on data from Co-Star. This data shows that:

- In 2021 the total number of office lease deals (**c9,000**) and amount of floorspace let (**c.36m sq ft**) is below pre-pandemic levels but is more than the preceding year despite lockdowns and restrictions.
- The uptick in activity in 2021 compared with 2020 reflects a **+17%** growth in number of deals and **+10%** increase in total floorspace leased versus the preceding year.
- The slower uptake in floorspace relative to number of deals reflects the changing nature of occupier requirements. Since the pandemic demand has grown for smaller floorplate, more flexible office space and this is reflected set out overleaf.

**Total Office Floorspace Leased (United Kingdom), 2017-2022, Sq Ft**



Source: Co-Star (2021)

# National Drivers: Future Office Market

## Nature of Office Demand

While demand for office space has started to bounce back, changing working patterns introduced during the pandemic have started to influence the nature of office demand. This is because most employees and employers now recognise the personal and productivity benefits of remote working, but understand that it does not provide the community, collaboration and development opportunities offered by in-person interaction.

This is captured in ISG's *Power of Place* (2020) survey which found that most employees want to be in the office on a flexible basis, but the primary drivers are to build connections, friendships and knowledge rather than undertake focused work. The top five most important functions identified for future workspaces were: (1) socialising with colleagues; (2) training and learning; (3) meetings; (4) team building/cultural alignment; and, (5) collaborating.

Hybrid working, which refers to a mix of home and in-person working, is starting to become the new norm pushing many businesses to look for more flexible commercial space that suits this new working pattern – a recent occupier survey undertaken by Colliers International suggests that around 70% of office employers are looking to implement hybrid working arrangements. These shifts are causing occupiers and investors to focus more on wellbeing, collaboration and experience when considering office space rather than a traditional narrower focus on size and location.

This is captured in Avison Young's *Fit for the Future: The Impact of COVID-19 on Workplace and Portfolio Strategies* (2021) research which highlights that employee wellbeing is moving to the forefront of occupiers' minds. Occupiers recognise that remote working has been good for many people, but that most employees are looking to return to the office on a flexible basis to improve their wellbeing and to interact more closely with colleagues and friends. Survey evidence from ISG suggests that employees believe that spending around two days in an office per week is optimal for wellbeing.

These trends are captured by New London Architecture:

*“While businesses are very likely to retain some form of physical office as a base for their community, we should expect this to be combined with higher levels of remote working than ever before. Offices, as a result, will have to adapt, functioning more as data centres... that empower people working outside of the central office, while also maintaining a culture of collaboration that was so central to open-plan offices and co-working spaces”.*





# National Drivers: Future Office Market

The upshot of this is that the nature of space requirements is starting to shift with occupiers increasingly looking for more flexible space that can respond rapidly to changing business needs, support employee wellbeing and enable collaboration. Rather than looking for large, fixed spaces it is therefore expected that many occupiers will seek space that meets their core needs but also allows them to hire more desks or collaboration space when required.

The following factors are expected to be important to office occupiers over the next few years: flexible lease terms; access to co-working/touch down spaces; access to space to meet and collaborate; access to temporary 'project' spaces; spaces that are adaptable; more desk space per head; a variety of breakout spaces; enhanced audio-visual technology; and, good ventilation and filtration.

Supporting facilities are also anticipated to become more important to make offices more attractive to come to and to support collaboration and employee wellbeing (e.g. meetings rooms, cafes, kitchen space, storage, creche, showers, lockers, bike storage and outdoor space).

These factors reflect survey data from ISG which shows that employees rate the following five factors as the most important amenities for future workplaces: (1) location and accessibility; (2) high powered internet connectivity; (3) introduction of more fresh / filtered air; (4) green / outdoor space; and, (5) adaptable spaces.

It is worth noting that access to good technology and high-speed broadband connectivity will also be an essential enabler of hybrid working. The right digital infrastructure is crucial to link people working remotely to those in offices. Businesses will need to invest in technology to stay connected and in smart solutions to increase security while reducing inefficiencies and costs. Employees will expect a seamless experience from their physical and virtual workplaces with the integration of remote workers into meetings and conversations.





# National Drivers: Future Office Market

## Geography of Office Demand

The geography of demand for office space is also starting to shift in response to the impacts of COVID-19. Urban areas are still driving demand due to their inherent attractors (i.e. economic opportunities, social connections and amenity offer), but some employers are looking to locate parts of their office portfolio in suburban or satellite locations closer to where employees live in response to the rise in remote working.

In relation to London, the Local Enterprise Action Partnership (LEAP) write:

*“Remote working gives rise to the viability of ‘hub and spoke’ flexible workspace hubs across the city. Outer London’s high streets can benefit from this latent demand, with the end of line stations in particular being able to serve their residential neighbourhoods, as well as their wider commuter catchments”.*

This chimes with Avison Young’s occupier survey, which indicates that one fifth of respondents anticipate that they will disperse their office portfolios to be closer to where their workforce lives and want to work. It is anticipated that liveable, well-connected suburbs and towns with easy access into urban centres (like West Norwood & Tulse Hill) will benefit most from this shift in demand.

Commentators suggest that core urban centres (i.e. London’s CAZ) will continue to be productive and attractive places that drive office demand, but for some businesses they will become places where employees come together on a less frequent or semi-regular basis to meet, collaborate and focus on specific projects or issues. Again, London’s LEAP write:

*“The CAZ... has the opportunity to capture demand for “deep work” - where newly distributed teams and decentralised companies, wanting to gather for a series of days in an easily accessible location, can collaborate and access specialist facilities. Including ancillary facilities as part of the flexible workspace offer, such as meeting spaces, exhibition spaces, video conferencing equipment, on-site childcare, or recording studios, can fill a gap currently in traditional office provision, and make workspaces more accessible”.*





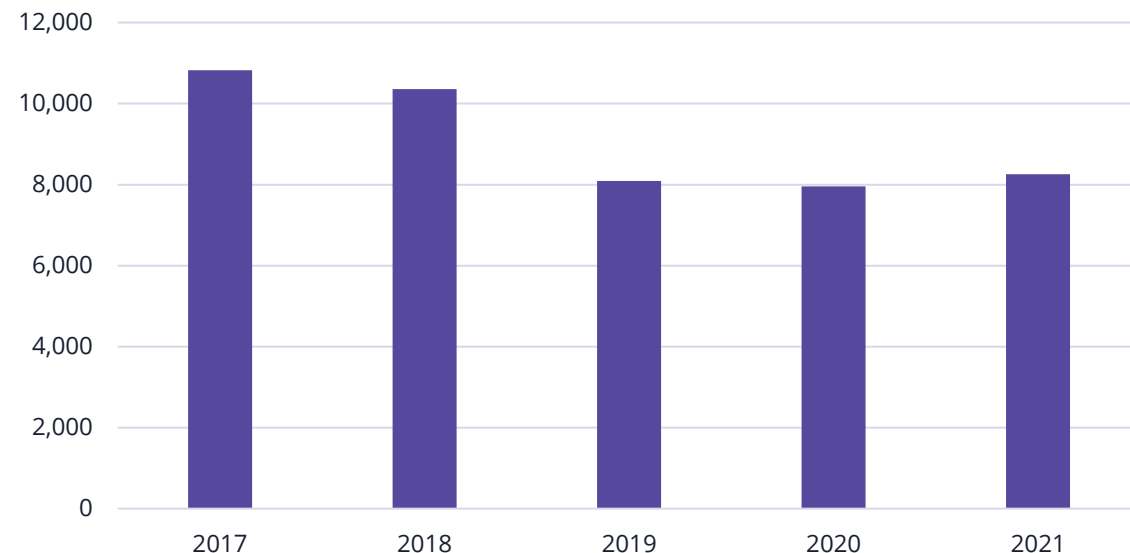
# National Drivers: Future Industrial Market

Demand for space where businesses need to be in situ, and where self-contained units are more common, has been resilient over the course of the COVID-19 pandemic. From makerspaces and creative studios to laboratories, logistics space and data centres, demand has remained strong and waiting lists have grown. These are all loosely categorised under industrial or light industrial uses.

These trends are captured by the national industrial market, which has seen record levels of take up over the last two years. Avison Young's research shows that like the preceding year, 2021 was a record year for the UK industrial market as take-up of 'big box' Grade-A space surpassed **49 million sq ft**.

Amazon has been the most notable acquirer of such space at the national level over the last 18 months, but several supermarkets have doubled their online platforms and high street retailers have also been increasing their online presence. There has also been an increase in demand from data centre providers.

## Total Number of Industrial Lease Deals (United Kingdom), 2017-2022

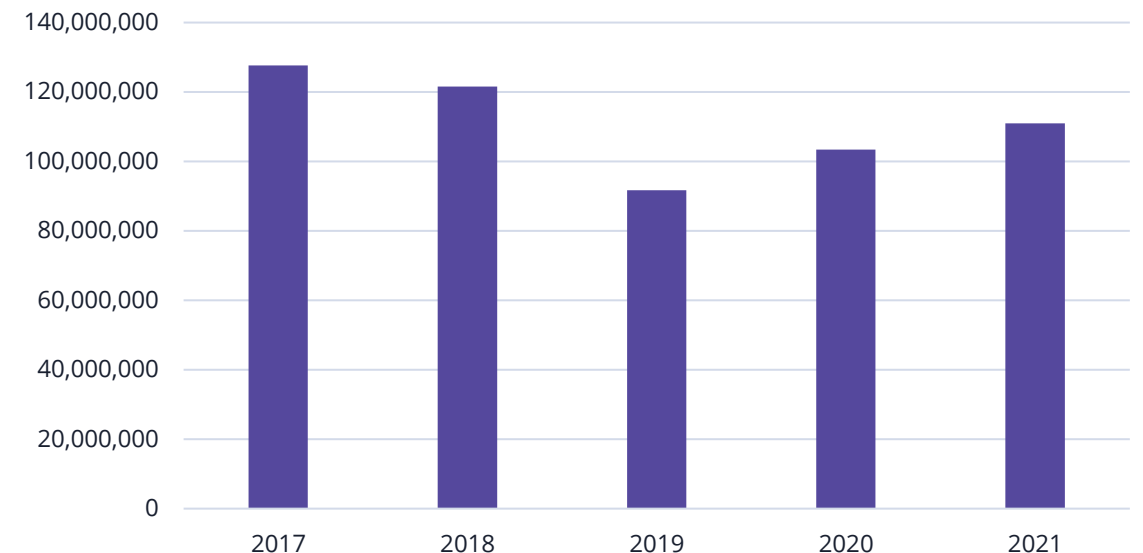


Source: Co-Star (2021)

These trends are reflected in the figures below which draw on data from Co-Star. This data shows that:

- Occupier demand has been resilient through Covid-19, with a **+2%** growth in lease transactions and a **+21%** growth in floorspace leased between 2019 and 2021.
- The faster rate of growth in floorspace leased is indicative of the nature of demand, with larger floorplate activities such as logistics forming a large proportion of industrial demand in recent years. This is reflective of changing consumer spending habits, and growth in online shopping.
- When broken down by 'Big Box' (i.e. large) industrial space, take up has been stronger in the last few years than at any time other time on record.

## Total Industrial Floorspace Leased (England), 2015-2022, Sq Ft



Source: Co-Star (2021)

# National Drivers: Future Industrial Market

Whilst some of this activity may fade away as the impact of the pandemic recedes, many of the changes seen in consumer behaviour are likely to endure. PwC's Emerging Trends in Real Estate Report (2021), which is based on surveys and interviews with hundreds of real estate experts across Europe, predicts that logistics, life science and data centre activity is expected to continue remain strong in the future driving demand for industrial space.

A similar survey of real estate investors survey by JLL found that:

- **15%** believe that Life Science will provide the greatest opportunities for real estate investors over the next five years;
- **12.5%** believe that Logistics will provide the greatest opportunities for real estate investors over the next five years; and,
- **8%** believe that Data Centres will provide the greatest opportunities for real estate investors over the next five years.

Avison Young's Economic and Property Market review also sets out that:

*"...there is unlikely to be a slowdown in demand for big box industrial space across all UK regions in 2022, due to the continued shift in consumer behaviours. With online retail sales forecast to continue growing there will be requirements for even more industrial units to meet demand".*

More broadly anecdotal discussions with operators running 'messy' workspaces such as workshops, makerspaces and creative studios indicate that demand remains strong across the country. While the COVID-19 pandemic impacted parts of the creative sector hard, the reliance on commercial space to undertake work has kept demand positive. Some businesses struggled to pay their rents during the height of the pandemic but this has reduced significantly given the economic recovery that has taken place since the successful roll out of the vaccine programme.





# National Drivers: Future Industrial Market

## Future of Urban Logistics

Commentators also expect that the rise in experimentation with hyper-local delivery methods will impact future thinking on local supply chains, particularly in cities like London. Consumer demand for competitive prices and short delivery times has increased during the pandemic and the last mile of delivery has become even more complicated and expensive. As a result, urban logistics, which focuses on short distance delivery based out of inner-city hubs, warehouses and transportation, is of growing interest.

Urban logistics hubs have an important role to play in promoting clean and efficient freight activity. This is because the use of hubs supports the rationalisation of goods and can utilise the use of low and zero emission vehicles. This reduces the number of delivery vehicle trips, can lead to better management of congestion at peak times and an overall reduction in emissions. According to Steer, some of the factors that are critical for a new urban logistic hub sites include good access to the strategic road network, security, sufficient height clearance and reasonable costs. If the conditions are right, this can encompass a wide range of sites including car parks, railway arches or other 'spare' available space.



### DPD Urban Logistics Hub, Vandon Street Westminster (St James's Park)

- Fleet: 10 electric vans and eight micro-vehicles
- Operation: parcel distribution by electric vehicle
- Investment: £500k initially, £3m over next ten years
- Area: two square miles in central London





# 3. Regional Drivers





# Regional Drivers: Key Messages

London's economy has started to recover following the COVID-19 pandemic



Like the national economy London's Gross Value Added (GVA) grew by **+22%** in 2021 versus a decline of **-12%** in the preceding year. Projections suggest that growth in 2022 is going to be far slower and that there may be a recession in the first half of the year linked to Ukraine.

There are several sectors that are expected to drive the capital's future economy



The UK's growth sectors are expected to drive London's future economy, but the importance of Information & Communication and Finance & Insurance is expected to be higher in London given they are existing specialisms.

London's office market has started to recover from the impacts of the pandemic



Office take up in Central London reached **8.8 million sq ft** in 2021, which is a **+71%** uplift on letting volumes seen in 2020. While **-9%** down on the long-term average, the market was operating under stringent lockdown restrictions for much of the first half of the year.

## Implications for WNTH

- WNTH can capitalise on some of London's expected growth sectors (e.g. Creative & Digital, Transport & Storage, Low Carbon and Wholesale & Retail).
- There is a London-wide need to protect and intensify valuable employment locations such as West Norwood Commercial Area, Park Hall Trading Estate, Parade Mews and Knollys Yard.
- Demand appears to be strong for office and industrial space across London – the latter is likely to be most relevant to WNTH given it is a local specialism of the area.
- Affordability should be a key consideration of future employment schemes coming forward, particularly when catering for lower-value businesses/organisations that deliver social and/or cultural value.

Demand for industrial space has remained strong over the course of the pandemic



London's industrial market has also seen positive trends over the last few years, though take up has not been as strong as elsewhere in the country given constrained supply. Rents have also risen significantly owing to rising demand and limited supply.

London's commercial property and workspace markets are constrained



The city's industrial, office and workspace markets are highly constrained and all have seen supply decrease in recent years despite high levels of demand. This is due to competing pressures to provide more homes and ever-increasing land prices.

Affordability is a major issue for Micro and Small Enterprises across the city



Constrained supply, coupled with high levels of demand, have increased commercial rents across the capital in recent decades. This has pushed many small businesses, social enterprises and charities out of specific locations and the city in general.



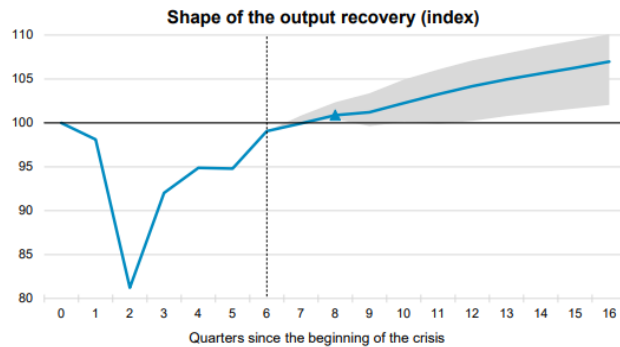
# Regional Drivers: Economic Trends

London's economic trends broadly mirror those at the national level over the last few years. Evidence from the Greater London Authority (GLA) and ONS shows that Gross Value Added (GVA), which is similar to GDP but adjusted for the impact of taxes and subsidies, grew by **+22%** in 2021 versus a decline of **-12%** in the preceding year. While the rate of growth was marginally lower than at the national level (+24%), the capital's economic output did not decline as much in 2021 (-12% versus -20%).

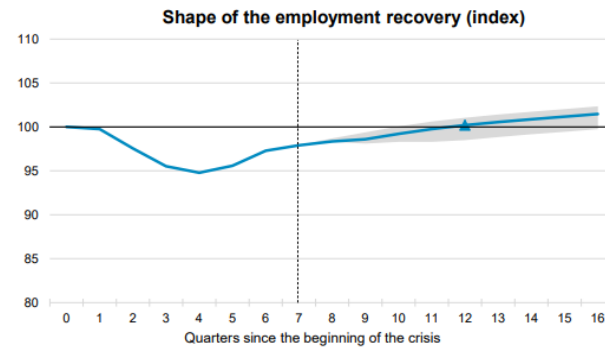
Over the same period the unemployment rate fell across the capital. By the first quarter of 2022 it had reached **4.6%**, which is close to pre-pandemic levels, versus **c.7%** during 2020. The employment growth rate has also increased to **+2.5%** following a decline in 2021.

Looking forward the GLA have produced economic projections based on various scenarios from the Bank of England and OBR. They argue that despite recent positive economic growth there are a wide range of risks that are likely to slow this trajectory over the short-to-medium term. These include high inflation, COVID-19 variants and the impact of the Russia and Ukraine conflict on energy prices. In their 'slow' scenario they project a fresh recession in the first half of 2022 with GVA exceeding pre-pandemic levels by 2023. Their 'gradual' economic scenario does, however, project that GVA will exceed pre-pandemic level this year and beyond in line with national forecasts.

GLA's 'Gradual' Economic Scenario (GVA)



GLA's 'Slow' Economic Scenario (GVA)



Source: GLA, Macroeconomic scenarios for London's economy post COVID-19, February 2022



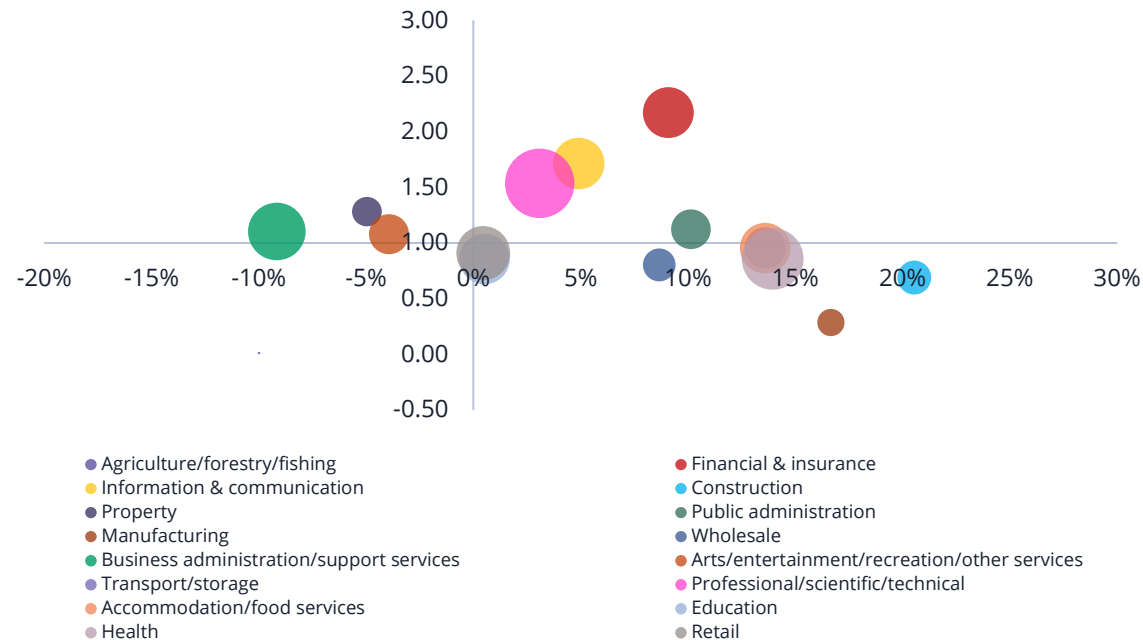


# Regional Drivers: Economic Trends

London currently hosts around **5.2 million** jobs according to the ONS. The largest broad sectors in terms of employment are Professional, Scientific & Technical Activities (**773k**), Health (**580k**), Business Administration (**510k**), Retail (**440k**) and Information & Communication (**406k**). The city also has unique specialisms in higher-value Financial & Insurance, Information & Communication, Professional, Scientific & Technical Activities and Public Administration sectors versus the rest of the country.

Over the last five years several broad sectors have experienced significant employment growth. These include Construction (+21%), Transport & Storage (+16%), Health (+14%) and Public Administration (+10%). Some sectors, in contrast, have declined (e.g. Arts, Entertainment & Recreation, Business Administration, Accommodation/Food Services, Manufacturing and Property).

**London's Broad Sectors By Growth, Size and Specialism (2015-2020)**



Source: ONS. *BRES* (2021)

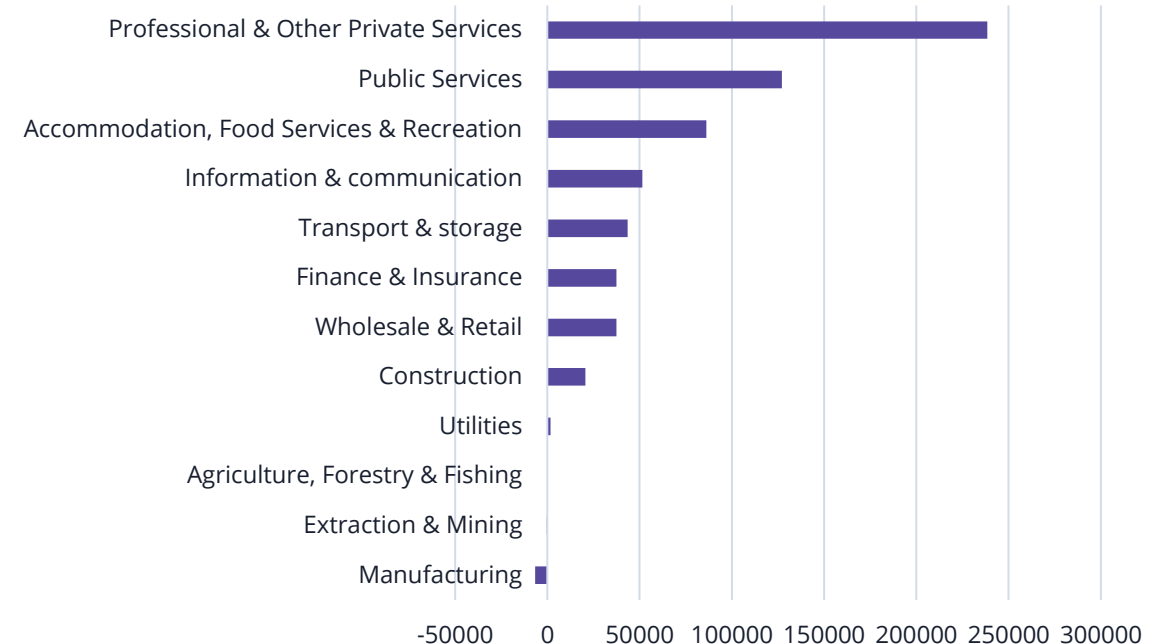
Note 1: X Axis = Employment growth, 2015-2020; Y Axis = Concentration of sector employment vs national economy; Bubble = Size of sector.

Note 2: Y Axis = A figure (Location Quotient) above 1 indicates that London has a sector specialism versus England.

Over the next two decades Experian project that employment growth will be highest in Professional Services (+238k), Public Services (+127k), Accommodation & Food Services (+86k), Information & Communication (+51k), Transport & Storage (+44k), Finance & Insurance (+38k) and Wholesale & Retail (+37k). These projections are similar to at the national level but the relative growth of Information & Communication and Finance & Insurance is expected to be higher in the capital.

It is important to note that the Mayor of London has also identified a range of sub-sectors as priorities based on more granular economic analysis and mapping. As set out in the *Mayor's Economic Development Strategy*, these include the Creative & Cultural Industries, Tech & Digital, Financial & Business Services, Low Carbon Economy, Tourism and Advanced Urban Services. The Mayor of London has committed to supporting these industries to fulfil their potential in the city.

**London's Projected Absolute Employment Growth By Broad Sector, 2020-2041**



Source: Experian. *Regional Planning Service* (2021)

# Regional Drivers: London's Economic Drivers

The Mayor's *Economic Development Strategy* also identifies a wide range of drivers that will influence the city's economy moving forward. Many of these will have implications for the scale, nature and geography of demand for different types of business space over the coming years. These are summarised below.

## The Global Macro-Economic Environment

- The UK's relationship with the EU and the rest of the world
  - Growing inequality
- Global competition / Emerging markets
- Changing regulatory environments
  - National devolution
  - Russia/Ukraine Conflict
  - COVID-19

## Demographic and Social Change

- A more diverse population
- An ageing population with more complex health needs
  - Affordability challenges
- Growing expectations around choice, transparency and value
- A growing population / urbanisation
  - Changing health needs
  - The changing nature of work

## Disruptive Tech and Innovation

- AI / Machine learning
  - Automation
- Virtual / Augmented reality
  - Internet of things
- Data analytics / Smart technology
  - 3D printing
  - Distributed Ledger
- Technology / Blockchain

## Transition to a Low Carbon Economy

- Climate change / Decarbonisation
  - Cost of natural resources
- The need for greater resource efficiency More localised and renewable energy





# Regional Drivers: Commercial Property Market Trends

London's office market has broadly mirrored the national picture over the past few years. Despite a short-term slow down during the COVID-19 pandemic, evidence from Avison Young illustrates that across 2021 the capital's central office market gradually built back its strength, culminating in an end-of-year take-up of **8.8 million sq ft** which is a **+71%** uplift on letting volumes seen in 2020. While this total is **-9%** down on the long-term average for annual take-up, the market was operating under stringent lockdown restrictions for much of the first half of the year.

These trends are reflected in the figure below which draws on data from Co-Star:

- Despite suffering a **-53%** fall in leasing activity and a **-55%** fall in floorspace leased between 2018 and 2020, office activity has since saw a bounce back in 2021.
- 2021 saw leases signed and floorspace leased at **c.63%** of 2018 levels. A large proportion of this activity came in Q4 2021. Over the course of 2022, agents expect to see continued growth in activity with activity shifting closer to pre-pandemic levels.

**Total Number and Floorspace of Office Lease Deals (London), 2015-2022**



Source: Co-Star (2021)

London's industrial market has also seen positive trends over the last few years, though take up has not been as strong as elsewhere in the country given constrained supply. In 2021 **3,991,436 sq ft** of Big Box (i.e. large units) industrial space was taken up in London and the South East according to research from Avison Young, with rents rising significantly owing to rising demand and limited supply – they increased *by* £25.00 psf in Park Royal illustrating the scale of change.

These trends are reflected in the figure below which draws on data from Co-Star:

- London saw a small dip in leases signed from 2018-2020, however, trends in 2021 demonstrate that the industrial market has recovered well from this blip in activity, with **795** lease transactions out-performing activity in 2015, 2016, 2017, 2019 and 2020.
- Despite this, floorspace leased in 2021 totalled **6.3m** sq ft, reflecting c. 75% of the 2015-2018 average. This likely reflects constrained supply taking account of the wider growth in this sector in recent years.

**Total Number and Floorspace of Industrial Lease Deals (London), 2015-2022**



Source: Co-Star (2021)

# Regional Drivers: Commercial Pressures

London has a unique and diverse commercial property market made up of a wide range of sub-markets. At the extremes there are industrial behemoths like Park Royal and the Lea Valley, and globally-important office centres like Canary Wharf and the City of London. Between these are different and more niche sub-markets focused on an array of different economic activities (e.g. Haringey's Fashion Cluster and White City's Life Science Cluster).

The capital's commercial property market faces a wide range of challenges that primarily link to high demand, constrained supply and every-decreasing affordability. This is disproportionately impacting Micro and Small Enterprises (MSEs) which typically operate closer to the margins and are more sensitive to changes in rents and lease terms.

## Constrained Supply

The issue of constrained supply is most notable in relation to industrial space – over the last two decades vacancy rates have dropped from **16%** to **4%**, which illustrates that stock is well-used but that it is unlikely to be meeting demand from businesses. This is emphasised in Centre for London's *Making Space: Accommodating London's Industrial Future* (2022) report which sets out:

*"The 2017 London Industrial Land Demand Study showed that in several London subregions, including central London, there were virtually no vacant industrial buildings for businesses to move into... Such low vacancy rates mean that industrial businesses are highly unlikely to find accommodation that meets their needs at a price they can afford. Anecdotal evidence from our interviews confirmed that industrial businesses have great difficulty in finding suitable space to operate from in London".*

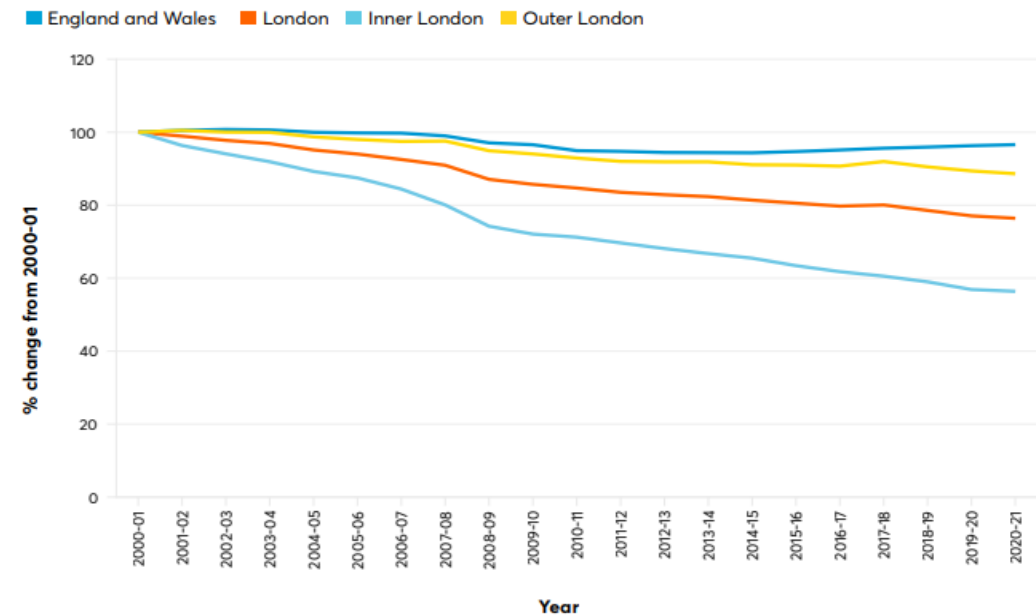
This constrained supply picture has put immense upwards pressures on land values, with some sites in the city commanding up to **£10 million per acre**. Rents also increased significantly during 2021, rising by an average **+20%** across the country.

While new industrial buildings are being built in London there are relatively few of them, and they tend to be designed for high-value high-growth industries such as logistics or data centres. This is because demand is particularly high from businesses in these sectors which are able to afford higher rents than some other industrial sectors.

Even though the provision of such space is important for London's economy, more traditional industrial activities have reported that the demand for logistics space has further inflated industrial rents making it more difficult for them to access the space they need at a price they can afford. This is being exacerbated by the loss of supply across both Inner and Outer London in recent decades as the graph below illustrates.

While less extreme the capital's office market, which is predominantly in Inner London, has also seen high levels of take up and relatively low levels of vacancy. Even though the COVID-19 pandemic impacted demand this appears to be recovering and affordability remains an issue across the capital. A significant amount of office space, particularly in more peripheral and town centre locations, has also been lost to residential via Permitted Development Rights. In the first two years of introducing this legislative change over **834,000 sq ft** of space was lost to residential uses according to London Councils.

## Change in Industrial Floorspace, 2001-2021





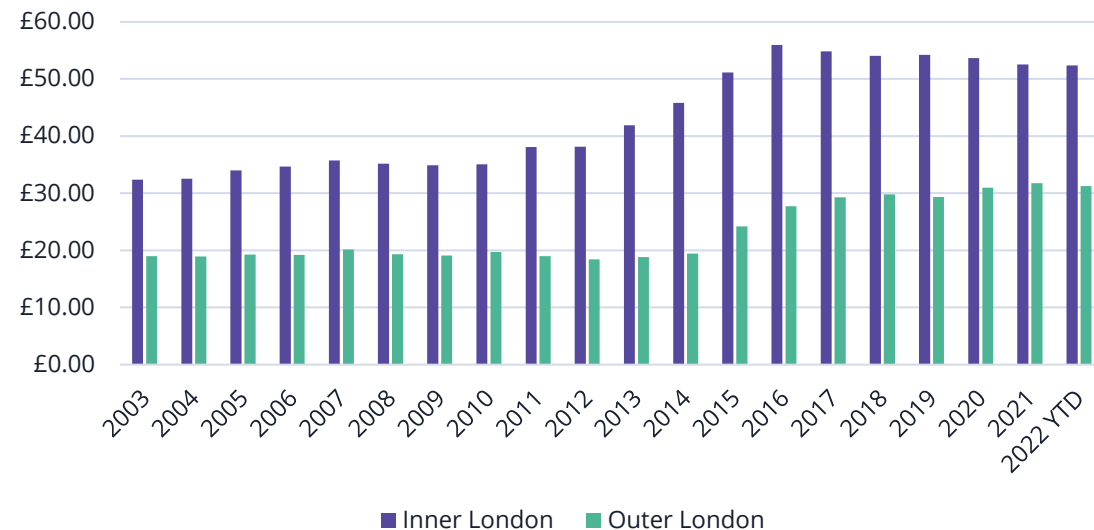
# Regional Drivers: Commercial Pressures

Workspaces that provide space for less productive and lower-value businesses have also come under intense pressure from re-development over the last ten years (e.g. artists, makers, artisans, designers etc). Rising land prices and increasing demand for homes all across the city have led to the loss of many different types of workspace. This is captured in the GLA's *Future of London: Workspace that Works* report which highlights that almost **25%** of the capital's artist workspaces are at risk from closure over the next five years. This is despite reported high levels of demand from workspace operators.

## Rising Rents

Constrained and falling supply, coupled with high levels of demand, have increased average commercial rents across the capital over the last two decades. This has pushed many small businesses, social enterprises and charities – the lifeblood of London's diverse, successful and cohesive local economies – out of specific locations and the city in general. In response to this at least 13 London borough have introduced affordable workspace planning policies, including LBL, which aim to secure discounted workspace as part of new commercial developments for specific social, cultural or economic development purposes.

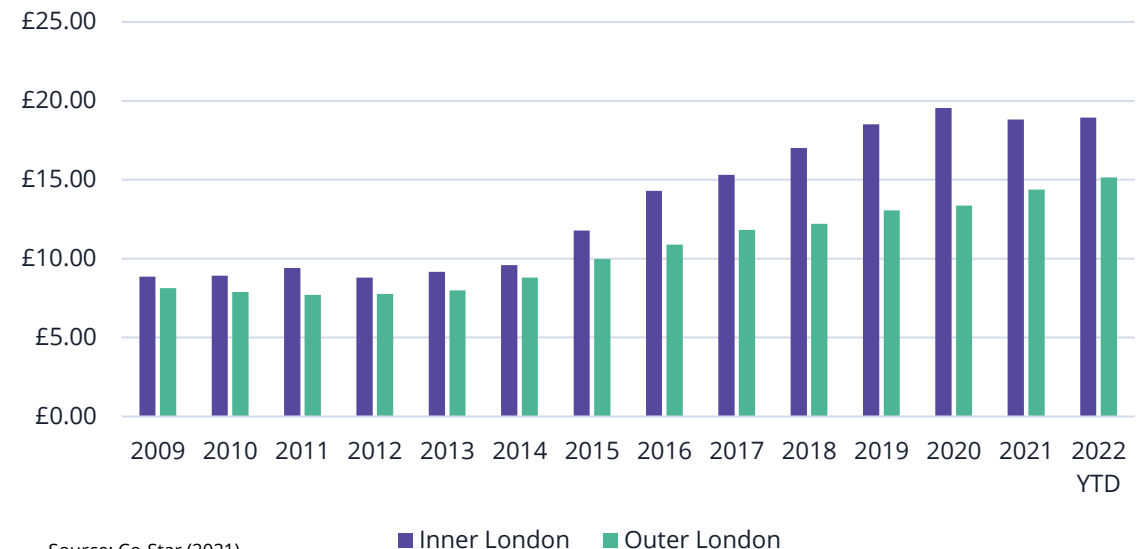
### Office Rents Per Sq Ft (Inner and Outer London), 2003-2022



Source: Co-Star (2021)

- Both inner and outer London have experienced strong rental value growth for office stock since the early 2000s. However, the rate of growth has been faster in Outer London locations (**+64%** growth from 2003-2022 in Outer London vs **+61%** in Inner London).
- Whilst Outer London has continued to see strong office rental value growth since 2015, Inner London rental values have tailed off over the same period. They remain high at **£52.40 psf** on average, which is not affordable for most small and new businesses.
- Both Inner and Outer London have experienced strong and steady rental value growth for industrial stock between 2009 and 2022. The rate of growth accelerated in both areas between 2015 and 2020 reflecting national trends. Current average rents are around **£19 psf** in Inner London and **£15 psf** in Outer London.
- Whilst inner London rental values have plateaued outer London rents continue to rise.

### Industrial Rents Per Sq Ft (Inner and Outer London), 2009-2022



Source: Co-Star (2021)



# 4. Local Drivers





# Local Drivers: Key Messages

## WNTH has an important but static local economy



The area is home to **c1,600** businesses employing around **6,000** people. These figures have remained fairly consistent over the past five years, which is likely to reflect the constrained business space market. Some other local economies have grown over this period (e.g. Brixton).

## The area's sector mix is dominated by service sectors



WNTH's employment base is dominated by local service sectors such as Health (**1,750 jobs**), Education (**800 jobs**), Retail (**600 jobs**) and Accommodation & Food Services (**500 jobs**). This is typical for suburban locations like WNTH. Its KIBAs also support sectors that are vital to serving the Central Services Area.

## WNTH has some unique and valuable sector specialisms



Several sectors are more specialised (i.e. more 'present') than in the London economy. These include Manufacturing, Transport & Storage and Arts, Entertainment & Recreation which have **1.9x**, **1.7x** and **1.1x** as many employees respectively than in the London economy.

## The Manufacturing base is driven by food and chemical production



**75%** of WNTH's Manufacturing jobs (150 of 200 jobs) are in either food or chemical production. The Food Manufacturing sub-sector has grown by **+88%** jobs over the past five years.

## WNTH's important Creative, Cultural and Digital sector is driven by 'clean' activities



These include Film, TV, Radio & Photography (**150 jobs**, **125** businesses), IT, Software & Computer Services (**125 jobs**, **120** businesses) and Music, Performing & Visual Arts (**50 jobs** and **70** businesses). The Film, TV, Radio & Photography sub-sector has doubled in size in recent years.

## Five of WNTH's key sectors have grown significantly in recent years



These include Construction (**+33%** jobs); Information & Communications (**+20%** jobs); Health (**+17%** jobs); Transport & Storage (**+11%** jobs); and, Professional, Technical & Scientific Activities (**+13%** jobs). The Creative, Cultural & Digital sector is not captured in this analysis.

## Projections identify sectors that will drive the LBL's future economy



These include Health (**+7,600 jobs**); Accommodation & Food Services (**+4,000 jobs**); Public Administration (**+1,900**); Recreation (**+1,900**); Education (**+1,200**); Care & Social Work (**+1,100**); Real Estate (**+1,000**); and, Transport, Storage & Post (**+400**).

## Growth and specialised sectors have distinct spatial patterns



For example, Manufacturing activities are clustered in the West Norwood Commercial Area; Arts, Entertainment & Recreation is distributed across the town centre and near Parkhall; and, 'clean' creative and digital sub-sectors are clustered close to Parkhall.

# Local Drivers: Key Messages

The area is well-connected to other important economic nodes



Examples include **London Bridge** (Life Sciences, Professional Services, Tourism/Leisure), **Waterloo/South Bank** (Life Sciences, Professional Services, Tourism/Leisure), **Brixton** (Creative, Cultural, Leisure) and **Croydon** (Professional Services, Creative, Retail).

WNTH's population profile suggests that there may be demand for workspace from people looking to work close to home



c. **13,000** residents are classified as 'City Prosperity' - individuals that have high salaries and have senior roles. A further **6,100** are 'Rental Hubs' which are young professionals in their 20/30s renting in urban neighbourhoods.

The area's labour market also suggests that there may be demand for workspace from people looking to work close to home



Based on LBL's labour market it is estimated that **9,900** people are in Professional Occupations; **8,600** people are in Associate Professional and Technical roles; and, **5,600** people are Managers, Directors or Seniors in WNTH.

There are >580,000 people living within a twenty minute walk/cycle of the area which represents a large catchment



The area is accessible by foot/bicycle to people living in places like Brixton, Herne Hill, East Dulwich, Clapham, Sydenham, Crystal Palace, Streatham, Balham and Stockwell which increases its desirability as a workspace location.

WNTH's conventional commercial market is dominated by industrial uses



CoStar report that the area has over **415,000 sq ft** of conventional industrial and light industrial space. Most is in the West Norwood Commercial Area, Parade Mews and Park Hall Trading Estate.

Most of WNTH's conventional industrial stock is low quality and ageing



Most general industrial stock is classified by CoStar as being in "poor to reasonable condition". Industrial units are given a quality rating of **2.1** out of five and light industrial units are rated at **1.8** stars. This is less attractive to modern, higher-value occupiers but can be more affordable.

WNTH has a small but not insignificant conventional office market



There are around 17 office units totalling over **76,500 sq ft**. Most are located within the Parkhall Business Centre and around Chapel Road, but there are other small units tucked into the industrial estates and above shops on the High Street.

WNTH has some valuable workspaces, predominantly studios and co-working uses



Examples include Parkhall Business Centre (Managed Workspace), Parade Mews Studios (Creative Studios), East Place Studios (Artist Studios), The Portico (Creative Studios/Community Space) and Glows (Co-working/Makerspace).



# Local Drivers: Key Messages

South Lambeth's conventional commercial property market is highly constrained



Vacancy rates for office (**1.3%**), industrial (**2.4%**) and light industrial space (**6.8%**) are well below the GLA's 8% threshold for a 'healthy' commercial market that enables business and occupier churn.

Commercial property rents have increased significantly over the last decade in South Lambeth



Since 2012 average office rents have increased from £15.18psf to £26.42psf (**+74%**), industrial rents have increased from £9.41psf to £21.99psf (**+134%**) and light industrial rents have increased from £7.85psf to £17.72 (**+123%**).

Demand is high for conventional industrial and light industrial space across South Lambeth



Since 2012 most commercial property leasing activity in South Lambeth has been for industrial space. CoStar report that over **220,000 sq ft** of industrial and light industrial space has been leased over this period. This is substantiated by local agents.

WNTH's commercial property market may become *more* constrained over time



Analysis of planning data associated with schemes that have been completed or are under construction, unimplemented or approved shows that there could be a net loss of **c2,900sqm** of employment space if schemes are implemented.

Demand appears to be highest for smaller conventional commercial property units across South Lambeth



Nearly all office and light industrial lease transactions have been for spaces under **2,000 sq ft** since 2012. Industrial transactions have mainly been **2,000-5,000 sq ft**. Studio operators provide space as small as 100 sq ft.

WNTH's specialist workspace operators generally charge between £10-30psf



Rents charged by workspace operators vary significantly across WNTH. They go up to **£30 psf** at the Parkhall Business Centre and as low **£12 psf** at Glows, which is some distance from the town centre and train stations.

South Lambeth's capital values suggest a fairly positive viability position for conventional space



A high-level analysis of build costs indicates that average construction costs sit *below* capital values that are being achieved for both office and industrial stock in the area, suggesting a fairly positive viability position.

WNTH's specialist workspace is well-occupied, and most have waiting lists



Most workspace in WNTH is fully occupied, and many operators have waiting lists. Most receive a few enquiries each week that they are often unable to fulfil as they are close to full capacity.

# Local Drivers: Key Messages

**Many of WNTH's specialist workspaces are looking for more space to expand within the local area**



Given the high levels of local demand several operators are interested in expanding locally (e.g. Parkhall Business Centre, East Place Studios and Portico). This is to provide more of the same types of spaces.

**Specialist workspace operators running space in Lambeth *outside* WNTH report similarly high demand**



Most of the Lambeth-based workspace operators consulted have a niche offer tailored to specific types of creative enterprises. These operators reported that their workspaces are almost fully occupied.

**Workspace operators running makerspaces and artists studios *outside* WNTH are interested in the area**



These operators also confident that if they opened new space in the area it would be fully occupied within a short space of time, and that they are attracted to WNTH. Discussions with agents substantiated this and illustrated demand from creative businesses.

**WNTH's remaining specialist workspaces all benefit from secure tenure**



All workspace operators that remain in WNTH either own their assets or are on secure long-term leases with LBL. Those that have closed, most notably ACME and Bainbridge Studios, did not have such secure tenures illustrating the importance of secure tenure.

**Creative operators require around 10,000 sq ft to set up new viable workspaces in WNTH**



Creative workspace operators noted that they would need c10,000 sq ft to deliver a viable workspace in WNTH and curate a meaningful creative ecosystem and network. There are several opportunity sites of this scale.

**Some specialist workspace operators with space *outside* WNTH have misconceptions about the area**



Operators that were less attracted to the area (generally those catering to 'clean' office activities) had misconceptions about the area, particularly in relation to its connectivity and the amount of economic activity in the area.

**Consultees indicated that the local workspace offer has some gaps that provide opportunities**



They indicated that there were opportunities to provide: (a) maker type space to support new and existing businesses; (b) for-hire meeting rooms for businesses of all size; (c) private 'pods' that allow quiet video calls to be taken.

**Consultees suggest several areas for investment to increase the attractiveness of the area to businesses**



These include, but are not limited to, improved digital connectivity, enhanced active travel routes, better wayfinding and signage and diversifying the local F&B offer.



# 1E Snapshot of Findings: Local Drivers

## Implications for WNTH

- Growth sectors like Information & Communication, Transport & Storage, Professional, Scientific & Technical Activities, Food Manufacturing and Film, TV, Radio and Photography are likely to drive future demand for business space.
- Local sector specialisms in Manufacturing, Transport & Storage, Arts, Recreation & Leisure, Food Manufacturing and Film, TV, Radio & Photography are likely to attract similar types of businesses to WNTH if the right type and quantum of space is available locally.
- The KIBAs support the Central Services Area and need to continue to do so to support the functioning of central London.
- WNTH can capitalise on its attractiveness to 'messy' creative production activities such as art and making.
- Growth sectors and local specialist sectors demand a broad range of business space typologies ranging from conventional light industrial space (e.g. Food Manufacturing) to creative studio space (e.g. Film, TV, Photography and Radio) and makerspace (e.g. Makers).
- Forthcoming business space should respond to and complement existing economic clusters within WNTH.
- WNTH could provide business space that complements the offer in nearby or well-connected neighbours such as London Bridge, Waterloo/South Bank, Brixton, Peckham and Croydon. This could include, for example, space for supply chain businesses that support London Bridge and Waterloo's growing Life Science and low-carbon sectors; production space to support Southbank's cultural institutions; and, lower-cost creative studios to support Brixton's Creative, Culture and Digital sectors. Vacant space at the West Norwood Leisure Centre also provides an opportunity to cater for the Health and Wellbeing sector, linking with health-based activity at Waterloo and London Bridge.
- The local demographic and labour market profile suggests that there may be demand from people looking to work close to home, particularly hybrid workers undertaking more 'office' type activities. The *Making High Streets Work* programme presents a good opportunity to test levels of demand for flexible, co-working type uses over the short-term.
- The scale of demand from people looking to work close to home could be expanded with improvements to active travel infrastructure, particularly to the north east and south of the area.
- There is clear demand and need for more industrial-type business space across the area, with demand significantly outstripping supply.
- Demand for more specialist workspace also appears to be strong, particularly for typologies like makerspace, artist studios and light industrial workshops.
- Future business space should primarily offer smaller units, unless larger anchor tenants are identified at the outset.
- Some businesses can afford to pay up to £30psf in WNTH, but these tend to be higher-value businesses undertaking 'clean' activities (e.g. architecture, graphic design, interior design etc). Most other businesses require lower rents between £10-25psf, most notably makers and artists who typically generate lower turnovers. It will therefore be important to ensure that more affordable workspace is provided and retained locally.
- It will be important to support existing workspaces to remain and expand in the area, as well as encouraging new operators to set up.
- Secure tenures are essential to keeping workspaces in the area for extended periods given rising rents and competing pressures for land and assets.
- Direct delivery of business space in the area may be viable given local capital values, build costs and yields.
- Misconceptions and information failures about WNTH and its locational advantages need to be tackled to attract businesses/operators.
- There are a broad range of opportunity sites that could be brought forward to deliver more business space locally.





# 4A: What are the characteristics of WNTH's economy?



This sub-section sets out a deep dive into the size, nature, characteristics and trajectory of WNTH's local economy. It utilises statistical data from secondary sources, and information gathered through on-the-ground mapping and consultations. The purpose is to provide an overview of existing economic strengths, specialisms and clusters that future business space opportunities can build on.



# Local Drivers: Characteristics of Local Economy

WNTH has an important local economy home to **c1,600** businesses employing around **6,000** people. While these figures are lower than some neighbouring areas (e.g. Brixton, Streatham, Clapham and Stockwell) they are still significant, particularly given the area's more southerly suburban location.

Most of WNTH's economic activity is located in three of the area's Key Industrial Business Areas (KIBAs):

- **West Norwood Commercial Area:** A large industrial estate in the south hosting a range of activities including manufacturing, construction, motor trades, wholesale and waste management.
- **Park Hall Trading Estate:** A cluster of over 100 businesses to the east, mainly within the Parkhall Business Centre, focused on a range of 'clean' creative and digital activities, as well as some 'messy' production activities.

## Proportional Change in Employment, 2015-2020



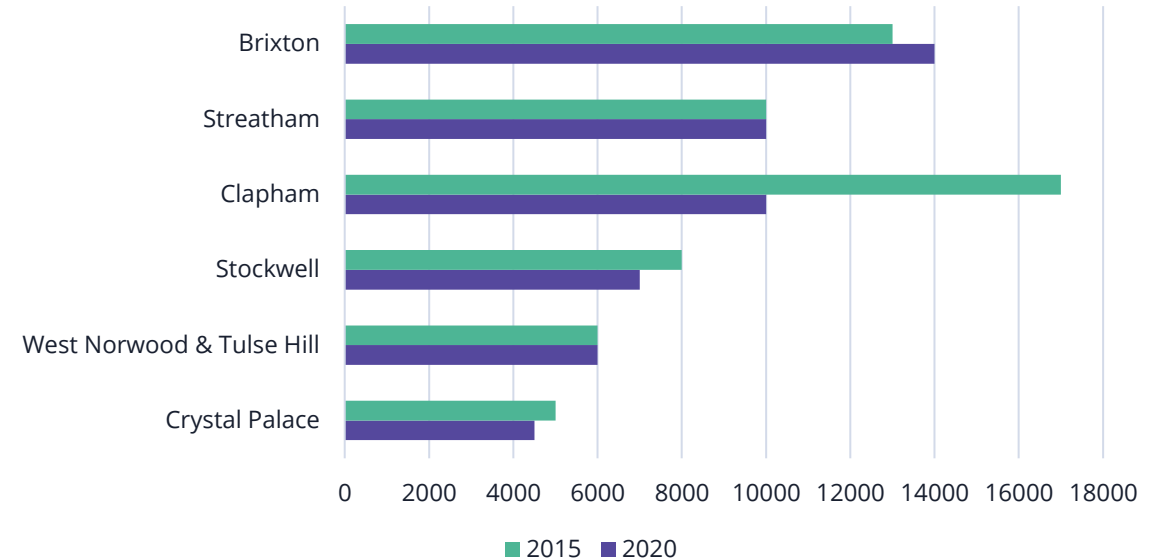
Source: ONS. Business Register and Employment Survey (2020)

- **Parade Mews:** A small group of studios in Tulse Hill providing valued space for artists and makers, including pottery and glass blowing.

Economic activity is also concentrated in and around the West Norwood and Tulse Hill District Centre and the Norwood High Street Creative Business Cluster to the south of the railway line (see Introduction for more information on the policy context for these areas).

Over the last five years of available data WNTH's economy has remained static with almost **no change** in employment. This is similar to neighbouring Streatham to the west, but well below the positive economic growth observed in Brixton to the north which has seen a **+7%** increase (**+1,000 jobs**). That said, the area has fared better than other nearby comparators such as Clapham, Stockwell and Crystal Palace which have seen a decline over the last five years. This is likely to link to the loss or re-development of existing commercial space.

## Employment Change, 2015-2020



Source: ONS. Business Register and Employment Survey (2020)

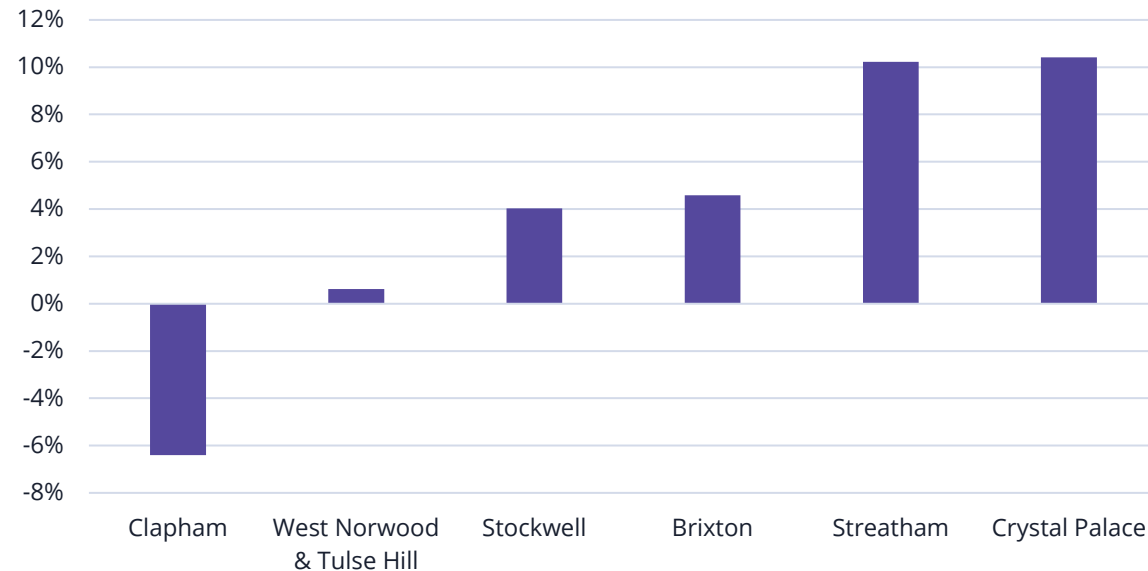
# Local Drivers: Characteristics of Local Economy

The number of businesses in WNTH has also remained fairly static over the last five years of available data **(+1%)**. This, alongside the employment figures, suggests that WNTH has a relatively mature and established local economy.

It is worth noting, however, that most of WNTH's neighbours and comparators have seen a relatively strong increase in the number of businesses over the same period, including Stockwell **(+4%)**, Brixton **(+5%)**, Streatham **(+10%)**, and Crystal Palace **(+10%)**. While important, most of these businesses are likely to be micro businesses as Brixton is the only location where this has translated into positive and significant employment growth.

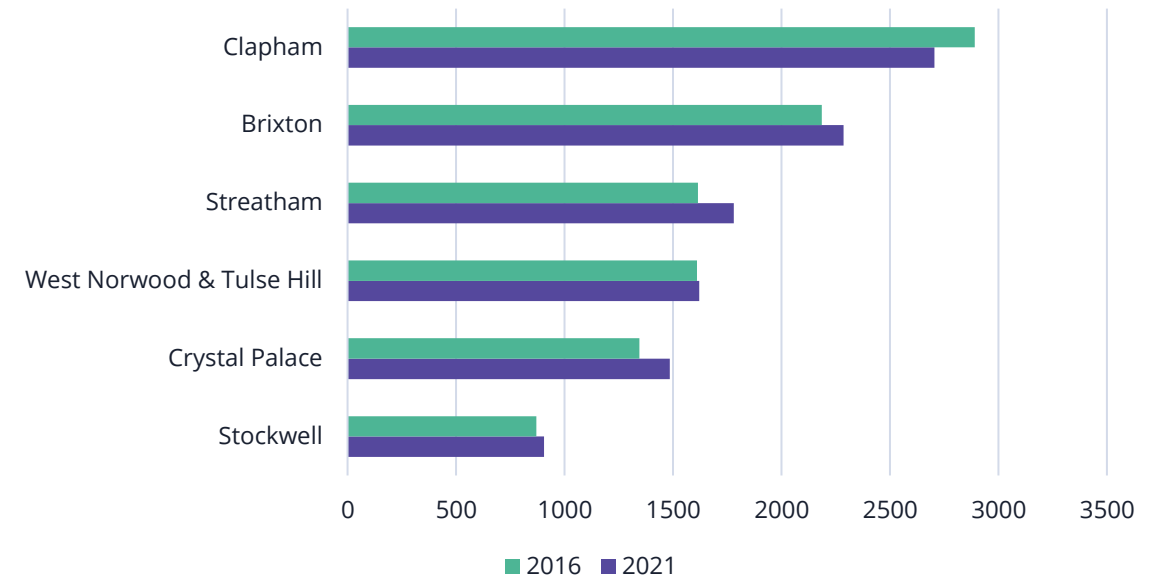


**Proportional Change in Business Count, 2016-2021**



Source: ONS. UK Business Count (2021)

**Business Change, 2016-2021**



Source: ONS. UK Business Count (2021)



# Local Drivers: Characteristics of Local Economy

WNTH's employment base is dominated by local service sectors such as Health (**1,750** jobs), Education (**800** jobs), Retail (**600** jobs) and Accommodation & Food Services (**500** jobs), which is typical for suburban town centre locations like WNTH. These jobs are supported by anchors such as West Norwood Health & Leisure Centre, Crown Dale Medical Centre, West Norwood Clinic, The Norwood School and Tulse Hill Hotel.

The local employment base is also characterised by a range of other important sectors. These include Transport & Storage (**500** jobs), Professional, Scientific & Technical Activities (**450** jobs), Arts, Entertainment & Recreation (**300** jobs), Business Administration & Support Services (**300** jobs) and Manufacturing (**250** jobs).

While these sectors do not employ as many people as local service sectors, several are specialised versus the London economy (i.e. they are more 'present' in WNTH's economy than they are in the capital's). These include:

- Manufacturing, which has **1.9x** as many employees than in the London economy;
- Transport & Storage, which has **1.7x** as many employees than in the London economy; and,
- Arts, Entertainment & Recreation, which has **1.1x** as many employees than in the London economy.

Much of this employment can be found in the West Norwood Commercial Area underlining its importance to both the local and city economy.

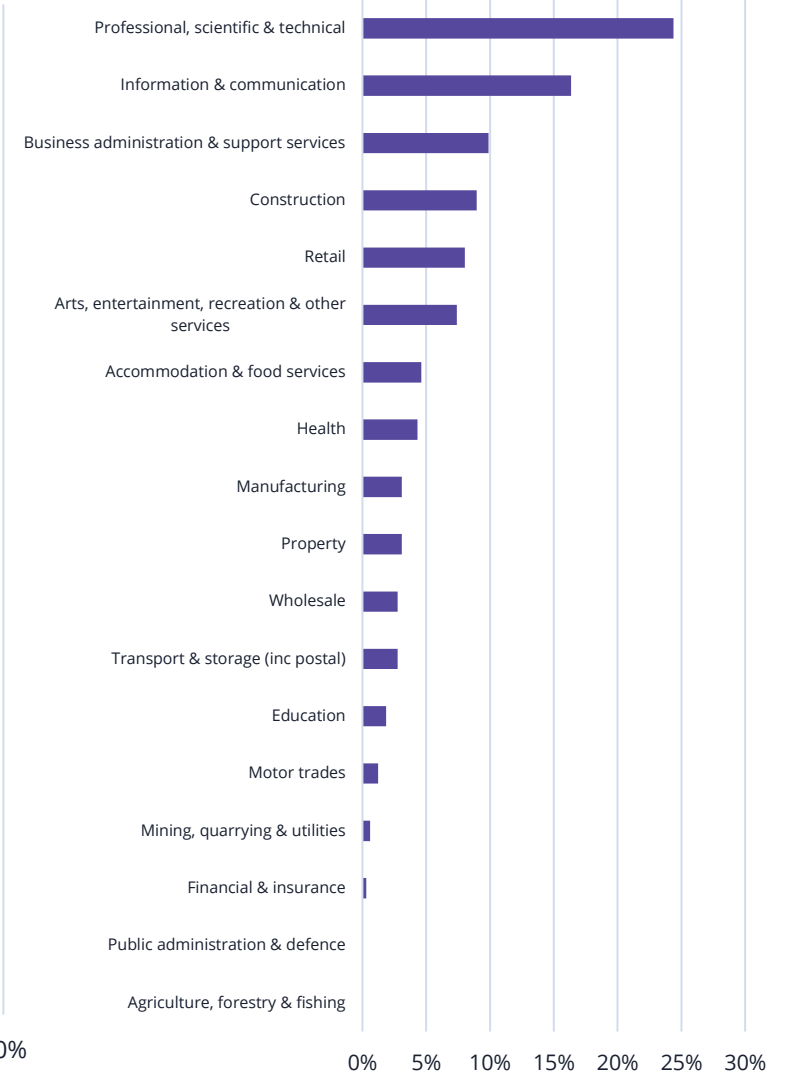
The business mix, in contrast, has strong representation from higher-value sectors that reflect growth sectors at the London level. These include Professional, Scientific & Technical (**395**) and Information & Communication businesses (**265**). These figures are very close to the number of *employees* in each sector suggesting that most of these are micro enterprises (**450** and **300** respectively).

WNTH Employment by Broad Sector, 2020



Source: ONS. *Business Register and Employment Survey* (2020)

WNTH Businesses by Broad Sector, 2021



Source: ONS. *UK Business Count* (2021)

# Local Drivers: Characteristics of Local Economy

To provide a better understanding of the characteristics of WNTH's local economy, further analysis has been undertaken related to the area's Creative & Digital and Manufacturing sub-sectors which are hidden in broad sector data.

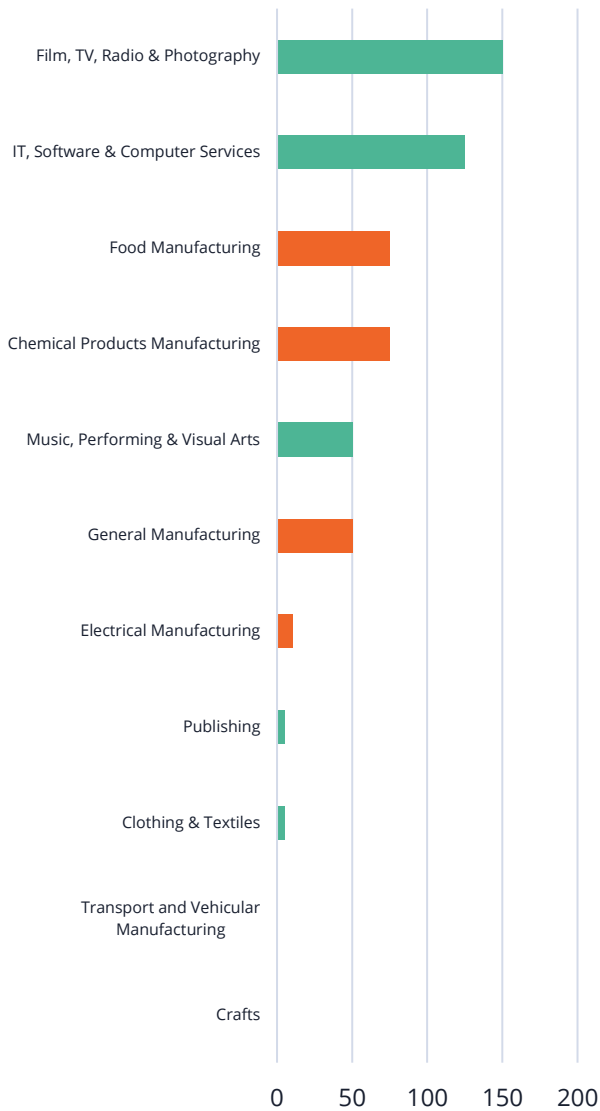
Using a bespoke SIC code definition from the Department for Media, Culture and Sport (DCMS), it is evident that the area's Creative & Digital sector is dominated by 'clean' activities such as Film, TV, Radio & Photography (**150 jobs, 125 businesses**), IT, Software & Computer Services (**125 jobs, 120 businesses**) and Music, Performing & Visual Arts (**50 jobs and 70 businesses**). Many of these, including We Are Studio, Triangle News and WRB Design, are located in the Parkhall Business Centre which specialises in providing space for businesses in these sub-sectors. Others are distributed across the area including in Waring Street Studios.

Using ONS sub-sector data related to WNTH's Manufacturing base, it is evident that activity is dominated by employment in Food Manufacturing (e.g. Blackbird Bakery), Chemical Products Manufacturing (e.g. Mylands) and General Manufacturing (e.g. Treesaurus). Unlike the Creative & Digital sector there are far fewer businesses in these sub-sectors, confirming that the local Manufacturing sector is dominated by a relatively small number of important anchor employers.

## Central Services Area

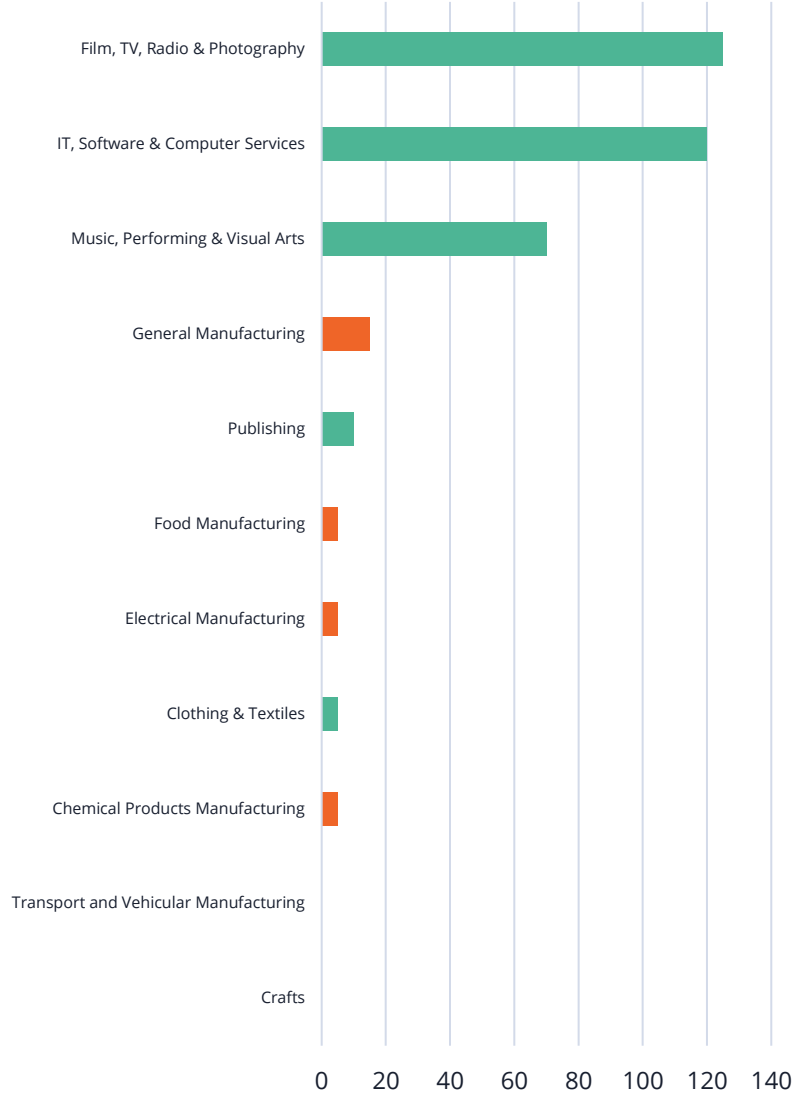
The London Plan places LBL within London's Central Services area. This status requires a particular focus on sustainable 'last mile' distribution/logistics, 'just in time' services, waste management, recycling and transport to support the functioning of the Central Activities Zone (CAZ). This is highlighted in LBL's *Local Plan 2020-3035* under *Policy ED3: Key Industrial Business Areas (KIBAs)*, and it highlights that industrial space needs to be retained to support to support these important service activities. WNTH's KIBAs already play an important role in servicing the CAZ but there are opportunities to support it more strongly as identified later in this report.

WNTH Employment by Niche Sector, 2020



Source: ONS. Business Register and Employment Survey (2020)

WNTH Businesses by Broad Sector, 2021



Source: ONS. UK Business Count (2021)



# Focus On: Business Clusters

## Parade Mews Example Businesses

Key Policies: *Policy ED3: Key Industrial and Business Areas;*  
*Policy PN7 West Norwood and Tulse Hill* (see Introduction)



**1. Parade Mews Studios:** Small space providing space for creative activities.



**2. Big Egg Designs:** Carpenters and joiners that focus on creating high-end bespoke furniture and cabinets.



**3. AGL Car Dock:** Motorbike and automobile repair services targeted at local people.



**4. Michael Rue Studios:** Glassware producer catering for luxury brands, architects and interior design agencies.



**5. Cali Top Nails and Beauty:** Nail and beauty salon which opens onto the main high street and backs onto Parade Mews.



**6. Parade Mews Pottery:** A publicly accessible pottery studio providing open access equipment, classes and events.



**7. Mr Welding and Fabrication:** Welding and fabrication services aimed at local people and businesses.

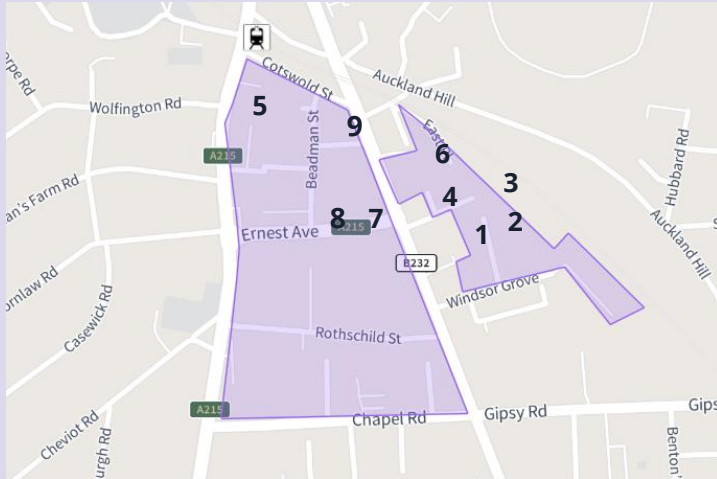




# Focus On: Business Clusters

## West Norwood Commercial Area Example Businesses

Key Policies: *Policy ED3: Key Industrial and Business Areas;*  
*Policy PN7 West Norwood and Tulse Hill* (see Introduction)



**Other businesses:** Mylands (paint manufacturing), Emmaus (furniture sales), HA Marks Construction (construction), Cathedral International (evangelical church), Milton Lloyd (perfume production), Hobby's (miniature model wholesale), Street Food Union (street food production), Getir (grocery delivery), Sterling Practice (developmental therapy), Cennox (security wholesale), Blackbird Bakery (baking), Denso (corrosion prevention and sealing technology), Economic Tyres (car repair), Royal Mail (distribution and postage), Gorillaz (grocery delivery), Oak Fine Art Services (fine art transporting, storage and installation), La Porcellana (homeware sales), PR Live (event production and hire), CH Dispensing Chemists (pharmaceutical wholesale), Howdens (joinery), Arriva Busses (transport) and Benjamin Thomas Proctor Framing (art framing).



**1. Battistel Shopfitting and Joinery:** Building and shopfitting contractors that have been based in the area for more than 30 years.



**2. The Lemonade Factory Limited:** Photography studio offering a 'daylight' studio and 'cove' studio for photographers across London.



**3. Hub Workshop:** A digital design and fabrication company that offer contract manufacture, custom projects and cutting services.



**4. TA-HA Publishers:** Independent Islamic publishers established in 1980.



**5. Treesaurus:** Bespoke wooden furniture maker specialising in tables, beds, desks, tree houses, playgrounds, climbing walls and bike storage.



**6. Reyco:** Specialist interiors firm focused on architectural interior design, building furniture and providing high end finishes.



**7. Alexandra Thurlow:** Wholesaler offering jewellery and scarves to chain and independent retailers.



**8. All London Signs:** Sign manufacturers working across all sectors. Focus on advice, research, prototyping and production in WNTH.



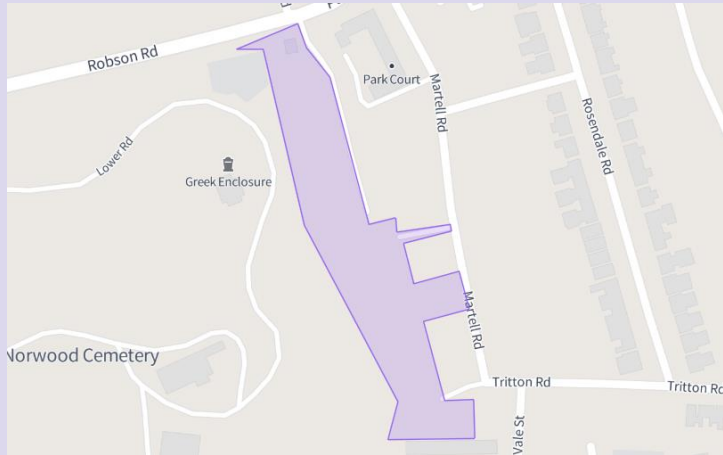
**9. Kelibo Dry Cleaners:** Dry cleaning site serving shops across South London (inc in Balham, Clapham, Wandsworth, Chelsea and Streatham).



# Focus On: Business Clusters

## Parkhall Business Centre Example Businesses

Key Policies: *Policy ED3: Key Industrial and Business Areas (Park Hall Trading Estate); Policy PN7 West Norwood and Tulse Hill* (see Introduction)



**Other businesses:** Crunchers Accountants (accounting), RG Accountancy Ltd (accounting), Harrow & Green (design and print), We Are Studio (photography), Historic Grand Prix Association (Grand Prix membership organisation), Daykin Marshall Studio (architecture), R2 Studio Architects (architecture), Found (design and brand agency), WRB Design (branding and website), The Pilates Education (pilates teacher training), Amy James Home (design consultancy), Lottie Radford Studios (specialist decoration), Triangle News (news agency), Abbotstone Law (mental health law) and Narrativ London (communications agency).



**Sharon Marston Lighting:** Award winning lighting producer catering to global hotels, shopping centres, museums and other luxury clients.



**Darren Oldfield Architects:** Award winning architectural practice designing and delivering buildings across London and the South East.



**Joseph + Partners:** Independent urbanism practice offering architectural, planning, urban design and design advice.



**&Agency:** Brand and communications agency for architectural, publishing and commercial sectors.



**iLOVE SNACKS:** Producer of good quality, healthy, vegan and gluten free snacks, from smoked almonds to natural Italian olives.



**Andrea Felice Bespoke Furniture:** Producer of high quality bespoke furniture, including freestanding and fitted pieces (most notably kitchens).



**UK Water Filters:** Water filtration experts and wholesalers catering to the national market.



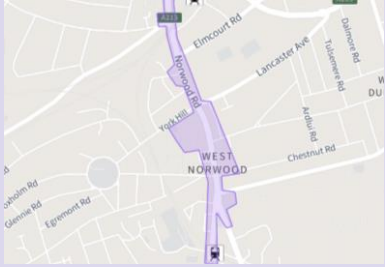
**Hyperkit:** Graphic design studio specialising in art direction, wayfinding, packaging, exhibitions, packaging and websites.



**Do Design Studio:** High end interior design studio catering to hotels, homeowners and public buildings (e.g. libraries, universities etc).

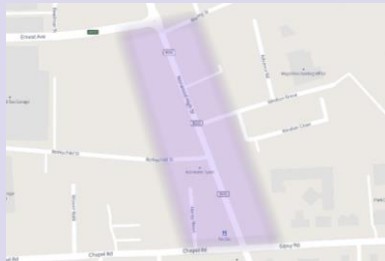
# Focus On: Business Clusters

## West Norwood and Tulse Hill District Centre Example Businesses



- B&Q: Chain DIY store in heart of town centre.
- Tulse Hill Hotel: Hotel and restaurant on gyratory.
- Anytime Fitness: Gym near Tulse Hill part of national chain.
- Access Self Storage: Storage facility with small office lets available.
- Knowles of Norwood: Bar and pub with space for co-working.
- Florentine Bakery: Italian bakery in heart of town centre.
- West Norwood Library and Picturehouse: Library and cinema adjacent to West Norwood Cemetery.
- Elmcourt Health Centre: NHS community health services close to Tulse Hill station.
- Key Policy: *Policy PN7 West Norwood and Tulse Hill*

## Norwood High Street Example Businesses\*



- Book and Record Bar: Small bar in former pub that has a specialism in books and records.
- The Hope: Young's Pub adjacent to Travis Perkins.
- Milton Lloyd: Global perfume manufacturer.
- Tax Time: Local accounting practice.
- Cloud Nine: Coffee house in a newly renovated unit.
- Barry's Bar: Cocktail bar and restaurant.
- Portuguese Passion: Coffee shop in the heart of the High Street.
- GNK Builders Merchants: Local builder's merchants.
- H&M Meats: High quality butchers the attracts people from a wide catchment.

\* The section of Norwood High Street to the south of the rail line has been de-designated from the West Norwood Tulse Hill District Centre, and is rather designated as a Creative Business Cluster as set in the Introduction to this report. The overall strategy as articulated in the Local Plan is to consolidate town centre uses in the district centre, and support the gradual evolution of uses on Norwood High Street to uses supporting creative activity. It is also important to note that the most southern end of Norwood High Street, just south of the KIBA, is a small designated local town centre where town centre uses are supported.

## Flexible Workspace On Our High Streets (2021)

The passing of the 'Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020' and introduction of the new Class E means that high street units (previously classified as A1, A2, A3) can now be converted to business space (previously classified as B1) without planning permission.

This provides new flexibilities and options for landlords as highlighted in the GLA's recent *Flexible Workspaces on our High Streets* report (2021). This sets out practical guidance to landlords, BIDs, occupiers and local authorities on how different types of assets can be activated to take advantage of high levels of demand for flexible workspace. Guidance related to several scenarios is provided, for example in relation to public sector assets, shopping centres, high street retail units and retail units in the Central Activities Zone.

The demand for more flexible workspace in London existed before the pandemic but has this has increased in suburban locations with the rise of hybrid working. This is because while people and employers are embracing new working patterns, working from home can be challenging for many people in London because many live in house shares, flats and small houses.

Anecdotal evidence from workspace operators suggests that this is leading to demand from some office-based workers looking to work 'close to home'. These individuals do not want to travel to city centre offices every day but struggle to work from home so are looking for highly flexible and low-cost neighbourhood workspace close to where they live. These people are typically attracted to town centres that are vibrant and have an attractive amenity offer.





# Focus On: Business Case Studies



**Name:**  
Volcano Coffee Works

**Location:**  
Parkhall Business Centre

**Sector:**  
Food Manufacturing

## Description:

Volcano Coffee Works is an independent South London coffee roaster. The business first started as a coffee cart in West Norwood and has since developed into a state-of-the-art roastery in Brixton with a café in Parkhall Business Centre. The business has around 30 employees, and is an environmentally sustainable company which became carbon neutral in 2020.



**Name:**  
Mylands Paint

**Location:**  
West Norwood Commercial Area

**Sector:**  
General Manufacturing

## Description:

Mylands began in Lambeth in 1884 and is the only remaining paint and wood polish manufacturer in London. In 1985 it was awarded the Royal Warrant and has thrived on providing paint for the film and television industry throughout the last few decades. They are well known for creating paints for BBC period dramas and gave free paint to the industrial estate for the Norwood Works murals. The business is currently working towards becoming carbon neutral.



**Name:**  
Blackbird Bakery

**Location:**  
West Norwood Commercial Area

**Sector:**  
Food Manufacturing

## Description:

Blackbird Bakery is a small chain of bakeries offering from scratch cakes, tarts, quiches and organic breads. It started over 20 years ago as a market stall in East Dulwich and there are now eight shops across South London and two market stalls, including the original East Dulwich stall. An industrial unit in the Commercial Area is used for all the baking activity. Goods are distributed from here to the eight shops and market stalls.



**Name:**  
H.A. Marks Construction

**Location:**  
West Norwood Commercial Area

**Sector:**  
Construction

## Description:

H.A. Marks is an award winning family owned construction services company that has been trading for more than 70 years and acts as a principal contractor serving London and the South East. They currently have approximately 22 employees working from their base in West Norwood. The work they are commissioned to produce tends to be from scratch, working from the very start of construction to the end. They have been involved in building workspaces for the London Borough of Lambeth.

# Focus On: Business Case Studies



**Name:**  
400 Rabbits

**Location:**  
Norwood Road

**Sector:**  
Accommodation, Food & Services

## Description:

400 Rabbits is a local chain of pizza restaurants set up by two brothers. They currently have business in Herne Hill, Crystal Palace, West Norwood and Elephant and Castle. Their businesses tend to be more busy during the evening rather than during the day, and to mitigate this they are interested in making their West Norwood space into a formal hotdesking space offering pizza, coffee and workspace.



**Name:**  
East Place Studios

**Location:**  
West Norwood Commercial Area

**Sector:**  
Arts, Entertainment & Leisure

## Description:

Around three years ago Christopher Olfied bought an old warehouse and divided it into around 20 artists spaces. When Bainbridge Studios closed a couple of years ago, 21 artists were vacated but seven were re-housed in the East Place Studios. The aim is for East Place Studios to expand, creating more workspace units in the industrial estate.



**Name:**  
A Small Studio

**Location:**  
Norwood High Street

**Sector:**  
Professional, Scientific & Technical

## Description:

A Small Studio is an architecture, planning and landscape practice working with an network of makers, builders and designers. The founder, Helena, is a part of the Station-to-Station Bid and has an interest in shaping the area. The practice initially had a studio in the Parkhall Business Centre however, they bought an old newsagent that was vacant for 5-6 years and made it into a co-working space and architect studio on the High Street.

## Focus On: Equalities, Diversity and Inclusion

Discussions with Station-to-Station BID indicate that WNTH's business base is highly diverse, particularly within the town centre. While data on the origin of businesses is not held by the BID or any other parties, they report that a significant proportion of high street enterprises are owned by people from underrepresented groups reflecting the diversity of the area.

The BID report that businesses in WNTH's main employment areas, however, have less diverse ownership, which was corroborated through discussions with businesses and community organisations. That said, there are still some notable businesses owned and/or managed by people from underrepresented groups in these locations.



# Local Drivers: Characteristics of Local Economy

WNTH is well-connected to several other important economic nodes, including London Bridge, Waterloo/South Bank, Brixton, Peckham and Croydon. These places all have important economies with unique and valuable sector specialisms, ranging from Life Sciences in Waterloo to the Creative, Cultural and Digital industries in Brixton. Business space in many of these locations is well-occupied, expensive and primarily offers 'clean' space (i.e. office, co-working, managed workspace etc). There is an opportunity for WNTH to complement these locations by providing additional / more affordable space, and by providing a slightly different but complementary commercial offer that meets the needs of sector specialisms in these neighbouring locations.

## Waterloo and Southbank

**Travel Time from WNTH:** 30 Mins TH; 37 Mins WN

**Anchor Institutions/Employers:** Southbank Centre, Royal Festival Hall, National Theatre, The Old Vic, BFI Southbank, Kings College London, St Thomas's Hospital, London Eye, Sea Life Aquarium, Lambeth Palace, Sustainable Ventures

**Sector Strengths:** Life Sciences, MedTech, Health, Creative, Culture, Tourism, Leisure, Professional Services, Accommodation/Food Services

**Forthcoming Developments:** Southbank Place, Elizabeth House, 72 Upper Ground

**Relevant Strategies/Policies:** Waterloo Masterplan (Forthcoming), Waterloo SPD, Waterloo Opportunity Areas Planning Framework

## Brixton

**Travel Time from WNTH:** 14 Mins (By Bus)

**Anchor Institutions/Employers:** London Borough of Lambeth, Brixton Market, International House, Black Cultural Archives, Ritzy, PopBrixton, Squire & Partners, O2 Academy

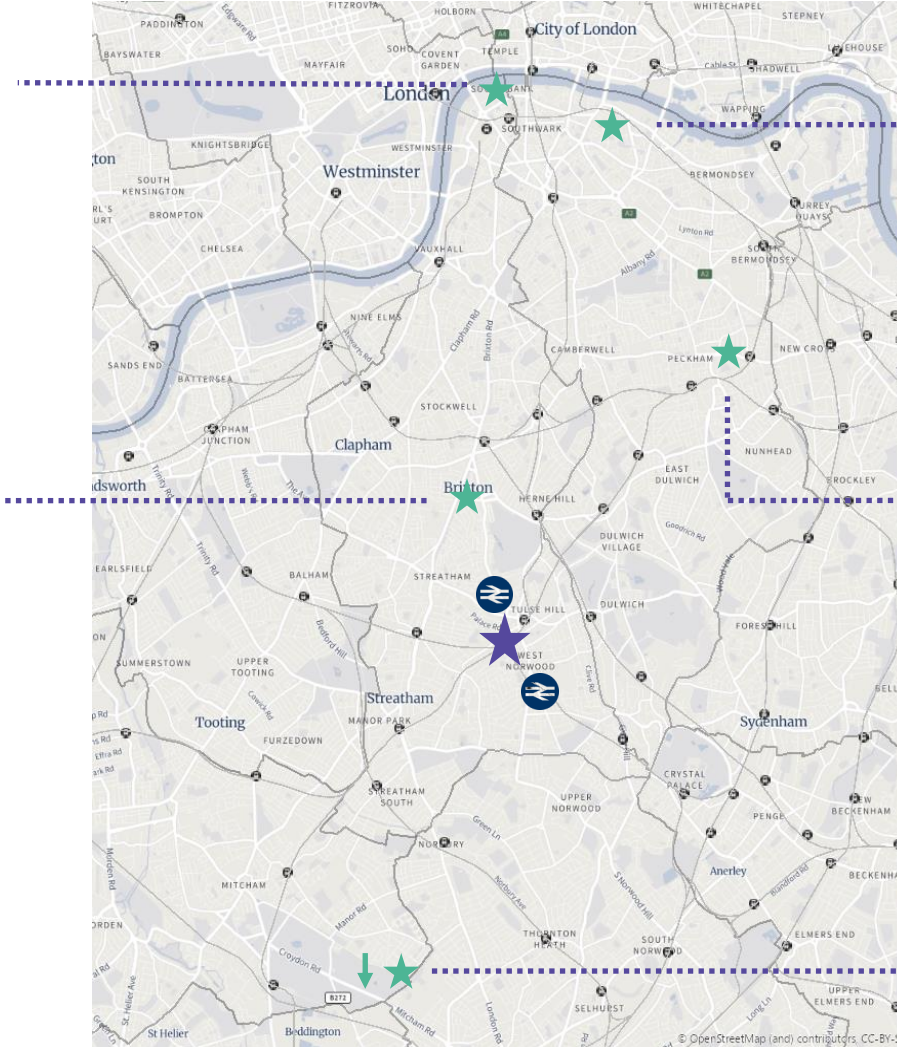
**Sector Strengths:** Creative, Cultural, Digital, Tourism, Leisure, Retail, Accommodation/Food Services

**Forthcoming Developments:** Growing Brixton Rec Quarter, Beehive Place workspace

**Relevant Strategies/Policies:** Brixton Economic Action Plan, Brixton Central SPD, Brixton Creative Enterprise Zone

## London Plan (2021)

The new London plan classifies Waterloo, Croydon and London Bridge, Bankside & Bankside as "Opportunity Areas". These are London's key locations that have potential for large scale development, providing substantial new jobs and homes. They typically have capacity for at least 2,500 homes or 5,000 new jobs



## London Bridge

**Travel Time from WNTH:** 19 Mins TH; 23 Mins WN

**Anchor Institutions/Employers:** Guy's Hospital, London Bridge Hospital, Kings College London, the Shard, Hay's Galleria, HMS Belfast, Southwark Cathedral, Borough Market, City Hall (former), EY, Norton Rose Fulbright

**Relevant Sectors:** Health, Life Sciences, Tourism, Leisure, Retail, Professional Services, Accommodation/Food Services

**Forthcoming Developments:** SC1 Life Science and Innovation District

**Relevant Strategies/Policies:** London Bridge Plan; Bankside, Borough and London Bridge SPD

## Peckham

**Travel Time from WNTH:** 11 Mins TH; 15 Mins WN

**Anchor Institutions/Employers:** Peckham Levels, Market Place, Mountview Drama School, Peckham Library, Prince of Peckham Co-working, The Ramp Workspace, Bussey Building, Peckham Enterprise Centre

**Relevant Sectors:** Creative, Culture, Leisure, Retail, Accommodation/Food Services

**Forthcoming Developments:** Peckham Place

**Relevant Strategies/Policies:** Southwark Creative Enterprise Zone, Peckham and Nunhead Area Action Plan, Central Rye Masterplan

## Croydon

**Travel Time from WNTH:** 20 Mins TH; 24 Mins WN

**Anchor Institutions/Employers:** London Borough of Croydon, BoxPark, Whitgift Centre, Purley Way, Croydon College, Aecom, Mott MacDonald, Shroeders, HMRC, the Brit School, Talawa, Artist Studio Company

**Relevant Sectors:** Professional Services, Creative, Retail

**Forthcoming Developments:** Croydon Westfield, 101 George Street, Beamhouse Yard,

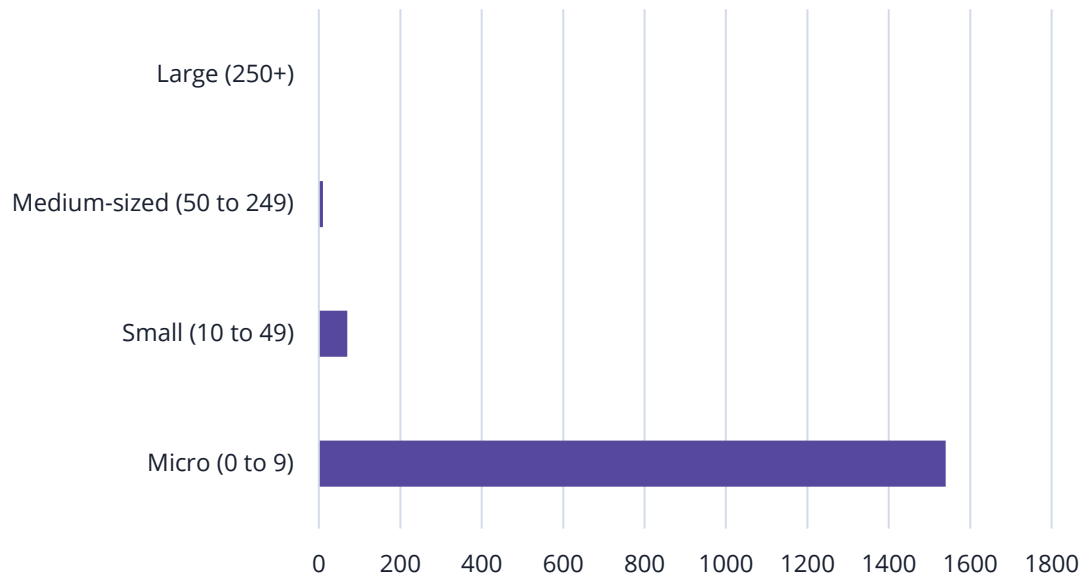
**Relevant Strategies/Policies:** Croydon Creative Enterprise Zone, Croydon Masterplan, Purley Way Plan

# Local Drivers: Characteristics of Local Economy

WNTH's business base is dominated by Micro enterprises employing between 0 and 9 people (**95%** of businesses), which underlines the importance of providing business space that meets the needs of these organisations. There is a small proportion of Small- and Medium-sizes businesses (**4%** and **1%** respectively), but no large businesses employing over 250 people which is not atypical for suburban locations like WNTH.

Across Lambeth around **0.6%** of businesses are classified as 'High Growth' by the ONS, which means that they are exhibiting high growth in terms of employment and turnover. This is higher than most of LBL's less central neighbours (i.e. Lewisham, Merton, Bromley, Croydon and Wandsworth), but slightly lower than in Southwark which also has areas within the Central Activities Zone. It is not possible to estimate the proportion of these businesses that reside in WNTH, but it is likely to be relatively small given its suburban character and profile as a business location.

WNTH's Business Size Profile, 2021

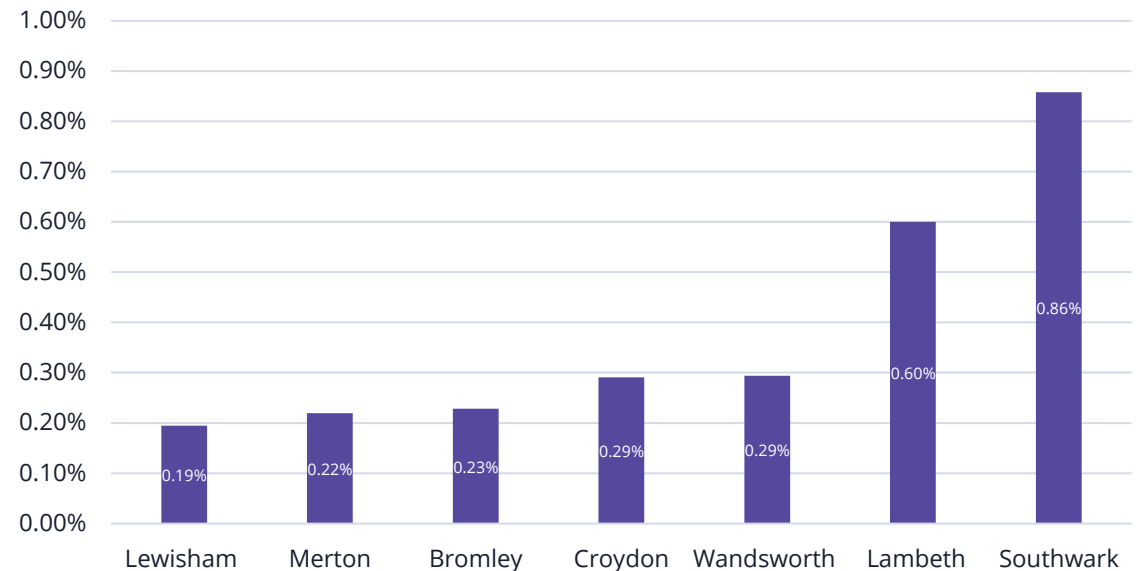


Source: ONS. *UK Business Count* (2021)

## The Affordability Crisis (2018)

In 2018 the GLA and LEAP published a report titled *The Affordability Crisis: Overview and Recommendations*. This work sets out that around 99.8% of London's businesses are small and medium sized enterprises (SMEs), which account for around half of the capital's business turnover and employment. The report also highlights that a significant proportion of these SMEs are being squeezed out of London due to an affordability crisis linked to staff, rent and rates, and that 'open workspaces' are vital to supporting these businesses to remain in the city. This is relevant to WNTH as it also has a small business economy that is 'at risk' from the affordability crisis. While the area does have some 'open workspaces' (e.g. Parkhall Business Centre, East Place Studios and Portico), some notable spaces have closed down in recent years (i.e. Bainbridge Studios and ACME) making it difficult for some businesses to remain in the area.

Proportion of High Growth Businesses by Borough, 2021



Source: ONS. *UK Business Count* (2021)



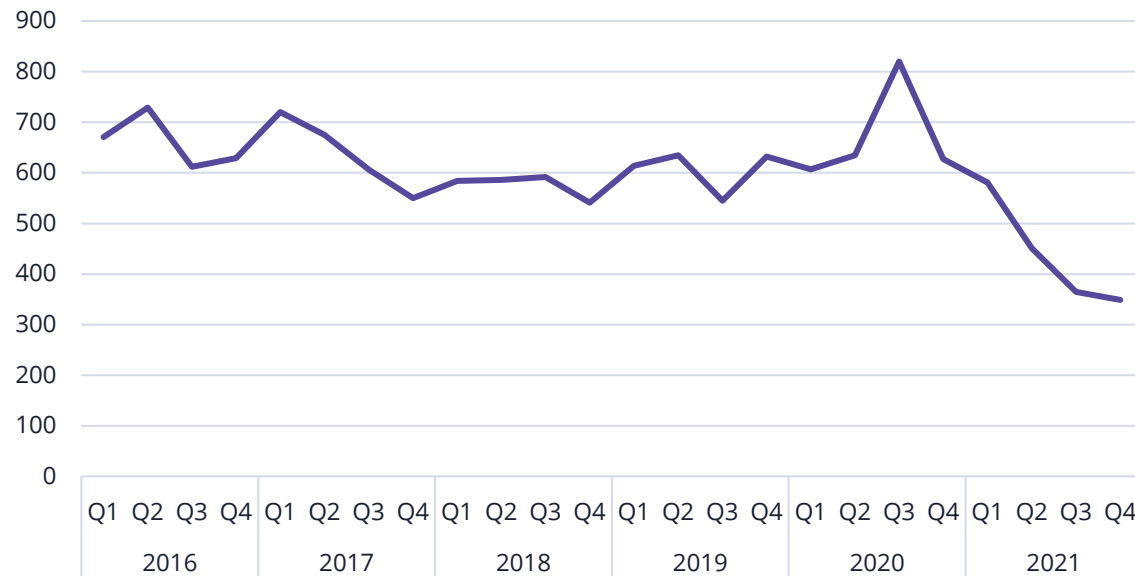
# Local Drivers: Characteristics of Local Economy

The number of business starts in Lambeth has been relatively consistent over the last five years, ranging from between **550** and **800** per annum. Over **3,400** businesses have started in total over this period, which is higher than nearly all of Lambeth's neighbours. The number did, however, drop significantly to **350** in 2021 which is likely to link to the economic impacts of the COVID-19 pandemic. The start up rate has not yet recovered, unlike economic output, but this may reflect data lags.

Five year business survival rates (**32%**) are, however, lower than in all of LBL's neighbouring boroughs. This is likely to reflect the higher levels of entrepreneurialism and risk-taking of enterprises operating in the borough's more central and dynamic economies, but it is worth noting that LB Wandsworth has had a higher number of business starts (**3600**) and higher five year survival rates (**35%**) over the same period.



**Lambeth's Business Start Up Rate, 2021**



Source: ONS. UK Business Count (2021)

**Five Year Business Survival Rate by Borough, 2015-2021**



Source: ONS. UK Business Count (2021)



# 4B: Which sectors are likely to drive WNTH's future economy?



This sub-section marries analysis of WNTH's sector growth trends over the last five years with forward-looking sector projections to illustrate which economic activities present opportunities for the area's future economy. Sectors maps are also provided to demonstrate where these growth sectors are located and to identify opportunities for future economic clusters.



# Local Drivers: Future Growth Sectors

WNTH has a diverse but relatively static local economy. While there has been no overall change in employment across the area over the last five years of available data, this masks fluctuations at the broad sector level with gains in some counterbalancing losses in others.

The broad sectors that have seen the biggest employment growth over the last five years are:

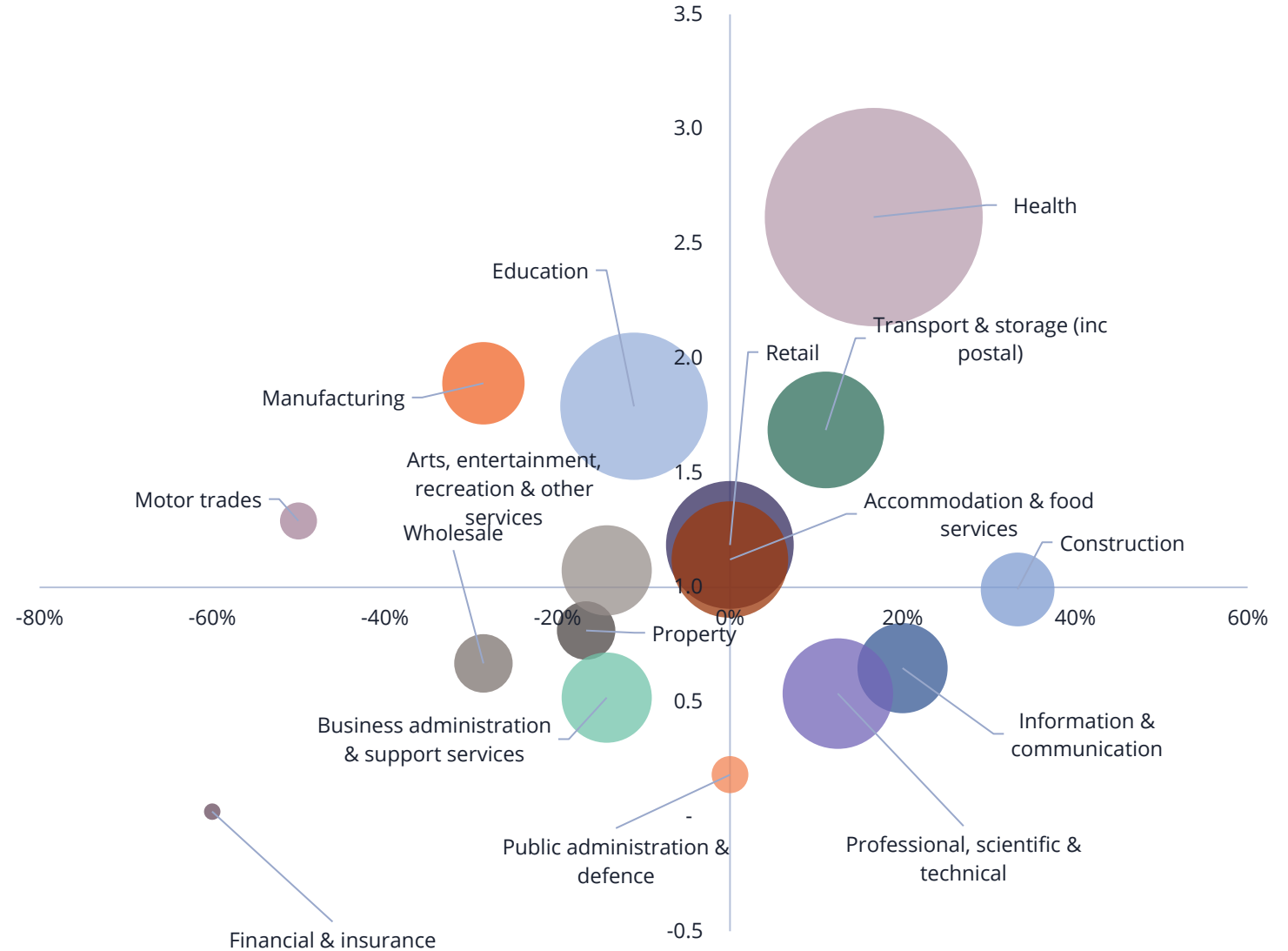
- Construction **(+33%)**;
- Information & Communications **(+20%)**;
- Health **(+17%)**;
- Transport & Storage **(+11%)**; and,
- Professional, Technical & Scientific Activities **(+13%)**.

Many of these are also high-growth sectors at both the national and London level. Of these, Health and Transport & Storage are the most specialised.

In contrast a wide range of other sectors have declined over the same period. These include Education **(-11%)**, Arts, Entertainment & Recreation **(-14%)**, Property **(-17%)**, Manufacturing **(-29%)**, Wholesale **(-29%)** and Motor Trades **(-50%)**. While most of these are small and declining, it is worth noting that both Manufacturing and Education are important local employers that could play an important role in WNTH's future economy given they are highly specialised versus the wider London economy.

WNTH's traditional town centre sectors (i.e. Retail, Accommodation & Food Services, and Public Administration & Defence) have remained relatively static over the same period.

WNTH Employment by Broad Sector, 2015-2020



# Local Drivers: Future Growth Sectors

Looking forward, Experian project that by 2030 Lambeth's biggest broad growth sectors are going to be:

- Public Services, inc Health (+11,700 jobs);
- Accommodation, Food, Services and Recreation (+5,800 jobs);
- Transport & Storage (+300 jobs); and,
- Finance & Insurance (+100 jobs).

They also project that there will be small declines in Professional Services, Construction and Information & Communications.

While Experian projections cannot be analysed at the neighbourhood level, we have applied the proportional changes expected at the borough level to West Norwood's broad sectors\* to illustrate the potential impacts locally. On this basis WNTH may expect to see:

- +500 jobs in Public Services, inc Health;
- +128 jobs in Accommodation, Food Services and Recreation; and,
- +20 jobs in Transport & Storage; and,
- -20 jobs in Information & Communication.

Looking at more niche sub-sectors Experian project that the following groups are going to drive economic activity in the borough over the next ten years:

- Health (+7,600 jobs);
- Accommodation and Food Services (+4,000 jobs);
- Public Administration (+1,900);
- Recreation (+1,900);
- Education (+1,200);
- Residential Care & Social Work (+1,100);
- Real Estate (+1,000);
- Land Transport, Storage and Post (+400);
- Civil Engineering (+200); and,
- Professional Services (+200).

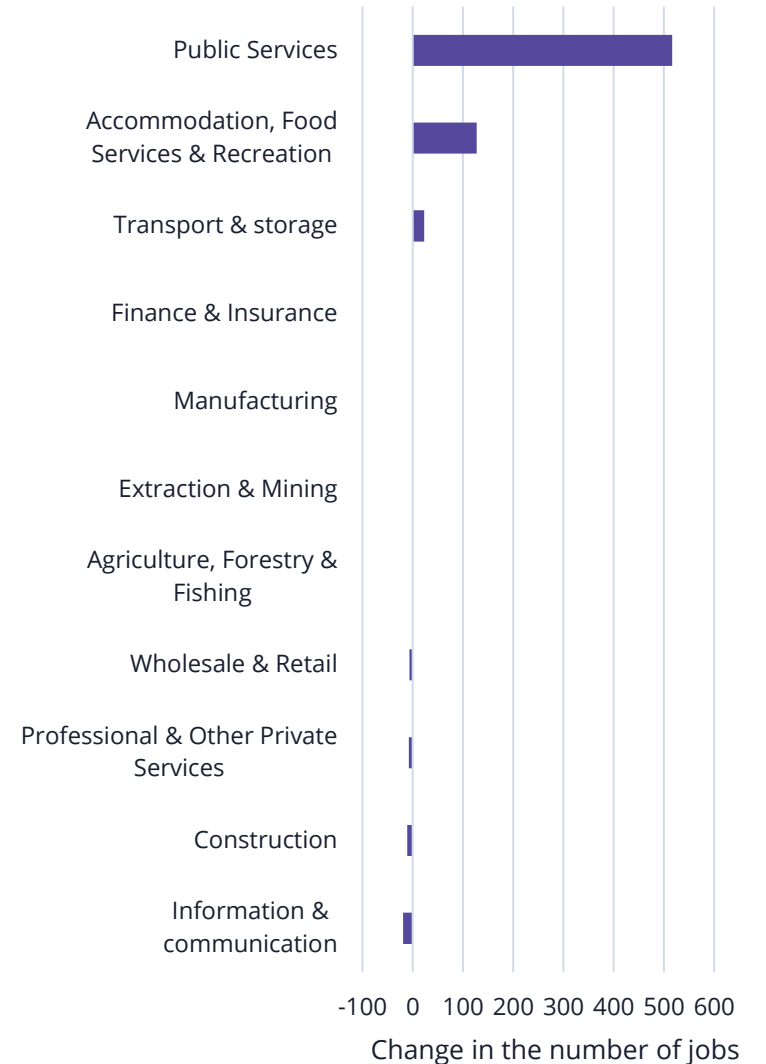
Nearly all of these are associated with expected growth in the local population.

**Lambeth Sector Projections, 2017-2030**



Source: Experian (2021)

**WNTH Sector Projections, 2020-2030**



Source: Experian (2021)

\*Experian and ONS broad sector categories are labelled slightly differently, so ONS sectors have been matched as closely as possible with Experian's.



# Local Drivers: Future Growth Sectors

In relation to WNTH's Creative & Digital and Manufacturing sub-sectors, which are hidden in broad sector data, it is clear that some are doing better than others.

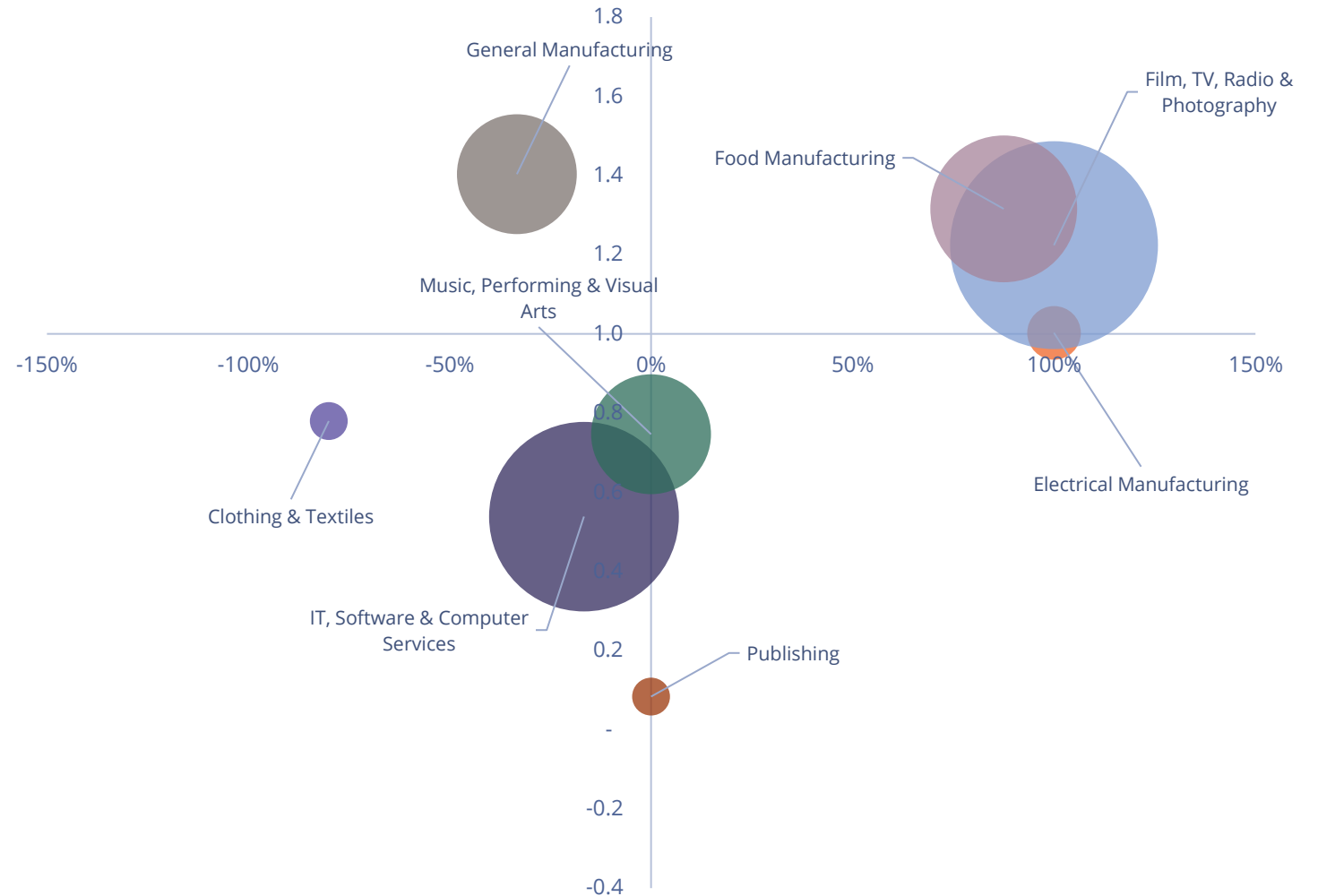
For example, over the last five years of available data the Food Manufacturing and Electrical Manufacturing sub-sectors have been the only parts of the Manufacturing sector that has experienced positive employment growth (+88% and +100% respectively). Food Manufacturing now employs around 100 people and is a specialism versus the London economy.

While General Manufacturing and Chemical Products Manufacturing\* have declined over the same period they both remain local specialisms with **c.50** and **75** employees respectively. It is likely that their decline is linked to one or two companies leaving the area, or the introduction of new automated systems.

In terms of Creative & Digital sub-sectors, Film, TV, Radio & Photography is the only one which has experienced employment growth over the past five years (+100%). This is a significant shift and it is now a local specialism versus the wider London economy. Other parts of the sector have remained fairly static in employment terms (e.g. Music, Performing & Visual Arts; IT, Software and Computer Services; and, Publishing). While they are not specialist sub-sectors the former two employ in the region of **175** people, which is significant given the relatively small geographical area.

\* Chemical Products Manufacturing is a significant local specialism in the area

WNTH Employment by Niche Sector, 2020



# Focus On: The Green Economy

The Green Economy (referred to as the Low Carbon and Environmental Goods and Services Sector by the Greater London Authority) is becoming an increasingly important part of London's economy and has grown year on year from 2007/08 to 2017/18. In their *London's Low Carbon Market Snapshot* report, the Greater London Authority (GLA) set out that it comprises of three broad sub-sectors which are made up of a series of distinct activities. These include:

- **The Environmental** sub-sector: Air Pollution Control, Contaminated Land Reclamation & Remediation, Environmental Consultancy, Environmental Monitoring, Marine Pollution Control, Noise & Vibration Control, Recovery & Recycling, Waste Management and Water Supply & Waste Water Treatment.
- **The Renewable Energy** sub-sector: Biomass, Geothermal, Hydro, Photovoltaic, Renewable Energy Consultancy, Wave & Tidal and Wind.
- **The Low Carbon** sub-sector: Additional Energy Sources, Alternative Fuels & Vehicles, Alternative Fuels, Building Technologies, Carbon Capture & Storage, Carbon Finance, Energy Management and Nuclear Power.

Across London the GLA estimate that there are **13,906** businesses and **246,073** employees in the sector (2018/19), which represents **+39%** and **+58%** more respectively than in 2007/08. The Low Carbon sub-sector is the largest with **36,883** businesses and **619,786** employees, followed by the Renewable Energy sub-sector (**22,575** businesses and **401,423** employees) and the Environmental Sub-sector (**13,020** businesses and **235,974** employees). The Low Carbon sub-sector has also grown most rapidly since 2007/08 in terms of employment (**+74%**) versus the Renewable Energy sub-sector and the Environmental Sub-sector (**+57%** and **+25%** respectively).

According to the recently published *Green Jobs and Skills in London: Cross London Report\** from the Institute of Employment Studies the sector is due to grow significantly over the coming decades. Though they use a different methodology to quantify the sector than the GLA, it is estimated that the number of 'green' jobs is expected to increase by **+500,000** in London by 2030 and around **+1 million** by 2050. By this time it is estimated that nearly 9 in 10 of the 'green' jobs will be in:

- Green Finance.
- Power.
- Homes and Buildings.
- Low Carbon Transport

\*Despite an established and growing interest in the green economy, there is no single or standard definition of a 'Green Job' at the national or international level. Six definitions / approaches that are potential routes to defining a green job in a London context were identified and used to estimate figures in this report.





# Focus On: Green Economy

Using the same methodology as the GLA, kMatrix Data Services estimate that there are **318** businesses and **6,114** employees in the Low Carbon and Environmental Goods and Services Sector across **Lambeth** which is **+14%** and **+15%** respectively more than in 2015/2016. The sub-sector breakdown for the these sectors is as follows:

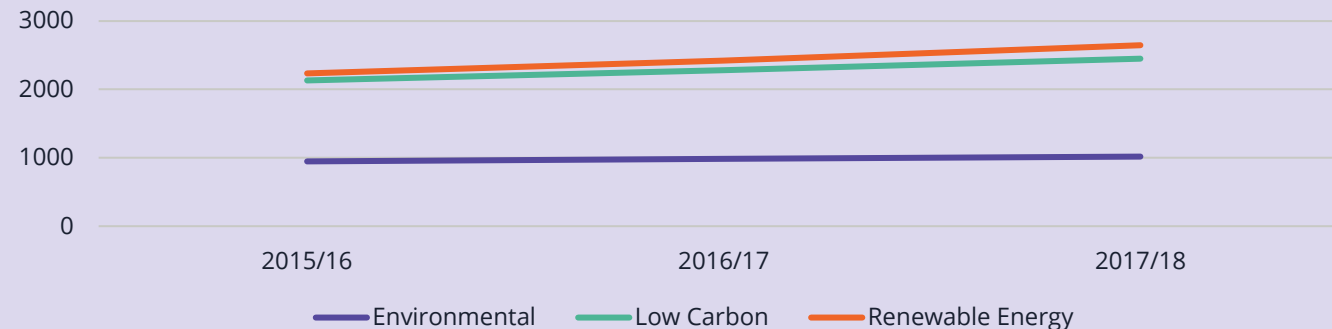
- Environmental (inc **1,019** employees, **55** businesses and **+7%** change since 2015/16).
- Low Carbon (inc **2,249** employees, **128** businesses and **+15%** change since 2015/16).
- Renewable Energy (inc **2,646** employees, **135** businesses and **+19%** change since 2015/16).

A more granular view of data shows that employment is highest in the following sub-sectors as set out in the graph to the right: Geothermal (983 jobs), Building Technology (910 jobs), Alternative Fuel (810 jobs), Wind (764 jobs) and Waste Management (426 jobs).

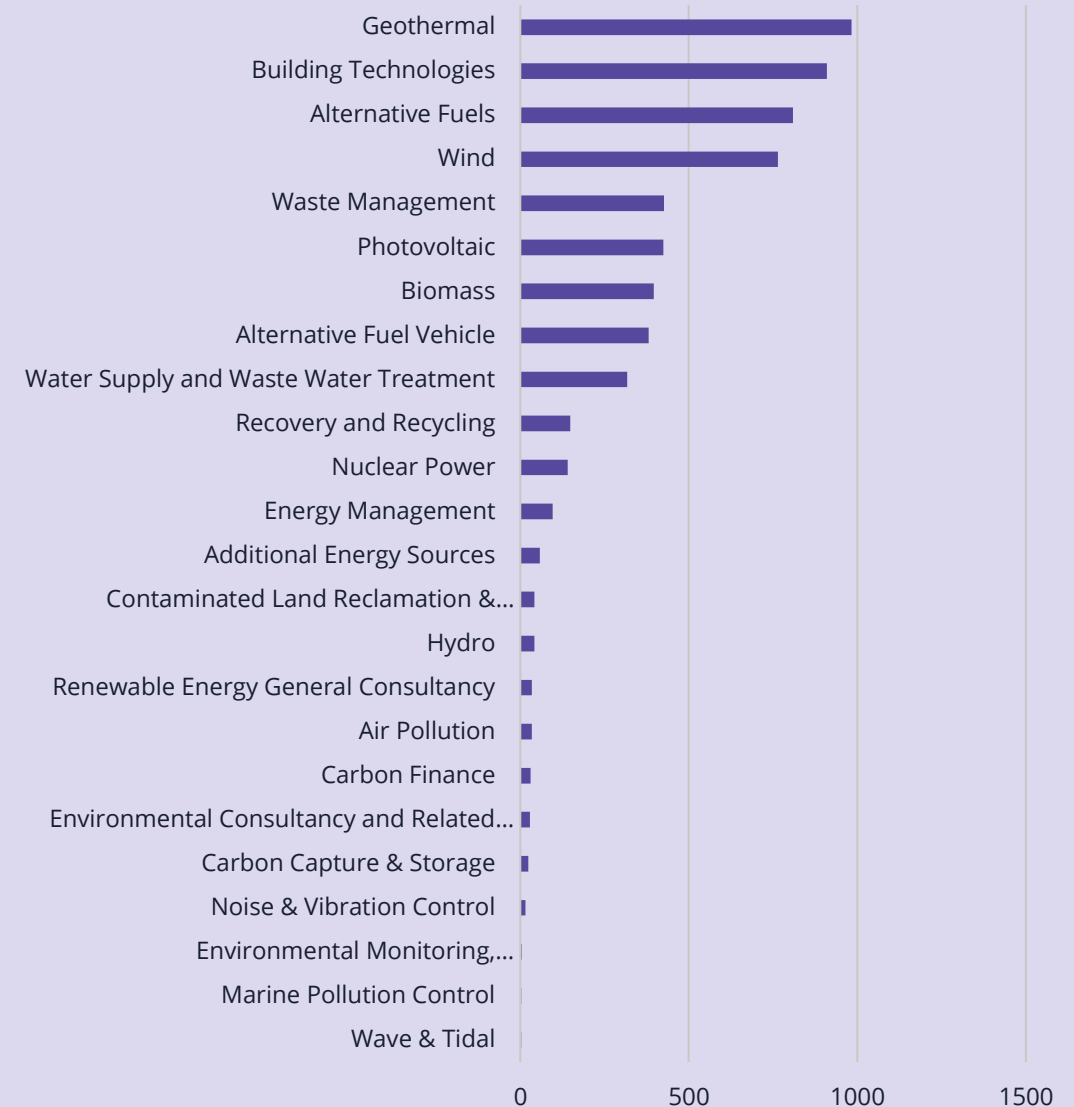
While data and discussions suggest that WNTH currently has few businesses operating in the Low Carbon and Environmental Goods and Services Sector, the current commercial property mix presents clear opportunities to support the sector's future growth and evolution. This is because many activities within the sector require industrial and light industrial space given the 'messy' nature of activities undertaken, which is the dominant commercial property type in WNTH.

It is worth noting that an application has recently been accepted by the Secretary of State for Southwark Metals to provide a new Metal Sorting Plant on Windsor Grove which would support the growth of the sector locally. Waste management and recycling is an important part of the Low Carbon economy and KIBAs like the West Norwood Commercial area are important to supporting the sectors growth.

## Employment by Broad Sub-Sector in Lambeth (Low Carbon and Environmental Goods), 2015/16-2018/19

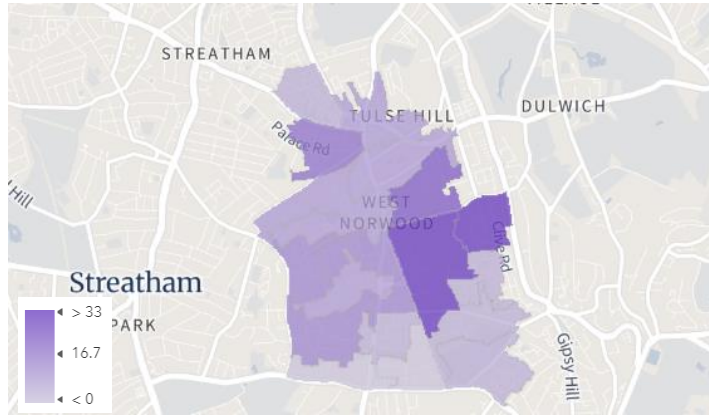


## Employment by Sub-sectors in Lambeth (Low Carbon and Environmental Goods), 2017/18



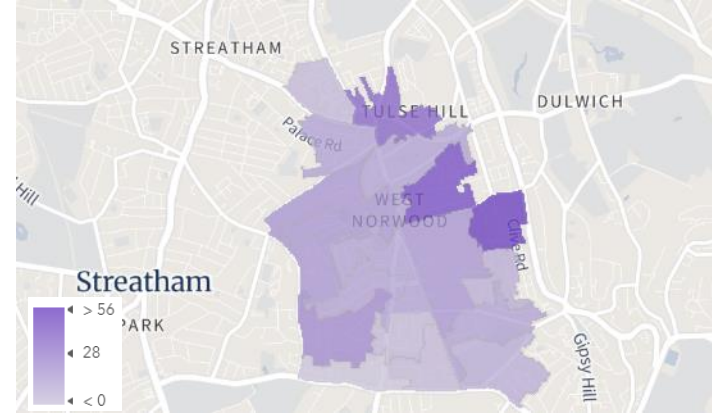
# Local Drivers: Future Growth Sectors

The maps below provide an overview of WNTH's fastest growing and most specialised sectors. This is to indicate where existing clusters of employment activity exist that can be built upon through future business space. The most notable observations are: (a) the West Norwood Commercial Area hosts clusters of 'dirty' Transport & Storage, Manufacturing (General and Food), Construction and Film, TV, Photography and Radio activity; (b) the Park Hall Trading Estate provides space for Information & Communication Services, Professional, Scientific & Technical Activities and other 'clean' creative activities (e.g. Film, TV, Photography and Radio); and, (c) the District Centre plays an important role in the local economy across a range of sectors.



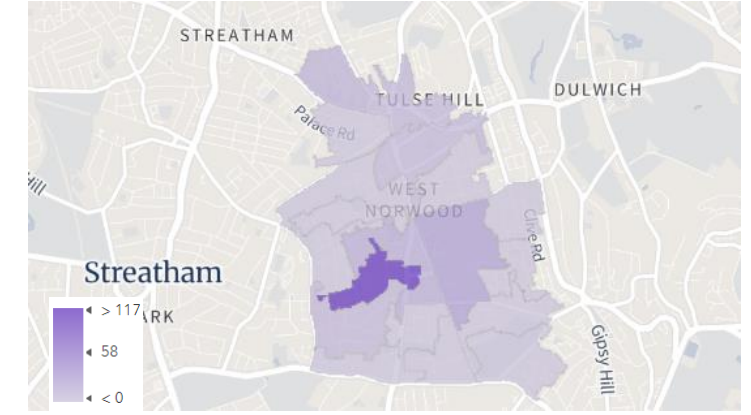
## Information and Communication

Concentration of activity to the east, most likely associated with the Parkhall Business Centre. Notable businesses include LiveFi, ABN Radio UK and VDI Solutions.



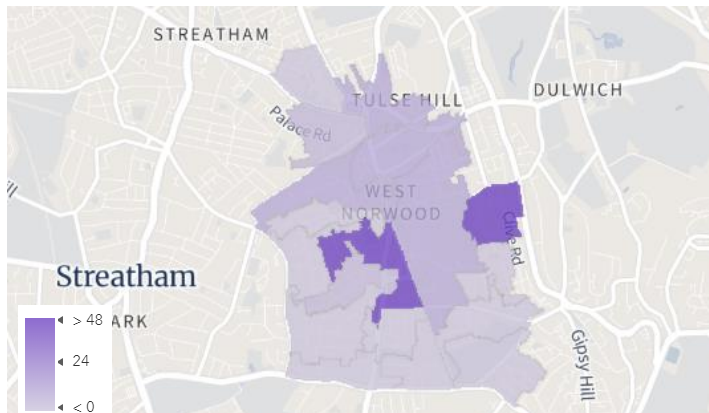
## Professional, Scientific and Technical

Strong concentration of activity to the east, likely to be linked with the Parkhall Business Centre. Example businesses include Darren Oldfield Architects Ltd and Mittelman Associates.



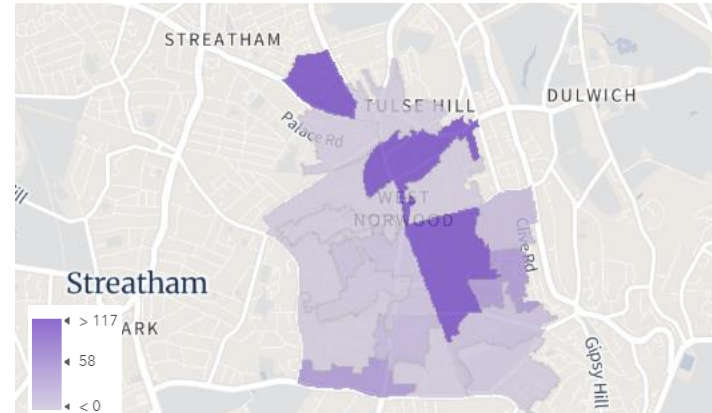
## Transport & Storage

Very strong concentration of activity within the West Norwood Commercial Area, most likely associated with the Arriva Bus Garage and a few other storage businesses.



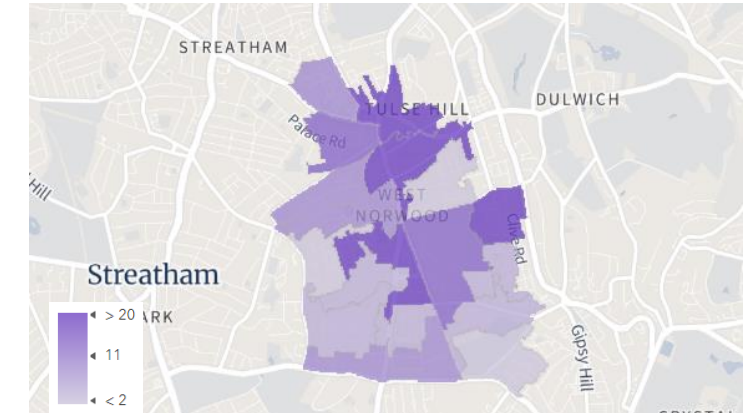
## Manufacturing

Strong concentration of activity in the West Norwood Commercial Area and around the Parkhall Business Centre. Example businesses include Edition Furniture, Strain Labels and Phosphenes of London.



## Education

Most activity centred around schools such as City Heights E-ACT Academy, Elmwood Primary School, Julian's Primary School and Kingswood Primary School.

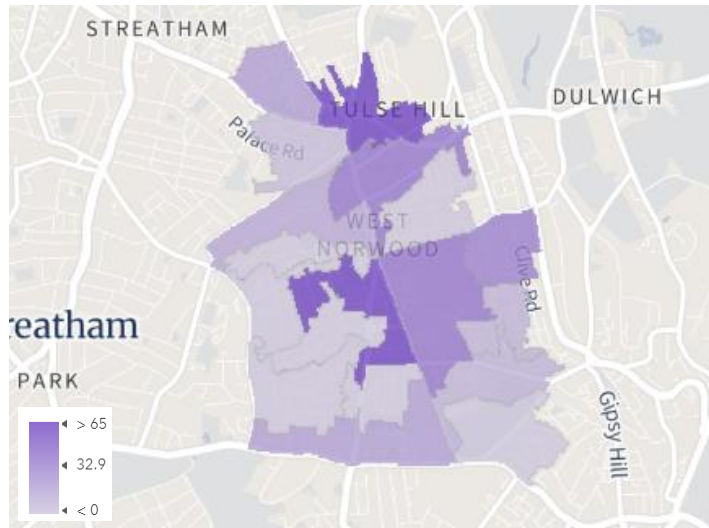


## Construction

Economic activity distributed across the area with concentration to the north, south and east of the area. Clusters are relatively weak at present.

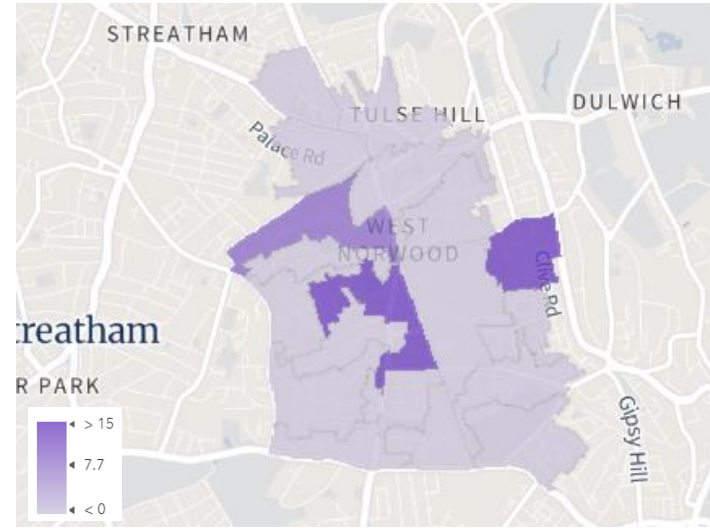


# Local Drivers: Future Growth Sectors



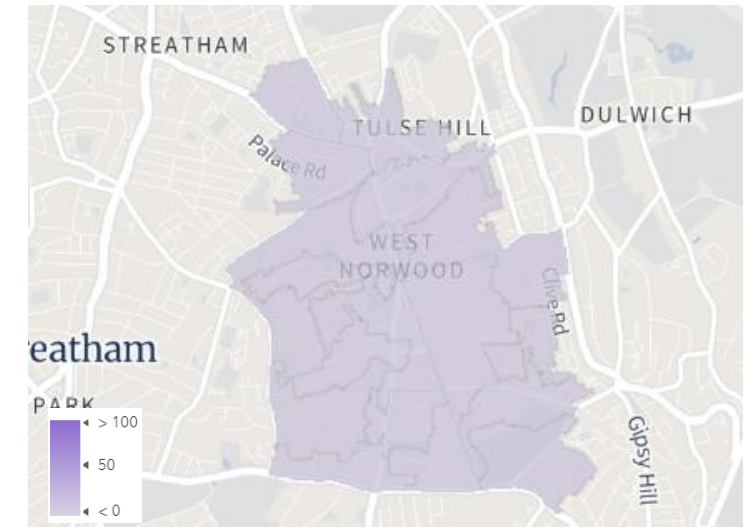
## Accommodation, Food and Services

Strong cluster of activity around the District Centre and around West Norwood High Street. Example businesses 400 Rabbits, Mr Francatelli and the Tulse Hill Hotel.



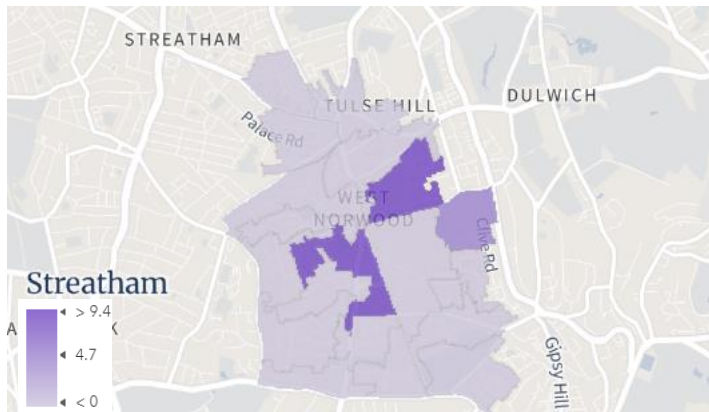
## Food Manufacturing

Main concentrations are in the West Norwood Commercial Area and the Park Hall Trading Estate. Example businesses include Blackbird Bakery, Rococo Chocolates Ltd. and Yum Seng.



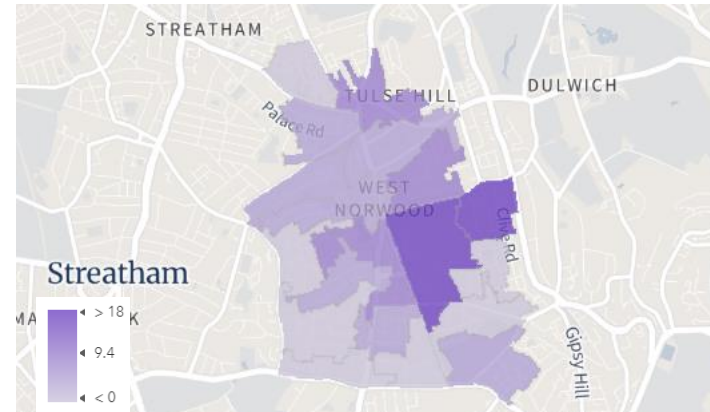
## Electrical Manufacturing

No clear concentrations of activity, with most employment distributed across the area.



## General Manufacturing

Most activity concentrated in West Norwood Commercial Area. Example businesses include Mylands Paint and Andrea Felice.



## Film, TV, Radio & Photography

Most businesses located in the West Norwood Commercial Area and the Park Hall Trading Estate. Most likely linked to creative workspaces such as the Parkhill Business Centre, Portico and the Lemonade Factory.



# 4C: What potential does WNTH offer in relation to 'working close to home'?



St. Luke's Church  
Gardens  
Lambeth

This sub-section sets out analysis related to WNTH's population and labour market profile. This is to provide insights into the potential size of the 'work close to home' market that may have emerged following the COVID-19 pandemic and to consider the implications for business space demand.



# Local Drivers: 'Working Close to Home' Potential

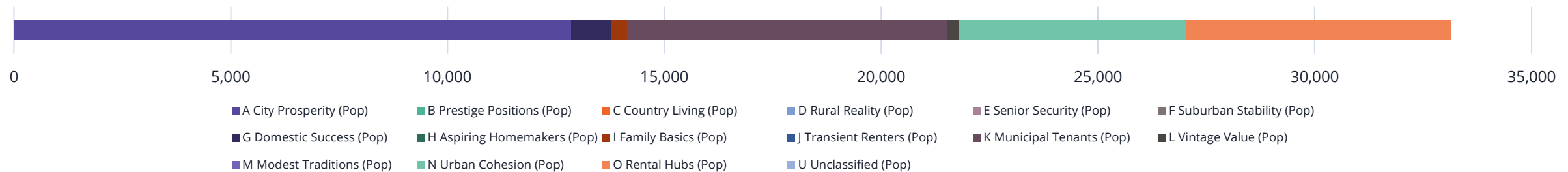
As set out earlier in this report, the COVID-19 pandemic has had a significant impact on working patterns as lockdown restrictions forced many people to operate remotely and experiment with different working arrangements.

Since the end of lockdown this has led to a rise in hybrid working, which refers to a mix of home and in-person working. This has become the 'new norm' for many office-based workers as most people and employers recognise the benefits of remote working, but understand that it does not provide the social, collaborative and learning opportunities offered by in-person working.

The issue with this in places like WNTH is that residential space is at a premium. Many people live in house shares, flats and small houses which are not conducive to home working, particularly if shared with other people.

Anecdotal evidence from workspace operators suggests that this is leading to demand from some office-based workers looking to work 'close to home'. These individuals do not want to travel to city centre offices every day, but struggle to work from home so are looking for highly-flexible and low-cost neighbourhood workspace close to where they live. People are typically attracted to town centres that are vibrant and have an attractive amenity offer.

## WNTH MOSAIC Classifications (2021)



- A. City Prosperity – High status individuals with substantial salaries and expensive urban homes.  
 B. Prestige Positions – Established families with financial security living upmarket lifestyles.  
 C. Country Living – Well off homeowners in rural areas benefiting from country life.  
 D. Rural Reality – householders living in rural communities in relatively low cost homes.  
 E. Senior Security – elderly people living independently in their owned homes.  
 F. Suburban Stability – Mature couples or families living settled lives in mid-range housing.  
 G. Domestic Success – High earning families bringing up children and following careers in sought after residential areas.  
 H. Aspiring Homemakers – Younger households who have recently set up home within a budget.

Evidence suggests that there may be demand for space that caters to 'working close to home' in WNTH as the area's population and labour market profile suggests that many residents are likely to be in roles that allow them to work remotely.

From a population perspective\*:

- **39%** of people (or c.13,000 people) are classified by Experian as 'City Prosperity'. These are individuals that command substantial salaries and predominantly have senior roles based in city centres.
- **18%** of people (or 6,100 people) are classified as 'Rental Hubs' which are predominantly young people in their 20s and 30s privately renting in urban neighbourhoods. Many are motivated singles and couples in their 20s and 30s progressing in their field of work.

Although it is not possible to deduce exactly how many people are office-based and/or hybrid workers from these figures, they demonstrate that there is a pool of around 19,000 people who may be able to 'work close to home'.

It is worth noting that WNTH's other large demographic groups, 'Urban Cohesion' and 'Municipal Tenants' (see definitions below), may also have some people who work remotely but these individuals are likely to work in lower-paid service roles.

- I. Family Basics – Families with children with limited budgets trying to make ends meet.  
 J. Transient Renters – Young, single people who privately rent low costs homes for the short term.  
 K. Municipal Tenants – long term social renters living in challenging areas.  
 L. Vintage Value – Elderly people living in purpose built homes who may required increasing amount of financial or practical support.  
 M. Modest Traditions – Mature homeowners living in private modest homes enjoying a stable lifestyle.  
 N. Urban Cohesion – Residents of settled multi-cultural urban communities.  
 O. Rental Hubs – Educated young people privately renting in urban neighbourhoods.

# Local Drivers: 'Working Close to Home' Potential

From a labour market perspective the ONS estimate that c**64%** of WNTH's residents are in employment and only **16%** are economically inactive\*, which is lower than in neighbouring areas such as Streatham (**21%**) and Clapham (**18%**). While the proportion of people in employment is below the London average (**75%**), the economic inactivity rate is significantly better (**20.5%**). This may reflect a higher proportion of people who are in further education and/or seeking work.

While it is not possible to analyse occupational profile at local level, WNTH's profile is likely to broadly reflect LBL's. As the graph illustrates:

- **36%** are in Professional Occupations;
- **26%** are in Associate Professional and Technical Operational roles;
- **17%** are Managers, Directors or Senior Officials;
- **7%** are in Administrative and Secretarial occupations; and,
- **6%** are in Sales and Customer Service occupations.

Translated to WNTH's total population (33,00 people), this suggests that the area may have\*\*:

- **9,900** people in Professional Occupations;
- **8,600** people in Associate Professional and Technical Operational roles;
- **5,600** Managers, Directors or Senior Officials;
- **2,300** people in Administrative and Secretarial occupations; and,
- **1,980** people in Sales and Customer Service occupations.

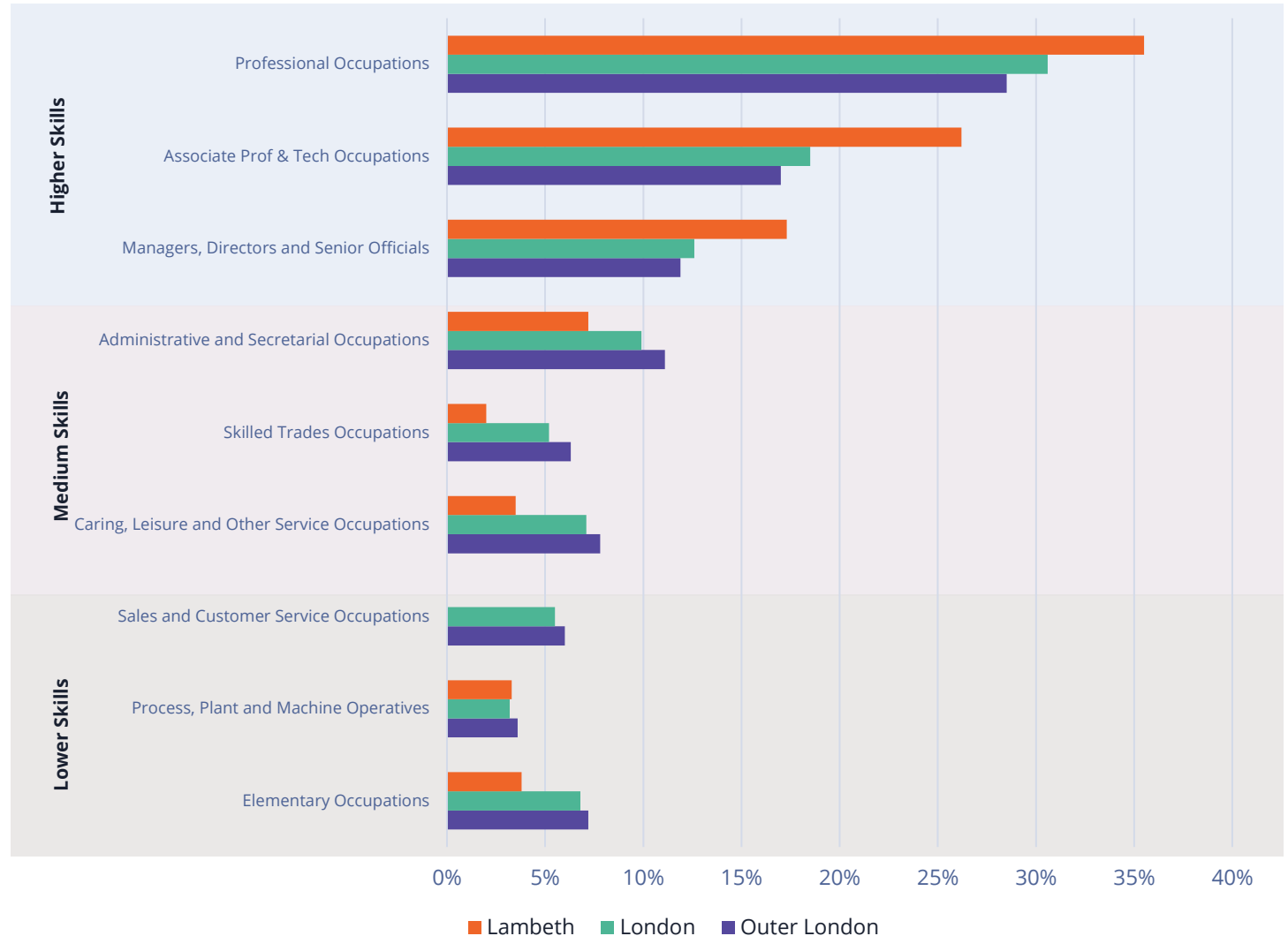
Given the nature of the roles listed above, and recent cultural changes, it is likely that a significant proportion of these people are office-based hybrid workers that may be interesting in working 'close to home'.

Conversely people in other types of roles, which make up a smaller proportion of the borough's occupational profile, are less likely to be able to work at home (e.g. Skilled Trades; Caring, Leisure and Other Service Occupations; and, Process, Plant and Machinery Operatives).

\*Economic inactivity refers to people (aged 16-64) that are not involved in the labour market – they are neither working or actively seeking employment.

\*\* The real figures are likely to be slightly lower than this given borough-wide figures include some more prosperous and centrally-located areas.

Lambeth's Occupational Profile, 2021



Source: ONS, *Annual Population Survey* (2021)



# Focus On: 20 Minute Neighbourhoods

Local authorities across the country are tackling a number of urgent and interconnected problems such as reducing carbon emissions, improving health/wellbeing, rejuvenating high streets, increasing economic opportunity and reducing loneliness/isolation.

These issues are leading to similar answers, and town planners, city leaders, neighbourhood groups and local businesses are increasingly recognising the benefits of creating places that include most of the things that people need for their everyday lives within a short walk or cycle ride. The creation of these 'complete, compact and connected' places is being given different names, from the 15 Minute City to the 20 Minute Neighbourhood.

According to the Town and Country Planning Association, who have researched the concept which originated in Paris, successful 20 Minute neighbourhoods have the following features:

- Diverse and affordable homes;
- Well-connected paths, streets and spaces;
- Schools at the heart of communities;
- Good green spaces in the right places;
- Local food production;
- Keeping jobs and money local; and,
- Community health and wellbeing facilities; and,
- Places for all ages.

From the perspective of this study, successful 20 Minute neighbourhoods are likely to drive demand for business space from local entrepreneurs and employees looking to work close to home. Neighbourhoods that have diverse and affordable homes, an attractive offer for working-age people and, crucially, have good active travel infrastructure linking homes, amenities and business space are more likely to attract working-age people and talent.

While a 20 Minute neighbourhood audit is beyond the scope of this study, a 20 minute walking and cycling catchment map is set out overleaf to provide more insights into the scale, nature and geography of the local population and therefore potential demand. These are overlaid onto patterns of deprivation to illustrate the spatial pattern of different demographic groups.

From a high-level perspective WNTN performs well against some aspects of the 20 Minute Neighbourhood framework. Most notably it has important green spaces (e.g. Norwood Cemetery and West Norwood Health and Leisure Centre Grounds), valued community schools (e.g. Julian's Primary School and Elmgreen School) and important local employment sites providing local jobs (e.g. West Norwood Commercial Area and Parade Mews). These are highlighted on the amenity map later in this chapter.



Source: TCPA (2021)

# Focus On: 20 Minute Neighbourhoods

The map on the right displays 20 minute walking and 20 minute cycling catchments from WNTH town centre.

The analysis shows that around **66,000** people can access WNTH within a 20 minute walk. Areas that are within this catchment include West Norwood, Tulse Hill and West Dulwich, as well as parts of Streatham, Dulwich Village and Upper Sydenham. Most communities within a 20 minute walk of West Norwood are deprived, particularly those in close proximity to Norwood Road and Knights Hill.

The 20 minute walking catchment is not however an equidistant circle, with areas around Lovelace Lane to the north east of Tulse Hill station less able to access the town centre than some surrounding communities. This is likely to link to the configuration of the rail tracks.

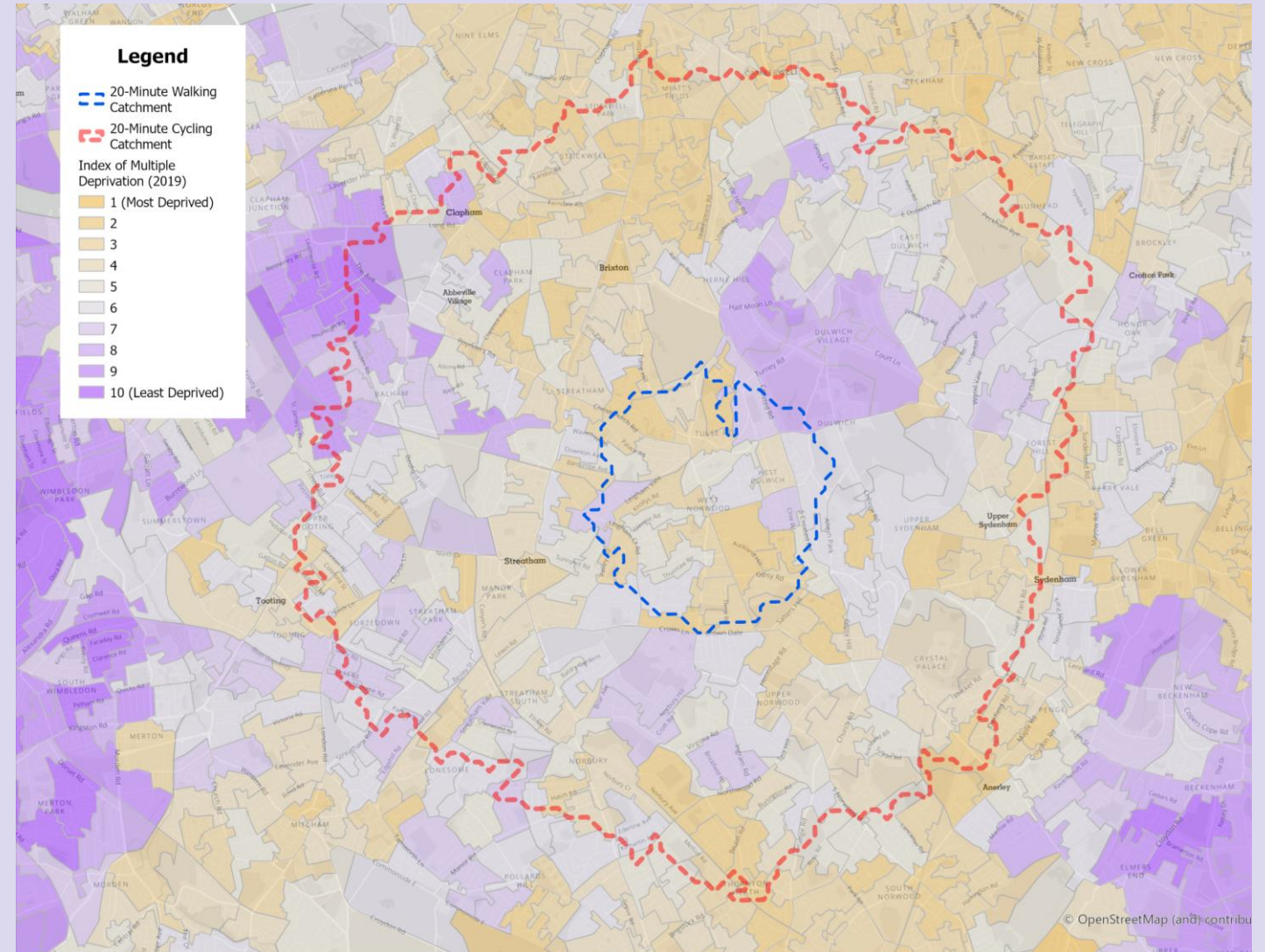
WNTH's cycling catchment is much larger with around **585,000 people** able to access the town centre within 20 minutes. The following locations are all reachable within a 20 minute cycle: Brixton, East Dulwich, Dulwich Village, Clapham, Upper Sydenham, Crystal Palace, Upper Norwood, Sydenham, Streatham, Balham and Thornton Heath.

The 20 minute cycling catchment extends further to the north than the south. This may reflect better cycling and road infrastructure to the north, as well as the hilly terrain moving south from the area.

Some of the most deprived communities within this catchment are to the north of West Norwood in Brixton and Stockwell. There are also pockets of deprivation around Upper Sydenham, Streatham and Thornton Heath.

It is worth noting that there are, however, areas *within* the 20 minute walking and cycling catchment that are perceived as difficult to access due to the quality, directness and usability of their connections. This includes Knollys Yard and parts of the West Norwood Commercial Area which are comparatively difficult to access via walking and cycling, and would benefit from enhanced connections to attract businesses and workers.

## WNTH Walking and Cycling Catchments



Source: TravelTime and Indices of Multiple Deprivation



# Focus On: 20 Minute Neighbourhoods

WNTH benefits from a range of amenities that make it a strong example of a 20 minute neighbourhood as highlighted below. This makes it attractive to workers, businesses and entrepreneurs that may be interested in locating in the area. Many of these amenities are in the town centre which is likely to be highly attractive to prospective businesses if the right business space is made available. These amenities can also underpin inward investment campaigns and branding exercises undertaken by operators, the Council and BID.

## Amenity 1: West Norwood Picturehouse

A restored library containing 4 cinema screens and a café bar on Norwood High Street.

## Amenity 2: West Norwood Health and Leisure Centre

The Centre has an 80 station gym, six lane 25m swimming pool and a fitness studio. It is part of an integrated centre for health and wellbeing which also incorporates Lambeth Council customer centre, GP and dental services, community health services and community space for hire.

## Amenity 3: South London Theatre

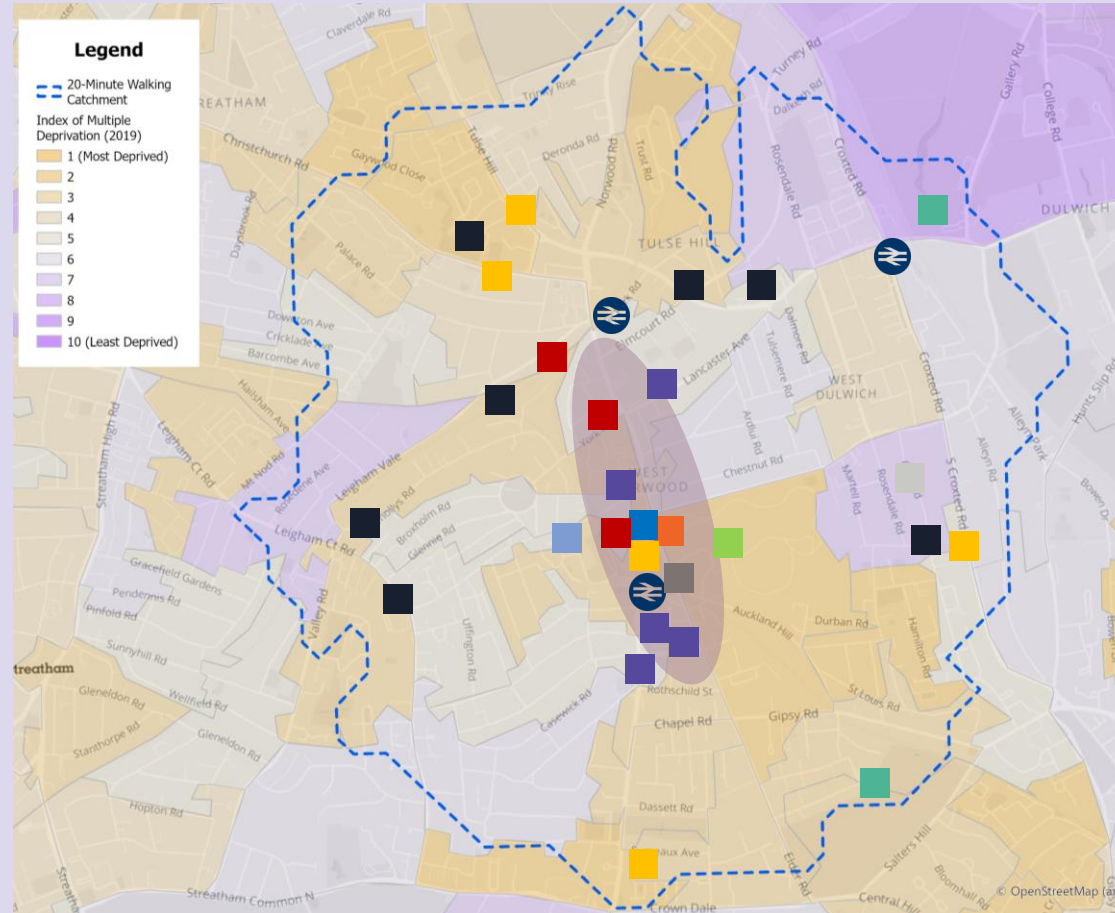
A large, repertory style non-professional theatre based at the Old Fire Station in West Norwood. They aim to produce around 20 shows a year with at least one musical and a couple of family shows. Since its £2 million refurbishment in 2016-18, they are committed to opening up the theatre to a wider audience.

## Amenity 4: Green Space

Belair Park is a 10.6 hectares park which has recently been refurbished with upgraded tennis courts and the addition of a skate board facility. Norwood Park is a 13.3 hectare park managed by LBL and the community group Friends of Norwood Park.

## Amenity 5: Church

Variety of denominational churches in West Norwood which include St Luke's Church- a Grade II listed building, Trinity Baptist Church and Saint Matthew's Roman Catholic Church.



## Amenity 12: West Norwood Cemetery

One of London's 'Magnificent Seven' cemeteries which has a range of historic monuments, catacombs, cremation plots and a columbarium.

## Amenity 6: Schools

Large number of primary school specifically located around the town centre within 20 minute walk. This includes: Julian's Primary School, Elmgreen school and St Luke's C of E Primary School.

## Amenity 7: Hospitals and GP's

This includes a dental clinic, Norwood Dental Clinic, several community health surgeries: Elmcourt Clinic, Guy's and St Thomas' Community Health and Northwood Group Practice. However, there is a lack of a large hospital within West Norwood.

## Amenity 8: Stations

Three national rail stations which include: Tulse Hill, West Norwood and West Dulwich

## Amenity 9: The Old Library Centre

The Old Library is the venue for youth services in the West Norwood area and is a well used multi-use space for local community groups.

## Amenity 10: Community Centres

There are a number of community facilities available within and around West Norwood and Tulse Hill. This includes The Old Library, The Community Hub, The Sloth Club and more. Some spaces within the community facilities can also be hired out for various events.

## Amenity 11: Convenience Stores

Large number of convenience stores all around and in the town centre including Co-op, Nisa Tesco and Sainsbury's.

# Equalities, Diversity and Inclusion Lens: WNTH's Population Profile

As previously discussed, around **66,000** people can access WNTH within a 20 minute walk. The age profile of this population is as follows:

- The working age population reflects the London average with **68%** of residents aged 16-64.
- There is a **smaller** population aged over 65+ (**10%**) versus the London level (12%).
- There is a **larger** young population aged between 0 and 14 (**22%**) than at the London level (19%).

In terms of their ethnic background, the area is diverse with around **44%** of this population coming from ethnic minority groups. The most dominant ethnic group is White (**56%**), followed by Black/African/Caribbean/Black British (**27%**), Mixed/multiple ethnic groups (**9%**) and Asian/Asian British (**6%**). This diversity underlines the importance of ensuring future business space caters to and considers the needs of these groups.

Geographically, West Norwood has a higher proportion of ethnic minorities thanulse Hill, with larger concentrations to the south of the area. The largest percentage (**57%**) of ethnic minorities\* live in and around Abbots Park and High Trees, whilst the lowest percentage (**17%**) of ethnic minorities live in and around Rosendale Road.

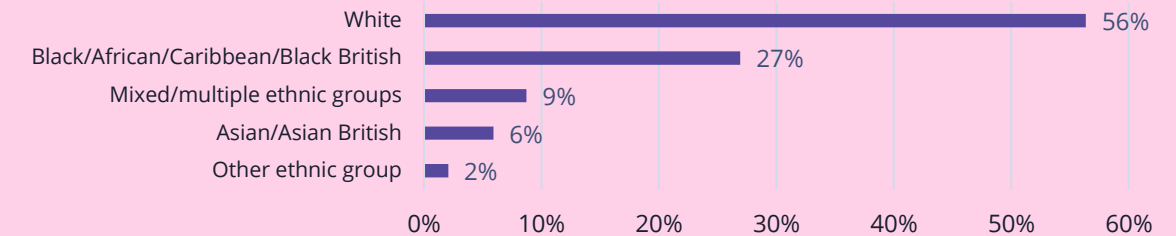
Other demographic data considered (e.g. MOSAIC) is not broken down by ethnicity illustrating that there are limitations in the data, and that it is not as granular as it could be.

## Age Profile, 2020

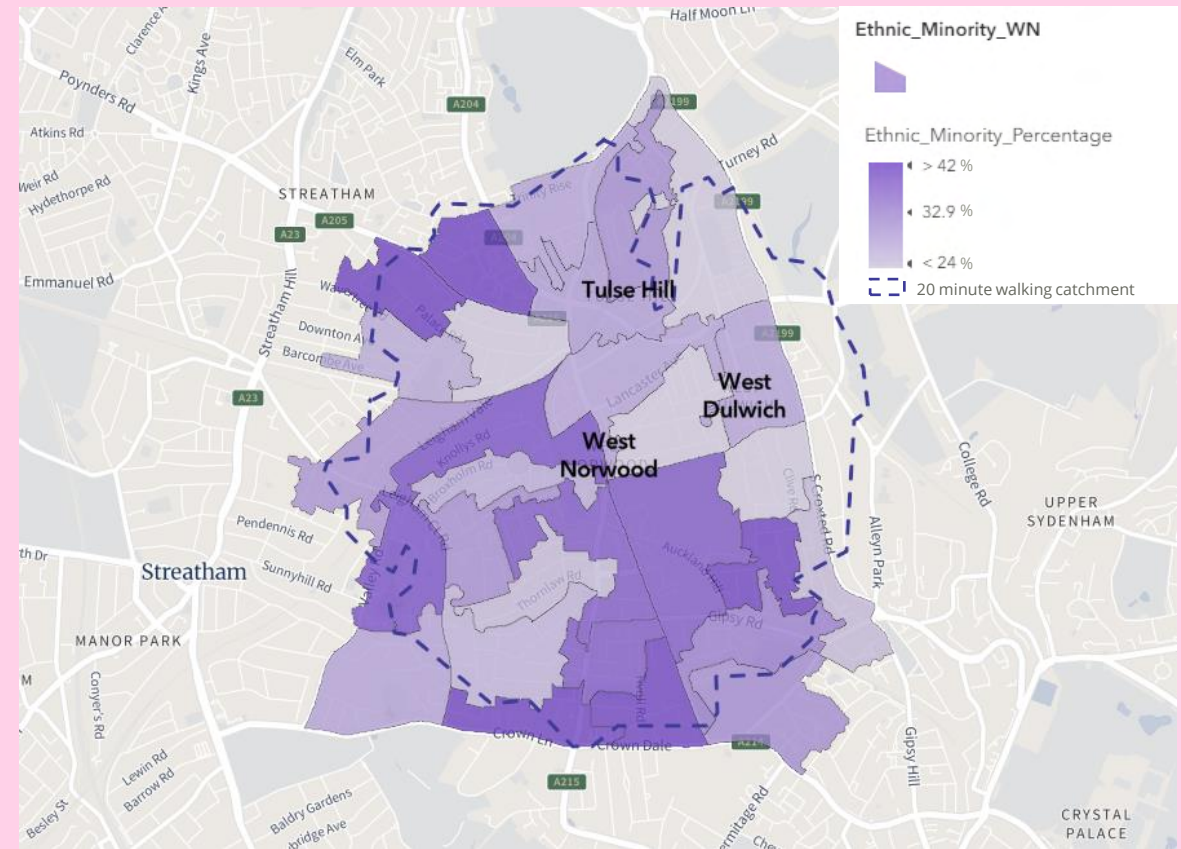


Source: ONS. Population Estimates, 2020

## Ethnic Breakdown, 2011



## Ethnic Minorities\*, 2011




Source: ONS, Ethnic Group, 2011

\*Ethnic minority groups are classified as those that are Asian/Asian British and Black/African/Caribbean/Black British.



# 4D: What is the nature of WNTH's commercial property market?



This sub-section provides an overview of the scale, nature and distribution of WNTH's commercial property market. It includes a high level overview of the conventional commercial space market as well as a deep dive into the specialist workspace offer. This is to provide insights into current local specialisms and opportunities that can be built upon, and an indication of where any gaps may exist.

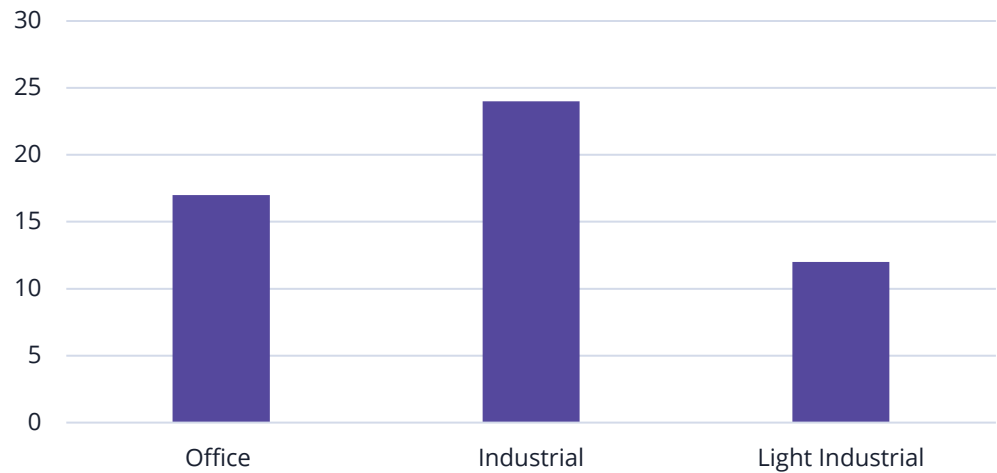
# Local Drivers: Nature of Commercial Property Market

The conventional commercial property market in WNTN has a mix of office, industrial and light industrial stock. CoStar report that there are **17** office units across the area with a total floorspace of around **76,500 sq ft**. Most units are located along Norwood Road, with the largest cluster close to West Norwood Station. Stock is generally in “poor to reasonable condition” with an average CoStar quality rating of **2.2** out of 5 and an average build completion date of **1934**. The data suggests that total amount of office space in the area has not changed since 2009.

Industrial and light industrial stock dominate the local commercial property market with CoStar reporting that there are *at least* **24** and **12** units respectively, with a combined total floorspace of over **415,00 sq ft**. It is likely that the unit count is an underestimation as the data does not account for workspaces, will not count individual units where builds are split up and may exclude small and more informal spaces not let through traditional means.

Most industrial stock is generally of “poor to reasonable quality” with industrial units presenting an average CoStar quality rating of **2.1** out of 5 and light industrial units rating at **1.8** stars – this may link to the fact that both typologies have an average build completion date of **1961**. Again, data suggest that the total amount of industrial and light industrial stock in the area has not changed since 2009.

Number of Units by Commercial Space Typology in WNTN (2022)



Source: CoStar, 2022

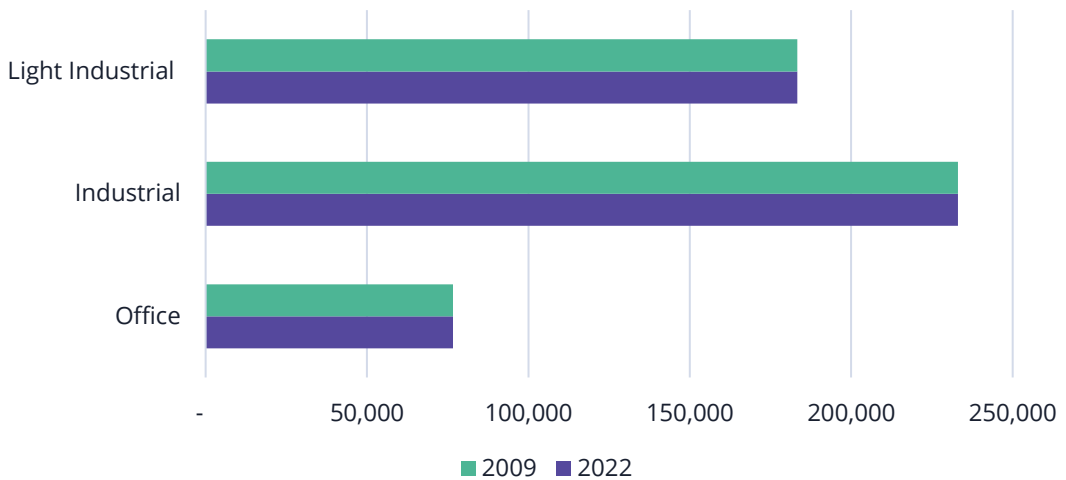
## CoStar Data

Commercial market data has been sourced from CoStar, an industry standard property database which includes records and deals reported by major commercial real estate agents. This is the most reliable data source available, but it sometimes omits specialist workspaces and properties managed by independent agents. To overcome these limitations, data and information about specialist workspaces in WNTN has been sourced directly from local workspace operators, and qualitative engagement has been undertaken with agents operating locally. Commercial property market trends, which are set out in the next chapter, have also been analysed for South Lambeth rather than WNTN to ensure that any conclusions are based on a large and more representative sample size.

## CoStar Definitions

- **Industrial:** Single unit warehouses that can accommodate storage or small manufacturing activities.
- **Light Industrial:** Single unit or subdivided warehouses that accommodate a wide range of light industrial or manufacturing activity.
- **Office:** Retrofitted period properties, office units ancillary to Industrial or Light Industrial properties, units above high street retail ground floors or purpose built office blocks.

Change in Floorspace by Commercial Space Typology in WNTN (2009-2022)



Source: ONS. Business Register and Employment Survey (2020)



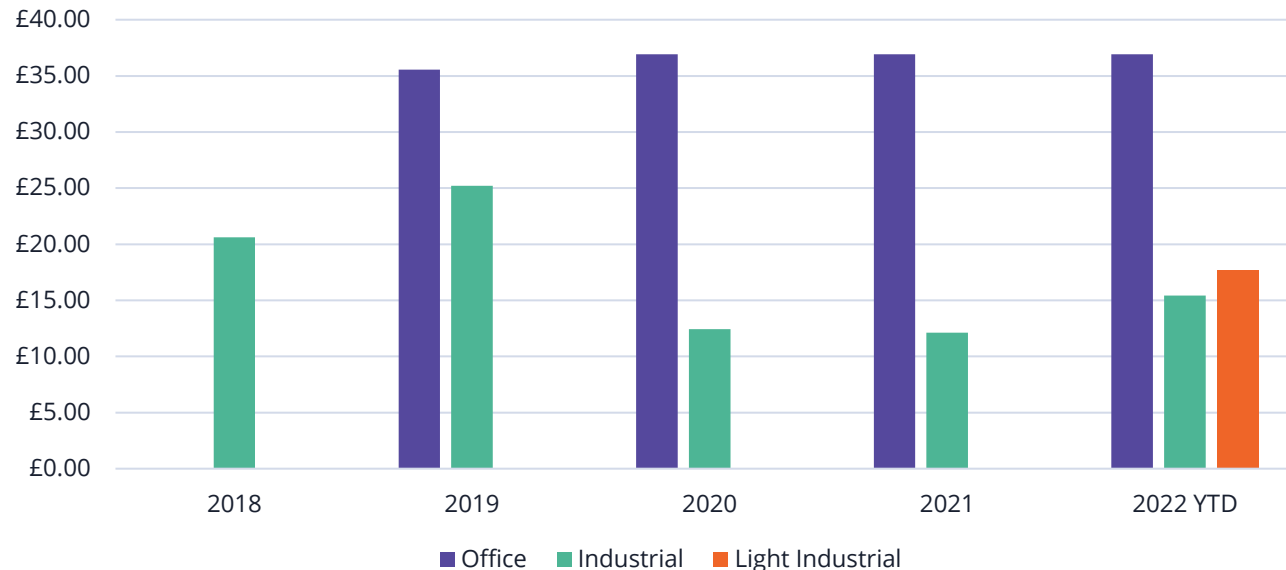
# Local Drivers: Nature of Commercial Property Market

Despite earlier commentary on rental value growth in Inner and Outer London, Co-Star analysis indicates that rental values have remained fairly static for office stock in WNTH since 2019. Average office value per square foot are now, however, higher than the Outer London average at around **£36psf** (vs. £31.27psf).

Industrial stock has, in contrast, seen some fluctuation in rental values reaching a peak of £25psf in 2019 and settling at c.**£15.50 psf** through 2022 YTD. This reflects the Outer London average of £15.15 psf suggesting that earlier data may have anomalous records, which may link to a very small number of higher value deals which may relate to higher quality stock at the Parkhall Business Centre.

Given the small quantum of both office and industrial stock within the study area, it is important to note that figures are based on a small number of transactions and should therefore be read with a degree of caution. Rents are considered in more detail at the South Lambeth scale in the next chapter, and it is advisable to read this analysis in the context of some of the wider analysis set out there.

## Rental Values (PSF) by Commercial Space Typology in WNTH (2018-2022)



Source: CoStar, 2022

## Building Zero: The Road to Zero Carbon Logistics (2021)

In 2021 Avison Young published *Building Zero: The Road to Zero Carbon Logistics* which focuses on how the commercial property sector can respond to challenges around climate change and net zero.

The report highlights that in 2018 the Government set a minimum energy efficiency standard (MEES) for non-domestic buildings to achieve a set level of energy efficiency. Benchmarked through EPCs (energy performance certificates), the legislation requires properties to hold an EPC grade of E or above in order to be let or sold. In 2023, the grade E requirement will be extended to all non-domestic properties, including those under lease, unless a valid MEES exemption has been registered.

By 2030, the MEES requirement will increase further with all non-domestic properties needing to achieve an EPC grade B or above unless holding an exemption. Based on EPC lodgements since 2012, this will require in excess of 89,900 or 90% of industrial properties to improve their energy performance.

This is a considerable task and will require building owners to invest or re-develop their existing commercial stock. While some owners will be able to make small changes (e.g. changing lightbulbs to low energy alternatives) others will need to implement larger and far more capital intensive changes.

This presents a once-in-a-life-time opportunity for local Councils and stakeholders to work with and encourage commercial property owners to reconfigure and repurpose space to better meet local demand and needs as part of their planned investment programmes. If owners are going to invest heavily in their building stock they will expect to see a return, and evidence and practical guidance on how to maximise these, while also meeting local requirements, is likely to be well-received.

# Local Drivers: Nature of Commercial Property Market

WNTH's KIBAs have different commercial market characteristics. The largest quantum of commercial stock is located within the West Norwood Commercial Area, which provides a range of low quality industrial and light industrial units, which host wholesale, car repair, production and manufacturing businesses among others. Parade Mews is generally fairly low quality but presents some relatively low cost space that is attractive to creative production businesses. Park Hall Trading Estate provides a higher quality office, co-working, workshop and studio space environment catering to a mix of clean and messy creative industries.

## Parade Mews

**Estimated Floorspace:** 19,000 sq ft (GIA)

**Dominant Typology:** Light industrial.

**Space Quality:** Low-quality.

**Reported Vacancy:** No CoStar data available. Site inspection suggests 0%.

**Relevant Workspaces:** Parade Mews Studios.

**Example Businesses:** Big Egg Designs, Michele Rue Studios, Parade Mews Pottery and MTIM Reid Welding and Fabrication.

**Supporting Offer:** Very close to Tulse Hill station; several bus stops at the end of the road; adjacent to food shops and cafes; close to pubs and restaurants; lack of 'clean' meeting spaces and supporting offices close by.

**Public Realm:** Very poor quality public realm; restricted servicing and access; dominance of welding, fabrication and car repair activities impacts accessibility; no clear brand and identity (despite similar character of existing businesses); lack of green space; and, low quality built form.

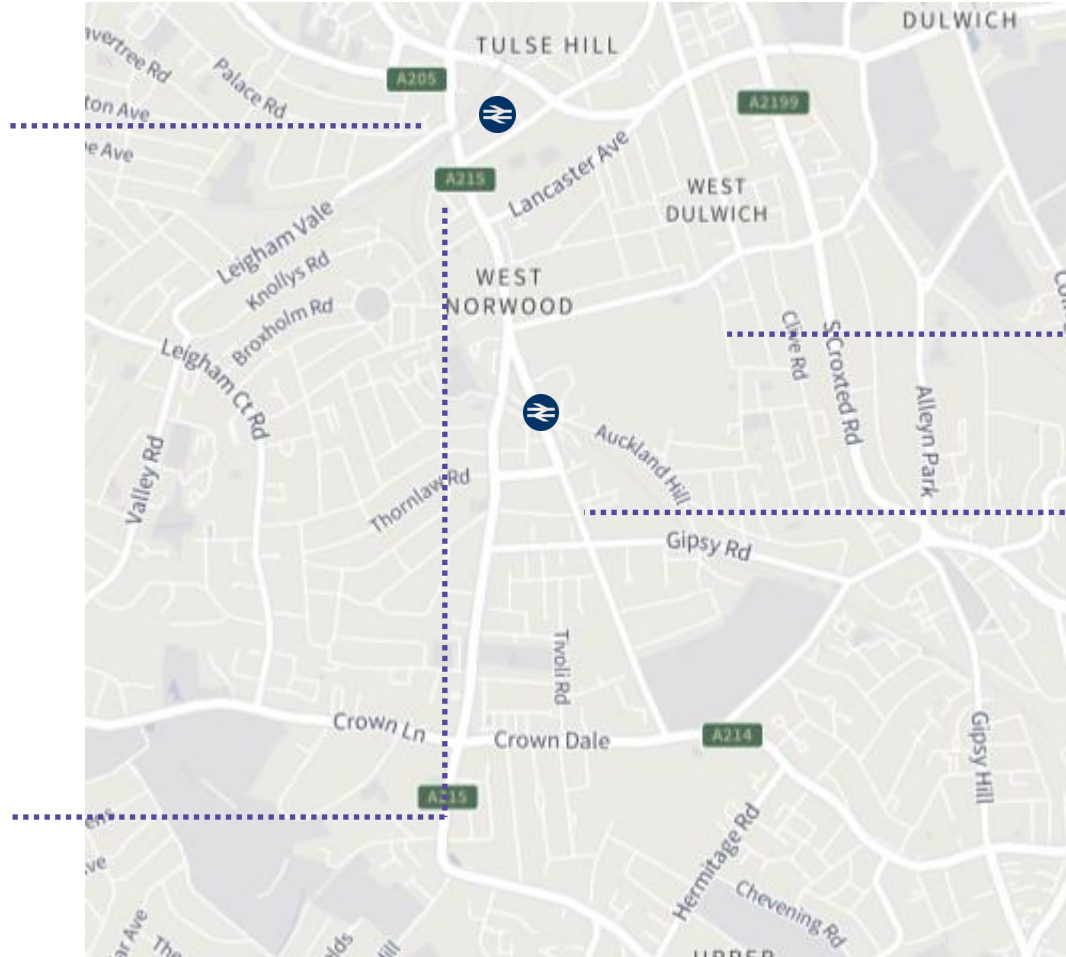
## Knollys Yard

**Estimated Site Area:** c.1.6ha site.

**Current Use:** Partially clear site with a small number of buildings currently used by a range of scaffolding businesses as a storage yard. Opportunity exists for industrial intensification alongside residential in accordance with its Local Plan designation and emerging site allocation policy.

**Supporting Offer:** Poor accessibility means it is almost ten minutes by foot to most shops, cafés, restaurants and services in the town centre and slightly longer to the two stations. Given this, pedestrian and cycling access will need to be improved across the rail line to allow users to access amenities in the town centre.

**Public Realm:** Poor vehicular and pedestrian access; dangerous pedestrian access; lack of greenery; hostile environment; and, poor quality road surfaces and public realm.



## Park Hall Trading Estate

**Estimated Floorspace:** 124,000 sq ft (NIA)

**Dominant Typology:** Office and light industrial.

**Space Quality:** Mid-high-quality office space. CoStar gives Business Centre quality rating of 3 stars.

**Reported Vacancy:** 0%.

**Relevant Workspaces:** Parkhall Business Centre.

**Example Businesses:** Rococo Chocolates London Ltd, Kate Eyre Garden Design, Do Design Studio, Hello Geronimo.

**Supporting Offer:** Volcano Coffeworks within the business centre; The Rosendale pub close by; within ten minute walk of the town centre, and West Dulwich village centre. Services by West Dulwich, Tulse Hill and West Norwood stations.

**Public Realm:** High quality environment. Landscaped garden and seating area at entrance, adjoining residential street. The rear of the property adjoins West Norwood Cemetery and Crematorium.

## West Norwood Commercial Area

**Estimated Floorspace:** 270,000 sq ft. (NIA)

**Dominant Typology:** Industrial and light industrial.

**Space Quality:** Generally fairly low quality, average CoStar rating of 2.2 stars, average build completion date of 1959, though presence of a couple of newer/refurbished properties.

**Reported Vacancy:** 5.4%.

**Relevant Workspaces:** The Portico, East Place Studios, Waring Street Studios

**Example Businesses:** Kwik Fit, Creative Metalwork (London) Ltd, Blackbird Bakery, Norwood Bus Garage.

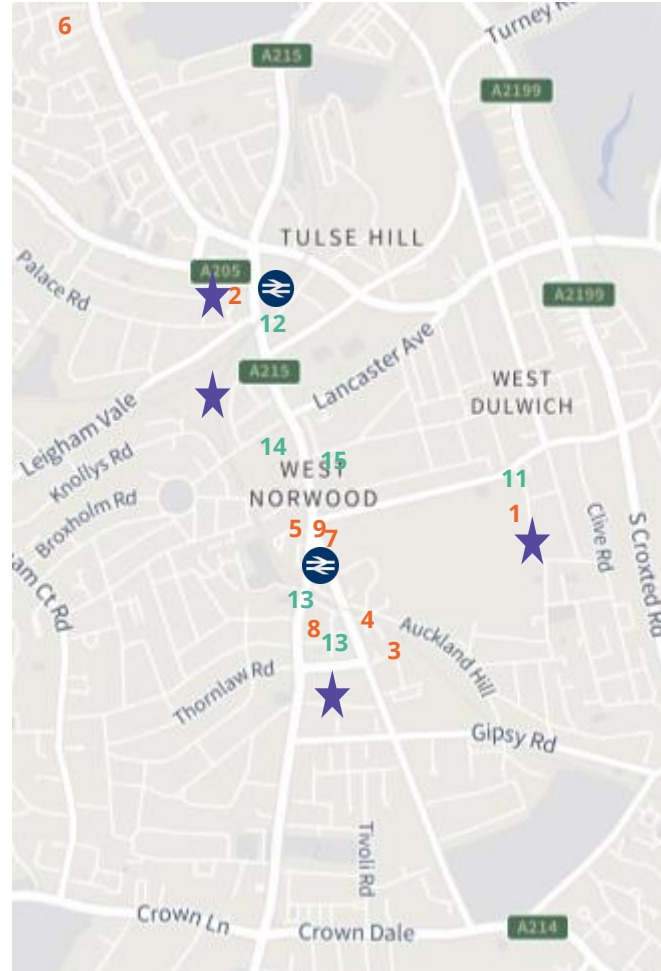
**Supporting Offer:** The local town centre at the southern end of Norwood High Street has a small collection of useful services (café, pub, newsagents etc), and the area around West Norwood station has a good mix of town centre businesses to serve workers.

**Public Realm:** Emerging brand and identity; reasonably good accessibility; access to trunk road; low quality urban environment; limited green space; some good servicing options; low density units.



# Local Drivers: Nature of Commercial Property Market

WNTH's conventional commercial stock is complemented by specialist workspaces which are distributed across the area as set out below. These are mainly creative studios (e.g. Parade Mews Studios) and flexible workspace spaces (e.g. Glows). There are also several specialist workspaces that are expected to come forward over the short-term that will add to both the creative studio and co-working offer locally (e.g. The Queen of the South and 212 Studios). A deep dive into the existing workspaces is provided overleaf to give detail on their focus and operational models.



## Existing Specialist Workspaces:

- 1. Parkhall Business Centre (Managed Workspace):** High quality office, co-working and studio space for creative businesses.
- 2. Parade Mews Studios (Creative Studio):** Privately owned collection of small artist studios home to sculptors, painters, ceramists and more.
- 3. Waring Street Studios (Creative Studio):** Collection of studios on Waring Street for local artists and makers.
- 4. East Place Studios (Creative Studio):** A warehouse unit that has recently been converted to provide space for artists, musicians and other creatives.
- 5. The Old Library (Meeting Rooms):** A venue for local youth services which also offers meeting rooms, music studios and lecture spaces for hire.
- 6. Glows Tulse Hill (Co-Working):** An affordable co-working space for local people to develop and expand their business ideas.
- 7. West Norwood Library and Picturehouse (Co-Working):** Refurbished local library that provides informal co-working space and has computers, printing, meeting rooms, WiFi and study space available.
- 8. The Portico (Creative Studio):** A 10,000 sq ft arts, film, music, dance, wellness and photography studio.
- 9. A Small Studio:** An architecture studio that offers flexible co-working space for likeminded businesses.
- 10. Informal Workspaces:** Knowles of Norwood; Great North Wood; Sweet Carolina; Volcano Coffee Works; Mr Francatelli.

## Potential Forthcoming Specialist Workspaces:

- 11. Parkhall Business Centre (Managed Workspace):** Plan to extend current offer by building an additional storey of commercial space.
- 12. Queen of the South (Co-Working):** Former White Hart pub due to be re-opened by the owners of the Prince of Peckham as a restaurant, bar and co-working space right next to Tulse Hill station.
- 13. Great North Wood (Co-Working):** Popular pub next to West Norwood station that is exploring opportunities around the conversion of its upper floor into co-working space as part of the *Making High Streets Work* programme.
- 14. Knowles of Norwood (Co-working):** Large pub that is exploring opportunities to expand to incorporate a broader workspace and co-working offer.
- 15. 400 Rabbits (Co-working):** Pizza restaurant considering providing co-working space as part of the *Making High Streets Work* programme.

## KIBAs:

- West Norwood Commercial Area:** Large industrial estate hosting a range of activities including manufacturing, construction, motor trades, wholesale and waste management.
- Park Hall Trading Estate:** Cluster of over 140 businesses, mainly within the Parkhall Business Centre, focused on a range of 'clean' creative and digital activities.
- Parade Mews:** A small group of studios in Tulse Hill providing valued space for artists and makers, including pottery and glass blowing.
- Knollys Yard:** An underutilised site that provides an opportunity for industrial intensification alongside residential in accordance with its Local Plan designation and emerging site allocation policy.

# Focus On: Workspace Case Studies



**Name:** Parkhall Business Centre

**Location:** Martell Road / Robson Road

**Sector Focus:** 'Clean' and 'messy' creative production businesses

**Space Provided:** 124,000 sq ft of higher-quality office space and light industrial workshops

**Business Examples:** Darren Oldfield Architects (residential architecture), Joseph + Partners (urban design and planning), &Agency creative (creative communications), iLOVE SNACKS (vegan snacks), Do Design Studio (interior design), UK Water Filters (water filter wholesale) and Hyperkit (graphic design).

**Ownership and Lease Structure:** Asset owned and managed by the Workspace Group Plc which was founded in 1986 through the privatisation of property assets owned by the former Greater London Council.

**Rental Structure and Rates:** Occupiers take on leases which start with two year rolling contracts that can be broken with six months notice for units under 2,000 sq ft. Prices vary based on the size, quality and fit out of the unit but generally range between £20 and £30 per sq ft.

**Fit Out and Specification:** Most office and workshop units are let out as empty shells that occupiers can fit out provided they reinstate them when they vacate. They are generally higher-quality spaces and have ceiling heights that range from 3 to 7m.

## Success Stories:

Sharon Marston occupies one of the workshops where they produce bespoke high-end and luxury light fittings which are sold to homeowners, hotels and filmmakers around the world. The business recently won 'Best Lighting Designer' at the International Contemporary Furniture Fair in New York, and they were one of the first organisations to exhibit contemporary lighting installations at the V&A.



**Name:** Portico

**Location:** Knights Hill

**Sector Focus:** Community groups, cultural organisations and artistic entrepreneurs

**Space Provided:** 7,000 sq ft of space that includes an auditorium, recording studio, photography studio and office space

**Purpose:** To provide low-cost and accessible community space for music, dance, art shows, live streaming, rehearsals, art exhibitions, artist production, photography and meetings.

**Example Users:** Given the type of space available Portico avoid having 'sitting tenants'. Rather space is used flexibly for a wide range of community and cultural organisations on a temporary or short-term basis. Previous users include Nightmare on Wax (DJ), Brixton Street Gym (community gym), BBC (filmmakers) and community groups from West Norwood's Old Library.

**Ownership and Lease Structure:** The building is currently owned and managed by a private individual. This individual is currently in the process of setting up a trust to leave the auditorium to the West Norwood community in perpetuity. The other parts of the asset will remain in a private commercial trust with the intention that this will generate revenues to fund the community space.

**Rental Structure / Rates:** Rental rates are highly variable and depend on the nature of the organisation looking to use the space and what they plan to use it for. Large film production businesses, for example, can be charged up to £1,000 per day to use the auditorium, but local community organisations are charged much less and in some cases nothing.

**Funding / Finance Model:** The space is privately funded and commercial activity helps keep it self-sustaining. Business interruption grants were accessed during COVID-19 but this is atypical.



# Focus On: Workspace Case Studies



**Name:** Old Library Centre

**Location:** Knight's Hill

**Sector Focus:** Community groups and charities

**Space Provided:** Community hall, offices, meeting rooms

**Purpose:** Community space and workspace in WNTH's former library that caters for groups and organisations that deliver social value to the local community.

**Occupier Examples:** Offices are rented out to small charities. Examples Ashdon Jazz Academy (charity for young women), Norwood Community Group Services (charity providing physical activities for young people) and Norwood Pensioners Group (charity hosting activities for pensioners). The rest of the space (i.e. the community hall) is used by community/youth groups.

**Ownership and Lease Structure:** The asset is owned by LBL who lease it on at a very low rent to the Rathbone Society who manage and run the space. The two partners are currently renegotiating the lease which is expected to run for 10-15 years, providing security and certainty for an extended period.

**Funding / Finance Model:** The Rathbone Society turnover in the region of £2.3m a year which is used to fund a range of activities with younger, older and vulnerable people living locally. Around 80% of their annual income is gained through grant funds with the rest coming from space rental at the Old Library and various fundraising activities.

**Impact:** The Rathbone Society is proud of the various community-focused programmes that they run and manage as they deliver significant social value for local people. Examples include Hive (a new café providing learning and development opportunities for people with learning disabilities), Rathbone Gardening Group and Rathbone Youth Club (including its new 'Spring into Summer' Programme). The Old Library itself also has a positive local economic impact as it employs over 80 people, with around 87% living within the borough.



**Name:** Glows

**Location:** Greenleaf Road Tulse Hill

**Sector Focus:** Artists, makers, creatives and professionals

**Space Provided:** Co-working, meeting rooms, officers, makerspace

**Purpose:** Low-cost workspace focused on providing the space and business support that entrepreneurs need to set up, grow and establish businesses. Support is generally targeted at empowering unemployed people.

**Business Examples:** All businesses using the space have started from scratch. Examples that have become more established over time include Heart in the Art (arts and crafts), Pure Goodness (cosmetics) and Out of Silk (fashion).

**Ownership and Lease Structure:** The workspace is a former council estate office owned by LBL. It is leased to Tree Shepherd, a charity set up to help people establish their own enterprises, who pay a comparatively low rent to LBL to use the space.


**Rental Structure / Rates:** Tree Shepherd let space below market rents to entrepreneurs. Current rates are £90/month for a fixed desk, £10/day for a pay-as-you-go desk and between £100-500/month for private offices which range from 100 sq ft to 140 sq ft.

**Funding / Finance Model:** Funded through a combination of rental income and grants for the business support programmes.

**Impact:** A 2016/2017 report illustrates that the charity had worked with almost 800 Lambeth residents as part of its Start Your Own Enterprise Programme with around 350 actively perusing businesses ideas. It is estimated that this delivered a social return on investment of around £8.35 for every £1 invested. This programme has been extended via the Glows workspace and they anticipate that their positive social impact has increased in line with this.



# 4E: How is WNTH's commercial market performing?



This sub-section provides an overview of how South Lambeth's conventional commercial property market is performing. This market has been chosen to (a) ensure conclusions are based on a large representative sample; and, (b) illustrate where WNTH could 'be' in the future from a market perspective. It includes a high level overview of deals, vacancies, rents and yields for office, industrial and light industrial space. This is to provide insights into historic trends and levels of demand for different types of space.



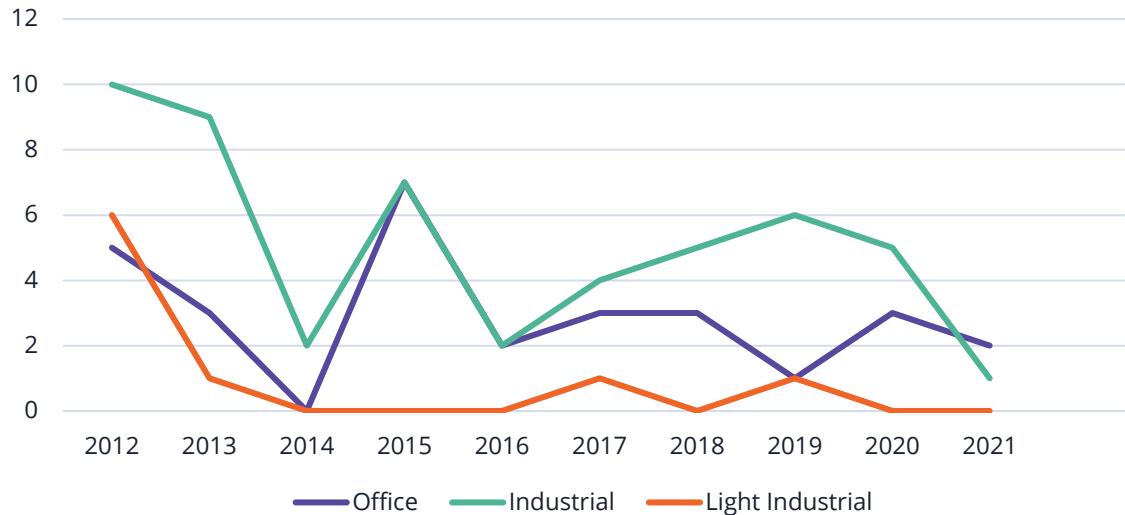
# Local Drivers: Commercial Property Market Performance

Conventional commercial market performance has been analysed across the whole of South Lambeth to (a) ensure conclusions are based on a large representative sample and are as robust as possible; and, (b) illustrate where WNTH could 'be' in the future from a market perspective. The analysis incorporates commercial stock in Streatham, Crystal Palace, Brixton Hill, and WNTH.

Given the dominance of industrial stock across South Lambeth, most leasing activity has been for both industrial and light industrial units since 2012. Over this period there have been over **60** transactions in total, with **52** for industrial units and **9** for light industrial units illustrating a buoyant local market. There were **29** office transactions over this period reflecting the relatively low levels of stock in this part of the borough.

Both industrial and office stock saw peaks of activity in 2015, with **7** leases signed. Given limited delivery of new build stock, this likely reflects natural churn. Industrial stock experienced a further peak in 2019 where **6** leases were signed, whilst office and light industrial stock experienced lower levels of activity.

**Number of Deals By Typology in South Lambeth (2012-2022)**

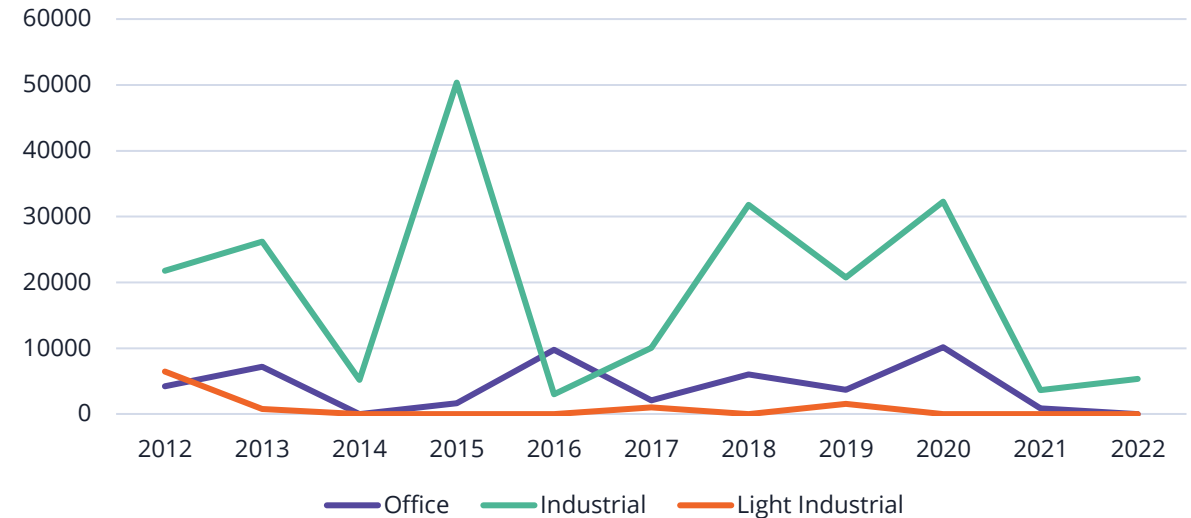


Source: CoStar, 2022

The amount of floorspace transacted has followed a similar trend to the number of leases signed. Over the same period industrial floorspace has seen the most floorspace transacted (**205,026 sq ft**), followed by office (**45,664 sq ft**) and light industrial space (**9,743 sq ft**). The lower levels of floorspace transacted for both office and light industrial stock is reflective of the fewer transactions that took place and the total quantum of stock. On average **c.20,500 sq ft** of industrial stock has been transacted per year versus **c. 1,000 sq ft** of light industrial and **c. 4,500 sq ft** of office space.

Industrial stock experienced a spike in floorspace transacted in 2015 where **c.50,000 sq ft** was leased, with further spikes in 2018 and 2019 where **c.30,000 sq ft** was transacted respectively. Office and light industrial stock has seen far less significant quantum of floorspace transacted with neither asset class breaching the **10,000 sq ft** mark in any given year.

**Total Floorspace (sq ft) of Deals By Typology in South Lambeth (2012-2022)**



Source: CoStar, 2022

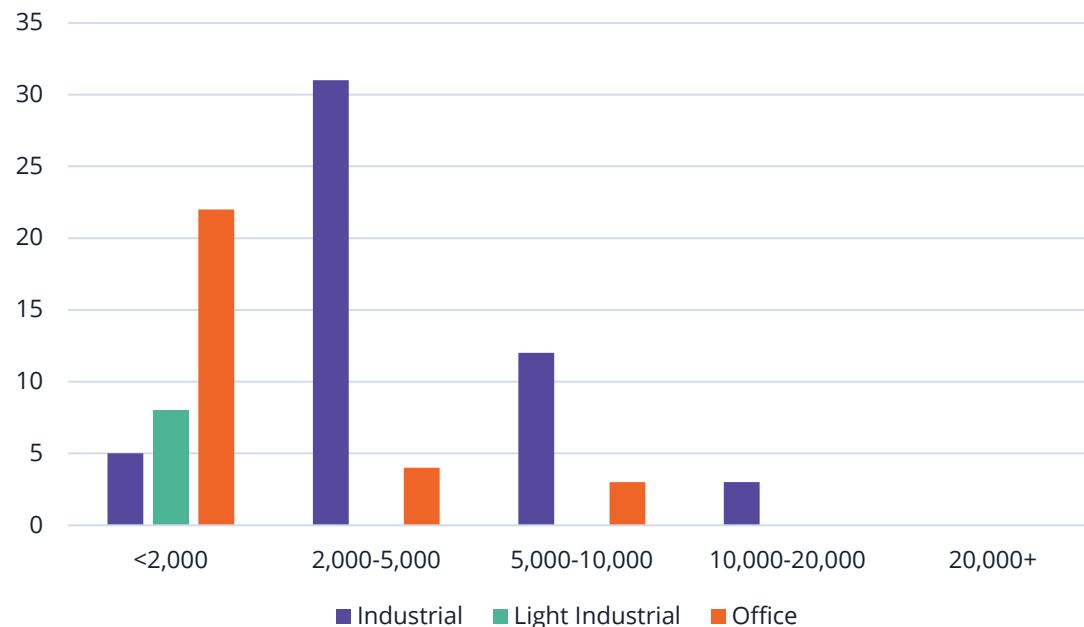
# Local Drivers: Commercial Property Market Performance

Transactions in South Lambeth have predominantly been for smaller units across all commercial property types. This is particularly the case for light industrial transactions where all leases have been for units under **2,000 sq ft**, and office stock where **75%** of transactions have been for units under **2,000 sq ft**. Industrial stock has seen some transactions across small to medium size bands (most notably **2,000-5,000 sq ft**) and most demand has been for space under **10,000 sq ft**.

Vacancy rates have generally been low across all asset classes since 2009 illustrating positive demand for business space across the area. Since 2015:

- Office vacancies have fluctuated between a low of **0.4%** in 2017 and a high of **2.1%** in 2021;

Number of Deals by Floorspace in South Lambeth (2012-2022)

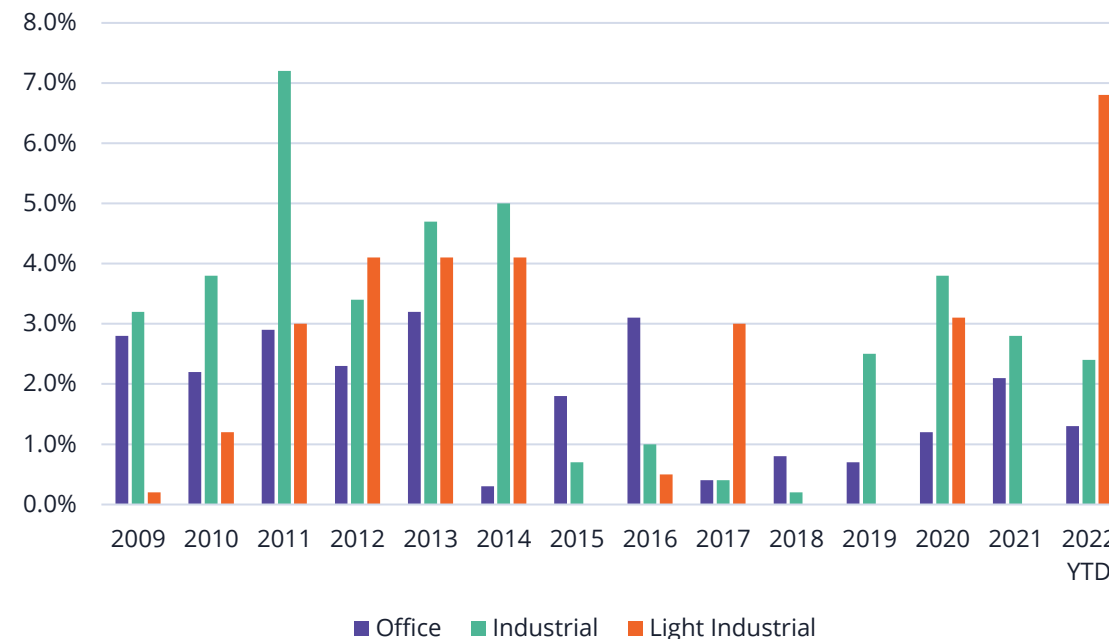


Source: CoStar, 2022

- Industrial vacancies have been below **3.8%** since 2015; and,
- Light industrial vacancies have generally been below **3%** since 2015, despite a small rise in the year to date (though this is likely to correct over the course of the year).

These vacancy rates illustrate that the local commercial market is constrained, and they are below **8%** which is the level that the Greater London Authority (GLA) consider to be healthy to allow for natural churn.

Vacancy Rates Over Time by Typology in South Lambeth (2012-2022)



Source: CoStar, 2022

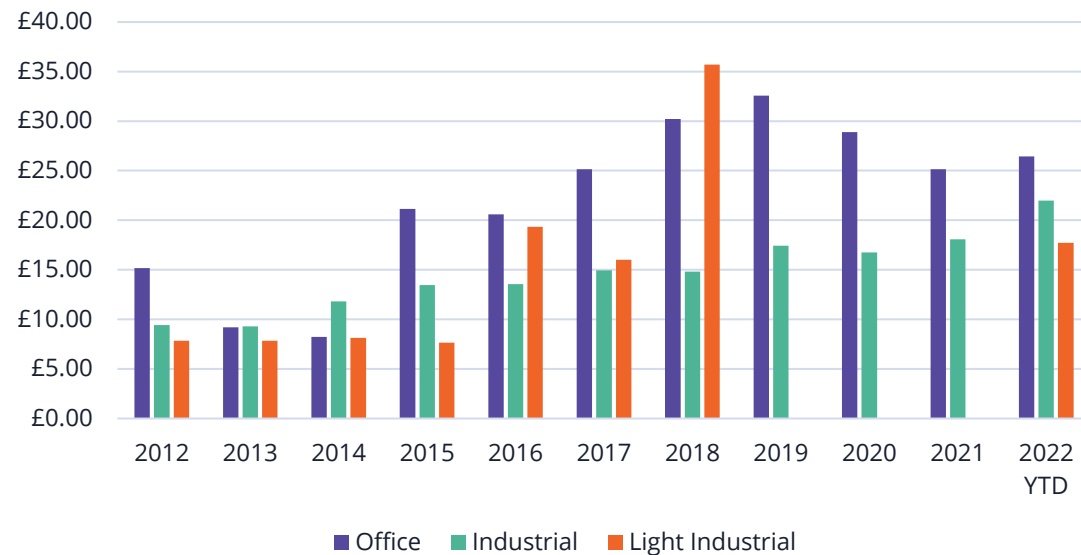


# Local Drivers: Commercial Property Market Performance

All asset classes in South Lambeth have experienced rental value growth over the last decade, despite some fluctuations. Office rental values are now **£26 psf**, industrial rental values are **£22 psf** and light industrial rental values are **£17.50 psf**. This sits against ten year averages of **£22 psf** for office, **£14.50 psf** for industrial and **£15 psf** for light industrial. A constrained supply base, with limited new stock delivered and continued low vacancies across all assets, are key factors driving this steady rental value growth.

Sales have been fairly uncommon across the study area since 2012. Analysis shows that there has been, on average, one office sale and two industrial/light industrial sales per year. Across the whole period office capital values have been in the region of **£305psf**, though since 2017 they appear to have risen to **£470 psf**. Industrial/Light industrial values have averaged at **£260 psf** across the period, rising to above **£290 psf** since 2017.

Rents Over Time by Typology in South Lambeth (2012-2022)



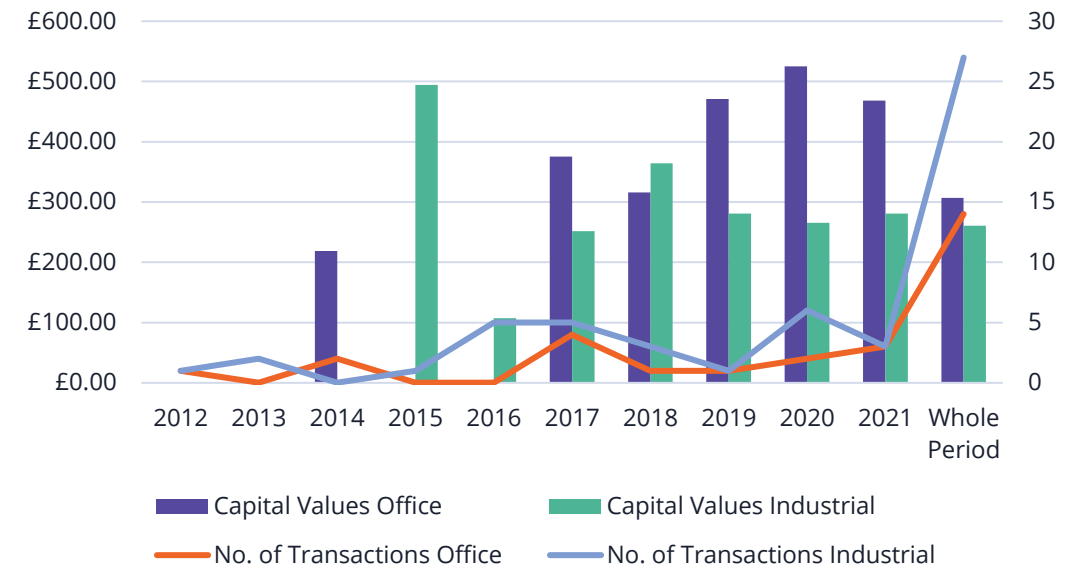
Source: CoStar, 2022

While there is not enough data to make meaningful conclusions on yields, calculations based on average sale and rental values since 2017 suggests office yields may reflect c.**6.5%** and industrial yields may reflect c.**6.0%**.

A high-level analysis of build costs also indicates average costs of construction generally sit *below* capital values that are being achieved for both office and industrial stock in the area. Additional costs would need to be included for any abnormalities, contingencies, professional fees, S106, CIL and a developer's profit, but at a high-level these figures indicate a fairly positive viability position.

Typology	Mean Cost PSF
Advance factories/offices - mixed facilities (class B1)	£158
Offices	£246
Artist's Studios	£189

Capital Values Over Time by Typology in South Lambeth (2012-2022)



Source: CoStar, 2022

# 4F: What do stakeholders think about future business space demand in WNTH?

This sub-section provides a summary of the key messages emerging from stakeholder consultations focused on the future of business space in WNTH. Insights related to the quantum and nature of demand for different types of business space, as well about the types of businesses that could be attracted to WNTH, are provided. This intelligence complements and adds detail to the quantitative analysis set out earlier in the report.



# Local Drivers: Stakeholder Perceptions On Scale and Nature of Demand

## Commentary from Local Workspace Operators

One-to-one consultations were held with WNTH's specialist workspace operators in June 2022 to understand the level and nature of demand for workspace in the local area. Consultees included Parkhall Business Centre, Portico, Glows, the Old Library and West Norwood Library. A roundtable discussion was also held with these organisations in July 2022 to explore some specific topics in more detail. Key messages from the conversations are set out below - it is worth noting that these align with consultees' focus on creative, cultural and community activity.



### WNTH's specialist workspace is well utilised...

Workspace in WNTH is almost fully occupied, and many operators report to have waiting lists. Most receive a few enquiries each week that they are generally unable to fulfil as they are at full capacity. This is well illustrated by East Place Studios which has expanded gradually over time and has always been able to find tenants to take new space within a short period of time.



### Demand is highest for small flexible spaces...

Operators report that occupiers are most interested in smaller units between 150 and 600 sq ft that are available on flexible terms. Larger units, and those on standard terms, tend to take longer to let and are in less demand. This is the case at the Parkhall Business Centre where they are currently splitting up their larger units into smaller ones as their waiting lists are highest for spaces around 150-200 sq ft.



### Many local operators are looking for space to grow...

Given the high levels of demand several operators are interested in expanding locally (e.g. Parkhall Business Centre, East Place Studios and Portico). This is to provide more of the same types of spaces to house new and growing businesses. The Parkhall Business Centre is actively exploring options to expand the amount of lettable space available on its site. East Place Studios are also actively looking for new buildings that they can acquire to provide more artists studio space locally.



# Local Drivers: Stakeholder Perceptions On Scale and Nature of Demand



## Creative businesses are attracted to WNTH...

Reflecting the nature of local workspaces, operators report that 'messy' and 'clean' creative production businesses are driving a high proportion of enquiries for space. They note that they are attracted to WNTH for a range of reasons, including its affordability, connectivity and workspace offer. They also note that the area has become increasingly attractive over the past five years as the high street offer has improved significantly and is becoming a destination in its own right. This is important as a strong amenity offer tends to be one of the most important factors influencing creative businesses' decision making about where to locate.



## Creative businesses generally pay between £12 and 30 psf...

Rents charged by workspace operators catering to creative businesses vary significantly across WNTH. At the highest end they go up to £30 psf at the Parkhall Business Centre, which is more commercial than the other workspaces and provides some higher-quality space options - these rates also incorporate some bills and service charges. At the other end of the spectrum GLOWS charge from £12 psf to tenants though this is for lower quality and less well located office space. Some businesses (e.g. Rue Studios in Parade Mews) have purchased their buildings to give them more security given the rising rents that have been observed across the area in recent years.



## Specialist workspaces without secure tenures are under threat...

Several workspaces have closed in WNTH in recent years, most notably ACME and Bainbridge Studios. In both cases this was not due to a lack of demand but rather landlords revoking leases to use their buildings for other higher revenue activities (including housing development in the case of Bainbridge Studios). All workspace operators that remain in WNTH either own their assets or are on secure long-term leases with LBL. This highlights the competing pressures that workspace is under for other uses in WNTH, and underlines the importance of strong tenure for longevity.

## Artists Workspace Study (2014)

In 2014 the GLA published its first *Artists Workspace Study* which looked at the existing and future supply of artist studios across London. Their research they found that there were 298 artist studio across London hosting around 11,500 creatives. They also found, however, that around 3,200 of the artists were in premises at risk of closing due to rising rents and that only 17% of assets were owned by their operators. Since then commercial rents have continued to rise across the city and artists continue to be pushed out, as illustrated by ACME and Bainbridge studios in WNTH. This is relevant to WNTH as it illustrates how 'at risk' existing assets are and underlines the importance of secure tenure for creative workspace operators.

## Creative Spaces Create Value (2021)

In 2021 the Creative Land Trust and Creative Estuary published *Creative Spaces Create Value* which illustrates that creative workspace can make an important contribution to financial value in residential-led developments. This is important for WNTH as it illustrates that new creative space could enhance rather than hinder the viability of new residential developments in the area. Key findings from the report include:

- Residential property prices in places with creative workspace outperformed places without by 4.4% over ten years in London;
- Creative workspace brings vitality and vibrancy to a community without being disruptive even where it is present at scale;
- Creative workspace as a ground floor use does not add risk and can add value to a development;
- There is significant unsatisfied demand for creative workspace bringing developers income security, low void periods and good yields; and,
- Creative businesses and operators tend to be stable and reliable occupiers.



# Local Drivers: Stakeholder Perceptions On Scale and Nature of Demand



## The local offer needs to adapt to the rise in remote working...

Operators report that WNTH's current workspace offer is not well suited to hybrid and remote workers. Though it is recognised that the *Making High Streets Work* programme could make a positive difference, they note that there are (a) few co-working or 'touch down' spaces and (b) not many places for businesses and freelancers to hold meetings in and around the town centre – particularly with the right audio-visual equipment. West Norwood Library commented that they have one small meeting space and that it is almost always booked. Operators also highlight that there are few quiet places or 'pods' for people to use to take private video conference calls which have become more prevalent in workers' day-to-day lives over the last few years.



## There are gaps in the local workspace offer...

Consultees note that while there are creative studios locally, there are few places that provide the tools, equipment and materials that some small 'messy' creative businesses need but cannot afford to purchase (e.g. 3D printers, laser scanners, electric saws etc). They cite examples of other sub-urban neighbourhoods that had maker-type spaces and believe that WNTH's creative ecosystem could benefit from this type of space.



## Investments in 'place' would help to drive demand...

Operators feel that WNTH has a strong place offer that is attractive to a wide range of businesses, but that investment in certain areas could help make the area even more attractive to prospective occupiers. Examples include:

- Enhancements to digital connectivity particularly in business areas;
- New active travel routes between employment areas and the town centre;
- Improved signage and wayfinding to create clear place identities;
- Introduction of new activities in employment areas that enhance the amenity offer and vibrancy; and,
- Diversifying and enhancing the local F&B offer.





## Focus On: Digital Connectivity

Local workspace operators also note that WNTH's digital connectivity is insufficient to meet occupier needs, particularly businesses undertaking innovative creative and digital production activities. They state that investment in digital connectivity is therefore essential to improve the productivity of existing businesses and to attract higher-value tenants to the area.

This is highlighted by the map on the right which shows that while areas of WNTH have access to faster broadband speeds (Over 100 Mbps), some have comparatively slow connections - particularly in the town centre, West Norwood Commercial Area and residential areas to the south and north west.

While speeds in the town centre and Commercial Area are technically classified 'superfast' (i.e. over 30 Mbps), the speeds on offer (50-70 Mbps) are generally considered to be insufficient to meet the needs of innovative businesses that rely on data transfer (some data-heavy tenants require over 250 Mbps).

Workspace operators also note that broadband bandwidth is also insufficient in some places. For example, several town centre businesses that expressed an interest in participating in the *Making High Streets Work* programme have commented that they have insufficient bandwidth to support the quantum of workers they would expect to support on a daily basis.



CDRC, Broadband Speed, 2020



# Focus On: Workspace Operator Demand



**Name:** Parkhall Business Centre

**Level of Demand:** Smaller office and workshop space is in high demand and there is always a waiting list of c5 businesses. They receive around 2-3 new enquiries for space each week.

**Future Space Requirements:** More lettable space of a similar nature is needed and plans are in-train to add an extra storey to the main building.

**Nature of Demand:** There is high demand from a broad spectrum of 'clean' creative businesses, notably architects, interior designers, photographers, graphic designers and communication specialists. There is also demand from makers for the workshops though there is little space available. Larger spaces generally take longer to let so there is a movement toward the provision of smaller and more flexible units.



**Name:** West Norwood Library

**Level of Demand:** The library has a small meeting space that can be used by community groups and local businesses. This is nearly always fully booked and the library manager believes that there is demand for more meeting space locally. The library also offers desks and study spaces which are well used by students, remote workers and freelancers.

**Nature of Demand:** Remote workers and freelancers currently using the space span a broad range of 'clean' office based occupations. Generally speaking those with specialist requirements (e.g. specific equipment or software) do not use the space, nor those dealing with sensitive information or clients.



**Name:** Portico

**Level of Demand:** The auditorium and studios are always in use and they receive at least ten enquiries per week for bookings.

**Nature of demand:** Enquiries come from a wide range of organisations from musicians and theatre groups to voluntary groups, filmmakers and local art classes.

**Future Space Requirements:** The organisation is considering taking on more space close to their current facility to provide more music, photography and filming space. This is one of their unique specialisms, and there are high levels of demand for this space from the local community given the broad and diverse demographic living locally. Local shops and industrial units provide opportunities.



**Name:** GLOWS

**Level of Demand:** Despite the workspace's peripheral location (away from the town centre within a housing estate) it remains fully occupied and has a short waiting list. When space becomes available it is generally taken up within a short period of time. They receive a small number of enquiries each week.

**Nature of Demand:** Makerspace is in high demand as many entrepreneurs choose to open businesses that involve making products (e.g. crafts or apparel) that they can sell directly online or via other mediums. Meeting rooms are also well-used as they are accessible to the local community.

**Future Space Requirements:** Tree Shepherd would like to open more spaces in London, particularly in regeneration areas so that local people can be supported to benefit from major changes taking place in their areas.



# Local Drivers: Stakeholder Perceptions On Scale and Nature of Demand

## Commentary from Local Agents

Conversations were also held with local agents in June 2022 to understand their perspectives on the level and nature of demand for conventional office, industrial and light industrial space in WNT. Representatives from Kalmars, Galloways and Acorn were consulted. The most pertinent messages from the discussions are set out below, but it is worth noting that agents often take a relatively short-term view and they generally have specialisms in specific types of commercial property which may influence their responses.

Key messages include:

- There are high levels of demand for industrial and light industrial space locally;
- There is insufficient industrial business space locally to meet demand;
- Nearly all industrial and light industrial space that becomes available attracts high levels of interest;
- There has been almost no new industrial business space built in the area over the last five to ten years;
- Businesses driving demand for industrial uses generally undertake creative and small-scale production activities;
- There is demand for office space, particularly higher quality space that caters to small 'clean' creative businesses (as demonstrated by Parkhall Business Centre);
- Most office space that exists is old and low quality which is becoming increasingly unattractive to potential occupiers;
- Some office space has been lost locally to Permitted Development Rights which contradicts Co-Star data presented earlier in this report; and,
- Industrial space that has ancillary office space is becoming increasingly desirable.

Other local agents were approached for comment (e.g. Stapleton Long and Moving Inn) but did not respond.





# Local Drivers: Stakeholder Perceptions On Scale and Nature of Demand

## Commentary from Lambeth Workspace Operators

Discussions were also held with operators running specialist workspaces outside of WNTH but *within* Lambeth to gain an understanding of demand across the borough and their perceptions of WNTH as a destination for more workspace. Consultees included:

- **3Space**, who run a 50,000 sq ft creative meanwhile workspace in Brixton;
- **Artists Studio Company**, who operate a 12,500 sq ft artist studio in Streatham;
- **ACME**, who have a 3,000 sq ft artists studio in Brixton and until recently operated a similar studio in WNTH;
- **Meanwhile Space**, who run a range of workspaces across Lambeth including in Brixton and Loughborough Junction;
- **Studio Voltaire**, who run a not-for-profit art gallery and affordable artists studio in Clapham;
- **Out of Order Design**, who run an 8,500 sq ft shared workshop just outside the borough in Camberwell; and,
- **Sustainable Ventures**, who run a flexible workspace for innovative businesses focused on tackling sustainability and net zero challenges in Waterloo.

Key messages, which reflect their focus and specialisms, are set out below and overleaf.



### Demand for specialist workspace is high across Lambeth...

Most of the workspace operators consulted as part of this exercise have a niche offer tailored to specific types of enterprises, ranging from fine artists to businesses tackling net zero challenges. These operators reported that their Lambeth workspaces are almost fully occupied illustrating that there is demand for some specialist workspace types in the borough (e.g. artist studios, makerspaces, flexible workspace, lab space etc).

Several commented that more 'general' workspaces, catering to a wide range of businesses with employees that can easily work from home (i.e. co-working), have seen lower levels of demand across London post COVID-19. Only one operator had seen lower levels of demand following the pandemic, but they suggested that this related to the short lease remaining on their asset (<1 year) rather than any structural shifts in demand.





# Local Drivers: Stakeholder Perceptions On Scale and Nature of Demand



## A large number of artists and makers are seeking space in Lambeth...

Operators catering to artists and makers appear to have the largest waiting lists. For example, Artists Studio Company has a waiting list of over 2,500 artists, Meanwhile Space has a waiting list of over 100 businesses for LJ Works and ACME has a waiting list of over 1,100 artists. This aligns with national trends which illustrate that workspaces catering to businesses where employees cannot work from home have been most resilient throughout the pandemic. Waiting lists were also high for Sustainable Venture's new space in Waterloo.



## WNTH is seen as an ideal location to cater to these businesses...

Operators catering to artists and makers stated that WNTH has all the right 'ingredients' to cater to businesses in these sectors. This is due to its affordability, accessibility, amenity offer and existing creative business cluster. Affordability was identified as a crucial factor as artists and makers struggle to pay for space in more central locations given its high cost. Though rates were not discussed with all of these operators, those that did broadly agreed with London's Affordable Artist Studio Network's (LAASN's) observation that artists and makers generally require an all in rent of between £10 and 19 psf. Consultees also noted that the area was well-suited to 'messy' supply chain activities that serve 'cleaner' office based activities in the Central Activities Zone, particularly in relation to activities that align with the green economy (i.e. production and experimentation type activities).



## Operators need at least 10,000 sq ft to create a viable workspace...

Operators providing space for artists and makers were confident that if they opened new space in WNTH it would be fully occupied within a short space of time assuming it had the right specification and rates. Several noted that they would need at least 10,000 sq ft to deliver a viable workspace and curate a meaningful creative ecosystem and network. Studio providers appeared to offer a spectrum of studio sizes for artists and makers ranging from 100 to 350 sq ft.

Interestingly, some operators that focused more on 'cleaner' and more office-based activities - rather than artists and makers - were less positive about WNTH as a location for workspace catering to these groups. While some of their justifications were well-reasoned (e.g. it can be difficult to attract talent to Outer London locations), their perceptions of the place did not match reality. This was particularly the case in relation to its accessibility (including into Central London) and it being seen as a residential area with little employment activity. This suggests there is an information failure with some groups about the area's offer and potential.





# Local Drivers: Stakeholder Perceptions On Scale and Nature of Demand

"West Norwood and Tulse Hill are excellent locations with a very high demand from artists, makers and arts organisations. I would feel very confident opening a building around 10,000 sq ft and achieving 100% tenant occupation immediately. I would feel confident opening a building up to 30,000 sq ft and achieving 100% tenant occupation within five months".

Source: Creative Workspace Operator in Lambeth

"It is a nice place to visit from time to time, not somewhere I would associate with workspace. It is very limited. West Norwood is a residential area. Some places in the rest of London are just better suited. Traffic is blocked up and it not the easiest place in terms of access".

Source: 'Clean' Workspace Operator in Lambeth

"West Norwood is well suited to production activities that are dirty. This can complement office based activity elsewhere in London or the borough. I am less sure about an office market there given the difficulties businesses have in accessing talent, particularly in less central locations".

Source: Workspace Operator in Lambeth

"There is an oversubscription on artist, maker and creative industry space in the area of about 4:1. We would probably charge £15-18 per sq ft for artists space and £22-28 for creative industries space. The price would depend on the floor, location and quality of build".

Source: Creative Studio Operator

"West Norwood has a unique cultural offer. In another ten years, you would look back and we could be the new Shoreditch because we are right next to the industrial estate. West Norwood is going to become trendy. They used to say that West Norwood is somewhere you go through to get to somewhere else but now its a destination.

It has space and potential so we have to be careful over the next period that we don't blow it by building just residential and people don't land bank so much that the place becomes decrepit.

There is opportunity for developers to look to enhance industrial properties, especially creative industrial, space and enhance the broadband facilities because the creative industries demand fast digital upload speeds".

Source: Community & Creative Workspace Operator in WNTN

"There is strong and growing demand for genuinely affordable artists' studios in the area. The supply of suitable light industrial units is decreasing as sites are redeveloped for housing-led schemes. At the same time demand for such units is increasing due to growth sectors such as grocery delivery forms and dark kitchens".

Source: Creative Workspace Operator in Lambeth

"Our waiting list seems to be growing now. The other workspace we had had 21 people. In Lambeth, it was half a dozen... which is good as we are tucked away on the Estate so we are not so visible to the world in comparison to the other workspace we had in Surrey Quays. It doesn't take long for us to get booked up here though".

Source: Makerspace Operator in WNTN

"For affordable artist or maker space the size of the space available is key. For small opportunities (e.g. 6,000 sq ft) a grant would be needed. Larger spaces, in contrast, are more viable for operators to bring forward independently as they can handle the debt finance".

Source: Creative Studio Operator

# Local Drivers: Stakeholder Perceptions On Scale and Nature of Demand

## Commentary from External Workspace Operators

A series of in-depth discussions were also held with workspace operators alongside officers at LBL – PlusX (Accelerator/Incubator Space), Second Floor Studios (Creative Studios), Architecture00 (Life Sciences/Health) and Meanwhile Space (Meanwhile Space) in September 2022. These operators were selected for their expertise, knowledge and diversity, but also because most of them (bar Meanwhile Space) have no presence in the south of the borough.

Key messages from the discussions include:

- All operators felt that demand is likely to exist for their space type. They were positive about WNTH's location, accessibility, amenity offer and, importantly, the relative affordability of its housing stock for entrepreneurs and workers.
- Most operators agreed that business space demand is likely to be strongest from artists, makers, creatives and industrial-focused businesses. PlusX noted that high-value and innovative businesses (e.g. in Tech, Digital and Advanced Manufacturing) could be attracted to the area if the business space offer is compelling enough, and Architecture 00 felt that life science businesses could be brought to the area with the right provision of lab space is available.
- Several noted that owning a building or asset would be most desirable as it provides long-term certainty to them, their tenants and lenders. Most would, however, consider long-term secure leases or Joint Ventures, and some (i.e. Meanwhile Space and Architecture 00) would consider shorter-term opportunities. A couple noted that opportunities are most attractive and viable where assets are already in public ownership, or where the public sector are willing to buy new assets and hold the risk. This is because it can reduce both risk and costs allowing their operations to be more viable, and therefore allowing them to provide lower cost space, tools, equipments and business support programmes to tenants.
- All agreed that some form of public sector subsidy would be required to bring forward specialist workspace in the area given the tight margins most operators work at (i.e. discounted rents, grant funding, loans, peppercorn rents, discounted sale prices etc).
- Given the level of public subsidy required, and the complexity of bringing forward workspace projects, several operators emphasised the importance of ensuring officers, members and community are brought on the journey and fully buy into the proposals at the outset. Meanwhile Space suggested that a series of workshops and conferences should be held at the beginning of a new project to ensure alignment and to gather support.
- All agreed that larger spaces are more desirable and viable for the delivery of specialist workspace locally. Second Floor Studios reported that 10,000 sq ft would be the minimum size they would consider and Plus X have a minimum requirement of 25,000 sq ft. Architecture 00 and Meanwhile Space stated that they can make smaller spaces work depending on the financial support available.
- Several operators noted the importance of flexible planning policy to ensure that ancillary and supporting uses can be provided on-site to accompany their dominant use type. PlusX, for example, emphasised that innovation is highest where a range of uses are provided on-site (e.g. workshops, co-working space, private offices etc), alongside tools and equipment, to cater for and encourage different businesses and professions to come together and innovate new products and services. Architecture 00 noted that high speed internet is crucial to attractive innovative businesses.
- Most questioned the logic of using a borough 'discount to market' rate approach to define what 'affordable' is to different businesses and sectors. Second Floor Studios and Meanwhile Space reported that they prefer to take a bottom up approach on a site-by-site basis, and PlusX and Architecture 00 stated that they provide highly flexible lease packages to encourage experimentation and risk taking.
- Each operator identified different workspace opportunities that could work locally, reflecting their expertise and knowledge\*:
  - Second Floor Studios stated that there is an opportunity to deliver a new creative studio in WNTH. They suggested this could cater primarily for artists and makers, cross-subsidised by higher-turnover creative businesses (e.g. graphic design, architecture, publishing etc).
  - PlusX reported that there may be an opportunity provide innovation space catering to higher-value enterprises. To attract these types of businesses they felt a high-quality space would be required providing a wide range of tools, equipment and amenities (e.g. chemical labs, wet labs, wood workshops, metal workshops, media suites, light industrial space, co-working space etc).
  - Meanwhile Space suggested that there would be demand to provide industrial-type shared workshop space catering to makers and micro-manufacturers, with a strong supply chain linkages.
  - Architecture 00/Health Foundry thought it is worth investigating the potential for start-up Life Sciences spaces that do not need to central London location. They felt that there is potential for lab spaces, especially if small and affordable spaces are available for start-ups eg Open Cell.

\*Operators identified general opportunities based on the characteristics of WNTH and the nature of local demand. They do not relate to specific opportunity sites identified elsewhere in this report or any hypothetical scenarios provided.



# Local Drivers: Stakeholder Perceptions On Scale and Nature of Demand

## Commentary from Local Businesses

Discussions were also held with seven local businesses in WNTH to gain a deeper understanding of demand, as well as their perceptions of WNTH as a destination for businesses. Most consultees were small-scale industrial-based businesses who provided their interpretation of WNTH from an industrial perspective.



### Businesses value being in WNTH...

Consultees were overwhelmingly positive about WNTH as a business location for industrial-type activities. This is because of its convenient location, amenity offer and, crucially, its connectivity into Central London via West Norwood, Tulse Hill and West Dulwich stations. Some did, however, note that getting to, from and around WNTH via car, van or lorry can be challenging.



### Demand for conventional industrial space is high...

Most consultees thought that WNTH would benefit from additional modern industrial and light industrial units. It was suggested that there is an under-provision of such space locally, and an *overprovision* of retail units in comparison. They noted that modern spaces with double height ceilings, parking and loading ways would be attractive.



### Businesses feel that they could not expand locally...

Several businesses commented that, due to the imbalance of commercial uses *and* the highly constrained commercial market, they would have to leave the area if they needed to expand. Several noted that businesses similar to theirs have moved to places like Purley and North Kent to meet their space and affordability requirements.



### The vibrancy of industrial areas could be enhanced...

A couple of businessowners commented that the commercial area is not vibrant and would benefit from enhanced public realm, greater investment and a wider diversity of activities. One businesses felt it would be beneficial to introduce food and beverage uses to make the area more attractive to locals and visitors, as well as businesses considering relocating to the area.





# Equalities, Diversity and Inclusion Lens: Perspectives from Operators, Businesses and Community Groups

## Commentary from Operators, Businesses and Community Groups

Consultations were also held with stakeholders that cut across the groups considered in this chapter (i.e. local businesses, local operators, external operators and community groups) to discuss EDI issues in relation to business space in WNTN. The conversations primarily focused on the barriers that underrepresented groups face in accessing business space, and the types of interventions that could be implemented to help address these. Consultees included businessowners and operators from underrepresented groups.

Key messages include:

- Stakeholders set out that one of the main barriers for underrepresented groups in relation to workspace is that they are not always aware of assets that exist locally, and how to access them. Operators and businesses agreed that hyper-local and targeted engagement from operators and other stakeholders at the outset of a project often helps to address this if done in an authentic, sensitive and place-specific way.
- Linked to this stakeholders agreed that if underrepresented groups can be encouraged and supported to take or use business space, this can attract wider participation as occupants raise awareness through word of mouth. One operator stated that when they opened a workspace elsewhere in London, the occupier mix did not *initially* reflect the diversity of the local community but following targeted community engagement this started to change, and has shifted progressively over time through word of mouth recommendations.
- Operators and businesses did however emphasise the importance of ensuring that space is affordable and tailored to the local context to maximise participation among local people and underrepresented groups. While there was no consensus on what stakeholders defined as 'affordable', there was agreement that lower-cost space typically attracts more local entrepreneurs than market rate space. Consultees noted that East Place Studios is comparatively affordable in WNTN and has a high proportion of local users.
- One operator also stated that space can be directly targeted at underrepresented groups to encourage participation, and that early engagement with local communities at the outset of a project can be used to identify their needs and explore the nature of demand. They referenced one of their spaces in New Cross as part of this, which is specifically targeted at Black/African/Caribbean/British people which, in this context, has involved providing cellular units for those running health and beauty business targets at customers within their ethnic group (e.g. wig making, hair dressing, nails, eyelashes etc).

*Continued overleaf...*





# Equalities, Diversity and Inclusion Lens: Perspectives from Operators, Businesses and Community Groups

- Once workspaces are up and running stakeholders also agreed that it can be helpful for operators to run programmes that support entrepreneurs from underrepresented groups to succeed, and to encourage participation from diverse groups. Two initiatives from PlusX that align with this include:
  - **Trailblazing for Change:** Trailblazing for Change is a movement born at Plus X that aims to empower underrepresented groups in business. Plus X supports women and marginalised genders from different backgrounds outside of their workspace and in local communities by providing them with free access to their workshop facilities, education programmes and mentors.
  - **The Girl's Network:** Working alongside the Girls' Network, Plus X also support young girls who are growing up without any entrepreneurial opportunities. They host Ambassador events, run Entrepreneurial Mindset workshops in local secondary schools, provide tours of their 'Fablab', and engage young girls in their workshop facilities.
- Where programmes and support is provided, businesses and operators highlighted the importance of being cognisant of their timing and format as this can influence their inclusivity. One operator noted that, following feedback from their tenants, they now make sure that their activities finish before school pick up time, are shorter, can be accessed both online and offline, and include access to 1:1 follow ups for those that are unable to attend or need further clarification.
- Stakeholders also emphasised the importance of ensuring business space is accessible for those with physical disabilities to ensure it is as inclusive as possible. In line with the design guidance provided later in the report, they noted that this is comparatively straightforward in new builds, where access to the right expert advice is available, but is more challenging when activating old buildings or opening meanwhile space. In the latter case, particularly where space is provided at a low cost for local people, funding support from the public sector has been useful to make space as inclusive as possible.
- While it was not discussed by all stakeholders, one businessowner also noted that the physical attributes of WNTH can influence how welcoming a business space is to some groups. This individual stated that spaces that were in safe, clean and secure environments within easy reach of public transport were attractive to most groups, and that there are parts of WNTH that do not fit this criteria (including the Commercial Area). They also noted that the design, fit out and 'feel' of a space can influence how welcoming they feel.





# 4G: How much business space is in the pipeline in WNTH?

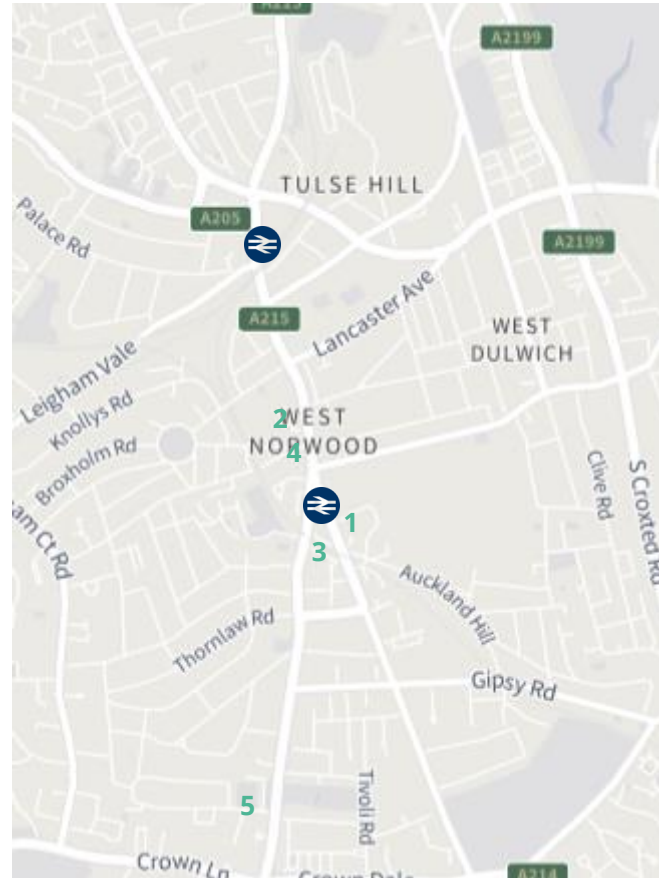


This sub-section provides an overview of business space that is expected to come forward in WNTH based on planning data. Detail is included about the nature, floorspace, status, use class and ownership of each to provide an understanding of the future local business space landscape. This information has been used to inform recommendations about the nature and distribution of future business space as set out later in this report.



# Local Drivers: Business Space Pipeline

There are a small number of market-led schemes in the planning pipeline that will provide new commercial space across WNTD. The table overleaf provide a overview of most of these schemes using detail from LBL's *Commercial Development Pipeline Report 2020/21*, which captures planning permissions that have been completed or are under construction, unimplemented or approved. A list of sites that are in the pipeline are set out below alongside their current and future uses. In total these specific developments will deliver a net gain of **322 sqm** of workspace, **272 sqm** of office space and **111 sqm** of storage and distribution space.



## Business Space Pipeline

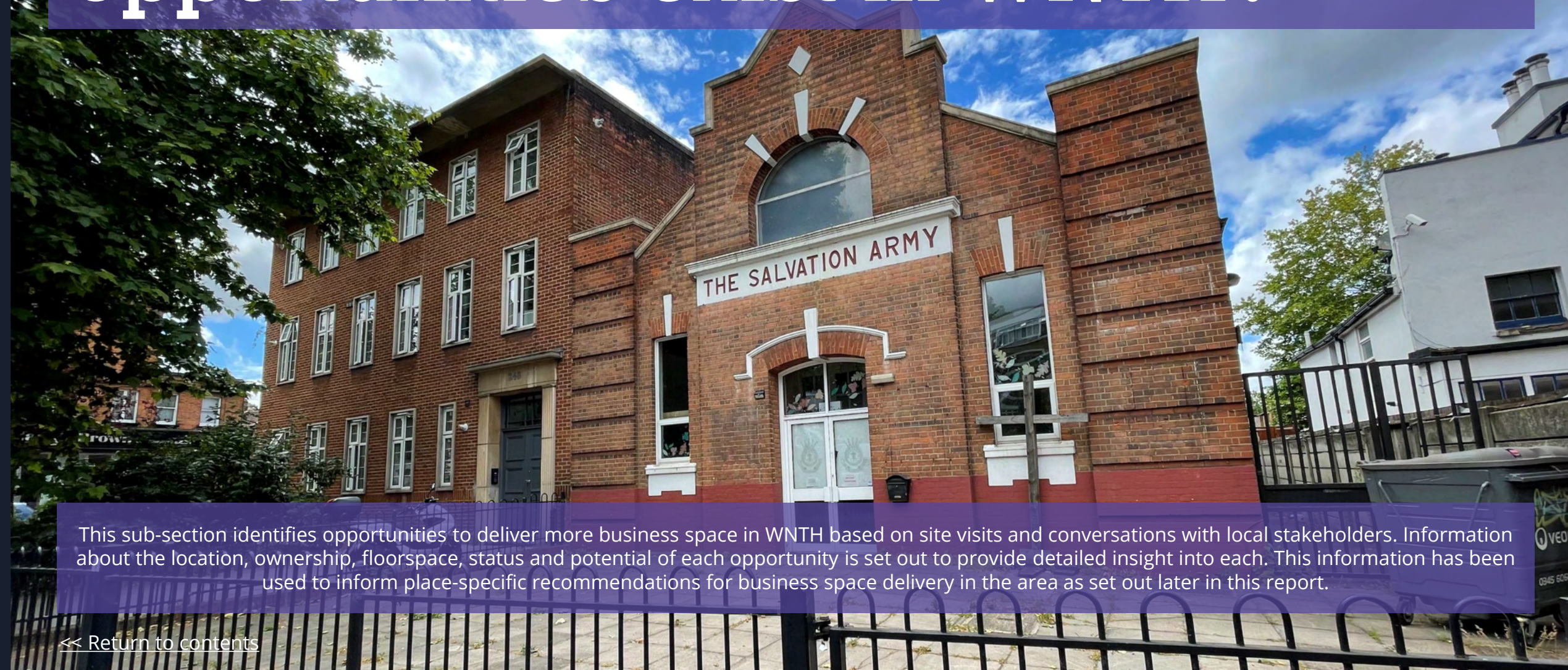
- 1. 2A Norwood High Street** – Former caretakers accommodation. Potential net gain of 71 sqm via conversion to workspace (within District Centre).
- 2. 6 Lansdowne Hill** – A former commercial laundry facility with outbuildings. Potential net gain of 251 sqm of workspace as part of proposed mixed-use scheme (within Site 18: Draft Site Allocations DPD).
- 3. 4 Beadman Street** – Emmaus furniture charity store with associated warehouse. Proposed net gain of 60 sqm of office space by building new floor on top of existing building (within KIBA: West Norwood Commercial Area).
- 4. Rear Of 300-302 Norwood Road London** – Site comprises of Class B1/B2/Sui Generis mix of car-related uses. Proposed conversion to storage and distribution with associated expansion would deliver a net increase of 111 sqm of storage and distribution space (within Site 18: Draft Site Allocations DPD).
- 5. Rear Of 260 Knight's Hill** – Site was previously a plot of land used as a car repair and body work garage. The site was cleared in 2020 except for one 41.7sqm building along the northern property boundary. The proposed mixed-use scheme should deliver a net gain of +212 sqm of office space.

## Local Drivers: Business Space Change

Site	Key Relevant Local Policies	Description	Ownership	New Use Class	Net Employment Floorspace Change (sqm)	Current Status
1. 2A Norwood High Street SE27 9NS	West Norwood and Tulse Hill District Centre.	Change of use of former caretakers accommodation to provide 2 managed workspaces with shared kitchen and toilet facilities.	The Mayor Aldermaen and Burgesses of the London Borough of Lambeth	B2	+71	Unimplemented at the end of 2020/21
2. 6 Lansdowne Hill SE27 0AR	Site 18: Draft Site Allocations DPD.	Demolition of the existing buildings and erection of a part 6 and part 7 storey building to provide 51 residential flats (Class C3) with amenity space at 5th floor level, and erection of a separate 4 storey office building (Class B1(a)).	Metropolitan Housing Trust Limited	C3, B1 (a)	+251	Unimplemented at the end of 2020/21
3. 4 Beadman Street SE27 0DN	KIBA: West Norwood Commercial Area.	Erection of a single storey first floor extension to create 60sqm of office space ancillary to the warehouse.	Emmamus South Lambeth Community	B8	+60	Unimplemented at the end of 2020/21
4. Rear Of 300-302 Norwood Road London SE27 9AF	Site 18: Draft Site Allocations DPD.	Change of use from sui generis (Use Class B1/B2) to storage and distribution (Use Class B8).	Provenance Pub Ltd	B8	+111	Unimplemented at the end of 2020/21
5. Rear Of 260 Knight's Hill London SE27 0QA	N/A	<p>Erection of 2 x 3-storey terraces with roof top amenity space to provide 8 dwellinghouses and erection of a detached 2-storey building with basement to provide 130sqm of office (Use Class B1(a)) and a self-contained flat at first floor (Use Class C3), together with the provision of car parking spaces, cycle parking, refuse storage and landscaping.</p> <p>This application is a DEPARTURE APPLICATION: The proposed development is a departure from Policy E4 and Policy E7 of the London Plan 2021.</p>	Namsa One Limited	C3	+212	Permission granted in 2020/21



# 4H: What other business space opportunities exist in WNTH?

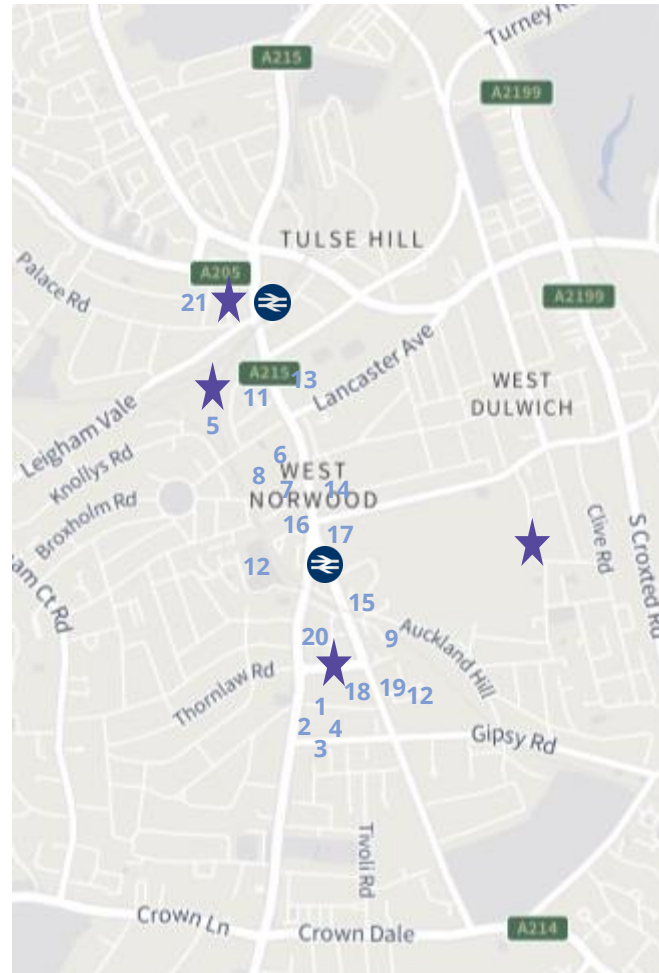


This sub-section identifies opportunities to deliver more business space in WNTH based on site visits and conversations with local stakeholders. Information about the location, ownership, floorspace, status and potential of each opportunity is set out to provide detailed insight into each. This information has been used to inform place-specific recommendations for business space delivery in the area as set out later in this report.



# Local Drivers: Business Space Opportunity Sites

There are a significant number of opportunity sites for business space across WNTN. These range from large-scale clean sites awaiting development (e.g. Knollys Yard and Chapel Road/Knights Hill) and meanwhile opportunities (e.g. Bainbridge Studio's site) to re-development opportunities (e.g. 382 Norwood Road) and re-activation projects (e.g. Carlew House). Some of these are likely to be brought forward by the market, and therefore can be shaped by LBL through the planning system, whereas others will require direct intervention to help bring them forward and/or deliver ideal outcomes. A high level overview of these sites is provided below with more detail, including their policy position, provided later in this chapter.



KIBA

## Opportunity Sites:

- Weaver Walk:** Commercial unit, formerly used as a church, recently sold to industrial investor at auction (within West Norwood Commercial Area KIBA).
- Chapel Road/Knights Hill:** Large cleared site part of the West Norwood Commercial Area KIBA with potential for significant development for KIBA compliant industrial uses (within West Norwood Commercial Area KIBA).
- NMC House:** Former Norwood Mailing Co Ltd sorting office that lies vacant adjacent to Chapel Road/Knights Hill site and vacant units on Weaver Walk (within West Norwood Commercial Area KIBA).
- 19-21 Chapel Road:** Empty office block on the corner of Weaver Walk that was previously used by professional type businesses (within West Norwood Commercial Area KIBA).
- Knollys Yard:** Underutilised industrial site that provides opportunity for industrial intensification alongside residential in accordance with its Local Plan designation and draft site allocation policy (within Knollys Yard KIBA and Site 19: Draft Site Allocations DPD).
- Site 18:** Large town centre site allocated in the Lambeth Local Plan to provide around 400 homes and 5,000-7,000 sqm of commercial/community floorspace, as well as renewed town centre frontage, improved public realm and urban greening (within District Centre designation and Site 18: Draft Site Allocations DPD).
- Behind Texaco:** Three garages owned by LBL within Site 18, three of which are empty and could be activated on a meanwhile basis before development comes forward (within District Centre designation and Site 18: Draft Site Allocations DPD).
- Bainbridge Studios:** Former studios within Site 18 that could be activated alongside the Waylett Place Car Park on a meanwhile basis before development comes forward (within District Centre designation and Site 18: Draft Site Allocations DPD).
- ACME (Carlew House):** Former ACME studios that has recently been bought by an investor (within West Norwood Commercial Area KIBA).
- Salvation Army:** Currently unused and underutilised Salvation Army building (within District Centre designation).
- Leisure Centre:** High quality leisure centre with underutilised office and treatment space.
- Access Self Storage:** Self storage operator that incorporates a workspace offer at some of its other sites across London
- Co-op:** Neighbourhood supermarket with no development above it and low-quality and underutilised commercial space behind it (within District Centre designation).
- Pilgrim Hill Arches:** Low quality railway arches currently used for lower-value activities such as storage and motor repair.
- 382 Norwood Road:** Row of five one-storey shops in town centre that could be intensified to provide valuable business space (within District Centre designation).
- 543 Norwood Road:** Vacant former Barclays bank that is currently available to let (within Town Centre designation).
- No 82 Norwood High Street:** Former night club being considered for conversion into a workspace by landlord and a workspace operator (within Creative Business Cluster designation).
- Windsor Grove/Norwood High Street:** A cleared site on the corner of Windsor Grove that is under single ownership. This site is not within the KIBA but falls within the Creative Business Cluster (within Creative Business Cluster designation).
- Knights Hill Square:** Underutilised asset owned by LBL currently leased to UK Power Networks as part of the neighbouring sub-station (within West Norwood Commercial Area KIBA).
- Tulse Hill Methodist Church:** Underutilised and low density church of 1950s construction with surrounding ground level car parks and shops.



# Local Drivers: Business Space Opportunity Sites

Site	Description	Most Recent Ownership	Floorspace/ Area	Value	Status	Notable Planning Policies	Potential
<b>1. Weaver Walk</b>	Commercial unit, most recently used as a church, recently sold at auction to industrial investor. Address is: Unit D Weaver Walk, SE27 OTT.	Allied Properties (London) Ltd.	16,667 sq ft (estimated floorspace).	£363/SF (asking price).	Recently sold at auction to general light industrial landowner.	Policy ED3: West Norwood Commercial Area KIBA.	<ul style="list-style-type: none"> <li>Independently refurbish for 'conventional' light industrial or creative studio type space.</li> <li>Incorporate into a larger industrial-led scheme with neighbouring sites (#1, #2, #3, #4).</li> </ul>
<b>2. Chapel Road/Knights Hill</b>	Large 'clean' site with potential for significant development. Address is: Chapel Road, SE27 OSP.	Private Owner.	36,258 sqft (estimated area).	N/A.	Recently leased to ALDI who are exploring options for supermarket.	Policy ED3: West Norwood Commercial Area KIBA.	<ul style="list-style-type: none"> <li>Independently develop site for 'conventional' industrial space and/or game changing creative production type space.</li> <li>Incorporate into a larger industrial-led scheme with neighbouring sites (#1, #2, #3, #4).</li> </ul>
<b>3. NMC House</b>	Former Norwood Mailing Co Ltd sorting office that lies vacant adjacent to Chapel Road/Knights Hill site and vacant units on Weaver Walk. Address is: NMC House, Chapel Road, SE27 OTY.	Private Owner.	10,561 sqft (estimated floorspace).	N/A.	Unknown.	Policy ED3: West Norwood Commercial Area KIBA.	<ul style="list-style-type: none"> <li>Activate as a low-cost meanwhile use for artists, makers and creatives.</li> <li>Incorporate into a larger industrial-led scheme with neighbouring sites (#1, #2, #3, #4).</li> </ul>
<b>4. 19-21 Chapel Road</b>	Empty office block on the corner of Weaver Walk that was previously used by professional businesses. Address is: 19-21 Chapel Road, Norwood, London SE27 OTY.	Cornerstone Telecommunications Infrastructure Limited; On Tower UK Limited.	9,551 sqft (estimated floorspace).	£31.37/SF (asking rent).	Currently on the market for a ten year lease.	Policy ED3: West Norwood Commercial Area KIBA.	<ul style="list-style-type: none"> <li>Activate as a low-cost meanwhile use for artists, makers and creatives.</li> <li>Incorporate into a larger industrial-led scheme with neighbouring sites (#1, #2, #3, #4).</li> </ul>
<b>5. Knollys Yard</b>	Underutilised site that provides opportunity for industrial intensification alongside residential in accordance with its Local Plan designation and draft site allocation policy. Address is: Norwood, London SW2 3JH.	N/A.	273,008 sqft (estimated area).	N/A.	Plans currently being developed by Ecoworld who are in the process of consulting with the local community. Emerging draft site allocations DPD in process.	Policy ED3: Knollys Yard KIBA.  Site 19: Draft Site Allocations DPD.	<ul style="list-style-type: none"> <li>The site presents a significant opportunity for local regeneration to provide new, high quality light industrial space appropriate for businesses in key Lambeth growth sectors such as the creative, digital and low carbon industries. This will add to the existing and growing clusters in these sectors elsewhere in West Norwood and provide for a significant uplift in local jobs and employment opportunities.</li> </ul>

# Local Drivers: Business Space Opportunity Sites

Site	Description	Most Recent Ownership	Floorspace/ Area	Value	Status	Notable Planning Policies	Potential
<b>6. Site 18</b>	Large town centre site that is (a) allocated in the draft <i>Lambeth Site Allocations Development Plan Document Regulation 18 Consultation Draft (January 2022)</i> , (b) within the District Centre, and (c) partially within the Primary Shopping Area. Early work from LBL shows that it has the potential to provide around 400 homes and 5,000-7,000 sqm of commercial/community floorspace, as well as renewed town centre frontage, improved public realm and urban greening. Address is: 286-362 Norwood Road.	Various, some sites owned by LBL.	1.9 ha (estimated area).	N/A.	LBL undertaking feasibility studies and considering approach to land acquisition. Private owners preparing and selling land.	Site 18: Draft Site Allocations DPD  Policy PN7 West Norwood and Tulse Hill	<ul style="list-style-type: none"> <li>This key town centre site provides significant opportunity for sustainable, mixed use redevelopment to include new housing and affordable housing, flexible workspace, and shops and food and drink uses that contribute to the renewal of the shopping frontage on Norwood Road, helping to contribute to the 'fifteenminute neighbourhood' this area provides for local people.</li> </ul>
<b>7. Behind Texaco</b>	Three garages owned by LBL as part of Site 18, two of which are empty and could be activated on a meanwhile basis before development comes forward. Accessed via 15 York Road, SE27 0BU.	LBL.	7,456 sqft (estimated floorspace).	£22.18/ SF.	Two are currently vacant and unused.	As above.	<ul style="list-style-type: none"> <li>Re-activate on a temporary basis as meanwhile uses for local industrial businesses.</li> <li>Incorporate into Site 18 as part of longer-term regeneration.</li> </ul>
<b>8. Bainbridge Studios</b>	Former studios that have been razed to the ground that could be activated alongside the Waylett Place Car Park on a meanwhile basis. Part of the Site 18 development. Address is: 1 Sydenham place, Lansdowne Hill, London SE27 0AR.	Leyton Clubs Ltd.	7,233 sqft (estimated area).	N/A.	For sale for commercial development by KALMARS.	As above.	<ul style="list-style-type: none"> <li>Clear site and re-active on a temporary basis as meanwhile uses for creative businesses (e.g. creative studios).</li> <li>Incorporate into Site 18 as part of longer-term regeneration.</li> </ul>
<b>9. Carlew House</b>	Former ACME studios. Address is: 21 East Place, London SE27 9JW.	Crosstree.	6,757 sqft (floorspace).	£20.00/ SF (asking rent).	Available for lease via Union Street Partners.	Policy ED3: West Norwood Commercial Area KIBA	<ul style="list-style-type: none"> <li>Re-activation and refurbishment for artists studios and/or makerspace, or flexible kitchen space.</li> <li>Incorporate into larger employment scheme with other properties on East Place.</li> </ul>
<b>11. Salvation Army</b>	Currently unused and vacant Salvation Army building on the High Street. Address is: 246 Norwood Rd, London SE27 9AW.	The Salvation Army International Trust.	3,318 sqft (estimated floorspace).	N/A.	Unknown	Policy PN7 West Norwood and Tulse Hill.	<ul style="list-style-type: none"> <li>Re-activation and refurbishment for creative and community type uses.</li> </ul>

Sources: Avison Young, Station to Station, London Borough of Lambeth, Nimbus, Co-Star, Rightmove, Google Maps



# Local Drivers: Business Space Opportunity Sites

Site	Description	Most Recent Ownership	Floorspace/ Area	Value	Status	Notable Planning Policies	Potential
<b>12. Leisure and Health Centre</b>	High quality leisure centre with underutilised office and treatment space. Address is: 25 Devane Way, London SE27 0DF.	NHS Property Services Limited.	70,520 sqft (total estimated floorspace).	N/A.	Leisure and health centre in operation but some office and treatment space is unused.	Policy PN7 West Norwood and Tulse Hill.	<ul style="list-style-type: none"> <li>Activation of office and treatment space targeted at health and wellbeing focused businesses and services that support local residents and workers.</li> </ul>
<b>13. Access Self Storage</b>	Self storage operator that incorporates some small business units to let. Address is: 443 Norwood Rd, London SE27 9DQ.	Access Self Storage Limited.	42,056 sqft (estimated floorspace).	N/A.	Some business units are currently available to let.	Policy PN7 West Norwood and Tulse Hill.	<ul style="list-style-type: none"> <li>Opportunity to provide more business space through re-configuration, intensification and/or extensions.</li> </ul>
<b>14. Co-Op</b>	Neighbourhood supermarket with no development above it and low-quality and underutilised commercial space behind it. Address is: 539-541, Norwood Rd, London SE27 9DL.	Thornmead Securities Limited; Co-operative Foodstores Limited; London Power Networks Plc.	6,644 sqft (estimated floorspace).	£34.52/ SF.	Co-op is in operation. Status of space behind it is unknown.	Policy PN7 West Norwood and Tulse Hill.	<ul style="list-style-type: none"> <li>Re-activation and refurbishment of existing space for co-working and managed office type uses.</li> </ul>
<b>15. Pilgrim Hill Arches</b>	Low quality railway arches currently used for lower-value activities such as storage and motor repair. Various addressed.	The Arch Co.	N/A.	£12/SF (asking rent for Arch 1B).	Several are currently occupied but some units are available to let.	Policy PN7 West Norwood and Tulse Hill.	<ul style="list-style-type: none"> <li>High quality refurbishment to provide space for higher-value creative production activities.</li> </ul>
<b>16. 382 Norwood Road</b>	Row of five one-storey shops in town centre that could be intensified to provide valuable business space (RSPCA, Salon 382, A Yeatman & Sons Funeral Directors and O Girasol Café).	Private owners, including 382N Ltd.	2,955 sqft (estimated floorspace).	£34.52/ SF.	Retail units are currently occupied.	Policy PN7 West Norwood and Tulse Hill.	<ul style="list-style-type: none"> <li>Re-development incorporating high street uses at ground floor and office-type business space upstairs.</li> <li>Re-development incorporating work-sell units at ground floor and residential units upstairs.</li> </ul>

Sources: Avison Young, Station to Station, London Borough of Lambeth, Nimbus, Co-Star, Rightmove, Google Maps

# Local Drivers: Business Space Opportunity Sites

Site	Description	Most Recent Ownership	Floorspace/ Area	Value	Status	Notable Planning Policies	Potential
<b>17. 543 Norwood Road</b>	Vacant former Barclays bank that is currently available to let.	Universal Estate Limited.	2,869 sqft (floorspace).	£22.65/ SF (asking rent).	Available to let via Stapleton Long.	Policy PN7 West Norwood and Tulse Hill.	<ul style="list-style-type: none"> <li>Refurbishment and re-activation as a neighbourhood co-working space and/or alternative high street concept (e.g. independent concession).</li> </ul>
<b>18. No 82 Norwood High Street</b>	Former night club being considered for conversion into a workspace by landlord a workspace operator.	Southern Properties (Norwood) Limited.	3,443 sqft (estimated floorspace).	N/A.	Meanwhile Space in discussions to purchase building from the asset owner.	Policy PN7 West Norwood and Tulse Hill (Creative Business Cluster).	<ul style="list-style-type: none"> <li>Refurbishment and re-activation as a creative workspace and/or maker space catering to both 'clean' and 'messy' creative production activity.</li> <li>Potential for inclusion of some live-work space if policy compliant.</li> </ul>
<b>19. Windsor Grove/Norwood High Street</b>	A 'clean' site on the corner of Windsor Grove that is under single ownership. Address is: 90 Windsor Grove, London SE27 9LX.	Private owner.	4,247 sqft (estimated area).	N/A.	Unknown. There has been a planning application submitted for development but has been rejected.	Policy PN7 West Norwood and Tulse Hill (Creative Business Cluster).	<ul style="list-style-type: none"> <li>Incorporation of makerspace and/or creative studios with some live work space as part of a mixed-used but employment-led scheme.</li> </ul>
<b>20. Knights Hill Square</b>	Empty asset owned by LBL currently leased to UK Power Networks as part of the neighbouring sub-station. Address is: 55 Knights Hill Square, London, SE27 0HP.	UK Power Network (leasehold) and LBL (freehold).	3,350 sq ft (estimated floorspace).	N/A.	Leasehold for wider site currently held by UK Power Network but this asset is currently unutilised.	Policy ED3: West Norwood Commercial Area KIBA.	<ul style="list-style-type: none"> <li>Re-development and intensification to provide more conventional light industrial space.</li> </ul>

Sources: Avison Young, Station to Station, London Borough of Lambeth, Nimbus, Co-Star, Rightmove, Google Maps



## Focus On: Site 18 (286-362 Norwood Road)

LBL's draft *Site Allocations Development Plan Document Regulation 18 Consultation Draft (January 2022)*\* identifies the plots surrounding 286-362 ("Site 18") as a major development opportunity in WNTH as the figure to the right highlights. Business space is considered as an important part of the future land use mix.

This is captured in the vision for the site:

"This key town centre site provides significant opportunity for sustainable, mixed-use redevelopment to include new housing and affordable housing, flexible workspace, and shops and food and drink uses that contribute to the renewal of the shopping frontage on Norwood Road, helping to contribute to the 'fifteen minute neighbourhood' this area provides for local people".

The role of business space in achieving this vision is set out in the land use strategy:

"The site has potential for comprehensive, mixed-use development, but given the multiple land ownerships it is likely to come forward in phases. Each phase of development should contribute to and help deliver the overall vision for the site as a whole. Proposals for any part of the site should not compromise or restrict delivery of the overall vision. The site as a whole has potential to accommodate approximately 390 to 470 self-contained residential units (gross) and 5,000 sqm to 7,000 sqm GIA of commercial/community floorspace".

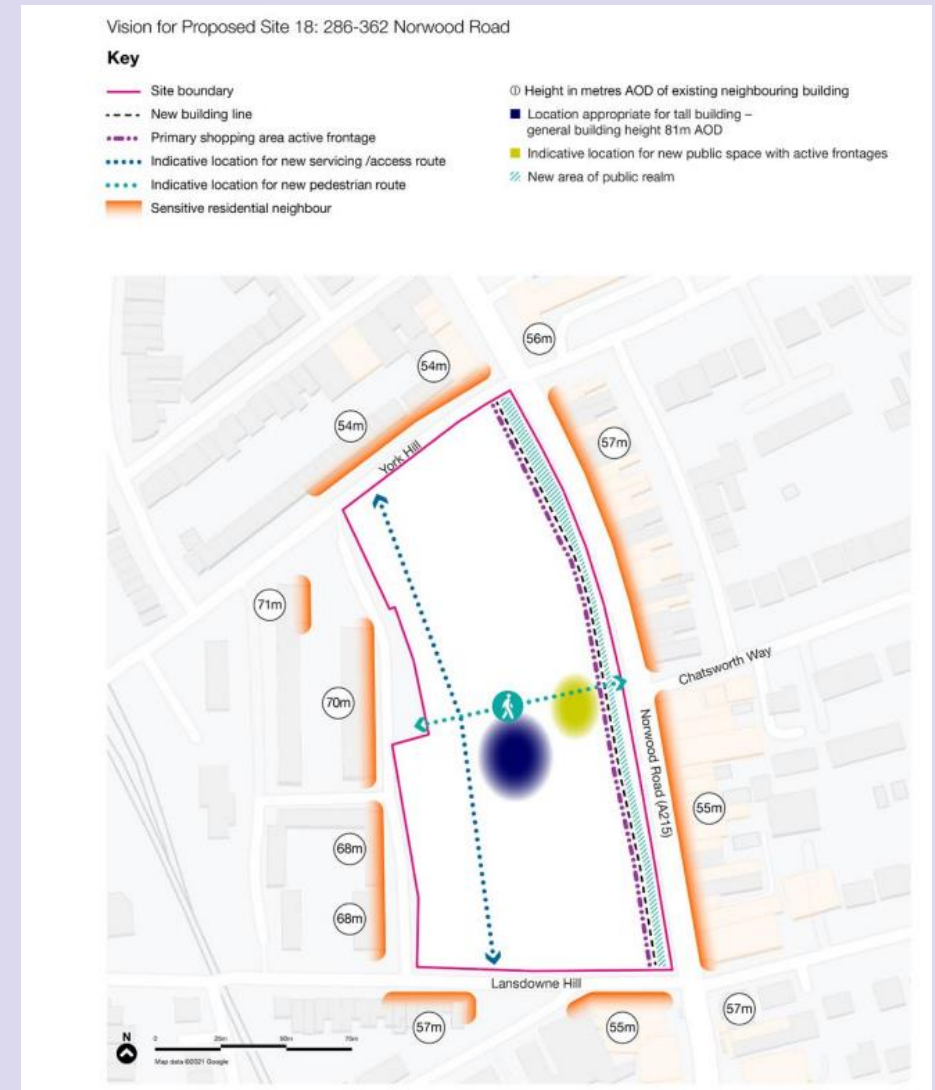
It goes further by identifying a clear opportunity for flexible workspace for creative businesses:

"A mix of unit sizes and types should be provided along Norwood Road. Uses will be restricted through conditions to ensure at least 50 per cent of units are in shop use within the primary shopping area, alongside other town centre and community uses that diversify and activate the high street. Space provided behind the Norwood Road frontage can be fully flexible within Class E and could include some space within Classes F1 or F2 if the uses are appropriate to the town centre location. There is a particular opportunity to provide flexible workspace for creative businesses, to enhance the growing cluster in West Norwood and Tulse Hill".

It also states that development should look to provide local employment opportunities:

"Development should maximise local employment opportunities and help address skills deficits in the local population. This is to be achieved through meeting the requirements of Local Plan Policy ED15, including agreement of an Employment and Skills Plan".

This proposed policy aligns with the findings of this study, though it is recommended later in this report that live-work type units and creative studios could also be suitable for this area based on its locational characteristics and local demand.



Source: London Borough of Lambeth, Draft *Site Allocations Development Plan Document Regulation 18 Consultation Draft (January 2022)*

\*LBL is currently considering responses to the Reg 18 consultation and has not yet decided the content of the next iteration of the document. Once it has been updated it will need to undergo pre-submission publication and then examination by an independent planning inspector before it can be adopted.

# Focus On: Site 19 (Knollys Yard)

LBL's *Draft Site Allocations Development Plan Document Regulation 18 Consultation Draft (January 2022)*\* also identifies Knollys Yard as a major development opportunity in WNTN as the figure to the right highlights.

Business space is at the forefront of the vision for this site given its status as a KIBA:

"The site presents a significant opportunity for local regeneration to provide new, high quality light industrial space appropriate for businesses in key Lambeth growth sectors such as the creative, digital and low carbon industries. This will add to the existing and growing clusters in these sectors elsewhere in West Norwood and provide for a significant uplift in local jobs and employment opportunities".

Unlike the other KIBA's in WNTN the vision also sets out that other uses can be co-located with business space in this area, providing access is enhanced:

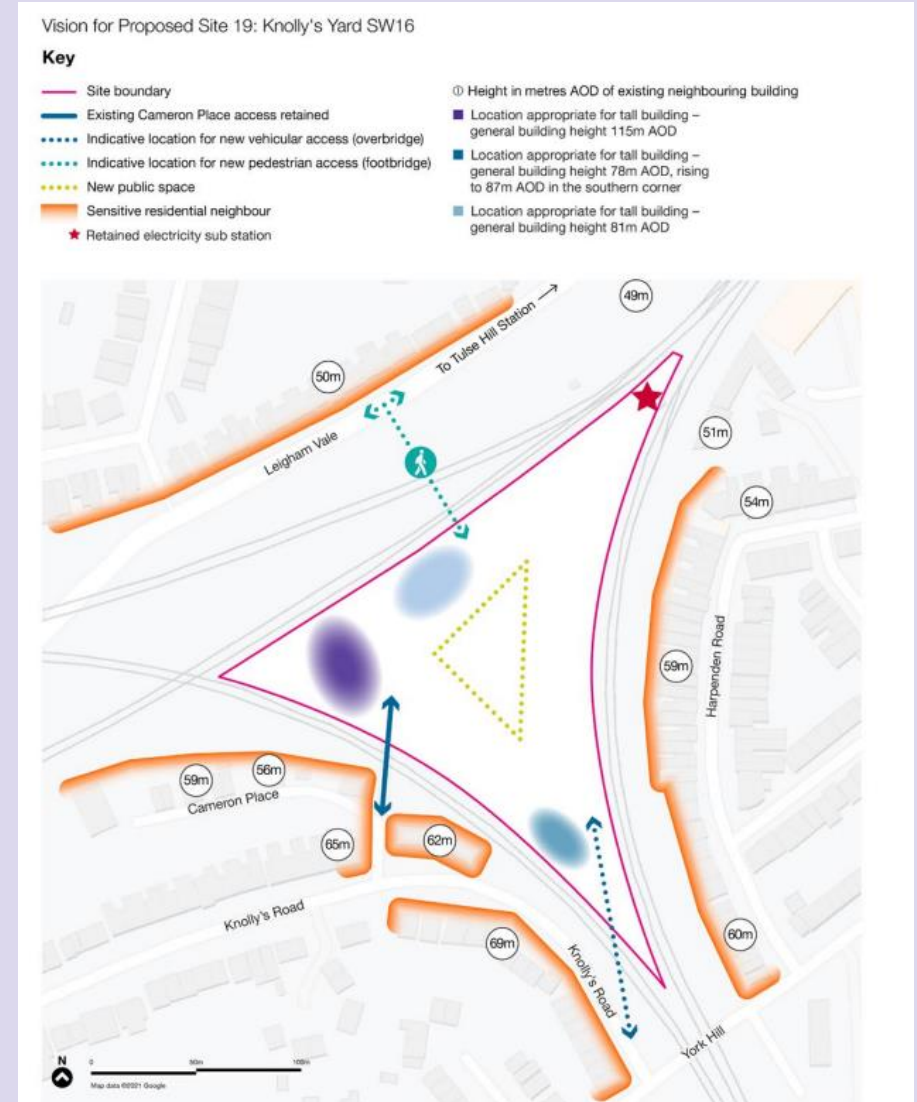
"In addition, the site can accommodate new housing and affordable housing close to existing residential neighbourhoods and near to West Norwood/Tulse Hill town centre. Improved pedestrian and cycle access to the town centre and new and inclusive areas of public realm will be essential to successful placemaking and improved connectivity, shortening journey times to the station for existing residents and promoting sustainable transport".

If access is enhanced it is likely that town centre businesses will benefit from new residents and workers.

Further detail on the role of business space in achieving this vision is set out in the land use strategy:

"This site is a Key Industrial and Business Area with potential for industrial intensification and co-location with other uses, particularly residential. Industrial intensification can be achieved through provision of high quality light industrial workspace, which in this part of the borough is particularly suited to businesses in the creative and digital and/or low carbon clean technology sectors. Space should be designed to be flexible to accommodate a range of types and size of business. At least 1,500 sqm GIA of light industrial floorspace should be provided, based on a robust demonstration that this meets identified needs and is designed accordingly. In addition, the site has potential to accommodate approximately 400 to 430 self-contained residential units. The site is not appropriate for main town centre uses".

This proposed policy aligns with the findings of this study and later in this document it is recommended that the area is suitable for business space that caters for 'lighter', higher-value, innovative and 'cleaner' small-scale production businesses that undertake a wide range of activities such as digital fabrication; product design; prototyping; robotics; small-scale manufacturing; electronics; woodworking; industrial design; light engineering; crafts; making; fashion; science; health; renewable prototyping; urban growing. It presents a unique opportunity to seed new economic activity that helps diversify and increase the value of WNTN's local economy.



Source: London Borough of Lambeth, *Draft Site Allocations Development Plan Document Regulation 18 Consultation Draft (January 2022)*

\*LBL is currently considering responses to the Reg 18 consultation and has not yet decided the content of the next iteration of the document. One it has been updated it will need to undergo pre-submission publication and then examination by an independent planning inspector before it can be adopted.



# 5: Design Drivers



This chapter uses information presented in preceding chapters to identify sectors and business space typologies to prioritise in WNTH. This is accompanied by design guidance for a series of scenarios that are relevant to WNTH to inform future decisions and planning applications related to workspace delivery locally. This guidance responds to and directly links to the priority sectors and business space typologies identified.



# Design Drivers: Priority Sectors and Workspace Typologies

There are limited resources and opportunities to deliver new business space in WNTH. Priority sectors have therefore been identified to guide decision-making locally, as set out in the table below. Focusing on these sectors should help ensure that business space opportunities create positive impact, respond to local demand and align with wider policy objectives. These sectors have been prioritised based on the analysis set out earlier in this report and LBL’s wider economic ambitions. Avison Young’s Grow, Retain and Attract prioritisation framework has also been used:

- **Grow:** Fast growing sectors that have some local presence but could become more prominent and drive future economic growth;
- **Retain:** Sectors that are embedded in the area, generally with larger employment bases, that should be retained due to their local importance; and,
- **Attract:** Sectors that could deliver significant economic and social value but do not currently have a large presence locally and/or are not yet specialised.

The sectors set out below are accompanied by examples of more granular businesses activities associated with them, and the business space typologies that cater to their needs. Design guidance that ties into these sectors and typologies is also provided on subsequent pages. This guidance relates to specific site-based ‘scenarios’ that could come forward in WNTH based on the opportunity sites identified. The guidance provided should support LBL and partner shape planning applications and influence propositions to deliver optimum outcomes for businesses and the local economy, particularly in relation to these priority sectors.

	Grow	Retain	Attract
Broad Priority Sectors	Creative & Digital Production ('Clean' and 'Messy'); Food Production; Transport & Storage; Professional, Scientific & Technical Services	General Manufacturing; Chemical Production; Health & Wellbeing	Low Carbon; Information & Communication; Construction
Example Associated Activities	Architecture; television production; ceramics; publishing; sign making; set design; arts; craft; photography fashion design; graphic design; food and beverage manufacture; freight; logistics; removals; storage; law; accounting; consulting; scientific research; advertising	Manufacture of electrical products, paints, cleaning products, chemicals; physiotherapy; osteopathy; chiropody; mental health; support; general practitioners; medical testing; medical diagnostics; sports, leisure, childcare	Building technologies; alternative fuels; waste management; biomass; waste water treatment; energy management; data processing; data hosting; web portals; software publishing; newspapers; publishing; telecommunications; fabrication
Relevant Typologies	Conventional industrial space, conventional light industrial space, serviced office space, creative studio space, makerspace, co-working space and shared kitchens.		





# Design Drivers: Conventional Industrial

## Arrangement:

- This typology consists of a set of industrial spaces often sharing a yard or having self contained ones. The interior space can take advantage of double height space to accommodate mezzanine floors for administrative office and other support activities.
- External doors from ground floor units directly open onto the service yard or onto the street

## Floor-to-ceiling heights:

- Larger units up to 2-3 storeys in height (approx 6m-9m floor to ceiling height).
- Potential to accommodate a mix of smaller units (approx 3m-4.5m floor to ceiling height) to accommodate a greater mix of uses and maximise activation of the street - especially important if located on the edge of an industrial estate.

## Access:

- Serviced via a primary access road which leads onto a shared yard and parking area (limited car parking shared by smaller units with dedicated light goods vehicle (LGV) parking for larger units).
- If lorry access (HGV) is required, with loading bays, considerable impact on size of service yard due to turning circles etc.
- A goods lift can be added for access to upper floor units if viable.

## Amenity and communal spaces:

- All units self-contained with WCs etc.
- Consider shared access to amenities including kitchen/printing/bookable meeting spaces, if appropriate.

## Acoustics:

- Noise - limited noise restrictions required due to lack of residential provision.

## Fit-Out:

- Exposed services and non structural partition walls to support changeable layout and large scope of unit sizes so tenants can grow with ease.
- Interior finishes - Consider exposed low cost material such as durable floor, exposed ceiling with surface fixed M&E, washable surfaces and heavy duty finishes to communal areas.

## Services:

- Power - 3-phase power supply allowing for multiple uses.
- Water/drainage - connection spur and pop-ups, with tenant fit-out.
- Gas - connection spur with tenant fit-out, if required.
- Large units, tenant fit-out of all services.
- Heating and ventilation could be considered for medium sized units. This is a higher specification than may be required, therefore could add unnecessarily service charge / maintenance costs.
- All services metered.

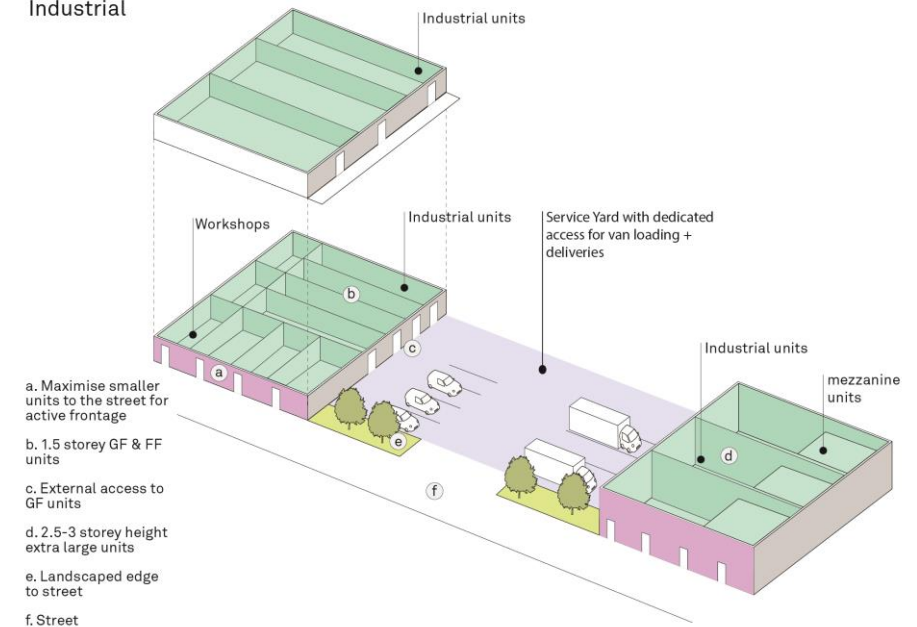
## Structures:

- Floor loading appropriate for industrial use.
- Wide spans suit a steel frame construction, also allowing for higher levels of adaptability.
- Minimise corridors. 5m wide corridors to allow 2 pallet trucks to pass each other.

## Location:

- Edge or within industrial estate.

## Industrial



## Unit mix/uses:

- E(g)(ii) Research and development of products or processes; E(g)(iii) Industrial processes; B2 General industrial; B8 Storage or distribution

## Relevant use typologies:

- Conventional industrial, conventional light industrial, makerspace, manufacturing, flexible kitchens.

## Relevant priority sectors:

- Food Production eg food and beverage manufacture.
- Transport & Storage eg last mile delivery, logistics; removals; storage.
- General Manufacturing eg electrical products.
- Chemical Production eg paints.
- Construction eg fabrication.
- Low Carbon eg waste management.

# Design Drivers: Conventional Light Industrial

## Arrangement:

- This typology consists of a street facing block with light industrial spaces often sharing a service yard.
- Mix of larger units on ground floor with smaller workshops on ground and upper floors to accommodate a range of workspace typologies.
- Smaller units to the street to maximise street activation.
- External doors from ground floor units directly open onto service yard or onto the street.

## Floor-to-ceiling heights:

- Larger units 1.5 to 2 storey height to the GF (approx 4.5-6m), with smaller and upper floors 1-1.5 storey height (approx 3-4.5m).
- The example shown has a block of double height large units (approx 6m) which are accessible from the service yard. This allows 2 storeys of smaller units (approx 3m) to be accommodated within the same height, along the street facing side.
- An additional top floor of smaller units is added over each block. This maximises the number of units and uses whilst minimising the massing to any neighbouring residential or confined streets.
- The larger units can accommodate a mezzanine.

## Access:

- Serviced via a primary access road which leads onto a shared yard and parking area (limited parking shared by smaller units with dedicated van & small lorry parking for larger units).
- A goods lift can be added for access to upper floor units if viable.

## Amenity and communal spaces:

- Consider shared access to amenities including

kitchen/printing/bookable meeting spaces and breakout / multipurpose events space for all tenants

- Smaller units share wcs, larger could be self-contained.

## Acoustics:

- Noise - limited noise restrictions required due to lack of residential provision.

## Fit-Out:

- Exposed services and non structural partition walls to support changeable layout and large scope of unit sizes so tenants can grow with ease.
- Interior finishes - Consider exposed low cost material such as durable floor, exposed ceiling with surface fixed M&E; washable surfaces and heavy duty finishes to communal areas.

## Services:

- Power - 3-phase power supply allowing for multiple uses.
- Water/drainage - could include connection spur and pop-ups, with tenant fit-out if required.
- Gas - presume only to larger units, if required.
- Larger units could be tenant fit-out of all services.
- Heating and ventilation could be considered for small - medium sized units. This is a higher specification than may be required, therefore could add unnecessarily service charge / maintenance costs.
- All services metered.

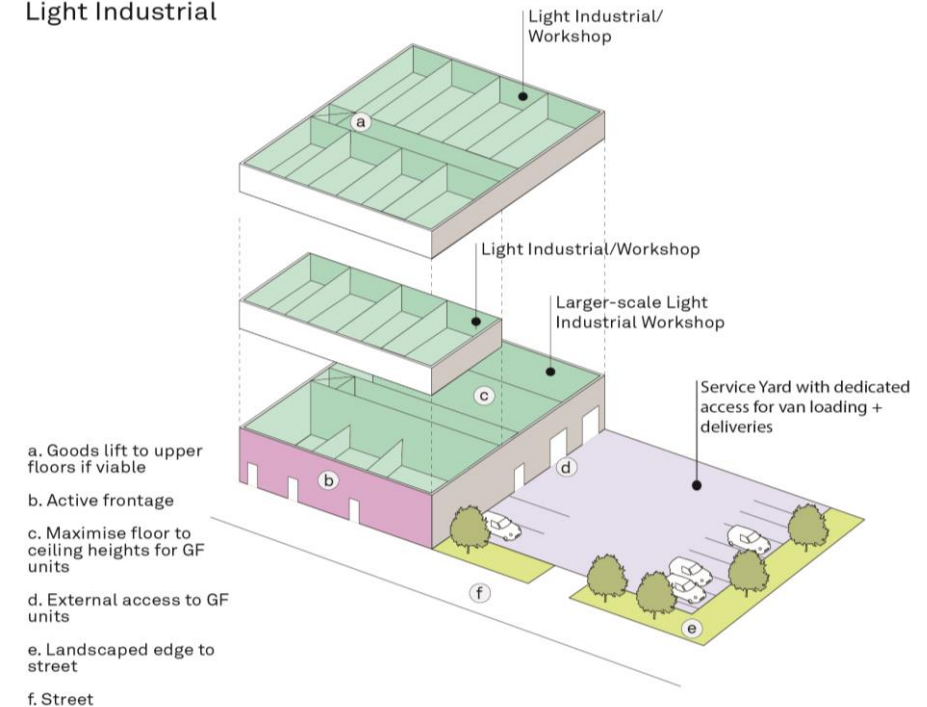
## Structure:

- Floor loading appropriate for light industrial use
- Wide spans suit a steel frame construction, also allowing for higher levels of adaptability.

## Location:

- Within or edge of industrial estate.

## Light Industrial



## Use Class:

- E(g)(ii) Research and development of products or processes; E(g)(iii) Industrial processes.

## Relevant Use Typologies:

- Conventional light industrial, creative studios, makerspace, shared manufacturing, flexible kitchens etc.

## Relevant priority sectors:

- Creative & Digital Production ('Clean' and 'Messy') eg sign making, graphic design.
- Food Production eg food and beverage manufacture.
- Transport & Storage eg storage.
- General Manufacturing/Construction eg fabrication.
- Low Carbon eg upcycling.



# Design Drivers: Light Industrial with Residential Above/Live-Work

## Arrangement:

- This typology looks at the possibility of redeveloping small workspace sites/properties to incorporate residential above with improved light industrial/workshop/studio space below. With the potential to include Live-Work.
- To incorporate residential a high quality of living environment must be maintained for residents. Ideally, this includes having private outdoor space, and minimal exposure to 'bad neighbour' effects such as emissions, noise, dust, odours and vibrations.
- High level of separation between workspace units and residential flats is needed, providing outdoor residents amenity space by stepping up the rear of the workspace to continue the green space up onto the roof.
- The configuration should also maximise the number of street frontages and aim to animate the ground floor. Smaller units should therefore be located at the ends of blocks to take advantage of the corners, and larger units, which have generally less street activity or need for street-level frontage, can be positioned at the centre of the plan.
- Potential to have an element of live-work or 'tethered' live-work, where (affordable) employment space units and housing units are developed within one project, available through linked lease arrangements.

## Floor-to-ceiling heights:

- Whilst taller floor to ceiling heights, such as 1.5 to 2 storey, would increase the range of potential uses of the ground floor workspaces, this could result in undesirable massing to the residential blocks, and a narrow and confined feel of the street.

- The shown example, incorporates a 1-1.5 storey height (approx 3-4m) to the front of the units, and 1.5-2 storey height (approx 4.5-6m) to the rear - offering required head height to the yard and desirable ground floor scale to the street. The step in the section, accommodates a shared amenity space for the upper floors.

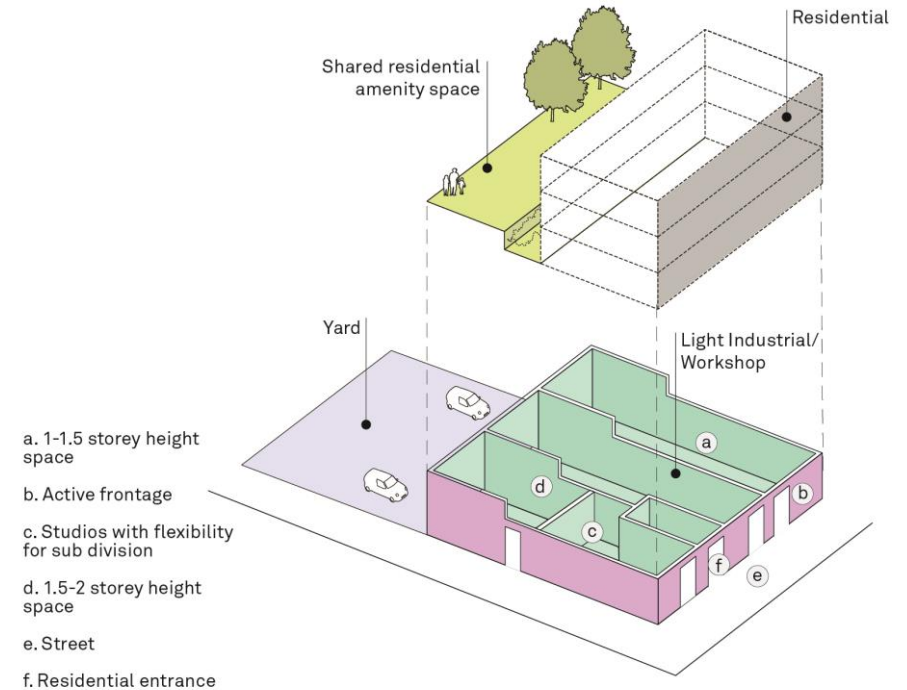
## Access:

- To maintain the quality of residential streets, servicing and delivery access would preferably be separated, such as to the rear or within the workspaces. In the example shown, via a rear service road/yard.
- As the servicing is less direct and smaller in provision compared to the other models, this is less suitable to businesses requiring extensive deliveries, loading etc, and is generally more restrictive in the types of suitable occupants.
- The larger units are planned to allow both access to the street and the service area.
- Upper floor residential units can be accessed by efficient service cores with passenger lifts and accessed from a central corridor.

## Amenity and communal spaces:

- Businesses, especially smaller, independent firms, benefit both socially and commercially from interacting with other businesses, for example, creating opportunities for mutual support and working together. Shared spaces could maximise this potential. This does not necessarily require additional internal space, for example, service access areas could be strategically designed to become attractive communal areas.

## Light Industrial, Residential above



## Residential Amenity:

- To maintain a good quality living environment, tactics for separating residential properties from the visual and acoustic impacts of the workspaces should be utilised, from the construction specification to the strategic location of residents' external space. For example, setting back residential blocks and using the roofs of the workspaces to create terraces and garden, or building external space over service areas, both maintain resident amenities and create the desired separation. Also, there can be lease agreements that control noise, dust, odours and vibrations from the workspaces.

# Design Drivers: Light Industrial with Residential Above/Live-Work

## Acoustics:

- Residential units should take into account specification appropriate acoustics for dealing with ambient noise eg attenuated ventilation system.
- Co-ordination of openable residential windows not onto working yards or delivery entrances are a consideration for businesses likely to operate out-of-hours delivery, and noise related activity.

## Fit-Out:

- Basic to CAT A+ fit out based on operator/tenant input.
- Interior finishes - consider exposed low cost material such as durable floor, exposed ceiling with surface fixed M&E, washable.

## Services:

- For small units, it is recommended that small power and any utilities outlets are installed based on tenant/operator input.
- Upper floors are set back to achieve natural ventilation along site boundary.
- Waste and storage - independent access for business waste removal.

## Structures:

- To accommodate changing demand, dividing walls for workspace should be non-structural and the units configured to allow for contraction and expansion through the sub-division and combining of units.

## Location:

- Edge of industrial estate.

## Unit Mix/ Uses:

- Residential.
- E(g)(ii) Research and development of products or processes.
- E(g)(iii) Industrial processes.

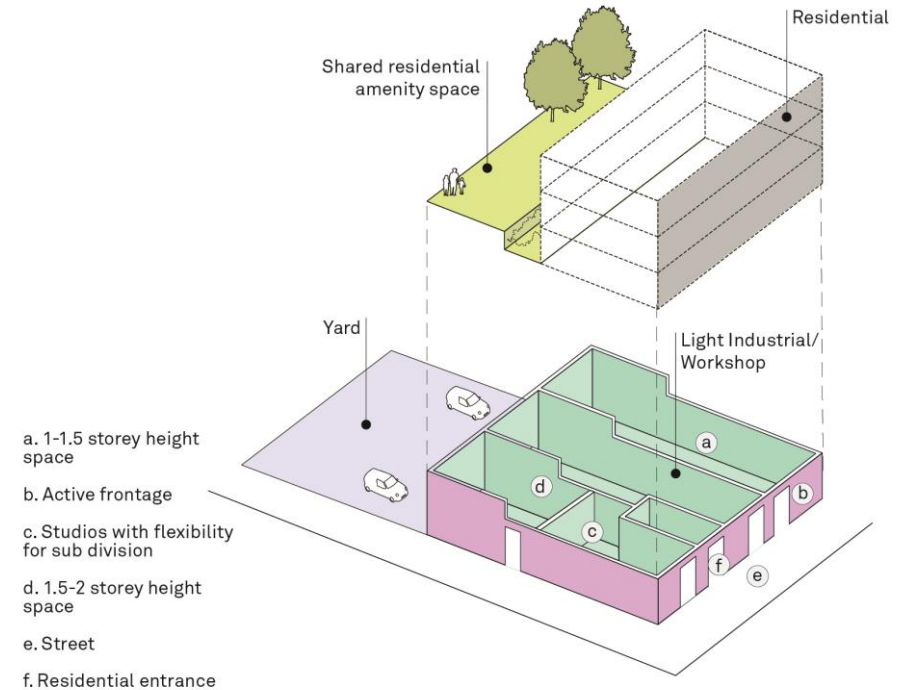
## Relevant Use Typologies:

- Makerspace, creative studios (including Live Work), ancillary gallery/sale space.

## Relevant priority sectors:

- Creative & Digital Production ('Clean' and 'Messy') eg artist studios.
- Food Production eg small bakery.
- Professional eg Lawyer.
- Health & Wellbeing eg physiotherapist.
- Information & Communication eg publisher.

## Light Industrial, Residential above





# Design Drivers: Mixed-Use High Street Unit

## Arrangement:

- The utilisation of the ground floor of residential blocks as workspace allows the accommodation of a range of B Class Uses that preserve a desirable mix of uses within a small scale, fine-grained urban context.
- Crucially, the model can respond to projections of growth in demand for small scale, flexible spaces.
- Typically, office or retail use in proximity to residential has been the generally accepted pairing. However, mixed use may also include certain light industrial uses, and should be seen as an opportunity to animate ground floors.
- The illustrated example of a high street mixed-use typology offers the possibility of combining a high quality residential street with a rear serviced road (mews yard) and high street retail units - thus enabling a wide range of business types.
- The configuration should maximise the number of street frontages and aim to animate the ground floor. Smaller units should therefore be located at the ends of blocks to take advantage of the corners, and larger units, which have generally less street activity or need for street-level frontage, can be positioned at the centre of the plan.
- To incorporate residential a high quality of living environment must be maintained for residents. Ideally, this includes having private outdoor space, visually pleasing and safe streetscapes, and minimal exposure to 'bad neighbour' effects such as emissions, noise, dust, odors and vibrations. Residents also benefit from an active streetscape, with ground floors that generate footfall, act as passive surveillance and contribute to a positive perception of safety and desirability, while

potentially providing everyday amenities.

- High level of separation between workspace units and residential flats, providing successful outdoor residents amenity space by stepping up the rear of the workspace to continue the green space up onto the roof.

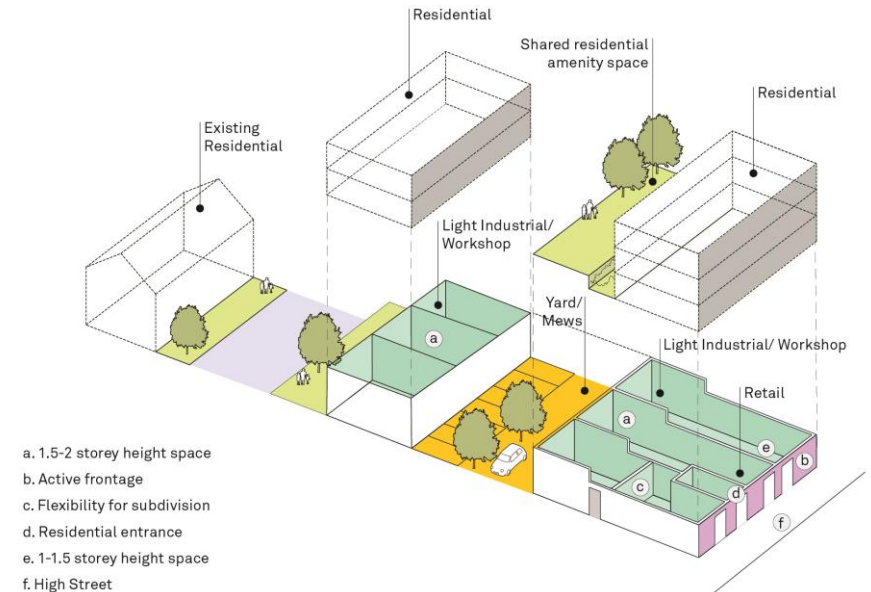
## Floor-to-ceiling heights:

- Whilst taller floor to ceiling heights, such as 1.5 to 2 storey, would increase the range of potential uses of the ground floor workspaces, this could result in undesirable massing to the residential blocks, and a narrow and confined feel of the street.
- The shown example, incorporates
  - High street units: 1-1.5 storey height (approx 3-4m) to the front of the units, and 1.5-2 storey height (approx 4.5-6m) to the rear - offering required head height to the yard and desirable ground floor scale to the street. The step in the section, accommodates a shared amenity space for the upper floors.
  - Rear units: 1.5-2 storey height (approx 4.5-6m). The rear block has lower massing to take into consideration neighbouring residential block.

## Access:

- Good servicing is crucial: this means having adequate access for loading, deliveries and parking, and minimal constraints on operations. Presume accommodating a Light Goods Vehicle, however, assume the setting would preclude uses that regularly require larger access.
- To maintain the quality of residential streets, servicing and delivery access would preferably be separated. This mews yard model is serviced by a road between the enterprise spaces, allowing deliveries and parking off the surrounding residential streets.
- The front high street units are planned to allow access to street and yard.

## Mixed-Use High Street



- Residents access is separated, as directly off the high street/ residential street with efficient service cores and passenger lifts.

## Amenity and communal spaces:

- Businesses, especially smaller, independent firms, benefit both socially and commercially from interacting with other businesses, for example, creating opportunities for mutual support and working together. Shared spaces could maximise this potential. This does not necessarily require additional internal space, for example, service access areas could be strategically designed to become attractive communal areas.
- In this example, there is potential to utilise the block's roof and add balconies for residential outdoor amenity space. Additional outdoor space and separation from the workspaces could be achieved by stepping back the residential block or building over the mews to create gardens.

# Design Drivers: Mixed-Use High Street Unit

## Acoustics:

- Residential units should take into account specification appropriate for dealing with ambient noise eg attenuated ventilation system.
- Co-ordination of openable residential windows not onto working yards or delivery entrances are a consideration for businesses likely to operate out-of-hours delivery, and noise related activity.

## Fit-Out:

- Basic to CAT A+ fit out based on operator/tenant input.
- Interior finishes - consider exposed low cost durable material such as durable floor, exposed ceiling with surface fixed M&E, washable.

## Services:

- For small units, it is recommended that small power and any utilities outlets are installed based on tenant/operator input.
- Upper floors are set back to achieve natural ventilation along site boundary.
- Waste and storage - independent access for business waste removal.

## Structures:

- To accommodate changing demand, dividing walls for workspace should be non-structural and the units configured to allow for contraction and expansion through the sub-division and combining of units.
- Adaptable unit sizes makes for a more flexible neighbourhood able to accommodate retail, GPs, dentists, nurseries and a range of small businesses.

## Location:

- Back of High Street.

## Unit Mix/ Uses:

- E(a-f) Commercial, Business and Service; sui generis
- E(g)(i) Offices to carry out any operational or administrative functions
- E(g)(iii) Industrial processes

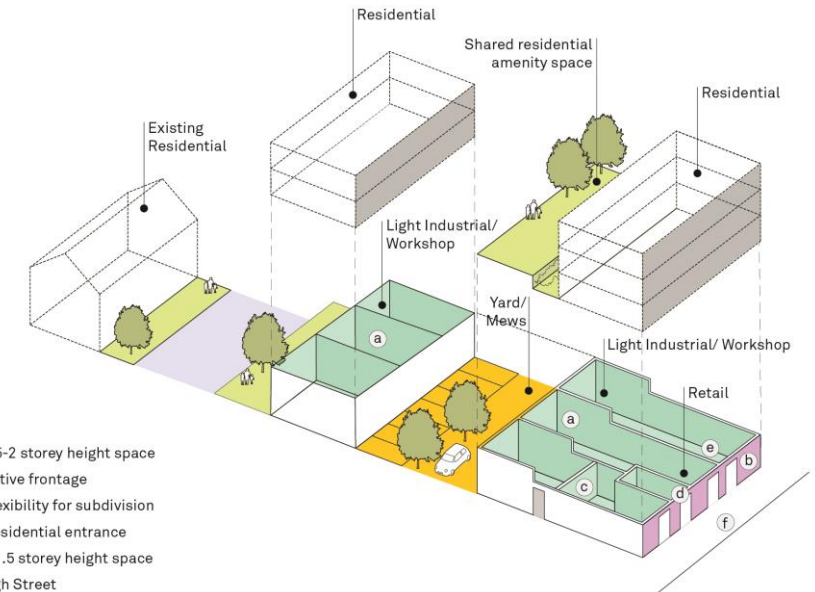
## Relevant Use Typologies:

- Conventional light industrial, retail, office, makerspace, incubator/accelerators, co working, creative studios.

## Relevant priority sectors:

- Creative & Digital Production ('Clean' and 'Messy') eg architect, graphic designer.
- Food Production eg café.
- Professional eg Lawyer.
- Health & Wellbeing eg GP.
- Information & Communication eg publisher.
- Plus Retail – shop.

## Mixed-Use High Street





# Design Drivers: High Street Units With Commercial Above

## Arrangement:

- This typology consists of a typical high street unit with retail and other street facing uses on the ground floor with commercial uses accommodated on the floors above, such as managed workspace (office), co-working, meeting space, creative studios.
- Potential of a shared garden/ yard that can be used for a range of activities that add value to the retail and commercial units - cafe seating, production space, planting, storage, delivery drop-off.

## Floor-to-ceiling heights:

- 1 storey floor height to retail and commercial units (approx 3m), neighbouring heights influencing heights and massing.

## Access:

- Shared car and van delivery access along street frontage, with none and limited dedicated parking.
- Commercial space access dependent on tenant and operator arrangement with the GF retail units and subdivision requirements.

## Amenity and communal spaces:

- Shared amenities to the retail units will be model dependent as they could be standalone units or share facilities, eg if retail incubator spaces.
- The commercial spaces would benefit from shared facilities - increasing social interaction and reducing costs. Consider shared access to amenities including printing/bookable meeting spaces and amenity spaces.

## Acoustics:

- Noise - limited noise restrictions if not in direct proximity to residential provision.

- In case of residential to the rear side of units, consider the possibility for the garden/yard to form the transition space and designed to mitigate acoustic issues eg design and size of site boundary.

## Fit-Out:

- Retail: Shell and Core+.
- Commercial: Basic to CAT A+ fit out based on operator/tenant input.

## Services:

- Single-phase power to all units .
- Heating and Ventilation should be considered to all units (potential tenant fit-out for retail).
- Water, and potential gas, to retail units.
- Ventilation - Suitable openings for independent extraction ventilation for retail units to suit industrial kitchens.
- Metered services to retail, potential to be included in service charge for commercial.
- Waste and storage - independent access for waste removal.

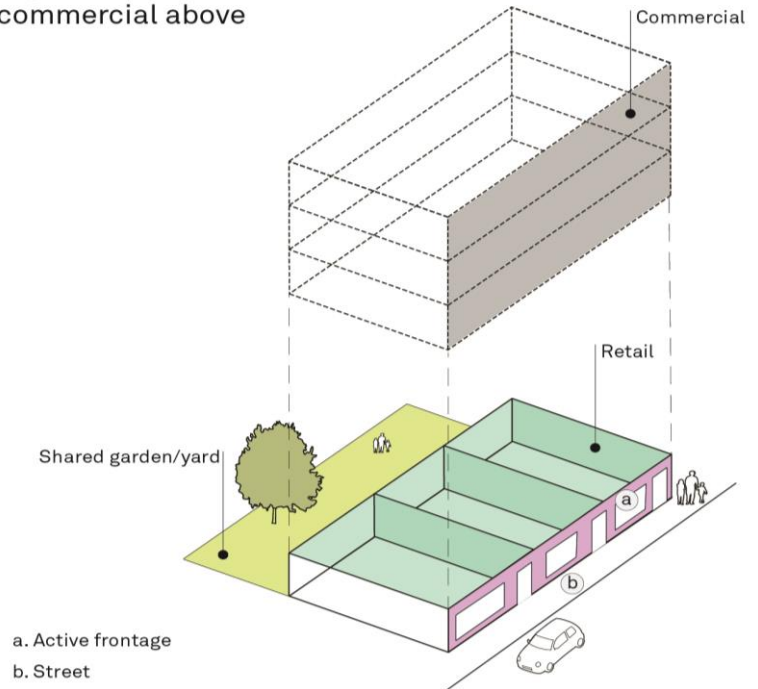
## Structures:

- Fit-Out: CAT A+ fit out based on tenant input; for a small unit it is recommended that small power and any utilities outlets are installed based on tenant /operator input.
- Interior finishes - Consider exposed low cost durable material such as durable floor, exposed ceiling with surface fixed M&E; Washable surfaces and Heavy duty finishes to communal areas to cater to messy kitchen activity.

## Location:

- On the high street.

## High Street Units with commercial above



## Unit Mix/ Uses:

- E, sui generis, F.

## Relevant Use Typologies:

- Retail, Creative studio, makerspace, co working, managed workspace, meeting space, treatment rooms, health and wellbeing.

## Relevant priority sectors:

- Creative & Digital Production ('Clean' and 'Messy') eg photographer.
- Food Production eg café.
- Professional eg Business Advisor.
- Health & Wellbeing eg creche.
- Information & Communication eg software publishing.

# Equalities, Diversity and Inclusion Lens: High-Level Design Considerations

Considering Equality, Diversity and Inclusion is difficult from a design perspective and should, as a rule, be considered on a scheme-by-scheme basis with input from a diverse range of potential end users. At the outset of a project this should involve engaging with local underrepresented-led businesses, those providing goods and services to minority ethnic communities within the business ecosystem, and EDI experts. The outcomes of this engagement should be used to identify and evidence design, operations, leases, programmes etc to support diversity and inclusion.

There are, however, some broad design parameters that can be considered to ensure that business space provision within an area offers space that caters to and is accessible to the smallest types of enterprises (i.e. entrepreneurs and micro-businesses), including individuals that are new to business. These are set out below:

- **Diversity of unit sizes:** Increased sub-division with a mix of large, medium, small and micro units may increase initial build costs; however, provides wider opportunity to support a variety of businesses including start-ups, social enterprises, MSMEs etc.
- **Flexibility of lay outs:** Within both workspace and residential, designing in flexibility for the changing nature and variety of businesses, and living arrangement of residents eg non-load bearing walls.
- **Shared space considerations:** Consider the potential of shared spaces, which may increase construction and operations cost, but unlock wider opportunity especially for start-ups and MSMEs, eg, meeting rooms supporting Business Support and Networks, shared printing and admin services reducing business overheads etc. Potential for efficiencies and mutual support through links between workspaces.

Disability considerations are covered by Building Regulations Part M as a minimum (i.e. accessible toilets, showers, parking, lifts/ramps, visual contrast, corridors/doorway design etc) but the most inclusive spaces will look to improve on building regulations to meet best practices, and will again engage with potential end-users/tenants to make sure accessibility considerations meet their needs. It is important to note that considerations go beyond physical challenges to include wider issues that different individuals might face (e.g. the importance of threshold/entrance design and legibility of spaces to intuitively communicate accessibility to all).

## Inspiration and Learning

### 1. Diversity of unit sizes:

Example: [Lakeside Centre, Bow Arts](#)

These affordable studios of varying size are located right in the heart of Thamesmead's bustling creative centre, situated in an iconic brutalist building against the stunning backdrop of Southmere Lake.

Situated in an iconic brutalist building, the Lakeside Centre's 38 affordable studios range from 12 square metres to 100 square metres. They offer views of Southmere Lake and the area's famous skyline was once the backdrop for films such as A Clockwork Orange and the TV series Misfits. This site offers the exciting opportunity to be actively part of creating a cultural enterprise in the heart of Thamesmead.

### 2. Flexibility of lay outs

Example: [The Foundry, Ethical Property Workspace](#)

The Foundry offers flexible workspace for organisations working in social justice and human rights, as well as an events space and a community learning resource.

The new-build is designed with minimal load-bearing walls and future flexibility was considered through-out the design process. For example, the units can be expanded into larger units or sub-divided further, with the relatively similar and low-costs investment of moving plasterboard walls. The servicing routing was carefully considered to allow these potential future changes. Events, communal and break-out spaces are all designed with multiple uses in mind.

### 3. Shared space considerations

Example: [Central Parade, Meanwhile Space CIC, Walthamstow](#)


This is a temporary and interim re-use of Grade II listed building into a mixed use creative hub, awaiting redevelopment for a new cultural and creative enterprise hub.

Delivered in partnership with the London Borough of Waltham Forest, this grade II listed, former One Stop Shop now provides space to over 20 businesses of different scales and uses, a public bakery/café, incubator retail opportunities for startups and desks for freelancers.

Meanwhile Space has worked to transform the space with extensive refurbishment with a variety of retail; workspace and studio spaces, and a bakery café. Initially opened for two years, it has since been extended for a further 3 years, whilst the long term future of the site is being decided upon.



# 6: Recommendations



This chapter draws on all the information presented in this report to provide a series of overarching and place-specific recommendations for business space in WNTH. Recommendations are provided on a wide range of topics from priority sectors and business space typologies to tactical physical and non-physical interventions that will help attract businesses to re-locate to or set up in the area.



# Overarching Conclusions

This study illustrates that WNTH has an important local economy home to around **1,600** businesses employing **6,000** people. Like most suburban locations the economy is dominated by **foundational service sectors** (e.g. Education and Retail), however the area has unique economic specialisms that differentiate it from other places – examples include production focused sectors like **Manufacturing, Creative Production, Food Production, and Transport & Storage**. Some of these (e.g. Creative Production and Transport & Storage) are identified as economic priorities at the London and national levels.

The area also has several fast-growing or projected growth sectors that present opportunities for the area's future economy. These include **Information & Communication; Scientific, Professional & Technical Activities; Health & Wellbeing; Transport & Storage; Construction;** and, **Chemical Production**. These growing sectors, alongside local specialisms, are expected to drive future business space demand locally. LBL's broader growth sectors also present growth opportunities (i.e. Low Carbon, Life Sciences and Creative).

Owing to this it is recommended that future business space policy and practice **prioritises these sectors**. Focusing on these should help to ensure that business space opportunities create positive impact, respond to local demand and align with wider LBL objectives. Industrial areas also need to continue supporting the Central Activities Zone via a range of important services (e.g. waste management, urban logistics and circular economy).

The analysis also shows that **clusters of economic activity** already exist locally – for example the **Park Hall Trading Estate** has strong concentrations of Information & Communication, Professional, Scientific & Technical, Creative Production, and Manufacturing employment, and the **West Norwood Commercial Area** has a comparatively high quantum of Transport & Storage, Manufacturing and Food Production employment. These areas present opportunities for likeminded businesses to locate close to one another, and, due to this, it is recommended that **place-specific propositions** are agreed to help build and nurture local clusters. Initial propositions for the KIBAs and town centre are set out later in this chapter.

The area is also **well-connected to other clusters** of economic activity (e.g. London Bridge: Life Sciences, Professional Services and Tourism/Leisure; Waterloo/South Bank: Life Sciences, Professional Services, Tourism/Leisure; Brixton: Creative, Cultural, Leisure; and Croydon: Professional Services, Creative, Retail). These present opportunities to shape and curate WNTH's future economy, and have fed into the initial place-specific business space propositions set out later in this chapter.

These economic characteristics illustrate that while WNTH has a valuable local economy, which should be nurtured, there is also an opportunity to support its evolution and diversification. It has the attributes and physical connections to have a local economy characterised by **higher-value and more innovative production-type activities** that generate higher economic output, as well as higher-wage and more secure employment for local residents. This can be supported by developing stronger connections with other high-value clusters, building on higher-value economic specialisms / growth sectors, and ensuring business space is organised in the right way to enable the area to become a more important hub for higher-value production.





# Overarching Conclusions

The study also shows that **demand for business space** catering to the sectors set out on the preceding page is high in WNTH. Evidence gathered from commercial datasets, consultations with agents and discussions with businesses illustrates, for example, that **local industrial and light industrial markets are highly constrained**. Occupancy rates are high, rents have risen and space that comes to market is taken up quickly despite the poor condition of stock. Demand appears to be highest for smaller units catering to micro, small and medium sized businesses.

**Demand also appears to be high for specialist workspace** in the area. WNTH benefits from a range of workspaces, including Parkhall Business Centre (managed workspace), Parade Mews Studios (creative studios), East Place Studios (creative studios), The Portico (creative studios/community space) and Glows (co-working/makerspace), all of which report to be well-occupied with waiting lists. Many are looking to expand to meet high levels of demand, and several have plans in space to do so (e.g. Parkhall Business Centre, East Place Studios and Portico).

Conversations with workspace operators *outside* the area also suggest that **demand is likely to be particularly high for workspace catering to artists, makers and artisan producers** in WNTH given its locational characteristics, price point and reputation for creative activity. Some also noted that demand is likely to be strong for production-friendly maker-types spaces supporting innovative start-up businesses (e.g. in technology, materials, sciences, health and data).

While the area is not a major office location it does have **an important office market** – there are around 17 office units totalling over 76,500 sq ft. Most are located within the Parkhall Business Centre and around Chapel Road, but there are other small units tucked into the industrial estates and above shops on the High Street. **Vacancy rates for this type of space are also low** and rents have increased indicating that there is some demand for office space locally. Analysis of vacant buildings and units suggests that higher-quality stock is in higher demand than ageing stock without a serviced offer.

Due to this, and the priority sectors identified, it is recommended that future business space opportunities focus on: **conventional industrial space, conventional light industrial space, serviced office space, creative studio space, makerspace, co-working space and shared kitchens**. Evidence suggests that messier, industrial-type space is likely to in highest demand as well as space to innovative small scale production activity.

New spaces need to align with and respond to place-specific propositions as set out later in this chapter and the planning policy context identified in the Introduction. It is also important to note that a balance of conventional and specialist workspace is important to ensure that businesses of different sizes and at different stages can access the space they need (from start up space to grow on space). Providing a broad spectrum of spaces is also important to support a diverse economy and to encourage cross fertilisation and supply chain linkages between different types of businesses.

It is also worth noting that WNTH's population and catchment has a demographic and labour market profile that may create demand from people looking to **work close to home** (e.g. in neighbourhood co-working space). The *Making High Street Works* programme presents a clear opportunity to test demand for this locally.



# Overarching Conclusions

## S

### Strengths

1. Important local economy with unique and valuable businesses and sector specialisms
2. Distinct clusters of economic activity that define clear economic geographies
3. Important public transport connections to neighbouring areas and other important economic nodes (e.g. London Bridge, Waterloo, Croydon etc)
4. Collection of locally valued workspaces and commercial premises
5. Attractive amenity, lifestyle and high street offer that has improved in recent years
6. Strong labour market and skills profile that businesses can tap into
7. Carefully considered planning policy that protects/ encourages business space
8. Comparatively affordable housing that is attractive to businessowners and workers

## W

### Weaknesses

1. Static local economy impacts the attractiveness of the area for inward investment
2. Dominance of low-quality commercial stock reduces the appeal of the area to higher-value occupiers
3. Highly constrained commercial property market restricts inward investment, business expansion and churn
4. Low quality physical environment in some commercial areas impacts the attractiveness of the area to some higher-value businesses
5. Recent loss of several high-profile and valued workspace assets catering to local artists and makers
6. Lack of awareness/understanding of area among some commercial operators

## O

### Opportunities

1. Wide range of potential growth sectors that can define a future higher-value and more higher-value and more diverse local economy
2. Significant number of opportunity sites, including some in public ownership, that could be used to deliver more much-needed business space
3. Strong local capital values suggest a positive viability position for new business space delivery
4. Positive demand signals for conventional industrial, light industrial and office space as well as specialist workspace typologies
5. Demographic and labour market profile suggests that demand may be high from people looking to work 'close to home'
6. The introduction of Class E presents opportunities for workspace on the high street

## T

### Threats

1. Competing pressures for land and property threaten existing business space even where protected by policy
2. The introduction of Class E threatens protected industrial areas (the KIBAs) through the introduction of non-industrial, town centre uses in inappropriate locations - this also threatens the town centre by allowing town centre uses outside of the centre boundary
3. Opening of Elizabeth Line may make some competitor areas more attractive for workspace operators and businesses (e.g. Woolwich, Abbey Wood etc)
4. Rising commercial property prices alongside inflation may push some more marginal businesses out of the area
5. High levels of inflation and potential recession may impact viability and interest in the area over short-to-medium term



# Overarching Principles

The conclusions from this report demonstrate that while WNTN has an important local economy, there is scope for it to become an **even stronger and more important business location**. The business space opportunities identified earlier in this document can be progressed to help the **local economy grow**, generate greater **economic output** and **attract a broader range of organisations** to locate in the area.

**There is a clear opportunity to build on the area's local strengths in relation to the production of goods by growing and supporting existing production activity, while at the same time seeking to curate a more innovative and higher-value production economy that delivers greater benefits to the area and its population. The area has the potential to become a key centre of both 'messy' and 'clean' production activity for the borough that supports and complements economic activity undertaken in other nearby economic nodes (e.g. London Bridge, Waterloo, Brixton and Croydon).**

Focusing on WNTN's existing specialisms as well as higher-value production activities will help to **support existing businesses** and **maintain the area's local economic identity**, while also opening up a **broader set of opportunities** for local people to access. The area also has a strong lifestyle offer which can be further enhanced to increase its attractiveness as a place to both live and work, building on principles of the **15 Minute Neighbourhood**.

To realise this opportunity a set of 'principles' have been identified to guide discussions, decisions, policies and planning negotiations related to business space. It is recommended that future commercial interventions should align with these principles to ensure that the area achieves its economic potential.



1. Use business space opportunities to **retain and support existing local economic specialisms** that create economic, social and/or cultural value for the area (see 'Retain' sectors earlier in this chapter).



2. Evolve the business space offer to better cater for **growth sectors** that will help **diversify and increase the value** of the local economy (see 'Attract' and 'Grow' sectors earlier in this chapter).



3. Prioritise the provision of new **conventional industrial space, conventional light industrial space, serviced office space, creative studio space, makerspace, co-working space** and **shared kitchens**. A wide range of typologies will support economic diversification and ensure space is available for businesses of different sizes.



4. Use business space opportunities to **build and enhance existing clusters** of local economic activity.





# Overarching Principles



5. Complement **economic activity in nearby economic nodes** by providing business space for associated supply chain businesses, similar types of businesses and/or back office functions within local economic clusters – for example:

- Space for supply chain businesses that support London Bridge and Waterloo's growing Life Science sectors;
- Space for 'messy' creative production activities that support and serve the Southbank and West End's cultural institutions;
- Space for makers, creators and artists to help accommodate Brixton's rapidly growing creative industries; and,
- Space for health and wellbeing businesses to support health-based activity at Waterloo and London Bridge.



6. Utilise **design guidance** to shape proposals and planning applications for priority business space typologies.



7. Prioritise **in-demand small space** that cater to the needs of the area's flourishing micro and small business base.



8. Encourage developers and operators to bring forward new business space to provide the **highest-quality fit out possible** while also remaining financially viable.



9. Focus on business space opportunities that can offer operators and businesses **secure and long-term tenures**.



10. Seek **financial contributions** to implement wider physical and non-physical interventions that may influence the attractiveness of the area to potential businesses.



11. Use opportunities to **raise awareness** of WNT's strengths and opportunities, particularly to workspace operators and commercial property developers.



12. Consider how future business space opportunities can be **'multi-use' and 'multi-functional'** to support activities that cater to specific demographic groups (e.g. young people, older people, disabled people) and the community more generally.





# Place Specific Propositions

The overarching principles set out on the preceding pages illustrate **'What?'** should happen in relation to business space across WNTH, but are relatively high level and do not provide insights into **'Where?'** or **'How?'**. They are also not tailored to the unique characteristics and economic specialisms of WNTH's different employment areas.

To address this **place-specific propositions** have been developed that could be used to guide future business space provision in different parts of the area. The area has been split into five sub-areas: (1) Knollys Yard, (2) Core District Centre, (3) West Norwood Culture and Heritage Area, (4) West Norwood Commercial Area and Creative Business Cluster, and (5) the Park Hall Trading Estate. A high-level overview of the propositions, and their purpose, is summarised on the right.

These propositions build on existing **local assets** and **economic characteristics**, respond to the nature of **business space opportunities** in each sub-area and align with existing **planning policy** (see Introduction). They provide a clear focus to guide action which should help strengthen each individual sub-area, while also helping the whole area to realise its potential as a key centre of both 'messy' and 'clean' production activity for LBL.

**Deep dives\*** for each sub-area are also provided on subsequent pages - these provide more detail on each proposition by setting out which types of **business activity** should be prioritised and the types of **business space** to focus on, including precedent examples to illustrate the opportunity. These align strongly with the overarching principles previously set out.

The main **opportunity sites** for each area are also identified to illustrate where new business space could be considered. This is accompanied by some high level delivery steer to illustrate the next steps LBL and Station-to-Station could consider to explore them further and potential delivery routes. High level design guidance from Architecture 00 is also provided to influence future local schemes.

## Knollys Yard

**Proposition:** Provide business space that caters for 'lighter', higher-value, innovative and 'cleaner' small-scale production businesses

**Purpose:** To help diversify, increase the value and raise the profile of the local economy

## Core District Centre

**Proposition:** Diversify the town centre through the provision of a range of business space types targeted at local people

**Purpose:** To build the resilience of the town centre and provide much-needed employment space for entrepreneurs

## West Norwood Cultural and Heritage Area

**Proposition:** Reveal, celebrate and strengthen existing creative, cultural, leisure and business assets

**Purpose:** To ensure the area has a well-known and well-functioning amenity offer that serves local residents, workers and businesses, while also making the area more attractive for inward investment and worker relocation

## West Norwood Commercial Area

**Proposition:** In accordance with *Local Plan Policy ED3*, provide space for business, industrial, storage and waste management uses, including green industries and other compatible industrial and commercial uses, that will strengthen and diversify the existing cluster of 'heavier' and 'messier' industrial and production activity.

**Purpose:** To strengthen and build on existing local specialisms while also increasing the value and profile of the local economy

## Creative Business Cluster

**Proposition:** In accordance with *Local Plan Policy PN7*, provide space for creative and digital enterprises to encourage a range of businesses such as makers, artists and designers to the area. This will complement the 'messier' activity on the West Norwood Commercial Area.

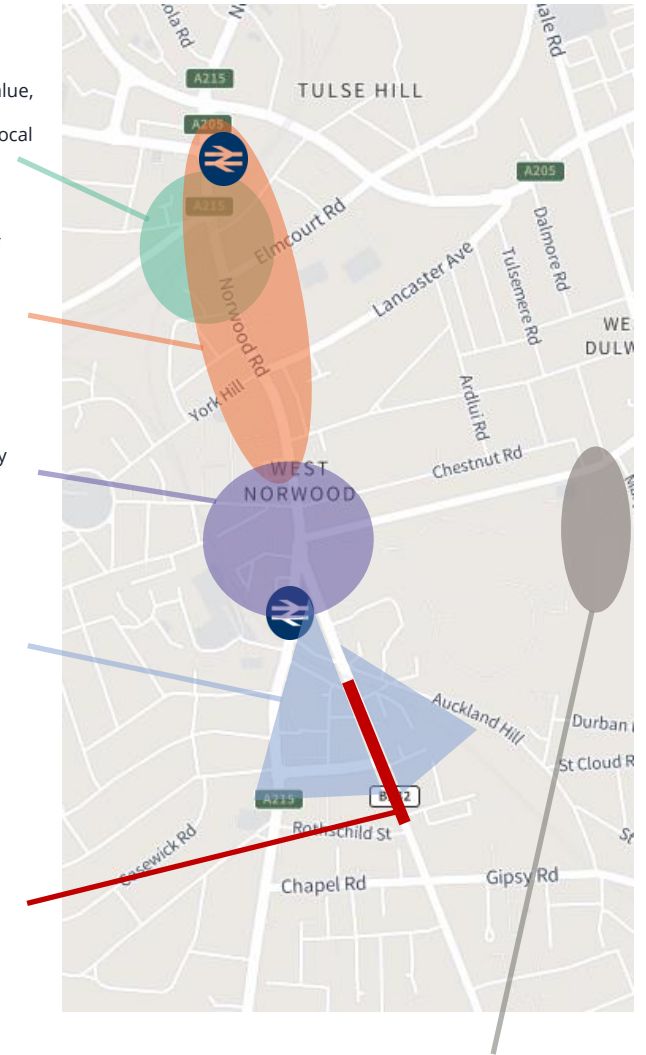
**Purpose:** To strengthen and build on existing local specialisms while also increasing the value and profile of the local economy

## Park Hall Trading Estate

**Proposition:** Continue to offer high-quality workspace that primarily caters for 'clean' creative production while also maintaining some space for 'messier' activities

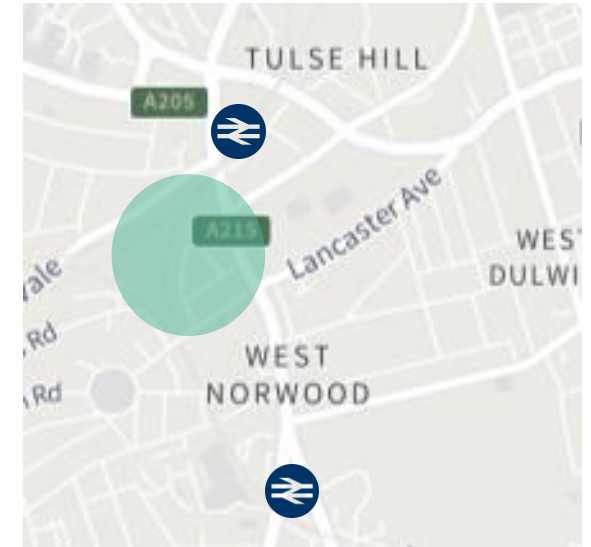
**Purpose:** To build on cluster strengths and ensure the continued presence of higher-value 'clean' production activities in the area

\*: A deep dive on the Park Hall Trading Estate is not provided due to the lack of opportunity sites in the area



# Place Specific Proposition: Knollys Yard

Proposition	Provide business space that caters for 'lighter', higher-value, innovative and 'cleaner' small-scale production businesses
Purpose	To help diversify, increase the value and raise the profile of the local economy while also supporting economic activity in other nearby economic nodes (e.g. London Bridge and Waterloo) through the provision of space to support production and prototyping
Rationale	<ul style="list-style-type: none"> <li>The clear nature of the site means the sub-area presents an opportunity to seed new types of economic activity that complements but diversifies the local economy</li> <li>The proximity of the site to Tulse Hill Station and its connectivity to other economic nodes by public transport means it is well placed to complement creative, scientific, health, low-carbon and professional activity in London Bridge, Waterloo, Croydon and Peckham respectively</li> <li>'Lighter' employment uses are most suitable given that residential uses are expected on site and access is restricted for heavy vehicle movements</li> </ul>
Example activities	Opportunity to focus on what PlusX call 'Combinatorial Innovation' (i.e. bringing a broad range of complementary activities together to support production-based innovation – e.g. digital fabricators, product designers, professionals, small scale manufacturers, industrial designers, scientists and makers)
Relevant typologies	Conventional light industrial; makerspace; incubator/accelerators; creative studios; ancillary spaces
Relevant precedents	<ul style="list-style-type: none"> <li><a href="#">Central Research Lab, Hayes</a>: An innovation space run by Plus X that offers private offices, co-working space and a wide range of maker facilities (electronic workshop, spray booth, PCB room, heavy workshop, photography studio, laser cutting, milling etc) that support high-growth businesses to develop new products and ideas</li> <li><a href="#">Open Cell, Shepherd's Bush</a>: A flexible lab space development in shipping containers that caters to science businesses of different sizes via Start Up (130 sqft), Grow (215 sqft), Scale (335 sqft) and Unicorn Labs (460 sq ft)</li> <li><a href="#">Impact Hub, Kings Cross</a>: An innovation hub that supports entrepreneurs to set up, scale and grow businesses through the provision of space and complementary business support (e.g. mentors, peer groups, expert guidance etc)</li> </ul>
Main opportunities	<ul style="list-style-type: none"> <li>Industrial intensification alongside residential in accordance with its Local Plan designation and emerging site allocation policy</li> </ul>
Delivery considerations	<ul style="list-style-type: none"> <li>Continue to engage closely with the applicant in line with the draft site allocation policy</li> <li>Ensure the master developer has a full understanding of the opportunities for higher-value innovative business space</li> <li>Undertake a soft market testing exercise with workspace operators to shape and add detail to the workspace proposition</li> <li>Actively broker relationships between interested workspace operators and the master developer</li> </ul>
Design considerations	<ul style="list-style-type: none"> <li><b>Limited Access:</b> Pedestrian and cycling access will need to be improved across the rail line to allow workers and residents to access amenities in the town centre</li> <li><b>Communal space/ Public realm:</b> To attract the calibre of new businesses, special attention given to the quality of shared spaces and encourage social interaction.</li> <li><b>Industrial intensification with co-location of light industrial and housing:</b> If mixing residential and light manufacturing/production, special consideration to be given to access, deliveries, acoustics, services, fire risk, floor to ceiling, structural grid (see chapter 5).</li> <li><b>Flexible Lay-out / Future-proofing:</b> Given the innovative nature of digital fabrication, science, health, green tech etc and potential for changing requirements, build in flexibility and future provision into new buildings.</li> </ul>



Central Research Lab, Hayes

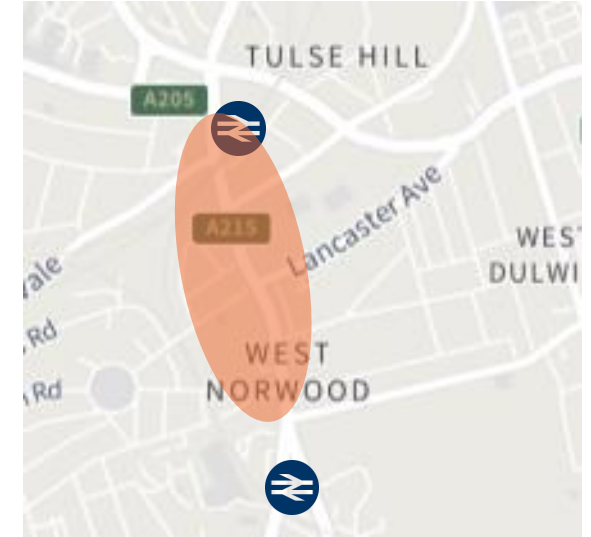


Open Cell, Shepherd's Bush



# Place Specific Proposition: Core District Centre

Proposition	Diversify the town centre through the provision of a wide range of business space types targeted at locals / creative entrepreneurs
Purpose	To build the resilience of the town centre and provide much-needed employment space for people looking to work 'close to home' as well as creative entrepreneurs who have few local options
Example activities	A varied mix of complementary creative and production activities (i.e. arts; crafts; making; fashion; architecture; graphic design; software; programming; web design; advertising; publishing; ICT; data; accounting; law) with an emphasis on 'cleaner' activities
Rationale	<ul style="list-style-type: none"> <li>Town centres are facing a wide range of macro-economic pressures due to changing consumer demand and there is therefore an imperative to diversify WNTH's centre to ensure its continued resilience</li> <li>The area's catchment, labour market and demographic profile indicates that demand for local workspace is likely to be high</li> <li>The wider town centre amenity offer is likely to be attractive to local people when looking at business space options</li> <li>There are a wide range of business site opportunities, most notably Site 18 which could incorporate much needed flexible workspace and live-work space for creatives looking to remain in the area</li> </ul>
Relevant typologies	Creative studios (including Live Work); makerspace; co-working; managed workspace; meeting space
Relevant precedents	<ul style="list-style-type: none"> <li><a href="#">Kaolin Court, Forest Hill</a>: An architecturally-designed and privately-developed live-work scheme that consists of four houses, two live-work duplexes and three apartments set around an attractive courtyard adjacent to a large industrial site</li> <li><a href="#">Oru, Sutton</a>: A forthcoming co-working space in a former BHS store in Sutton Town Centre that will emphasise the importance of health and wellbeing as part of the workplace experience</li> </ul>
Main opportunities	<ul style="list-style-type: none"> <li>Meanwhile activities on the site of former Bainbridge Studios and within LBL-owned garages behind Texaco</li> <li>Mixed-use development on Site 18 incorporating a mix of relevant business space typologies (including Live Work)</li> <li>Mixed-use development of smaller retail blocks such as 382 Norwood Road</li> <li>Activation of underutilised and/or vacant spaces (e.g. Salvation Army and above the Co-Op)</li> </ul>
Delivery considerations	<ul style="list-style-type: none"> <li>Explore potential for meanwhile uses via engagement with landlords and meanwhile workspace operators</li> <li>Consider incorporating meanwhile sites into the <i>Making High Streets Work Programme</i></li> <li>Continue to explore the feasibility, options and delivery mechanisms for Site 18 (including opportunities for direct acquisition) and look to develop a masterplan that responds to the advice set out in this report</li> <li>Undertake high level feasibility studies to investigate the potential of re-developing smaller retail blocks</li> <li>Engage with landowners to explore whether vacant buildings could be incorporated into <i>Making High Streets Work Programme</i></li> </ul>
Design considerations	<ul style="list-style-type: none"> <li><b>Showcase creative, food and manufacturing businesses on the high street:</b> Generally "hidden" behind the high street, their presence and cultural/economic value is not maximised on high street. Opportunity to use vacant high street units as a 'high street gateway' for these back of the high street businesses via pop-up stores, meanwhile incubators and artist gallery etc.</li> <li><b>Mixed-use development and live-Work:</b> New developments mixing residential and workspace - consideration given to access, deliveries, acoustics, services, fire risk, floor to ceiling, structural grid (see chapter 5).</li> <li><b>Two-way facing units:</b> Opportunity of industrial units/yards behind the high street. Maximise the potential and value of two-way facing units incorporating retail unit to high street and production space/external space to the back, eg Parade Mews and Waylett Place.</li> </ul>



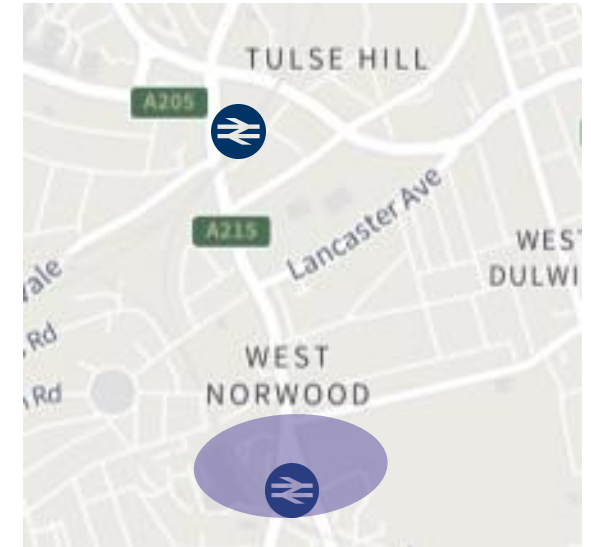
*Kaolin Court, Forest Hill*



*Oru, Sutton*

# Place Specific Proposition: West Norwood Culture and Heritage Area

Proposition	Reveal, celebrate and strengthen existing creative, cultural, leisure and business assets (e.g. West Norwood Picturehouse, West Norwood Library, West Norwood Health & Leisure Centre, The Old Library, Portico Gallery, West Norwood Cemetery)
Purpose	To ensure the area has a well-known and well-functioning amenity offer that serves local residents, workers and businesses
Rationale	<ul style="list-style-type: none"> <li>The sub-area has some of WNTH's most important lifestyle assets and it is important to retain and strengthen these to ensure the area remains attractive for inward investment and workers looking to locate in the area</li> <li>Strengthening and celebrating the offer in this area will be essential in curating and image and brand for WNTH that appeals to businesses in target 'attract' and 'grow' sectors</li> </ul>
Example activities	Cultural consumption (e.g. museums, galleries, libraries, exhibitions, cinemas, shops, theatres etc); creative production (e.g. arts; craft; photography; fashion design; graphic design etc); health; wellbeing; leisure
Relevant typologies	Meeting space; event space; makerspace; creative studios; treatment space
Main opportunities	<ul style="list-style-type: none"> <li>Re-purposing and re-activation of office and treatment space within the Health &amp; Leisure Centre for health and wellbeing-focused activities</li> <li>Activation of and investment in both vacant and occupied railway arches to cater to production-focused businesses</li> <li>Supporting existing creative and cultural anchors to survive, thrive and expand locally</li> </ul>
Delivery considerations	<ul style="list-style-type: none"> <li>Engage with GLL, Lambeth CGG and Guys and St Thomas' to explore opportunities and options to re-purpose and re-activate office and treatment rooms in the Health &amp; Leisure Centre</li> <li>Share details of vacant archways with tenants displaced from recently-closed workspaces and consider how the Council could support fit out and conversion costs</li> <li>Work with the Arch Co to explore how existing arches could be upgraded to enhanced to support production activity</li> <li>Engage with local creative and cultural anchors to understand their challenges and consider how the Council and BID could support them more closely</li> </ul>
Design considerations	<ul style="list-style-type: none"> <li><b>Public Realm:</b> Substantial and successful public realm and street widening investment has already been made in this area. Assess if further improvements are required, eg increase amenities to support local businesses such as seating, planting, pocket parks as well as supporting culture and leisure activities eg outdoor gym, outdoor performance, markets, pop-up events.</li> <li><b>Pedestrian and Cycle routes:</b> Enhance through the area to promote active travel. Also enhances perceptions of the area to potential newcomers.</li> <li><b>Collective Branding:</b> Consider a strong and distinctive WNTH branding that ties together the multiple Culture, Leisure and Heritage Assets</li> <li><b>Wayfinding:</b> Locally distinctive wayfinding that celebrates the riches of the area</li> <li><b>West Norwood Health &amp; Leisure Centre:</b> Consider strategies to better connect this asset to the high street eg signage and public realm interventions, especially important if locating new businesses within the building. Maximise the potential connection between the Centre and park, eg has potential to host event, activities related to local business and culture offer. Programming to encourage more town centre links with the centre, local community and neighbouring school.</li> </ul>



West Norwood Health & Leisure Centre



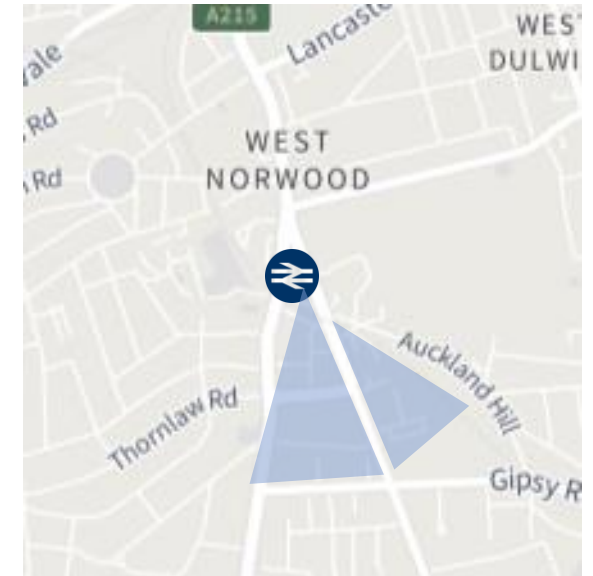
West Norwood Library & Picturehouse



# Place Specific Proposition: West Norwood Commercial Area\*

<b>Proposition</b>	In accordance with Local Plan Policy ED3, provide space for business, industrial, storage and waste management uses, including green industries and other compatible industrial and commercial uses, that will strengthen and diversify the existing cluster of 'heavier' and 'messier' industrial and production activity.
<b>Purpose</b>	To strengthen and build on existing local specialisms while also increasing the value and profile of the local economy
<b>Rationale</b>	The sub-area's industrial economy is integral to the identity of WNTH and this can be built upon through the provision of space for similar types of businesses (including those that serve the Central Activities Zone as part of LBL's Central Service Area designation) and higher-value 'messy' activities that complement existing anchors
<b>Example activities</b>	General manufacturing; light industry (e.g. food production); construction; green economy; alternative fuels; clean energy; transport; logistics; freight; making
<b>Policy ambition</b>	Development should only be for business, industrial, storage and waste management uses, including green industries and other compatible industrial and commercial uses (excluding large scale retail). The intensification of business, light and general industry, storage and distribution uses is encouraged.
<b>Relevant typologies</b>	Conventional industrial; light industrial; creative studios; makerspace; shared manufacturing; flexible kitchen
<b>Relevant precedents</b>	<ul style="list-style-type: none"> <li><a href="#">Industria, Barking</a>: An innovatively designed high-density multi-storey industrial development that will provide 10,000 sqm of industrial space across 45 SME and Flatted Factory units of varying scales all with vehicular access</li> <li><a href="#">Bloqs, Meridian Water</a>: A brand new high-profile makerspace in Meridian Water that provides tools and facilities for those working in woodworking, engineering, fabric, finishing, metal, construction, food preparation and digital</li> </ul>
<b>Main opportunities</b>	<ul style="list-style-type: none"> <li>Re-development of vacant buildings around Weaver Walk to provide higher-quality business accommodation</li> <li>Activation of vacant assets to provide workspace (e.g. LBL's asset on Knight's Hill Square)</li> </ul>
<b>Delivery considerations</b>	<ul style="list-style-type: none"> <li>Explore options that could be pursued to accelerate and gain control of the Chapel Road site</li> <li>Build on existing evidence to undertake detailed design and viability work for Chapel Road site</li> <li>Undertake a feasibility study to explore the potential marriage value and options available to bring the Chapel Road and Weaver Walk opportunities into a single development scheme</li> <li>Engage with Network Power and LBL colleagues to explore options for releasing asset on Knight's Hill Square</li> <li>Undertake soft market testing and due diligence to explore feasibility of activating asset on Knight's Hill Square</li> </ul>
<b>Design considerations</b>	<ul style="list-style-type: none"> <li><b>Active frontages</b>: In both the lay-out of any new developments, and retro-fit of existing industrial units, promote active frontages onto streets, especially Knights Hill</li> <li><b>Key linking street</b>: Recognise the potential of other key roads (linking Knights Hill and Norwood High Street) for activation, improved pedestrian and cycle route, public realm improvements</li> <li><b>Greening</b>: Encourage greening, eg building on the success of the Bzz Garden around the Bus Depot</li> </ul>

\*This proposition focuses on the **West Norwood Commercial Area KIBA only** as mapped on Page 15 of this report, and roughly highlighted on the map on this page. It should be noted that this is a *separate* area to the Creative Business Cluster considered overleaf, although this has a similar overall proposition given its close proximity to the KIBA.



*Industria, Barking*

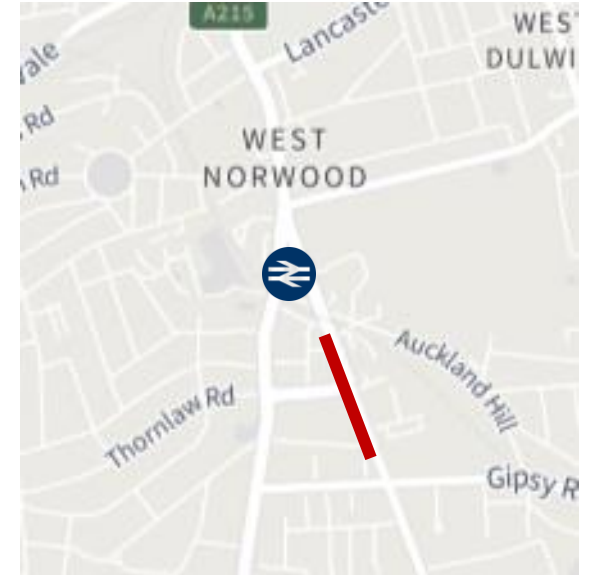


*Bloqs, Meridian Water*

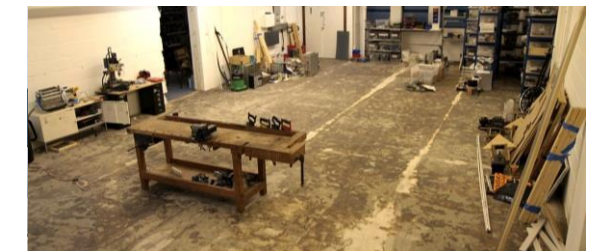
# Place Specific Proposition: Creative Business Cluster\*

<b>Proposition</b>	In accordance with Local Plan Policy PN7, provide space for creative and digital enterprises to encourage a range of businesses such as makers, artists and designers to the area. This will complement the 'messier' activity on the West Norwood Commercial Area.
<b>Purpose</b>	To strengthen and build on existing local specialisms while also increasing the value and profile of the local economy
<b>Rationale</b>	This area is a designated Creative Business Cluster that has units and buildings that can be converted to provide attractive space for small-scale 'messy' creative production activities (i.e. arts, crafts, fashion)
<b>Example activities</b>	Design; arts; craft; making; fashion; design
<b>Policy ambition</b>	Revitalise the sub-area's role for creative activity by supporting: (a) mixed-use or enabling development, which may include residential on upper floors so long as it delivers ground floor workspace for makers and creative and digital industries; (b) proposals that maximise the delivery of workspace for creative and digital industries; and (c) proposals that support and complement the creative and digital industries, such as the inclusion of ancillary sales/display space or meeting spaces.
<b>Relevant typologies</b>	Makerspace; creative studios (including Live Work); ancillary gallery/sale space
<b>Relevant precedents</b>	<ul style="list-style-type: none"> <li><a href="#">Bernard Works, Tottenham</a>: A proposed scheme within the South Tottenham Creative Enterprise Zone incorporating low cost creative workspace, a working court yard, public pavilion and tethered apartments for local creatives.</li> <li><a href="#">London Hackspace, Wembley</a>: A not for profit maker space in a former office block on Wembley High Road that provides a wide range of equipment for makers and creatives, including for electronics, 3D printing, crafts, laser cutting, woodwork, metalwork, biology, radio and music production.</li> </ul>
<b>Main opportunities</b>	<ul style="list-style-type: none"> <li>Development of site on the corner of Windsor Grove to provide live-work space catering to creative activities</li> <li>Repurposing of retail units and former pubs/bars</li> </ul>
<b>Delivery considerations</b>	<ul style="list-style-type: none"> <li>Explore options that could be pursued to accelerate and gain control of the Windsor Grove site</li> <li>Build on existing evidence to undertake detailed design and viability work for Windsor Grove site</li> <li>Support interested workspace operator to acquire and activate No 82</li> <li>Continue to develop Supplementary Planning Guidance for the Creative Business Cluster</li> </ul>
<b>Design considerations</b>	<ul style="list-style-type: none"> <li><b>Active frontages</b>: In both the lay-out of any new developments, and retro-fit of existing industrial units, promote active frontages onto streets, especially Norwood High Street</li> <li><b>Key linking street</b>: Recognise the potential of other key roads (linking Knights Hill and Norwood High Street) for activation, improved pedestrian and cycle route, public realm improvements</li> <li><b>Greening</b>: Encourage greening along the High Street</li> <li><b>Two-way facing units</b>: Opportunity for industrial units/yards linking to units Norwood High Street. Maximise the potential and value of two-way facing units incorporating ancillary retail unit and production space/external space.</li> </ul>

\*This proposition focuses on the **Creative Business Cluster only** as mapped on Page 15 of this report, and roughly highlighted on the map on this page. It should be noted that this is a *separate* area to the West Norwood Commercial Area KIBA considered on the previous page, although both have a similar overall proposition given their proximity.



*Bernard Works, Tottenham*



*London Hackspace, Wembley*



# Overarching Business Space Actions

The preceding place-specific propositions illustrate that there are a range of tangible **opportunity sites** for business space that LBL and Station-to-Station can pursue and/or influence through either **direct delivery** or **proactive development management**. As set out later in this chapter, partners should therefore undertake a **prioritisation process** to identify which opportunities to focus resources on over the short-, medium- and long-term.

There are, however, wider actions that LBL and Station-to-Station could consider to **(a) support existing business spaces to survive and prosper** and **(b) catalyse business space delivery locally through alternative mechanisms**. Implementing some of these will help to strengthen the business space ecosystem in WNTH and supports its evolution and diversification. Some will also help make tangible opportunity sites more attractive to developers and workspace operators to take. A series of example interventions are set out below and overleaf for partners to consider as part of WNTH's wider regeneration action plan and programme.

## Supporting Existing Business Spaces: Example Interventions

Description	Potential Benefits and Disbenefits
<b>Peer to Peer Networks:</b> LBL could curate peer-to-peer networks for local business space operators. This would provide operators with an opportunity to: (a) learn how others are adapting to macro-economic pressures; (b) share best practice and ideas; and, (c) build new relationships and partnerships. It would also help to establish a two-way relationship between LBL and operators allowing better intelligence on the working models of operators to be gained. As a starting point this could involve working with operators to identify gaps in the local offering (e.g. meetings rooms and video conferencing 'pods') and identifying locations and places to help fill this market opportunity.	<ul style="list-style-type: none"> <li>✓ Proven and effective way to support business resilience</li> <li>✓ Could form the basis of long-term engagement and sector collaboration</li> <li>× Requires officer time</li> <li>× Operators may not be willing to share information due to competitive nature of the current market</li> <li>× Has been hard to galvanise and bring local operators together as part of this study illustrating the need to build trust and momentum locally ahead of setting up any networks</li> </ul>
<b>Funding Support:</b> LBL could reach out to operators to make sure that they are aware of, and are able to access, support schemes and funding available from the Government, GLA, LEAP, banks, financiers and charitable organisations. Where this is not the case they should be informed of the opportunities and supported to access any relevant funds particularly where it supports their expansion and/or helps them generate additional revenue.	<ul style="list-style-type: none"> <li>✓ Low cost to boroughs and easy to implement</li> <li>× Most organisations will be aware of the support available to them</li> <li>× Limited public sector funding options currently available</li> <li>× Expertise may be required to advise on private sector finance options</li> </ul>
<b>Guidance on Changing Landscape:</b> Many workspace operators find it challenging to keep up with changing policies, practices, legalities, opportunities and requirements at local, regional and national levels - this was particularly the case during the COVID-19 pandemic. LBL could provide 'live' up-to-date guidance for operators on what changes are happening, what they mean for them and what they need to do to adapt to ensure they respond appropriately to changing requirements.	<ul style="list-style-type: none"> <li>✓ Guidance can be produced at a comparatively low cost and would be relatively easy to implement</li> <li>✓ Process may help to identify those operators that are most 'at risk' and in need of additional support to adapt and survive</li> <li>× May need some additional consultancy/legal support to make guidance as practical as possible</li> </ul>
<b>Flexible Workspace Portal:</b> LBL could build a portal like Open Poplar to connect potential occupiers to space that is available on flexible terms across the area. Landlords could be encouraged to advertise any non-traditional space that can be leased flexibly, from storage units and old flats to garages and basement spaces. The focus could be on marketing spaces that are not normally advertised through commercial agents and utilising underused areas. This could be delivered alongside and/or as part of the <i>Making High Streets Work Programme</i> . This should be done with existing workspace operators who sometime has underutilised space that may be valuable to other organisations.	<ul style="list-style-type: none"> <li>✓ Activates unused or underutilised spaces into productive assets</li> <li>✓ Requires no capital investment</li> <li>✓ Could bring forward a reasonable quantum of useful space</li> <li>× Requires revenue funding and officer time</li> <li>× May be some licencing, planning and regulatory challenges</li> <li>× Can be hard to engage positively with landlords</li> </ul>
<b>Business Space Quality Funding:</b> LBL could consider setting up a loan fund for landlords, occupiers and asset owners looking to upgrade the quality of their assets and adhere to forthcoming EPC regulations.	<ul style="list-style-type: none"> <li>✓ Once-in-a-lifetime opportunity to encourage asset owners to enhance buildings as they must invest anyway for EPC reasons</li> <li>× Could be costly and may have state aid implications</li> </ul>

# Overarching Business Space Actions

## Catalysing More Business Space: Example Interventions

Description	Potential Benefits and Disbenefits
<b>Landlord Brokerage and Guidance:</b> LBL could work with private landlords to understand their main drivers and ambitions. These insights could be used to create collateral explaining the benefits of leasing commercial space to workspace operators, particularly targeting those owning high street retail units. Guidance could be included explaining the changes to the planning system and the opportunities this provides in terms of flexible workspace. This could incorporate ideas for converting space, tenant requirements and precedents from other areas.	<ul style="list-style-type: none"> <li>✓ Guidance can be produced at a comparatively low cost and would be relatively easy to implement</li> <li>✓ May help to diversify and strengthen high streets</li> <li>× Tenant demands may shift rapidly over time</li> <li>× Can be difficult to work and engage with landlords</li> </ul>
<b>Business Rates Relief:</b> LBL could consider offering business rate relief to affordable workspace operators that deliver social value and/or deliver significant community or cultural value.	<ul style="list-style-type: none"> <li>✓ Business rates are often seen as a major barrier for genuinely affordable operators</li> <li>× Potential political sensitivities and implications; and potential state aid implications</li> </ul>
<b>Making High Streets Work:</b> LBL and Station-to-Station are currently delivering the <i>Making High Streets Work Programme</i> . This should be pursued to test demand and need for neighbourhood type workspace and meeting space targeted at local people. This could also be extended to some of the meanwhile sites identified in this report where it aligns with the programme's aims and goals.	<ul style="list-style-type: none"> <li>✓ Project already underway</li> <li>✓ Opportunity to increase impact of project</li> <li>× Funding already committed to specific opportunities</li> <li>× Limited funding available and more would be required to extend project</li> </ul>
<b>Meanwhile Space Programme:</b> LBL could develop meanwhile programme for WNTH that enables workspace operators to take on vacant high street units, car parks, vacant land, undercrofts and sites for temporary periods. This could incorporate the meanwhile sites identified in the area-based propositions, but also other units and sites that become available over time. Where a site is in private ownership LBL can act as a broker between developers and operators by identifying opportunities, supporting negotiations and providing revenue support where needed.	<ul style="list-style-type: none"> <li>✓ Puts vacant assets into a productive use / removes landlord business rates liability</li> <li>✓ Activating such spaces could demonstrate the vitality and viability of the workspace market to developers and private workspace operators</li> <li>× Only available for a limited period of time</li> <li>× Difficult to broker relationships and deals for short periods of time</li> </ul>
<b>Small Space Operator:</b> The preceding two interventions are likely to encourage a range of small spaces to come forward. These can be difficult to deliver and maintain due to the level of management required and the viability challenges associated with small spaces. LBL and Station-to-Station BID could therefore consider setting up their own management company, or securing an agreement with an external operator, to run and manage a portfolio of small spaces. This is likely to provide the scale of space required to generate sufficient revenue to support the management and administrative costs associated with operating such spaces, and support financial sustainability.	<ul style="list-style-type: none"> <li>✓ Should improve the financial sustainability and therefore long-term success of meanwhile spaces and high street workspaces</li> <li>✓ Financial costs of managing spaces and providing business support programmes does not increase exponentially with the amount of space taken</li> <li>× High level of officer input required for self-management</li> <li>× May be difficult and complex to reach agreement with external operator</li> </ul>
<b>Workspace Grant Fund:</b> LBL currently operates the successful <i>Future Workspace Fund</i> which is a by-application loan and grant fund for affordable and supportive workspace providers. Moving forward the size, scale and financial sustainability of the programme could be extended by (a) increasing the loan portion of the Fund and recycling revenues back into it; (b) ringfencing business rates uplift received from new workspace schemes for the Fund; and, (c) directing any payments in lieu secured through the Affordable Workspace Policy (Policy ED2) to top up the Fund. A larger and extended Fund would allow a portion of the programme to be ringfenced for WNTH in future given the area's significant potential to support the borough's economy to grow and evolve.	<ul style="list-style-type: none"> <li>✓ Project already underway</li> <li>✓ A small amount of capital funding can unlock significant private sector investment</li> <li>✓ Could bring forward a significant quantum of interesting space across the area</li> <li>✓ Likely to appeal to a range of different stakeholders, including entrepreneurs, community groups, civic groups and developers</li> <li>× Significant amount of capital investment</li> <li>× Various other important regeneration areas in the borough competing for funding</li> </ul>



# Focus On: Tactical Interventions

The delivery of business space alone is unlikely to be enough to fully realise WNTH's opportunity to become a centre of both 'messy' and 'clean' production activity for the borough, and to maximise local economic growth. This is because **drivers of growth** (e.g. business innovation, entrepreneurship, inward investment, business expansion etc) are linked to a **wide range of factors**. For example:

- Business innovation and the development of new products relies on access to skills, knowledge, capital, equipment, tools and networks of supply chain businesses.
- Entrepreneurship is highest where dedicated wraparound start-up support is available as well as access to finance, expertise, mentoring and networks of likeminded businesses.
- Inward investment decisions are influenced by a range of 'attractors' from the quality of an area's amenity offer and the strength of transport connections, to the 'vibe' of an area and the appearance of the physical environment. The presence of similar and complementary businesses is also attractive.

It is therefore recommended that a series of **physical and non-physical tactical interventions** are implemented over the **short- and medium-term** to help maximise the economic benefits of intervention and help the area meet its economic potential. Implementing these ahead of longer-term business space development should also make the area **more attractive** for developers and operators to deliver new business space in the area, and to businesses and entrepreneurs considering locating in the area.

Some tactical interventions, identified through qualitative engagement, that could be considered by LBL and Station-to-Station BID include:

- Run a campaign with workspace operators to tell the story of WNTH's locational advantages, attributes and opportunity sites, and engage with wider networks that can support promotion (e.g. FoL and NLA).
- Develop branding and marketing collateral to attract businesses in priority sectors to the area and to help curate stronger clusters of likeminded businesses.
- Run a business support programme for businesses in priority 'retain' sectors to support them to grow and attract similar businesses to the area.
- Create a start up accelerator programme for high potential businesses in priority 'attract' and 'grow' sectors to support them to scale, grow and cluster.
- Work with telecoms providers and businesses to improve digital connectivity across the area.
- Collate details, evidence and studies on opportunity sites to create a 'live' database that can be shared with workspace operators and commercial space providers that may be interested in locating in WNTH.
- Explore options to offer business rates relief to micro and small businesses in priority sectors,
- Create business networks targeted at 'messy' and 'clean' production businesses to encourage local organisations to collaborate, share knowledge and offer expertise.
- Look to enhance the physical environment and connectivity of WNTH's KIBAs.
- Set up sub-group of the BID made up of local business space operators that can act as a sounding board officers to test ideas and discuss business space activity locally.



# Focus On: Tactical Interventions

There are also a number of tactical interventions set out in the ***West Norwood Manual for Delivery (2017)*** that could also be implemented to make WNTH a more attractive business location, and support economic diversification and growth. Examples of relevant initiatives that were identified but have not yet come forward are set out by area in the table below. These are accompanied by reflections from Architecture 00 on other tactical physical interventions that could be considered to improve the attractiveness of each area to businesses.

West Norwood Commercial Area	
West Norwood Manual for Delivery Interventions (WNMD)	<ul style="list-style-type: none"> <li>• Re-configure and reallocate road space to better provide for pedestrians and cyclists</li> <li>• Improve interchange between bus garage, West Norwood Station, walkers and cyclists</li> <li>• Help curate strong local supply chains by linking businesses in the Commercial Area with other enterprises across the area</li> <li>• Improve signage to encourage employees in the Commercial Area to use the town centre</li> <li>• Deliver programmed events, such as Business Open Days, to change perceptions of the Commercial Area among stakeholders and the local community</li> <li>• Develop stronger linkages between the Park Hall Business Centre and the Commercial Area to encourage businesses to remain and grow locally</li> <li>• Provide financial incentives to encourage business in target sectors to relocate to the area and to encourage innovation</li> </ul>
Architecture 00 Observations	<ul style="list-style-type: none"> <li>• Prioritise the creation of active frontages onto streets, especially the main roads with more active/ public facing uses situated on prime main road and corner locations.</li> <li>• Pilot use of yards to encourage a diversification of activities, pop-ups/events related to the existing manufacturing and high street businesses (eg breweries and food businesses).</li> <li>• More signage and branding, building off the strong identity developed for the Norwood Works</li> <li>• Piloting sustainable last mile deliveries on the high street, green logistics, distribution services linked to existing industrial units.</li> </ul>
Core Town Centre	
WNMD	<ul style="list-style-type: none"> <li>• Actively pursue re-development of Site 18</li> <li>• Explore the potential to refurbish Tulse Hill Station, including providing step free access and improving entrances as a gateway to the town centre</li> <li>• Lobby for improvements to rail service frequency and reliability at Tulse Hill Station</li> <li>• Introduce secure high-standard and well-located cycle parking near Tulse Hill Station</li> <li>• Encourage businesses to upgrade and better maintain their shopfronts</li> <li>• Improve wayfinding, particularly for pedestrians and cyclists along and across the corridor to access key local attractors</li> </ul>
Architecture 00 Observations	<ul style="list-style-type: none"> <li>• Meanwhile use of a vacant high street unit to test showcasing creative, food and manufacturing businesses on the high street – usually “hidden” behind the high street.</li> <li>• Pilot project as part of the Making High Streets Work programme to test the facilities required locally for “working-near-home”, eg potential iteration of the traditional co-working model to include meeting, treatment, seminar rooms to hire, with lounge area/ cafe for touchdown working and front facing food/beverage. Potential to include culture and leisure offer as well as community facilities, working towards shaping a well-rounded work-life identity for WNTH.</li> </ul>
West Norwood Culture, Leisure and Heritage Area	
WNMD	<ul style="list-style-type: none"> <li>• Lobby and support enhancements to West Norwood Station focused on improving its appearance, accessibility, services and interchange with other modes of transport</li> <li>• Explore opportunities to improve the visibility of the Health and Leisure Centre from Norwood Road via better signage, improved sightlines or installation of public art</li> </ul>
Architecture 00 Observations	<ul style="list-style-type: none"> <li>• Prototype improving connects and uses of the Health and Leisure Centre. In addition to physical interventions included above, trail programming and events related to the existing local businesses and extensive cultural offer.</li> <li>• Feasibility to test the potential to refurbishment of arches for creative and production uses.</li> </ul>
Knollys Yard	
Architecture 00 Observations	<ul style="list-style-type: none"> <li>• Significant improvements to accessibility of area to town centre for pedestrians and cyclists required to unlock the opportunity</li> </ul>



# Next Steps

It is recommended that the next step for LBL and Station-to-Station BID should be to review the content of this report and agree which tactical interventions, opportunity sites and business space actions to pursue over the short-, medium- and long-term.

A **prioritisation framework** could be developed as part of this to identify opportunity sites to be pursued by partners for direct intervention. This could involve defining a series of parameters (or '**Critical Intervention Factors**') that are scored based on local knowledge, information presented in this report and discussions with relevant stakeholders (e.g. landowners, operators, businesses, councillors etc). These parameters could include:

- **Size and scale:** Higher score to be given where site/building is of a sufficient scale to provide business space.
- **Ease of development/renovation:** Higher score to be given where site/building is easier to develop or renovate from a practical perspective (i.e. clean site versus contaminated site).
- **Simplicity of ownership:** Higher score to be given where there are fewer ownerships and clearer routes to delivery.
- **Location and accessibility:** Higher score to be given when opportunity is located in a strategic employment area.
- **Need for public sector intervention:** Higher score to be given where site or opportunity unlikely to come forward without public sector intervention.
- **Potential impact of activation:** Higher score to be given where potential economic impact is highest.
- **Policy Alignment:** Higher score to be given where potential schemes align with planning policy context.

This would not be a scientific exercise, but a defined scoring mechanism would be required for consistency and objectivity.

Once priority sites have been identified LBL and Station-to-Station could undertake **feasibility work** for each and develop a clear overarching **delivery strategy**. This should be informed by engagement with landowners, operators, businesses and important local stakeholders. Typical activities undertaken ahead of delivery include: landowner engagement; soft market testing; site valuation; due diligence; developing design, delivery and planning strategies; exploring funding and finance options; and, undertaking business and operating model analysis. Given the expense and resource required it will be important to focus delivery on a small number of sites and to only intervene where the market is unlikely to deliver an ideal outcome. For sites where the market is delivering employment schemes LBL should continue to undertake **proactive development management** to ensure positive outcomes are delivered in line with the conclusions and overarching principles set out in this report, as well as relevant planning policies identified in the Introduction.

To ensure that the area reaches its economic potential, and both public sector and market led schemes deliver positive impact, it will be important for both officers and elected members to agree a clear **vision** and set of **outcomes** for the area's economy based on the evidence presented in this report and LBL's wider policies and strategies. This should involve co-creating an overarching aspiration, developing ideal propositions for opportunity sites, and working through the proposed prioritisation framework and subsequent feasibility work together. This is important because successful workspace schemes have clear **member and senior officer drive and buy-in**, which is essential given the level of Council time and money that often has to be invested to bring them forward as well as the complexities and challenges involved in delivery.

Once the vision has been agreed LBL and Station-to-Station BID could also set up an officer-led **West Norwood Business Space Working Group** to convene and push forward business space activities, and other tactical interventions that will support the evolution of the area's important employment areas. This group could lead the business space agenda and be responsible for monitoring and evaluating delivery over time – political engagement with this group will be important to ensure buy-in and support. Station-to-Station BID could also set up a **sub-group of local business space operators** that could act as a sounding board for the Working Group – somewhere for officers to test ideas and discuss business space activity locally. The sub-group could be involved in shaping project proposals and providing forthcoming planning applications.

# Equalities, Diversity and Inclusion Lens: Conclusion and Implications

Qualitative and quantitative insights are provided throughout this report on the EDI context related to business space in WNTH. This includes data on the diversity of the local population (Pg 87), commentary on business ownership (Pg 69), reflections from local stakeholders on the challenges faced by underrepresented groups in accessing space (Pg 111), and design considerations (Pg 134).

While these insights only scratch the surface of EDI issues, they do highlight that:

- (a) WNTH is a diverse area, and that future business space provision should where possible cater to and reflect the local population.
- (b) Underrepresented groups face a range of barriers to accessing space in WNTH, and operators and other local stakeholders can help address these.
- (c) EDI considerations should play an important role in the design, leasing and operation of space in WNTH.
- (d) EDI data is hugely limited as illustrated and discussed throughout this report which impacts the ability of policy makers to make decisions.

In relation to the penultimate point, there are a range of levers that LBL can pull to help make current and future business space in WNTH as inclusive as possible. Some guiding principles to influence future workspace delivery, drawn from the findings presented throughout this report, include:

- Encourage and support operators to engage closely with the WNTH community at the outset of new projects to explore how they can make spaces as inclusive and accessible as possible.
- Work with operators across the area to raise awareness of local business spaces to underrepresented groups, and provide information on how local people can access and best utilise space.
- Encourage operators to run programmes to support people from underrepresented groups to set up businesses.
- Ensure that all new business space complies with and where possible exceeds disability regulations, and provide support to those taking on older complex buildings to make them as inclusive as possible.
- Use guidance in this report to guide and shape design proposals for new space in WNTH (e.g. related to diversity of units, flexibility of layouts and shared space).
- Ensure EDI experts are consulted as part of new proposals to make them as inclusive as possible.
- Explore whether any of the opportunity sites set out in this report can be utilised to provide space targeted at underrepresented groups (see Arbeit Studios case study), and engage with groups to understand their needs.

While these represent practical steps, it is important to note that there is scope to do more research on this topic across the borough and London more generally. Little evidence currently exists on how underrepresented groups use and engage with workspace, particularly from an occupier and operator perspective. We are aware that the Greater London Authority (GLA) are planning to commission research on this topic to help address this deficit, and we recommend that LBL engage with this to gather more information that to inform policy and practice in WNTH.

## Inspiration and Learning: Arbeit Studios, New Cross

Arbeit Studios take empty spaces, ranging from small 750 sqft buildings to 15,000 sqft warehouses, and transform them into studio spaces for artists, designers, makers, start-ups and small businesses. They manage more than 170 units across north, east and south London, and host more than 250 businesses in total.



One of their newest workspaces is in New Cross, which incorporates 16 cellular units and a ground floor retail unit for artists and makers. In response to on-the-ground engagement undertaken before launching, Arbeit Studios has specifically targeted health and wellbeing businesses catering to Black/African/Caribbean/British people in New Cross as demand appeared to be strong from these types of businesses and it reflects the demographics of the neighbourhood.

The space has been carefully configured to meet the needs of these businesses through the provision of small units available on highly flexible terms. Occupants pay £400 per month, irrespective of the size of the unit, and sign a contract that lasts for no more than six months – this reduces the risk of taking on space and encourages participation.

Arbeit Studios report that the New Cross space is fully let and around 50% of units are taken by businesses owned by people from underrepresented groups. These businesses deliver a range of health and wellbeing services, including wig making and beauty technicians such as nail, eyelash and other beauty-specific technicians. They also report that they receive 2-3 enquiries per day from wellbeing-focused businesses to take space, and that when space becomes available it is re-let within a few days.



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# AVISON YOUNG

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**Prepared by:**

Martyn Saunders, Principal  
*[martyn.saunders@avisonyoung.com](mailto:martyn.saunders@avisonyoung.com)*

Patrick Ransom, Associate Director  
*[patrick.ransom@avisonyoung.com](mailto:patrick.ransom@avisonyoung.com)*

Aba Shokunbi, Graduate Consultant  
*[aba.shokunbi@avisonyoung.com](mailto:aba.shokunbi@avisonyoung.com)*