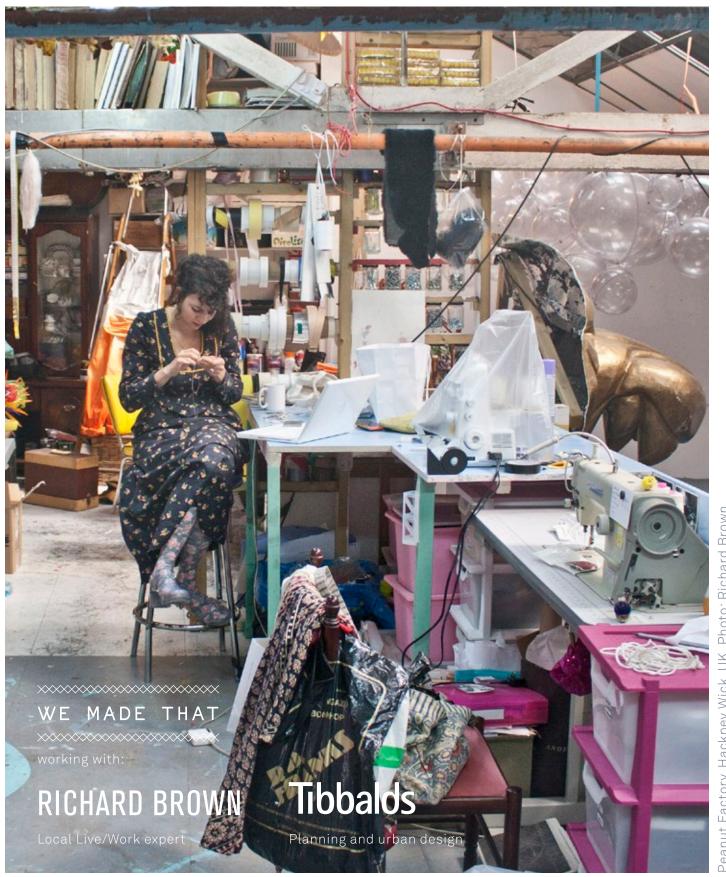
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LLDC

WORK-LIVE STUDY

PART I: RESEARCH & CASE STUDIES



Peanut Factory, Hackney Wick, UK. Photo: Richard Brown

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LLDC Work-Live Study

PREFACE

The London Legacy Development Corporation in its role as landowner, developer and regeneration agency is committed to the creation and support of successful and sustainable communities in and around Queen Elizabeth Olympic Park.

As part of these commitments and ambitions, our strategy crucially recognises that supporting affordable workspace and living models is one of the foundations to ensuring that business innovation, in particular start-ups and creative sector industries, continue to flourish not just in east London but throughout the capital.

This report was commissioned by the Legacy Corporation's Physical Regeneration and Design team in summer 2014, who appointed We Made That with Tibbalds Planning and Urban Design and Richard Brown through an open tender opportunity. Its aim is to better understand the issues of livework activity in urban areas and the particular implications for the LLDC area which encompasses four borough boundaries; London Borough of Hackney, London Borough of Newham, London Borough of Tower Hamlets and London Borough of Waltham Forest.

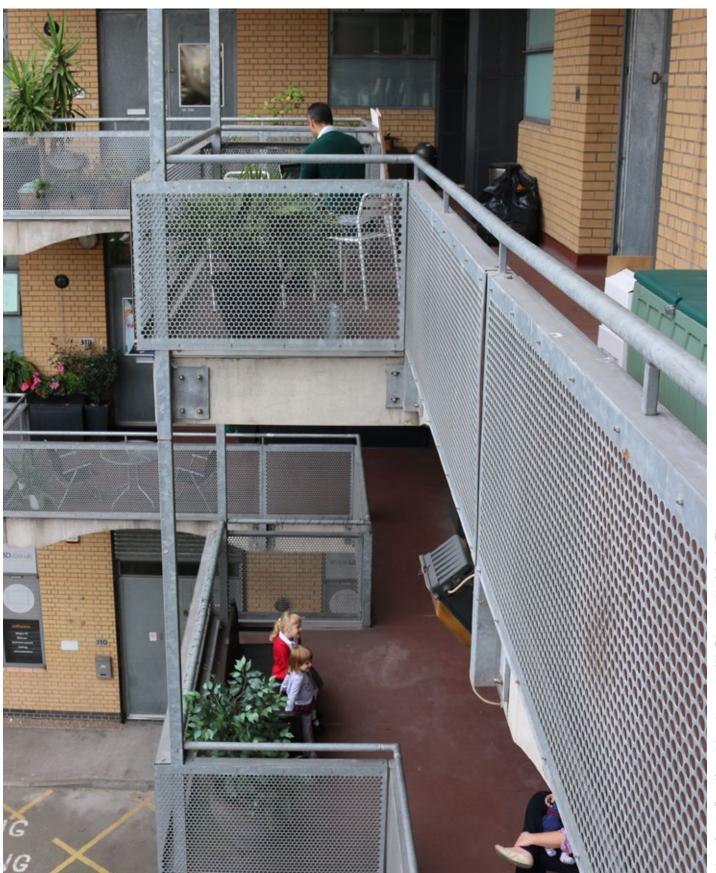
This report, completed in November 2014, provides research and recommendations on combined live and work premises, including current planning policy position, potential market and affordability. Key issues, including social and placemaking opportunities, are illustrated and debated in a range of in-depth case studies.

The case studies consider the spatial and employment success of live and work units both locally and internationally, providing a useful resource that may be of interest to others.

From this report a range of recommendations will be considered by the Legacy Corporation; not all can be delivered or developed further. The successful regeneration of vital city edges such as those around Queen Elizabeth Olympic Park demand a complex mix of typologies for living and working in order to sustain growing communities – and reports like this provide vital insight in helping us do so.

Esther Everett, Head of Physical Regeneration and Design, London Legacy Development Corporation, November 2014

PART I: INTRODUCTION



stferry Studios, Limehouse, UK. Photo: We Made Tha

Overview

The London Legacy Development Corporation has commissioned a team comprising of We Made That, Richard Brown and Tibbalds Planning and Urban Design to undertake this study to better understand potential models to deliver and effectively manage dual use residential and employment accommodation (commonly referred to as 'live/work'), and its potential role and value within the LLDC area.

The report is divided into two parts: Part I: Research & Case Studies and Part II: Findings. Part I includes analysis of previously undertaken study work on the subject of dual use accommodation, and documents a series of case study examples showcasing the current practice of delivery of such space in the UK and internationally. Part II describes opportunities, observations and recommendations based on the research undertaken in Part I.

This document - Part I: Research & Case Studies - can be used as a stand alone report for information only. It includes two sub-sections, as follows:

Review of the Current Situation

This section of the report presents a review of pre-existing studies into the provision of dual residential and commercial use properties. It tracks the history of 'live/ work' in East London, and its presence in the LLDC area. A thorough review of existing planning policy in relation to 'live/work' has also been undertaken. On the basis of this analysis, key findings are presented under the following headings:

- Issues and Opportunities
- Place: Design & Facilities
- People: Tenants & Tenure
- Protection of Employment
- Deliverability

Case Studies

In order to understand dual use provision in greater detail and definition, the report presents case study examples from London, across the UK

and internationally. Five examples are presented with high-level information, and the remaining six are explored in detail. Key lessons have been summarised for each case study.

In addition to the categories of analysis above, the study also documents and compares pricing models and affordability for the Case Studies.

Methodology

Full details of the study methodology are provided in the introduction to each section. An overview is provided below:

- Review of the Current Situation: A range of nine pre-existing studies have been reviewed and analysed. These studies have been selected to provide a balance of academic perspective, case study-based analysis, 'How To' guidance, critical approaches and planning-focused reviews prepared for local authorities.
- Case Studies: The examples included in this report have been chosen in order to explore a range of typologies of management, delivery affordability, protection of employment use and design approaches. Quantitative data has been collected through participation in an online survey with follow-up phone and email contact for qualitative feedback. All detailed case studies have also been documented with site visits and provider and tenant interviews.

Study Principles

The following five principles have been used to guide the study.

1. Place-based

This study is primarily concerned with the LLDC area, although there may be relevance to wider areas of London, the South East and further afield. Whilst we recognise that there are many interesting examples of 'live/work' in rural and small-town areas, the study will focus on lessons and recommendations that are of relevance to a place that is urban and industrial/post-industrial in character.

2. Work-focused

The study area currently supports a variety of employment uses. This is significant in shaping its economic, spatial and social character¹. With the ambition of continued support of enterprise across various scales, the study will focus on accommodation within which workspace forms a permanent component and is strongly supportive of employment use in its character.

3. Locally-specific

Parts of the LLDC area, particularly Hackney Wick and Fish Island have become fundamentally associated with creative practice, artists and informal 'live/ work' provision. For this reason the study seeks to understand how dual use accommodation may continue to form a part of the area's unique character into the future.

4. Robust & Resilient

High levels of demand for residential property across London, and associated high property values, have the potential to place pressure to convert to residential use any property in which this is made possible. Potential models for provision must

1. 'LLDC Local Economy Study, Part C: Qualitative Research', We Made That, 2014.

therefore be robust and resilient to the process of 'residential reversion'.

5. Deliverable

A significant portion of the study area is likely to be subject to development in the next 10 – 20 years. For this reason, the recommendations of Part II of this report must be deliverable within these short to medium term timescales. National issues relating to dual use accommodation will be described, but recommendations that are likely to require legislative changes at a national level will not be considered.

Definition

Accommodation that combines both living and working space has been referred to and defined in many ways. None is considered definitive. For the purposes of this study, and in light of the Study Principles, we have defined our subject of investigation as follows:

Accommodation that combines both living and working spaces, with the workspace forming a permanent component of the accommodation.

This distinction of workspace being 'permanent' is significant in that many previous studies, whilst presenting compelling examples of dual use accommodation, describe models that are vulnerable to loss of the employment space associated with a change of tenant or with a changing lifestyle of an existing tenant. In addition, home-based working, whilst a significant contributor to the UK economy, often happens at the discretion of an individual tenant, and therefore can not be considered as permanent.

In light of the work-focused nature of this report, and in order to reduce negative associations that 'live/ work' has gained over the years, we propose to term dual use units that combine living and working areas as 'work-live' for the purpose of this study. Where original sources or case study examples refer to 'live/ work', we have also used this term for consistency. A full exploration of definitions and terminology is provided on page 13.

REVIEW OF THE CURRENT SITUATION



Westferry Studios, Limehouse, UK. Photo: We Made That

History of Work-Live in the UK

Accommodation that combines dwelling space with working space is not a new phenomenon. Historically, such hybrid uses were common and the typology of residential accommodation integrated with, for example, a shop, bakery (bake house) or pub (ale house) was commonplace until the industrial revolution.²

The change in working practices that accompanied industrialisation - namely centralised work locations for large numbers of employees - separated the workplace from home for many people. Commuting between work and home became common, though not universal.

'Live/ Work' in the form that it is now most commonly understood originated in the United States in the 1970's. Here it was used to refer to colonisation of under-used industrial areas for living, initially illegally by creative communities and subsequently legitimately by real estate developers and speculators. The area of SoHo in New York City is an often quoted example. City planning departments began to see the introduction of 'live/work' as a method to revitalise urban areas suffering from a decline in manufacturing uses. 'Loft-living' in large, mostly open plan spaces began as a route to affordability, and became highly desirable, particularly into the 1980's and 1990's.

Attitudes towards 'live/ work' in the UK were influenced by developments on the other side of the Atlantic. Local authorities, particularly in East London, saw the introduction of planning policies supporting 'live/ work' as a means of encouraging private investment into run down areas³. For example, the London Borough of Hackney, adopted a 'Live/ Work Policy' on a pilot basis in 1994, and a

full SPG in 1996⁴. Whilst these policies were indeed successful at attracting investment, it soon became apparent that they were also problematic.

The policies were intended as a compromise position in areas where market demand for employment space was apparently declining: allowing retention of workplaces, whilst also introducing other uses. In reality, developments that received consent as 'live/ work' were generally only used for residential purposes. This allowed developers to deliver residential accommodation (with commensurate prices) on sites that had previously been protected for employment uses. A further impact was that such applications were often not required to make an affordable housing contribution, and as a result boroughs lost out on both protecting their employment space and gaining affordable housing that would have been required on conventional residential development.

As a result, many boroughs have since revoked their 'live/ work' policies and adopted new positions. This process is demonstrated in the series of diagrams later in this document illustrating locations of consented 'live/ work' schemes in East London since 1990. This report seeks to learn lessons from previous failures and challenges in policy making in relation to dual use accommodation.

From the history described above, we can see that 'live/ work' has typically been used to bring new life to run down areas, though not always successfully. In the context of Hackney Wick and the LLDC area, this vitality is already provided in part by informal work-live in existing industrial warehouses. The challenge is whether there is potential to capitalise upon the positive aspects of this occupation whilst also addressing issues of unauthorised uses, to build a bright future as the area is redeveloped.

^{2. &#}x27;A Brief History of the Workhome', www.theworkhome.com, Frances Holliss, 27/08/2014.

^{3. &#}x27;Review of Live/ Work Policy in Hackney', London Residential Research, April 2005.

^{4.} London Borough of Hackney, Cabinet and Regulatory Committee Report, 22nd September 2003.

Review of definitions

As described above, the definition of work-live accommodation used as the basis for this study is as follows:

Accommodation that combines both living and working spaces, with the workspace forming a permanent component of the accommodation.

In order to provide context to this definition, below we have reviewed and analysed a range of definitions used historically and by other researchers to describe dual use accommodation.

'Live/ Work'

This is the most commonly used terminology and the most widely recognised. A selection of definitions of this term is included below:

- Live Work Network: "Live/work is a type of property that is designed from the outset for two purposes – living and working." Under this definition, home-based working from residential property is not included.
- LB Wandsworth:
 - "Predominantly residential accommodation but with a sufficient amount of non-residential use to require planning permission."
- LB Tower Hamlets:
 - "Provision of residential and commercial accommodation within one unit."
- LB Lambeth and LB Hackney:
 "The provision of integrated living and working accommodation within a single self-contained
- LB Hillingdon:

unit."

- "Specifically designed for dual use, combining both residential and employment space."
- LB Haringey:
 - "A self-contained unit with separate living and working floorspace."
- LB Bromley:
 - "Self-contained small business units, with a proportion of the accommodation capable

- of being used for residential purposes on a permanent or semi-permanent basis."
- LB Barking & Dagenham:
- "A building that is designed and used flexibly so that it can perform both a residential and a business function. It is different from ordinary home working in its nature and in the intensity of business use that may be involved. This may be in terms of the amount of space devoted to the work use or that the work element is designed to accommodate more workers than just the resident and may be designed in a flexible form to encourage business expansion."
- LB Hammersmith & Fulham:
 "The flexible use of buildings and spaces to allow both functions within them."

In general, 'Live/ Work' has been linked with mechanisms to circumvent planning regulation, as described in detail later in this report. We therefore find using this terminology to be problematic.

'Workhome'

Academic, Dr Frances Holliss, coined the term 'workhome', "to describe all the buildings that combine dwelling and workplace". The intention is to overcome the connotations of 'loft-style apartments' generally associated with 'live/ work'. We find the emphasis on 'home' implied by this term to be problematic, particularly as this study seeks to ensure provision of employment space as a priority.

'Work-Live'

The reversal of 'work' and 'live' has sometimes been used to distinguish provision that is work-focused. Some boroughs use the same definition for both terms, such as LB Lambeth, others simply use 'work-live' as an alternative, LB Brent, for example. The emphasis on work implied by this word ordering is relevant to this study, and is the reason we have elected to use this term throughout.

^{5. &#}x27;Tomorrow's Property Today', Tim Dwelly, Andy Lake and Lisa Thompson, April 2008

^{6.} http://www.theworkhome.com/what-is-a-workhome/

Home-based Working

Current research by Enterprise Nation and recent Government policy both support an increasing role for home-based businesses in the UK. Whilst this report focuses on models of dualuse accommodation that provide permanent employment space - which may not be the case with home-based working dependent on occupier requirements - it is important to acknowledge that 70% of UK businesses start from home?

There is substantial policy support for home-based working in the design of new build homes. Both the Greater London Authority, 'Housing Design Guide' and the Code for Sustainable Homes (Category 1: Energy and Carbon Dioxide Emissions) advocate provision of a home office. Both documents require that sufficient space and services are provided, including:

- 1.8m wall space to allow a desk, chair and filing cabinet or bookshelf to be installed.
- adequate ventilation via an openable window or alternative, e.g. passive stack ventilation.
- an average daylight factor of at least 1.5%.
- two double power sockets and two phone points or one phone point plus broadband.

The government is also seeking to clarify the legal limitations of home-based working, and has recently issued further guidance for home-based business regarding issues such as their tax and planning status. These state that a business operated from home is not liable to Business Rates, provided that:

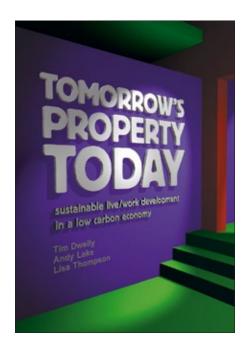
- the business uses only a small part of the home
- the property is not used to sell goods or services to visiting clients or members of the public
- the business does not employ other people to work at the premises
- alterations of a sort that would not usually be associated with a home are not made.

This report explores various case studies and models that are suitable for situations where the above conditions do not apply or that have more substantial spatial requirements than those described by the Code for Sustainable Homes. However, in many cases home-based working is likely to be the most convenient, cost effective and flexible option for combining living and working.

^{7. &#}x27;Home Business on the Rise', Enterprise Nation, 2014

^{8.} Council Tax and Business Rates - Home-based businesses, http://www.voa.gov.uk/corporate/Publications/home-based-business.html, 15/08/2014

Overview of Previous Studies



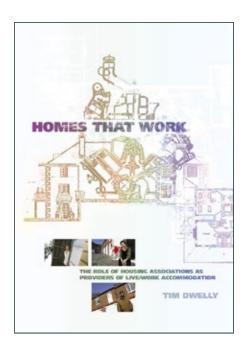
Tomorrow's Property Today: Sustainable Live/work Development in a Low Carbon Economy

Tim Dwelly, Andy Lake and Lisa Thompson, April 2008

This report sought to raise awareness of 'live/ work', and to explore the practical and policy issues relating to its delivery. Arguing that 'live/ work' provides benefits in terms of quality of life and reduced environmental impact (lack of commute, reduced embodied and operational energy in a single property), it explores how to deliver 'live/ work' provision.

The report cites three major barriers to increased delivery of dedicated 'live/ work' provision: the planning system (preferring to separate uses and with no specific classification for 'live/ work'), house builders' reluctance to provide models with which they are not familiar and the tax system placing additional burdens on home based workers by way of business rates, VAT and capital gains tax.

The report makes a number of recommendations to overcome these issues, some of which require policy changes.

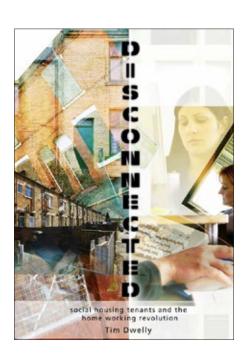


Homes that Work: The Role of Housing Associations as Providers of Live/ Work Accommodation

Tim Dwelly, 2003

"It is cheaper to run one property than two", begins this report when describing the reason for growing interest in 'live/ work' property.

With a focus on the involvement of housing associations in affordable 'live/ work' provision, the report makes a number of recommendations including that: housing associations are well placed to oversee ongoing employment use as they remain involved in properties in the long-term, rented tenure is a benefit when ensuring ongoing work use, housing associations should partner with business support providers as they may not have the requisite skills to support businesses themselves and that in terms of design of such properties, the ability to present a professional (rather than residential) image is a key factor in their success.



Disconnected: Social Housing Tenants and the Homeworking Revolution

Tim Dwelly, April 2002.

This report documents a divide in the numbers of social tenants being able to work from home: 5% of council tenants and 7% of housing association tenants, compared with 11% of the population as a whole (2002). The report attributes this to leases forbidding 'business' use of properties by social tenants and tenants lacking the resources to allow them online access from home. The document advocates supporting tenants to work from

home as a low-threshold entry point to self-employment and entrepreneurship.

Recommendations include that housing associations develop a homeworking policy and look to secure online connectivity for their tenants. Other recommendations - that all houses be provided with a spare room that may be used for working - were made in a policy context that is no longer applicable following introduction of the 'Spare Room Subsidy' or 'Bedroom Tax'.



REVIEW OF LIVE-WORK POLICY IN HACKNEY

David Chippendale Geoff Marsh Matthew Giddings

April 2005

Review of Live-Work Policy in Hackney

London Residential Research, April 2005

Following the introduction of LB Hackney's 'live/work' policy in 1996, and its subsequent revocation in 2003 due to perceived abuses of the policy to deliver purely residential properties, this study aimed to review and clarify the borough's position.

The report documented that based on VOA analysis, 96% of a sample group of 777 units were being used either purely

residentially or with a 'de minimis' work use. The study concluded that 'live/work' use was neither transparent nor practically enforceable, and therefore recommended regularisation of 'live/work' properties i.e. that for a commuted sum, owners be able to convert their 'live/ work' properties to purely residential provision. The funds raised from this policy are recommended to be ring-fenced for use in supporting employment initiatives and delivering affordable housing.



The Workhome Project

Dr Frances Holliss

The Workhome Project is an ongoing research initiative, based around the PhD research of Dr Frances Holliss. The term, 'workhome' is coined to refer to properties that incorporate both living and working, whether they are work-dominated, homedominated or equal status in their use.

Holliss identifies three spatial typologies of workhomes: live-with, live-adjacent and live-nearby. She also identifies nine user groups of workhomes, as follows:

- Juggling parents
- Backbone of the community
- Professionals
- 24/7 artists (work unusual hours)
- Top-up (supplementing a low income)
- Craft-workers
- Live-in (school caretakers, residential care-workers)
- Start-up businesses
- Students

The project documents a number of case studies and provides a 'Design Guide' for contemporary workhomes, as well as making policy recommendations to further support home-based working.



Home Business Survey Enterprise Nation,

2014 ongoing

70% of UK businesses are now reportedly started from home, and home-based businesses contribute £300bn to the UK economy. Launched on 15th Aug 2014, Enterprise Nation, are running the UK's biggest Home Business Survey. This survey has been launched in association with further Government guidance about starting and running businesses from home. The information includes a checklist about issues such as taxation and planning, and a

new model tenancy agreement is being produced stating that consent to run a business from a rented property can not be reasonable withheld.

The results of this survey, when available, will help to establish a clear picture of the prevalence of home-based working and therefore demand for accommodation that would be suitable for this.



Does Live/Work?

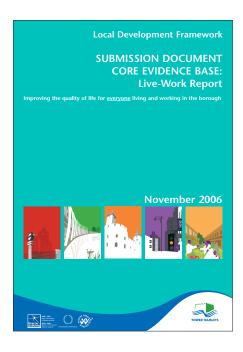
Cutting Edge Planning & Design, April 2005

This report was produced for LB Hammersmith & Fulham. The study found that although 'live/work' had originally been supported for simultaneously meeting employment and housing policy objectives, the vast majority of proposals had performed poorly in these fields.

The study concluded that the existing wide scope of the C3 residential use class, including homeworking, could potentially be threatened by the introduction

of a 'live/work' use class, causing C3 to be interpreted too narrowly. The study also found that many of the quoted benefits of a 'live/work' scheme could in fact be delivered in a conventional C3 development, with the number of businesses requiring specific 'live/work' premises being very small.

The report concludes that 'live/ work' uses should be considered as residential and genuine 'work/live' schemes supporting employment use be treated as hybrid use.



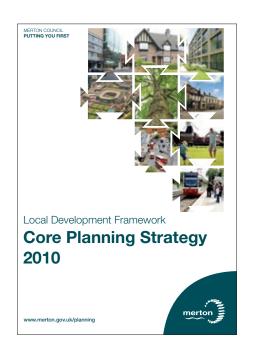
Live-Work Report

LB Tower Hamlets, February 2005

This report outlines positive and negative aspects of combined living and working provision. Stated issues include: 'live/work' units not generating significant employment as they tend to accommodate small, often sole-trader businesses, and increasing evidence that 'live/work' units are being used for purely residential purposes. The report found that the standard conditions attached to consents for 'live/work' in TH had proved difficult to enforce.

The report also highlights the issue of property prices for 'live/work' developments rising in line with the residential market and are therefore becoming higher than prices for commercial spaces and undermining, rather than supporting, the provision of cost effective premises for start up businesses.

The study is overall in agreement with the position that 'live/work' is not a concept to be supported by LBTH, and that combining residence and work is instead supported through working from home or mixed residential and employment developments.



Briefing Note: Live/ Work Update

LB Merton, November 2010

This research undertaken by LB Merton involved site visits to 22 consented 'live/ work' schemes in the borough order to assess their ongoing use. The visits established that 18% were in 'live/ work' use, with the remaining properties in either solely residential (46%), solely commercial (18%) or unknown use (vacant or not yet developed).

Earlier research by the borough in 2006 found that of 24 consented live/ work schemes, not one unit was being used for

genuine 'live/ work' purposes.

This research led the borough to conclude that there was no evidence for prolonged 'live/work' uses in the borough and they subsequently revoked their 'live/ work' policy.



October 2013

Review of Birmingham City Council's approach to live/work in the Jewellery Quarter

Guy Collier, October 2013

Birmingham's Jewellery Quarter Conservation Area Character Appraisal Management Plan prohibits residential development that may adversely affect the existing commercial uses. 'Live/ work' consents have been the exception to this where the ratio of living to working does not exceed 50%.

The report finds evidence to suggest that the units are in fact being used as highquality commercial workspaces (evidenced by registration for business rates rather than less expensive council tax). This is likely to reflect an under-provision on such space in the area.

The study did not include speaking with tenants or landlords in the Jewellery Quarter, and therefore has some limitations

Key Findings from Previous Studies

The following pages summarise the key issues raised by the above reports. These findings primarily relate to new-build provision rather than existing or informal conversions. Findings are grouped under: Issues and Opportunities of Work-Live Accommodation, Place: Design & Facilities, People: Tenure & Use, Protecting Employment Use: Management, Planning Policy Content and Deliverability.

Issues of Work-Live Accommodation

- Back Door' Residential: A number of the reports referenced above have documented the potential and actual exploitation of 'live/work' policy to deliver single use units, generally solely residential use, often on former employment land.
- Loss of employment floorspace: Formerly 'protected' employment land can be eroded by low generation of local employment in consented 'live/work' development, and by residential reversion. Prices of 'live/work' developments generally rise with residential land values, therefore further eroding space at rates affordable to businesses.
- Residential reversion: A number of practical and policy-based factors encourage the residential use of live-work properties: VAT zero rating of construction costs for new residential properties, capital gains tax applies to workspaces, difficulties securing mortgages on properties where workspace comprises over 40% of the accommodation.
- Low employment: Evidence suggests such schemes can be dominated by single person operations with a low level of linkage into the local economy including the direct generation of local employment⁹.
- Enforcement: Several studies make reference to the difficulties of enforcing and monitoring 'live/work' policies, particularly those relating to ongoing employment use. Such enforcement would require internal inspections of properties

- to ascertain uses. In some cases, attempts to enforce against individual home owners have resulted in legal challenges, some of which have been upheld¹⁰. These actions also had the effect of creating uncertainty for potential buyers, mortgage lenders and solicitors, a further challenge to successfully delivering these schemes.
- Affordable housing: 'Live/work' developments have often been exempt from affordable housing requirements, because they fall into a 'sui generis' planning status (i.e. in their own use class than one of the residential use classes). Unless planning policies have been written specifically to refer to 'live/work', these developments have therefore been exempt from the affordable housing requirements attached to residential development proposals. Some studies have documented an open recognition by developers that 'live/work' was used to circumvent both employment protection and affordable housing obligations¹¹.
- Home working: Evidence suggests that the actual use of the workspace in many 'live/work' units is screen based therefore no different from conventional 'home-working' 12.
- Liveability: There is a potential conflict between maintaining residential 'liveability' in close proximity with commercial uses due to issues of noise and air pollution, traffic movements. The extent of this potential conflict will depend on the work uses in question.
- Health & Safety: In the case of existing and informal 'live/ work' uses of former industrial buildings, there have been issues related to non-compliance of conversions with Building Regulations and Fire Safety requirements.
- Families: Some boroughs including Hillingdon,

^{10.} Bishopsgate Foundation vs Curtis, September 2004.

^{11. &#}x27;Review of live-work policy in Hackney', London Residential Research, April 2005.

^{12. &#}x27;Does Live/ Work?', Cutting Edge Planning & Design, April 2005

^{9. &#}x27;Review of live-work policy in Hackney', London Residential Research, April 2005.

Tower Hamlets and Waltham Forest do not believe that 'live/work' units are suitable for families and children.

Opportunities of Work-Live Accommodation

- Cost effective: There is potential to reduce expenditure on travel, rent and utilities by living and working in the same place¹³. Such use of space significantly reduces business start up costs and provides an important low-threshold to enterprise. Equally, working from home for an employer can also save money on travel. This benefit may also apply to locally-based employment, but is a common feature of all work-live accommodation.
- Convenient: Removing the need to travel to work can save time as well as money. Longer commuting times are consistently associated with lower subjective quality of life¹⁴.
- Efficient use of land: In areas of high land values dual-use properties can potentially intensify land use.
- Sustainable: Dual use accommodation offers a reduction in carbon footprint by cutting fuel consumption, energy on heating and travelling, as well as embodied energy¹⁵.
- Regeneration: 'Live/work' accommodation has consistently been used to play a positive role in economic regeneration by encouraging investment in run-down areas. In some cases, this has been due to 'live/ work' policies being used by developers as a method to circumvent planning restrictions, in others it has had a genuine contribution to regeneration.
- Business Incubator: Many developments use work-live accommodation to play a role in nurturing young businesses by offering

- affordable space, networking opportunities and even dedicated business support. Such support can also be offered through other types of workspace provision, although these are likely to cater for different audiences.
- Workspace diversity: Work-live accommodation can contribute to a diverse workspace offer in an area. In a complex employment space market, work-live may offer opportunities for those who wish to 'step up' from home-based working, for example.
- Social role: Dual use developments can help to create a local sense of community with increased interaction between tenants, day time economies in what might otherwise be residential areas and 'social oversight' or 'passive supervision' of workspaces during nonworking hours.
- Flexible: The opportunity to combine living and working in the same place has the potential to allow lifestyle flexibility for inhabitants.
 This may be particularly relevant to some demographics, such as those with disabilities or those with young families¹⁶.
- Place-making: Work-live provision has been successfully used to establish vibrant communities of tenants, both workers and residents. Examples of this are further explored in the case studies later in this report.

^{13. &#}x27;Homes that Work: The Role of Housing Associations as Providers of Live/ Work Accommodation', Tim Dwelly, 2003

^{14. &#}x27;Stress That Doesn't Pay: The Commuting Paradox', Bruno S. Frey, Alois Stutzer

^{15. &#}x27;Tomorrow's Property Today: Sustainable Live/work Development in a Low Carbon Economy', Tim Dwelly, Andy Lake and Lisa Thompson, April 2008.

^{16. &#}x27;Homes that Work: The Role of Housing Associations as Providers of Live/ Work Accommodation', Tim Dwelly, 2003

Place:

Design & Facilities

Previous studies have made the following recommendations in terms of spatial design and facilities required for successful dual use accommodation. Recommendations are consistent across many reports, with the exception of specific figures for proportional ratios of live to work and minimum floor areas.

Location and Scale

Work-live development has typically been used to bring new activity to run down and deprived areas. Suitable locations for work-live accommodation can include: brownfield sites, mixed use developments, town centres and local centres, vacant employment sites outside of designated industrial and business areas where robustly justified. Due to the risk of eroding employment land, work-live is not considered suitable for Strategic Industrial Locations, (SILs) or Locally Significant Industrial Sites (LSIS). Suitability for Other Industrial Locations (OILs) must be established in accordance with Local Plan requirements.

Developments have been shown to be more successful at a scale of between 20 to 30 units. These numbers create an appropriate balance of associated revenue and a level of management oversight which would not be possible with greater numbers. Such a cluster can also have the effect of creating a business or research cluster with the possibility for shared support services. These clusters are able to form a contributing part of existing employment quarters. Conversely, dual use properties scattered amongst residential properties are more likely to revert to residential uses.

Spatial Arrangement, Design Building type

The spatial design of units is reported as having a significant impact on the continuation of employment uses. Although not the only factor, accommodation that is predominantly commercial in character can contribute to protecting these uses. This can include robust material finishes, high ceilings and large access doors, amongst other 'commercial' characteristics.

Place-making

In order to maximise the potential neighbourhood impact of work-live schemes, ground floor, street-facing business space is preferable, although this may not be suited to all uses.

Workspace should generally face into public areas with private space behind and/or above. This encourages interaction with other businesses and social oversight during the daytime.

Work-live accommodation can also impact its urban context beyond its immediate streetscape. The ability to support social and economic activity throughout the day can create neighbourhood hubs, vibrant public spaces and reduced impact upon local transport networks.

Access

Independent access to the work space for visitors is desirable, with the work and living spaces connected internally. Walk-in trade should be permitted and encouraged. Consideration should nonetheless be given to security, with appropriate access control to individual units. For some uses, such as those requiring large deliveries, ground floor access is preferred.

Work-to-Live ratio

Some local authorities stipulate a work-to-live ratio, others stipulate minimum work space floor area to be achieved. Such requirements may be desirable for enforcement reasons, but may not be desirable for mortgage/tax arrangements. For example a higher percentage of working area than 40% may lead to difficulties in securing a mortgage.

Spatial arrangements

There is a general trend of local authorities preferring arrangements that separate the working and living space by floor levels or mezzanines. 'Shell' type fit-out of the space may have advantages in giving occupants flexibility to achieve the required balance internally.

Generally, work space should be sufficient to employ at least one other person. Development should consider that storage space need for businesses is generally greater than for residential accommodation.

Inclusive design should be implemented as worklive offers particular opportunities for people with disabilities.

Liveability requirements to be considered specifically in relation to dual-use, which may require higher levels of performance than solely commercial use properties, for example:

- Sound proofing: insulation above the Building Regulations standard.
- Adequate ventilation.
- Adequate light encourage double aspect
- Maintaining privacy
- Servicing arrangements
- Refuse storage

The potential for light industrial work should also be considered. This may require: higher levels of floor loading, double height ceilings, three-phase electricity supply and extract ventilation.

Features, servicing and support

The provision of communal hub spaces to maximise interaction is seen as a major benefit. These can include: shared meeting rooms, courtyards, atriums, cafés, open spaces, gardens. Parking provisions for residential and work use should be appropriate to the site.

Signage for businesses is very important, both in terms of reinforcing the employment uses of a scheme, and visitor wayfinding.

IT and communications infrastructure needs to be catered for. Broadband access is essential. Access to business support can also bring significant added value to some developments.

People:

Tenants & Tenure

Tenants

Some local authorities restrict the number of bedrooms to two as 'live/work' is seen as inappropriate for family accommodation. Some schemes also restrict access to artists, knowledge-based workers and self employed workers, which has been seen as limiting.

However, research has shown that dual-use accommodation is relevant to a wide range of people including families, young people, business start ups, carers, social tenants, those wishing to 'top up' their regular income, artists, craft workers and students.

Tenure: Freehold and Leasehold Ownership

Some previous studies have documented privately owned property used as 'live/ work' accommodation. Many of these individual examples are compelling. However, in such a circumstance, where there is no ongoing oversight of employment uses, changes in personal circumstance or ownership may mean that employment uses in a property are lost. In a situation where retention of employment is a key factor, these tenures are therefore problematic.

Tenure: Assured shorthold

This form of tenure is generally seen as the best way to keep control over the property through monitoring by a landlord, Housing Associations or Registered Social Landlord. This can assist in ensuring ongoing employment use in the property.

Such a tenure can be used to help grow businesses when combined with stepped rents. Once a business is incubated, the business can move on and can create opportunities for successors.

However, assured shorthold tenancies can imply a predominantly residential use. In the case of some tenancy agreements, including Social Rent Tenancies, working from the property is explicitly forbidden. The Government is currently preparing a new model tenancy agreement to protect tenants rights to work from home.

Tenure: Shared ownership

Under Shared ownership tenure Housing Associations can retain control of the property and can have a buy back clause to enable it to be resold to similar target groups in future.

This has an obvious appeal to relatively wellestablished businesses that cannot afford to buy a local home outright.

However, the ability of this tenure to retain employment use successfully has not been established and it has the potential to be problematic, as per leasehold tenure.

Tenure: Business tenancy

Some Housing Associations have attempted business tenancies without great success due to a lack of experience in delivering such provision. In some cases, a suitable commercial tenancy has been successfully employed, and can be useful to place the emphasis of the tenancy on business use.

In order to ensure access is focused at appropriate tenants, and that those who are no longer using the property in the specified manner are able to be moved on, general practice is to exclude security of tenure from commercial leases on dual-use properties, i.e. the tenancy is excluded from the protection of Part II of the Landlord and Tenant Act 1954.

In some cases, a bespoke commercial tenancy which protects the tenants right to ancillary residential use of the property, for example at Westferry Studios, has been successful.

Taxation and Governance

Some studies suggest that the systemic split between living and working in terms of taxation and governance, both in planning terms and Council Tax/ Business Rates discourages dual-use accommodation. At the time of writing this report, many case study business were eligible for Small Business Rates Relief, which can alleviate this issue.

Protecting Employment Use

The overarching consensus is that careful management is needed for a work-live scheme to be sustainable and successful in retaining its employment uses. The paragraphs below summarise findings regarding management models from previous studies:

Private developers

Developers often do not remain involved in their schemes after completion and sale. Schemes are therefore highly susceptible to - or may be deliberately intended for - residential reversion.

Housing Associations

Housing Associations are generally seen as successful managers, where properties remain rented or in shared ownership. They are seen as being more committed to developments and their surrounding areas than private developers in the long term and therefore more motivated to maintain ongoing use in the manner intended.

However, Housing Associations may struggle to deal with the work-focused needs of work-live tenants. Some common complaints include:

- Lack of/poor broadband
- Refuse collection not geared up for business
- Poor access for visiting clients
- No business signposting on buildings/doors
- Poor quality of business support/design advice
- Lack of clarity on business rates and council tax mix

Partnerships

Successful management usually occurs when there is a combination of different partners. For example a housing association and a business manager can work together in providing services within their respective areas of expertise i.e. residential accommodation and commercial workspace.

Other managers

There are a number of documented examples of private business management companies or

workspace providers taking a role in providing work-live accommodation. In general, this is in partnership with another organisation familiar with providing residential premises.

Academic, research or other institutions have also been involved with dual-use developments. In these cases, institutions may choose to employ a commercial partner with the required business support skills to assist in managing the scheme.

Tenant Selection

Application procedures such as provision of a business plan for assessment can assist with the selection of appropriate tenants.

It can also beneficial to provide access to a business advisor who can visit each business several times a year and vet business plans, provide access to business loans, give growth advice etc. Some schemes may provide access to start up loans.

Planning Policy Context & Issues

Definition

The National Planning Policy Framework specifically states that planning authorities should facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

Use class

Most uses fall within one of the specified classes in the Use Classes Order 1987 (as amended). The planning authority is responsible in the first place for deciding which class, if any, a particular use falls into. Changes of use within a Use Class do not need planning permission. Certain changes of use between different classes are permitted by the Town and Country Planning (Use Classes) Order and do not need planning permission.

Relevant Use Classes are:

- A1 Shops Shops, retail warehouses, hairdressers, undertakers, travel and ticket agencies, post offices (but not sorting offices), pet shops, sandwich bars, showrooms, domestic hire shops, dry cleaners, funeral directors and internet cafés.
- A2 Financial and professional services Financial services such as banks and building
 societies, professional services (other than
 health and medical services) including estate
 and employment agencies and betting offices.
- B1 Business Offices (other than those that fall within A2), research and development of products and processes, light industry appropriate in a residential area.
- C3 Dwelling houses General housing, with 3 sub classes for different types of household: single family dwellings, supported care and groups of people living together as a single household.
- Sui Generis Certain uses do not fall within any use class and are considered 'sui generis', which effectively means in their own class.

In work-live accommodation generally the workspace is some form of B1 Business (office or workshop), although it could be A2 Financial

and professional services and some policy allows this, and in some cases it may be A1 Retail. The appropriateness of A1/ A2 uses would depend upon the location and details of the proposal, as they are unlikely to be suited to sites outside town or neighbourhood centres. The live element is likely to fall within C3 Dwelling houses. However, combining the live and work uses into a single 'planning unit' takes the resulting work live use outside the use classes and into 'sui generis'.

'Live/ work' was defined as being 'sui generis' in Circular 03/2005, since cancelled by the web-based National Planning Policy Guidance, which does not contain such a definition. However, it is now generally accepted that 'live/ work' is 'sui generis'. Some local planning policies specifically state that it will be treated as such.

It is possible to have an ancillary use as well as the main use of a building or land, without going outside the relevant use class. So a home may have ancillary workspace in it, for instance a home office, while remaining in C3. By definition, work-live goes beyond this degree of workspace, otherwise the category is not necessary.

It may also be possible to have a mix of uses in close proximity that is part B1 and part C3, which achieves many of the aims of work-live without some of its disadvantages in planning terms. There will be a spectrum of possibilities from 'sui generis' to C3/B1 depending on the nature of any specific proposal.

Planning contributions

Planning policy requirements generally apply to certain classes of use so may not apply to a 'sui generis' use unless it is specified as being included. A 'sui generis' work-live use can be argued by applicants to be neither 'residential' nor 'business' so policies relating to these topics would not be applicable.

An important instance is affordable housing, where work-live proposals would not necessarily be required to provide affordable housing unless

planning policy is framed specifically to do so. The London Plan and Housing SPG do not specifically refer to 'live/ work' or work-live in relation to affordable housing. The LLDC Draft Local Plan does not currently refer to 'live/ work' or work-live in relation to affordable housing.

Another example is CIL contributions. The Mayoral CIL applies to all uses, with social housing and charities development being exempt. The LLDC Draft CIL Charging Schedule sets the following rates:

- 'all residential development' £60
- 'all other uses except education and healthcare' Nil.

This is currently a 'grey' area in planning terms with no clarity around the interpretation of these policies in relation to sui generis uses. There is therefore a risk that 'live/ work' or work-live may be promoted by developers as a route to avoid either affordable housing provision or CIL contributions rather than to provide the accommodation.

Compliance/enforcement

Where 'live/ work' units have been integrated into a single composite unit with a single entrance, then it has proved difficult to monitor and enforce compliance with planning conditions and s.106 requirements, as this would require access to the interior of the unit. Many early examples of 'live/ work' were never used for work purposes and were never rated commercially. After 4 years, the residents were able to demonstrate residential use over that time, evidenced by photographs, the payment of Council tax and the absence of business rates, and successfully to establish a lawful residential use.

Merton Council carried out a number of surveys of 'live/ work' units that had been developed in the Borough over 2006-2010. Their 2010 briefing note identified that live work developments were not prolonged uses and, of 22 'live/ work' schemes that were granted consent:

- 4 were in 'live/ work' use
- 4 were in commercial use only
- 10 were in residential use only, and

 4 were of unknown status (3 being undeveloped and 1 under construction).

The Merton cases identified problems with:

- developers fitting out 'live/ work' units specifically to facilitate future residential use of the work element
- developers not marketing 'live/ work' units seriously where these were a relatively small proportion of the total number of units being developed (the others being residential)
- developers marketing 'live/ work' units only through residential agents
- 'live/ work' units being marketed at a price far above what might be expected for business premises
- the Council's Enforcement team seemingly being unable to secure 'live/ work' use in 'live/ work' units through confusion about the meaning of the term (i.e. not just a computer in the corner of a living room), a lack of priority and resources as these matters are much more difficult to deal with than physical breaches of planning requirements
- an unhelpful judgement in the London County Court in 2004 in a leaseholder case that 'live/ work' means the occupant can either live or work there but has no obligation to do both

Conditions/s.106 clauses

The Planning Portal has an example of a model condition, which specifies that the residential element shall not be occupied by anyone other than the person occupying the business unit:

"LIVE/WORK UNITS

- (1) The business floorspace of the live/work unit shall be finished ready for occupation before the residential floorspace is occupied and the residential use shall not precede commencement of the business use;
- (2) The business floorspace of the live/work unit shall not be used for any purpose other than for purposes within Class [B1] in the Schedule to the Town and Country Planning (Use Classes) Order 1987, or in any provision equivalent to that Class in

any statutory instrument revoking and re-enacting that Order with or without modification.

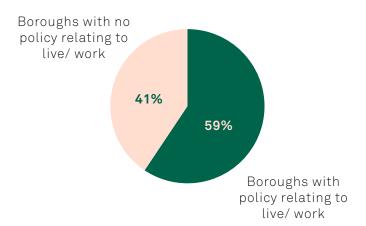
(3) The residential floorspace of the live/work unit shall not be occupied other than by a person solely or mainly employed, or last employed in the business occupying the business floorspace of that unit, a widow or widower of such a person, or any resident dependants."

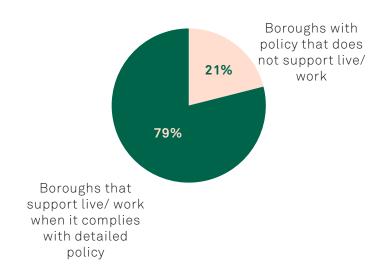


A review of local planning policies in London has shown that the majority of Boroughs do have planning policy that relates to live/work. Most of these support live/work provided that it complies with detailed policy requirements. However, a minority of Boroughs have planning policy that does not support live/work.

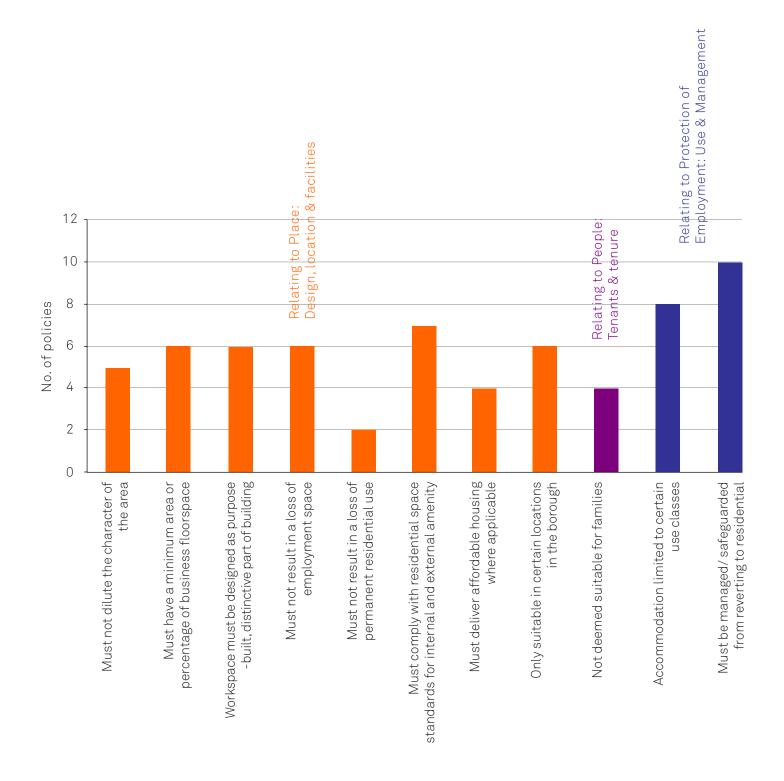
The planning policy requirements or criteria relate to a wide range of issues, similar in scope to the issues covered by this research.

The figures opposite and overleaf illustrate the findings in more detail.





↑ London Boroughs with policy relating to Live/Work



Deliverability

Previous studies have limited detail regarding the delivery of work-live schemes. However, the role of the public sector and housing associations are covered in 'Tomorrow's Property Today' and 'Homes that Work' by Tim Dwelly.

Public Sector

Local authorities, regional development agencies, English Partnerships, Government agencies and departments and housing associations already own sites where work-live development maybe an appropriate use. There are a number of examples where local authorities have provided land for no or very low cost to housing associations with the intention of supporting this type of development¹⁷. They are also, in their enabling role, able to negotiate land deals with owners and builders who are reluctant to build commercial premises on mixed use sites. This potentially makes them well placed to support the delivery of work-live accommodation. There is also potential for local authorities to influence the quality of work-live developments.

Housing Associations

Housing associations have historically funded some dual use schemes entirely from their own resources.

Housing Associations have received grants from various sources to deliver work-live schemes, mostly relating to the redevelopment or regeneration of old/disused buildings and surrounding sites or to the provision of business advice and support. Grants have been provided by European Regional Development Fund (ERDF), Riding for the Disabled Association (RDA), Prince's Trust, Single regeneration funding, Physical town infrastructure funding, EU Creative Towns funds.

^{17.} Creative Lofts, refer to Case Study 1, Westferry Studios, refer to Case Study 8.

Work-Live in the Wider LLDC Area

As described on page 12, 'live/ work' policy has had a chequered history, particularly in East London over the last 20 years.

The diagrams opposite and overleaf track the numbers and location of consented 'live/ work' schemes in the LLDC boroughs of Hackney, Tower Hamlets, Newham and Waltham Forest from 1995 to present.

The history of 'live/ work' policy in the London Borough of Hackney illustrates this rise and fall well. As described previously LB Hackney adopted a 'live/ work' policy on a pilot basis in 1994, and a full SPG in 1996. However, following a high number of consented schemes, particularly in the Shoreditch and Hoxton area, it became apparent that many schemes were being used as purely residential properties.

The "Live/ Work' Supplementary Planning Guidance' was revoked in 2002. At the committee meeting the following shortcomings of the SPG were identified:

- The introduction of interim policy guidance in 1999 did little to address the shortcomings of the early policy.
- The definition used in the SPG focused on the amount of floorspace but planning conditions cannot control the subdivision of unlisted buildings within a single planning unit.
- The standard conditions employed aim to control the basic nature of the use. This would imply that there is some concern about the genuine nature of such developments.
- A criterion for assessing 'live/work' proposals was that the building should have been vacant for a significant period of time and is unsuited for continued employment use. The applicant is asked to prove that the building can no longer





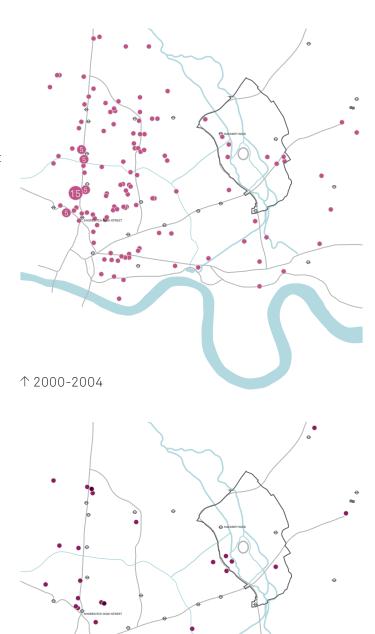
→ Consented 'Live/ Work' schemes in LLDC Boroughs, 1995 to present sustain B1-B8 use and yet can sustain 'live/work', whose work element will have many of the characteristics of a B1 use.

- The vacancy requirement could result in a building being left deliberately vacant to fulfil planning criteria in order to obtain approval.
- Environmental Health had received complaints from the occupants of 'live/work' dwellings about the noisy operation of existing businesses in their area. Potentially enforcement action could be taken against established businesses in response to complaints from 'live/workers' which could constitute another erosion mechanism.
- The concept of affordable 'live/work' is not backed by government guidance.
- The existence of the 'live/work' SPG and policy together with the 15 unit threshold for affordable housing provision has resulted in a growing tendency amongst developers for the submission of schemes which have up to 14 residential units and the rest 'live/work' as part of a mixed use scheme, thereby avoiding any affordable housing contribution.
- Only a small percentage of schemes had been subject to S106 agreements aimed at compensating for the loss of employment floorspace.

Following this revocation, the Borough continued to consent to 'live/ work' schemes, in part due to a lack of clarity about the meaning of the revocation.

The subsequent 2005 London Residential Research report, described earlier in this study therefore recommended 'regularisation' of consented live/work schemes to be 100% residential, on payment of a commuted sum.

Hackney's current policy does not support 'live/ work' development, as can be seen in the latest map of consented schemes, opposite.



↑ 2005 to present

Work-Live within the LLDC Boundary Area

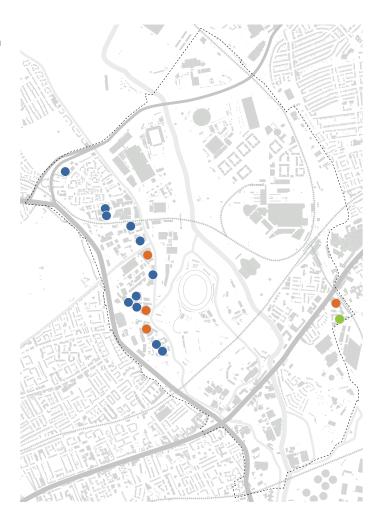
The diagram opposite indicates the locations of both 'formal' and 'informal' dual use accommodation in the LLDC area.

It shows a clear pattern of formal developments consented as 'live/ work' between 2000 and 2005 reverting to residential use. Approximately 25% of units in such developments have received formal Lawful Development Certificates for residential uses. Others have established, though not formally recognised, single use residential properties. We have found no evidence of employment uses being undertaken in such developments.

This apparent lack of demand for dual use property is counter-acted by the presence of 315 informal work-live units, ranging between one and twenty occupants. These units introduce residential accommodation to properties that are formally classified as B2 or B8 industrial uses. They are therefore in contravention of planning law, and often subject to business rates only, despite including residential accommodation. Such informal inhabitation can lead to issues of contraventions of Building Regulations and Fire Safety. The London Legacy Development Corporation does not support informal work-live uses.

The apparent difference in demand for formal and informal work-live can almost certainly be attributed to issues of tenure and affordability, where 'formal' developments are generally owner-occupied or buy-to-let on a leasehold basis, and 'informal' units are subject to a commercial head lease and sub-let at highly affordable rates to tenants on a room-by-room basis. These affordable rates can, in part, explain the apparently high levels of demand for such accommodation.

Both 'formal' and 'informal' examples of dual use accommodation in the LLDC area are explored through case study examples later in this document.



↑ Existing dual use schemes within LLDC boundary

- Informal work-live
- Built formal 'live /work' containing consented change of use to residential only
- Built formal 'live/work' without consented change of use

Learning from Informal Provision

Warehouse units in Hackney Wick and Fish Island provide an informal work-live typology for a wide range of practitioners in the LLDC area. Former industrial buildings provide generous space and relatively low rents. This has led to great demand for the spaces, especially from artists and creative practitioners.

Evidence from the warehouse units surveyed in documents such as 'Creative Factories' 18, suggests that the amount of employment activity within these units is inconsistent. In some cases the entire unit may be self-managed with a strict criteria for work space allocation 19, in other cases the units may be 50/50 in terms of the ratio of working occupants to 'live-only' occupants.

The warehouse work-live model illustrates the types of demand that exist for a dual use provision in the area. There are a series of positive aspects of unauthorised warehouse living which occupants have come to depend on for their practices:

- Support for freelance culture: Many practitioners have part time fixed term employment elsewhere, so therefore rely on their work-live space to develop their own independent practices.
- Collective creativity and support: These creative businesses benefit from the adjacency of numerous work-live 'creative types', who share ideas, services, support and labour. This is described in more detail in Case Study 9.
- Flexible and immersive contact with work: For some artists, it is important to be very close to their work because of the nature of their practices, which may involve long hours and constant critical reflection.
- Locally distinctive economies: Many practitioners create small local businesses from

- their units such as hair salons, coffee shops²⁰, bicycle workshops and organic fruit and veg. These independent businesses make the area culturally distinctive, they propagate community relationships as well as providing valuable local services.
- Flexible access to light industrial space: Many practitioners benefit from the industrial nature of the spaces provided, which allows applied artists and craftsmen to develop businesses which require extra space, convenient ground floor access and ability to use heavier machinery.

Although this informal typology does give benefits to occupants, there are also a number of issues which often lead to compromised working conditions. The issues faced by tenants in unauthorised accommodation are summarised by the following points, and may be considered requirements for official work-live provision:

- Strategic management: Work-live space should be allocated so that valuable spaces are leased to those who need it. Co-ordination of adjacent uses and disciplines as to avoid conflicts around noise and disruption would also be beneficial.
- Stability: Occupants are often subject to short leases. Options for longer term commitment would allow for greater investment in spaces and more stable lifestyles.
- Building quality: Many occupants suffer issues with leaky roofs, sound insulation and heating, which causes issues for those trying to run businesses day to day. Health and safety may also be problematic in terms of compliance with fire regulations.
- Separation: Many occupants have issues with the lack of adequately separated work space.
 There is also a need for space with a greater potential for public/private interaction.

^{18.} Richard Brown, 2013.

^{19.} JP studios in Vittoria Wharf where space is reserved just for those demonstrating that they need studio space. (The Live-Work Collectives, Richard Brown 2012)

^{20.} Tom Seaton grew his café business from an informal Live-Work unit in Fish Island. The live work set up meant that all of the café staff were housed adjacent to the café itself, and so allowed flexible working arrangements and good consistent local engagement. (The Live-Work Collectives, Richard Brown 2012)

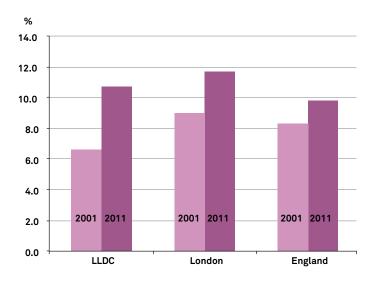
Work-Live Demand in LLDC Area

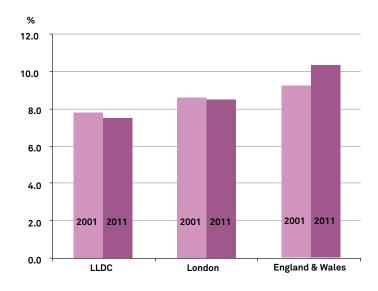
The charts opposite indicate that both nationally and in the LLDC area, there has been an increase in the percentage of population reporting as being self-employed between 2001 and 2011. In fact, both the overall percentage of self-employed people and the percentage increase in the LLDC boroughs is greater than the national figures.

Nationally, there has been an increase in the percentage of the population describing themselves as, 'Working at of mainly from home'. However, within the LLDC boroughs and across London, this percentage has seen a slight decrease and the overall percentages are lower. There is no firm evidence as to the reasons for these differences, but recent studies such as the GLA 'Supporting Places of Work: Incubators, Accelerators and Co-Working Spaces' report describes the variety of highlyconnected, low-threshold enterprise space that is now available in London. This type of provision is described as one that has occurred in the Capital since 2009, and is focused towards urban areas. This may therefore explain the lower levels of homeworking and minimal decrease in working from home against the national increase.

Establishing demand for the informal work-live provision in the area is challenging due to its, 'below the radar' nature. However, anecdotally, we understand that work-live vacancies are usually filled immediately and rarely come back to the market for re letting, although they have a relatively high turnover of occupants. This indicates high levels of demand and an ease of finding new tenants without having to return to the market. As noted above, this demand is likely to be associated with the highly affordable rates at which these spaces are let, and addition to tenants seeking spaces suitable for work-live activities.

Evidence from a recent qualitative report investigating the concept of 'Housing for Entrepreneurs' by Seven Hills for the Peabody Trust suggests that there is local interest in accommodation that supports living and working





↑ Percentage of working population reporting as 'Working mainly from home'. Source: ONS Census

space for start-up and SME businesses²¹. However, there were also concerns from the consultees that some division, though not necessarily distance, between living and working accommodation was desirable.

In the case of a proposed development for a particular work-live scheme, detailed market testing would to establish demand for the specific offer would be advisable.

^{21. &#}x27;Housing For Entrepreneurs: A Market Demand Research Paper', Seven Hills for Peabody Trust, October 2014.



Peanut Factory, Hackney Wick, UK. Photo: We Made That

Case Studies Introduction

In this section of the report, a variety of models for providing work-live accommodation have been explored through case study examples. Schemes have been chosen from local, national and international locations. The case study selection has been made in order to explore a range of typologies of:

- spatial arrangement
- management
- delivery mechanisms
- affordability models
- tactics for protection of employment use
- design approaches

The case study sample group consists of eleven schemes, five documented at high-level and six in detail. Quantitative data has been collected from all eleven case studies through participation in an online survey with follow-up phone and email contact for qualitative feedback. In addition to the subjects outlined above, the online surveys collected data on: location, scale, type of accommodation, marketing, funding, facilities, tenure, impact on the surrounding area and pricing. The survey is available to view at: Work-Live Survey.

The six detailed case studies have also been documented through site visits, photography, spatial diagrams and provider and tenant interviews to give further insight into their operation.

A three of these case studies have been featured in previous studies. This allows an amount of longitudinal understanding of their success. This applies to the following examples:

- Creative Lofts, also featured in 'Homes that Work', Tim Dwelly, 2003.
- Westferry Studios, also featured in: 'Tomorrow's Property Today: Sustainable Live/work Development in a Low Carbon Economy', Tim Dwelly, Andy Lake and Lisa Thompson, April 2008, 'Homes that Work', Tim Dwelly, 2003 and 'Disconnected: Social Housing Tenants and the Homeworking Revolution', Tim Dwelly, April 2002.
- Peanut Factory, also featured in 'Made in HWFI: The Live Work Collectives', Richard Brown and 'Creative Factories', Richard Brown, 2013.

- 1 Creative Lofts, Huddersfield, UK
- 7 CO² Zero LiveWork, Bristol, UK
- Veld van Klanken,
 Hoogvliet, NL
- 8 Westferry Studios, Limehouse, UK
- 3 Everett Station Lofts, Portland, USA
- 9 Peanut Factory,
 Hackney Wick, UK
- 4 HUS 24, Stockholm, Sweden
- 10 Iron Works,
 Hackney Wick, UK
- 5 Victory Works, Hackney Wick, UK
- Balfron Tower,
 Poplar, UK

6 Spark Studio, Salford, UK

Case Studies Location Map





Creative Lofts, Huddersfield, UK

Northumberland St Huddersfield HD1 1RL

Scale: Major development (21 units)

Spatial arrangement: Mezzanine level dividing uses **Building type:** Refurbished former educational

building

Occupier tenure: Assured Shorthold Residential

tenancy

Management: By Housing Association

The Creative Lofts were created from a refurbished Grade II Listed, formerly local authority owned building in 2002. The incentive for 'live/ work' use in the development came from the council.

The Lofts are run by Places for People, a Leeds-based housing association. They have a part-facilities management arrangement with the adjacent Media Centre, a not-for-profit workspace provider based on adjacent sites in order to find tenants. Due to lack of demand, some spaces are now let as purely residential use.



Creative Lofts is located in Huddersfield. The building was formerly the Mechanics Institute (which later became the University of Huddersfield), then a Friendly and Trades Club, and is Grade II Listed. It was derelict for a long period and, in order to incentivise its redevelopment, the council sold the building at a low price to housing association, Places for People (PfP). The 'live/ work' principle of the development was suggested by the council. They also put PfP in contact with the Media Centre in order to support the establishment of a creative quarter in the town centre.

Impact on surrounding areas

The Media Centre has successfully contributed to the regeneration of one city block in Huddersfield. It has a significant social and economic impact through providing workspace in the town centre, hosting events and housing a successful café, used by businesses and the general the public.

Employment on the wider site has increased from 13 prior to the Media Centre's presence, to approximately 300 in total across the site today. The Creative Lofts were intended to contribute further to this, but with limited success. The 21 units have been delivered in a vacant building formerly offering no employment, but the number of workers in the building has been consistently lower than anticipated.

Spatial arrangement

The work-live units have a mezzanine split level, with workspace below and residential above. The top floor units are on a single level with no clear division between uses. Due to this layout, all units on the upper floors are currently being used as solely commercial space. The average floor space of a split-level unit is 87m² (940 sqft).

Planning

The Creative Lofts development was granted planning consent in 2010. The planning conditions

stated that the work units must be classified as B1 in order to respect residential amenity. Background research has revealed an emphasis on Huddersfield town centre as a location for employment (Unitary Development Plan). There does not seem to be any specific policy from this time on 'live/work'.

PEOPLE Demand

There have been problems in terms of finding demand for the units. This has lead to units being made available for purely residential use in recent years. The building is currently 55% occupied, at its lowest it was 45% and highest was around 75% occupancy. Rarely has occupancy been over 70%. The Lofts have always under-performed in terms of occupancy from the perspective of the Media Centre, who run their adjacent office provision at 80% occupancy. There has also been a relatively high turnover of businesses, average tenancy around 1 year, although some have stayed for up to 7 years.

Potential Tenants

The Media Centre markets the Lofts, and sometimes use external agents to fill vacancies. The Media Centre doesn't advertise. It is mostly marketed through the programmes and events.

The demographic of Media Centre tenants is generally 35-45 years old. Typically they have grown up in the area, studied elsewhere, started a career elsewhere and returned to Huddersfield when starting a family. Housing in the area is affordable and such people may prefer a larger house, closer to the countryside, with a short commute into Huddersfield to work rather than a work-live unit. Most business owners at the Media Centre live within 7 miles. In the opinion of the Media Centre, people looking for an 'urban' lifestyle are more likely to live in Leeds or Sheffield than Huddersfield.

Tenure

Places for People are the leaseholders of the building. The tenure of the occupiers is assured shorthold tenancy.

AFFORDABILITY

The Creative Lofts and Media Centre accommodation overall are considered to be at the upper end of the office space market in Huddersfield. This is in terms of pricing, customer service and quality of provision, and is a deliberate market position taken by the Media Centre.

Tenancy agreements do not have break clause dates, but are rolling with comparatively short notice periods from 1 month upwards dependent on the length of lease. The Media Centre aim to be flexible and can offer people free relocation to smaller units if necessary, or rent free-periods, rent holidays and flexible payment plans if they are struggling to make payments.

PROTECTION OF EMPLOYMENT

Due to low occupancy rates, tenants wishing to now just live in the Creative Lofts are permitted by Places for People. The work side of 'live/ work' was initially more important, particularly for the Media Centre, but the need to fill vacancies has become an over-riding factor.

In the experience of the Media Centre, 'live/ work' hasn't been a particularly successful concept. They have had periods with more people using the Lofts in this way, but it comes and goes. There is currently only one tenant using the Lofts in this way.

The Media Centre keep up to date with the success, or lack thereof, of other 'live/ work' developments in the region, and believe that their experience is typical of the area. To confirm this, a phone interview was undertaken with David Taylor of Midland Heart, another housing association offering similar provision in Stoke-on-Trent, Birmingham and Coventry. He confirmed that overall there has been low demand for the units they offer, which included subsidised rent models for start up businesses.

Two schemes for which grant funding constraints required 'live/ work' use had some vacancies exceeding one year. Since their grant restrictions expired, they have been let as residential units. One further scheme, which offers separated workshops and family units still has its use restricted by grant agreements, but has also suffered from low demand and business failures. Midland Heart intend to use this building as a social enterprise hotel when the grant restrictions on this have expired.

DELIVERY

The initial funding partners were Kirklees Council, ERDF, Places for People and Northern Housing Association.

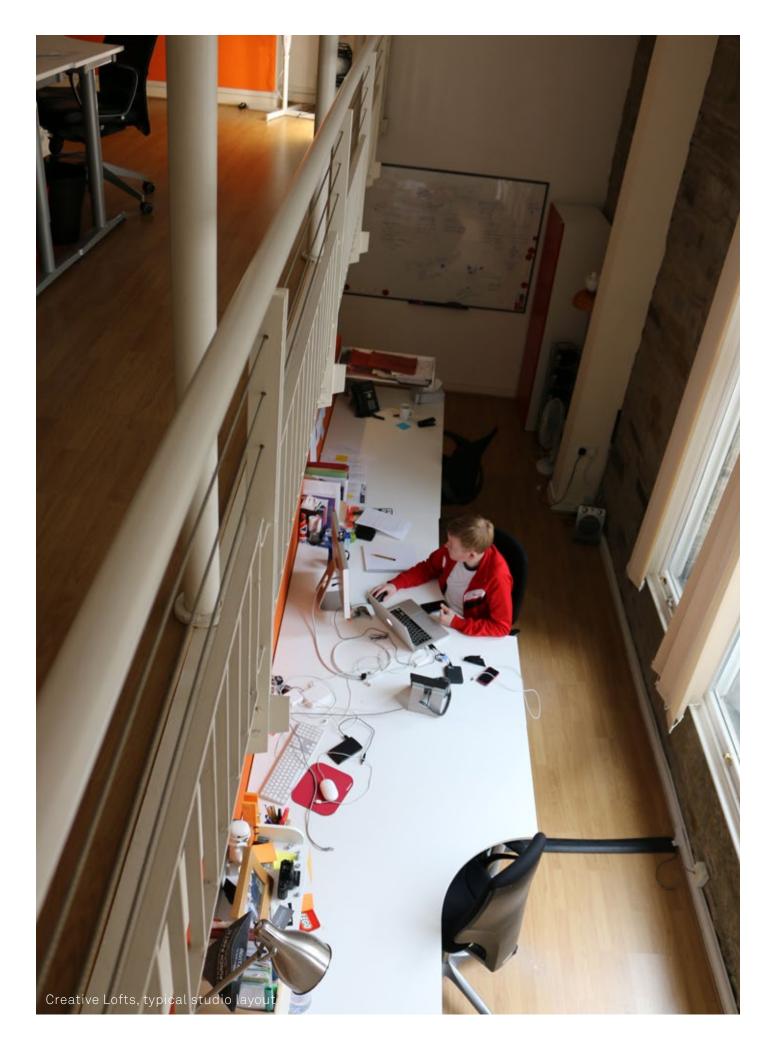
The initial cost of delivery of the building was £2.1 million. The age of the building means that there is significant financial burden in upkeeping it. This is an issue in terms of its appeal, or otherwise, of the Media Centre taking over the building.

KEY LESSONS

There are ongoing issues with the quality of the refurbishment. Some of the units are not fit to let due to lack of daylighting or poor insulation, and are not finished to a good quality. Parking is also an issue for the site. Lofts tenants do not have access to the Media Centre visitor parking.

There has been some conflict between PfP acting as a housing association with a certain level of service, and the Media Centre's desire to offer added-value and excellent customer service to their tenants. The Media Centre have felt that this dynamic does not always uphold their desired reputation.

Multiple reports of lack of demand leading to 'live/work' units being offered as residential accommodation highlight the importance of establishing local demand prior to developments being delivered. This was not established in the case of Creative Lofts or Midland Heart's provision.



Veld van Klanken, Hoogvliet, NL

Tarbotstraat Hoogvliet, Rotterdam The Netherlands

Scale: Major development (38 units)

Spatial arrangement: Work space provided in

separate building

Building type: Purpose built

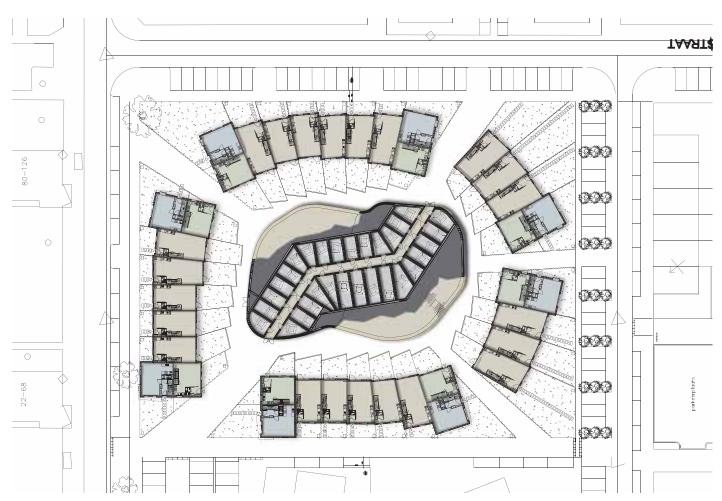
Occupier tenure: Residential tenancy agreement

Management: By Housing Association

This development comprises co-housing for musicians, developed as part of the WIMBY! project by Crimson Architectural Historians. It was the result of an ambition to diversify the inhabitants of Hoogvliet, formerly an area of high levels of social housing. It was completed in 2005.

The development was designed in collaboration with some of the initial musician tenants in order to develop a new social network or community within the Hoogvliet area. The name of the project translates as, 'Field of Sounds'.





Veld van Klanken, site plan. 24H Architecture

Hoogvliet is a borough of Rotterdam, the Netherlands. The co-housing for musicians concept emerged from an urban investigation into looking at new ways of living to make the Hoogvliet neighbourhood more attractive to wider demographics of tenants.

Spatial arrangement

The development is a purpose built co-housing scheme for musicians comprising of 22no. 3 bed units and 16no. 2 bed units designed by 24H

Architects. Each unit has its own music studio, which are all co-located in a central cluster rather than being distributed within each individual unit. The typical area of the units are 95m² (1020 sqft) for the larger units and 65m² (700 sqft) for the smaller units. The music rooms vary from 12 to 18m² (130 to 190 sqft).

The spatial arrangement is unique in its approach to providing clustered workspace/ music studios that minimise disruption to residential spaces and preserve their intended use.

Impact on surrounding areas

The development is spatially 'inward facing', with activity focused towards the centrally placed music studios. In this sense, its impact on the neighbouring areas is limited. However, a stated aim of the scheme was to introduce new demographics of residents to Hoogvliet, and by doing this the scheme has had a social impact in the area.

Features and facilities

The 'music mountain' is placed at the heart of the block comprising of individual music rooms that are highly soundproofed. Rooflights in the form of pyramids penetrate the grass roof of the mountain. This enables there to be natural light in each of the studios.

There is also a communal garden and visitor parking. The sound insulation for the units are above Building Regulations.

PEOPLE

Demand

The demand emerged from a group of people with shared preferences, not wanting to disturb other people, and in return not to be disturbed either. Crimson Architectural Historians were looking for residents to build a housing project, rather than the other way round. It was thus possible to establish demand in advance. Meetings were held at musicians clubs in Rotterdam to find tenants, and the number of households wanting to be involved eventually grew to 60. The tenants were responsible for choice of architects. They chose 24H Architects and were involved with the design process.

There is currently a good level of demand and all the units are full. Tenants comprise a mix of singles, couples and families.

Tenure

The units are a mix of privately leased and rented. It follows a typical housing association/tenant relationship where the tenants have a residential

tenancy agreement with no limitations of the timescale of occupation.

KEY LESSONS

According to Crimson Architectural Historians there has been limited success in terms of creating a community around this development, one of the key ambitions of the project²². The group initially worked together on the development process of the project, but once it was completed, they were more interested in using their individual studios. This diffuse social dynamic may be exacerbated by the cellular nature of the studios and limited opportunity for shared spaces offered by the spatial layout.

The spatial arrangement of this development is unusual, and has the effect of accommodating uses that may not be considered compatible with residential uses. The separation of spaces helps to protect the music studios being uses for residential purposes.

^{22. &#}x27;No Such Thing As Community?', Talk: Michelle Provoost, The Open Office, 13/03/2013.



Everett Station Lofts, Portland, USA

625 N.W. Everett Street Portland, OR 97209 United States

Scale: Major development (47 units)

Spatial arrangement: Open plan with flexible

division by tenants

Building type: Refurbished former office building **Occupier tenure:** Residential tenancy agreement

Management: By non-profit organisation

Everett Station Lofts was founded in 1998. It was the result of the preferential sale of the property to Artspace, artists' workspace providers in North America.

The development has a commitment to supporting artists, through Low Income Housing Tax Credits. Sixteen street-facing units are reserved for artists who agree to open their studios to the public during regular business hours and at least nine "First Thursday" evening events each year.



Everett Station Lofts comprises of three adjacent buildings in Portland's Old Town District. It houses 47 work-live units, including 16 storefront units reserved for artists. During the 1990s a number of commercial developers began converting buildings in the Old Town into high-end residential condominiums and artists who had been working in the area became increasingly priced out. The artists contacted Artspace, a non-profit developer for artists, who bought the property and retained its use as work-live units for artists.

Impact on surrounding areas

The major impact of this development locally is the social benefit of active street-facing uses being present in the ground floor units. Monthly 'First Thursday' gallery events contribute to a vibrant and creative street scene for tenants and members of the public. There is also a community art plaza that is used for public events and activities. Such activity is a clear demonstration of the value of retaining a mix of uses over purely residential developments.

Spatial arrangement

The units are open plan and feature high ceilings and hardwood floors. They are flexible and artists are free to divide their spaces into living and working spaces as they please. Average unit area is 110m² (1200 sqft). Building amenities include indoor parking and a second floor courtyard shared by all residents. The building has a public frontage with separate signage for businesses.

PEOPLE

The focus for this development is to provide affordable work and living space to artists and ensure they can remain in the centre of the creative life in the Old Town. The artists reside there as singles, couples and families. Tenants have a residential tenancy agreement with no limitations of the timescale of occupation.

PROTECTION OF EMPLOYMENT

To reside in the work-live units, artists have to submit an application. This application is reviewed by an artist peer committee. The committee interviews applicants and reviews evidence of their commitment to their specific art form. The committee does not judge the quality of work, they only judge the commitment to creating work.

AFFORDABILITY

Affordability is achieved through Artspace's ability to administer Low Income Housing Tax Credits. In addition to rent, tenants are responsible for their own separately metered water and electricity and for any cable/data used within their leased premises. Business rates are also applicable.

DELIVERY

Artspace bought the development for \$3.9 million in 1998. The owner could have made a larger profit if he had decided to sell the buildings on the open market, but elected not to do so.

KEY LESSONS

An important aspect of this development is its protection of affordable workspace in central urban areas of Portland. In this instance this is due to the combination of a philanthropic act by the buildings' owner (giving preference to Artspace as buyers), and the ongoing involvement of Artspace as experienced managers of such provision.

Artspace are keen to maximise the neighbourhood impact of the artists' housing that they provide. This is successfully achieved through tenancies that require occupants to open their units and participate in monthly public events.

The peer review mechanism implemented to ensure tenants commitment to their work is a useful model, particularly when considering schemes with shared or communal facilities.



Prästgatan 24 111 29 Stockholm Sweden

Scale: Large group (12 tenants)

Spatial arrangement: Conventional residential, with

shared workspace.

Building type: Refurbished former residential

building

Occupier tenure: Residential tenancy agreement

Management: By private company

HUS 24 is a 5-storey building run as a living and co-working space for entrepreneurs in Stockholm. The idea was inspired by 'Start-up Houses' in Silicon Valley, and has been translated to a Swedish location.

Tenants rent rooms in the property and can use the co-working space. There is a focus on creative and digital start-up enterprise. Tenancies are short term, generally less than one year.



HUS 24 was established in February 2013. It is located in the Old Town/ Gamla Stan in Stockholm's downtown area. It is a busy neighbourhood and one of the biggest tourist attractions in the city. HUS 24 is located on one of the oldest streets in the city, and the house dates back to 15th century.

Spatial arrangement

HUS 24 is five storeys high and is approximately 240m² (2600 sqft). There are 4no. 1 bed rooms, 1no. 2 bed and 1no. 6 bed. There is also a co-working room with 6 work desks.

The first floor has a 1 bed with a fireplace, small kitchen, a bathroom with a shower and washing machine. The second floor, a 6 bed and 1 bed room, a toilet, shower and sauna. The third floor has a living room with a fireplace, a working space with 6 desks and a kitchen. The fourth floor a 2 bed and 1 bed room and a bathroom with a washing machine. The fifth floor has a bathroom with a jacuzzi. There is also a basement with a wine cellar.

Impact on surrounding areas

HUS 24 has limited impact on its surroundings, although it does aim to bring enterprise and innovation to this central and historic location. Economic benefits are likely to be primarily restricted to individual tenants, although in its role as an 'incubator' space, there is potential for wider economic impacts to result from tenancies.

PEOPLE

Tenants

The house has been full since its establishment, and currently has a waiting list of applicants. The house is for entrepreneurs 'who have global vision and who want to drive change'. Thus designers, start up businesses, developers and investors with a technology or creative focus are the targeted occupants of the house. The tenants are singles or couples, or enterprises with collaborators and employees.

Tenure

The house is privately owned and leased out on a commercial sub-lease. The tenants usually stay for approximately one year.

PROTECTION OF EMPLOYMENT

Even though there is a queue of applicants who want to reside in HUS 24, tenants are not accepted on a first come first serve basis. All tenants are selected by the founders.

AFFORDABILITY

Rent is £130 - £771 per person per month depending on whether it is a shared/private room and size of the room.

DELIVERY

The concept of HUS 24 was established by Lisa Renander and Gustav Borgefalk who were inspired by Blackbox, a start-up co-housing set up with 20 entrepreneurs in Silicon Valley. Together with an American Investor Rob Meadows (founder of software company Originate) HUS 24 was realised with a £17,000 investment. Its ongoing management is funded by an angel investor.

KEY LESSONS

High density occupation can be a route to affordability. In some sectors with limited space requirements, this is becoming an accepted model for accommodation during 'start-up' periods of a business. This is particularly true in tech sectors where the potential profits are seen as adequate compensation for limited periods of lower quality living.

If such a model is to be pursued in the LLDC area, it will be necessary to careful guard space standards to protect against exploitative practices and over-occupation.

Victory Works, Hackney Wick, UK

13 Victory Works Trafalgar Mews London E9 5JG

Scale: Individual unit

Spatial arrangement: Separated ground floor

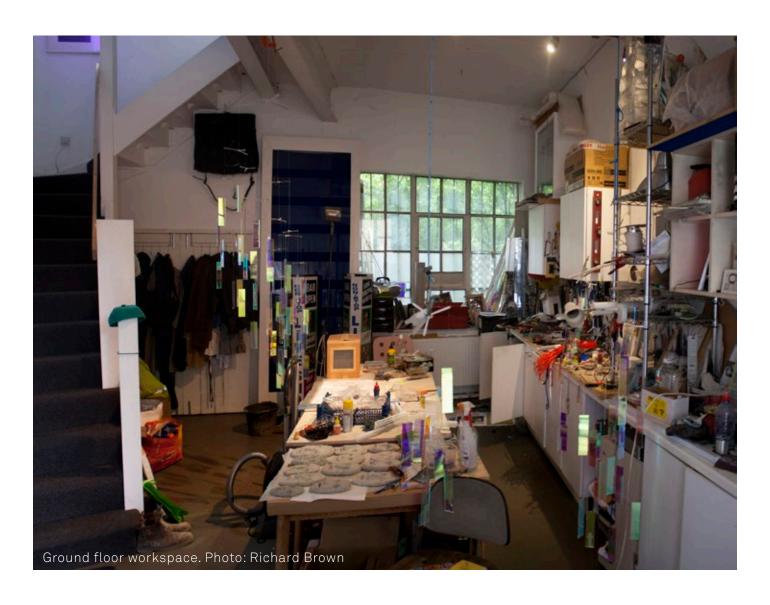
workspace with living above

Building type: Refurbished light industrial building

Occupier tenure: Leasehold
Management: By private owner

Victory Works is located within the LLDC area at the end of Trafalgar Mews in Hackney, London. Artist Martin Richman has been living in the mews since 2000 and officially converted its use to 'Live/ work' in 2003.

Martin has continued to live in and run his practice from the unit. He pays Business Rates for the commercial space and Council Tax for the residential space.



Trafalgar Mews is a light industrial cul-de-sac made up of at least 8 buildings of either 2 or 3 storeys. The light industrial buildings used to be shellac manufacturing units. Unit 13 Victory Works is at the end of the mews and is part of one of the two largest buildings in the complex. Another unit in the mews is registered and used as work-live by another successful artist, Polly Morgan.

Spatial arrangement

The work and living uses of the building are divided by floor levels. The ground floor is the studio and workspace and its area is approximately $28m^2$ (300 sqft). The living space sits above where the second floor is a living and dining space of approximately $55m^2$ (600 sqft) and the second floor is the bed room and sitting room of approximately $45m^2$ (500 sqft).

"My studio acts as a laboratory of ideas, a workshop and showroom, and a home." 1

Impact on surrounding areas

Martin believes that by being able to live and work in the same unit he is able to produce local employment for others as well as contribute to the local amenities and community. Prior to his living in the unit, there was no employment on the site. He now operates from the unit as a sole trader, with assistants and sub-contracted works as suitable for each artistic project that he undertakes.

Tenure

Martin owns the unit on a 999 year leasehold.

Planning

The buildings in the mews used to be light industrial/ derelict. It is unclear whether all of the units now lived in, were initially converted to 'live/

work', then converted again to residential, as not all of the units are shown on the planning register as having any change of use.

What seems to be the case is that since the late nineties this industrial mews has been in various parts been converted to 'live/work', residential and commercial uses. Evidence from the planning register confirms that Martin Richman and Polly Morgan have explicitly designated their self contained units as Sui Generis 'live/ work'.

AFFORDABILITY

Martin pays Business Rates for the commercial space and Council Tax for the residential space. The current rateable value for Business Rates is approximately £1,500 (24m² x £65 per m²). With the small business relief rate, Martin pays approximately £600. The property sits in Council Tax Valuation Band A. He receives a 25% sole tenancy reduction, that has reduced his spend from £867.63 to £650.72. The premises valuation is based on data from 1992.

DELIVERY

Martin bought the unit in 2000 for £60,000. He has since undertaken extension works to create additional space on the top floor of the property.

KEY LESSONS

In these examples, affordability, being able to stay in Hackney (where Martin has lived and worked for almost 30 years) and the practicality of proximity yet separation by level all contribute to the desirability of living and working from the same unit.

However, the genuine use of the units as work-live and not as purely residential is totally dependant on the individual occupiers and cannot be externally monitored or enforced in the case of changing ownership in the future.

^{1 13} Victoria Works Planning Application Design, Jonathan Tuckey Design, November 2010

Spark Studio, Salford, UK

208-210 Great Clowes Street, Salford, Greater Manchester M7 2ZS

Scale: Small cluster (8 units)

Spatial arrangement: Separated live and work **Building type:** Refurbished former residential

building

Occupier tenure: Assured Shorthold Tenancies and

Commercial Leases

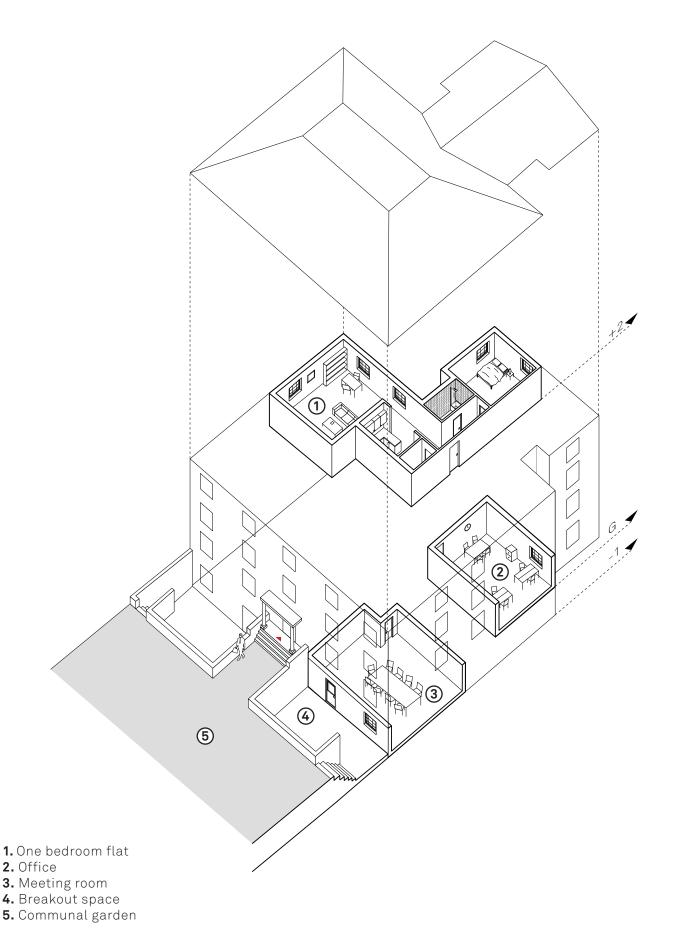
Management: By Housing Association and Business

Support Agency

Spark Studio is the result of a partnership between Salford University, Contour Homes and private developer, Watson Homes. Business support is also provided by The Business Group. It opened in 2011.

Paired, but physically separated, residential and office space is let at affordable rates on a monthly basis. Tenants take separate tenancies for each space, but may only rent the residential space if they are also using an office space. The building also accommodates stand alone commercial units.





The Grade II Listed, Spark Studios building in Salford was derelict prior to the Studios being developed. It was bought by developer, Godliman Watson (now owned by Watson Homes), along with an adjacent site in 2004. The building was seen as an opportunity to offer a different type of residential provision, hence the 'live/ work' concept being pursued. Following renovations, the building opened as Spark Studio in 2012.

Scale

Spark Studio offers 8 paired 'live/ work' units, 4 individually leased office spaces and a co-working/ hot-desking room. This provision has been dictated by the available space of the existing building. The developers believe that the number of units on offer has helped to ensure high occupancy levels as the local demand for dual use accommodation has not been fully met.

Impact on surrounding areas

Spark Studios is located in the town of Salford, within walking distance of central Manchester. Salford has high levels of deprivation, and the area around Spark Studios is within the 3% most deprived areas in the country. There are several large regeneration schemes in the surrounding Broughton area. The original intention of the 'live/work' development was to increase the regeneration potential of the proposals.

The layout of the building, with internal circulation and no publicly accessible areas means the activity contained within lacks visibility. There is potential for this dynamic to be more positive, with the introduction of a cafe or retail space associated with Spark Studio as part of a predominantly residential development on the adjacent site.

Prior to the development the site was vacant and offered no employment, having previously been a hotel. The Spark Studio development now provides residential and workspace accommodation for around 25 people.

Spatial arrangement

The building is laid out with commercial spaces on the lower ground and ground floors and residential accommodation on the first and second floor. Due to a desire to avoid residential reversion of the workspace, the developers elected to separate the living space from the available offices. The dual use is achieved through a tenancy agreement that requires residential tenants to also make use of the commercial space. This separation of spaces was also seen as a positive way to encourage interaction between tenants, rather than the potentially insular lifestyle of remaining in the same space all the time.

The flats are all 1 bedroom and around 65m² (710 sqft) in size and the offices around 25m² (240 sqft).

Sound proofing has been an issue with the building, and some tenants have left due to being able to hear adjacent tenants. Some tenants would benefit from some larger spaces for equipment and storage that are not currently available.

The building can be very quiet during the day, with many tenants working elsewhere, meeting clients more centrally, or working from their own homes if they are users of the co-working space.

Features & Facilities

Tenants have use of a meeting room and a shared office kitchen in the building. Dedicated parking is available for 'live/ work' tenants. Support from The Business Group is also available. The Business Group is a network of around 1000 volunteers and staff providing business support in Salford. All new tenants have an introductory session and ongoing support ranging from a review every two months to weekly contact is also offered.

'Live/ work' tenants benefit from access to a range of facilities at the University of Salford. This includes anything from libraries through to acoustic labs and wind tunnels. Some facilities are chargeable, others are free to access.

Planning

Spark Studios, Salford was granted planning permission in 2010. It is considered sui generis. The restoration of the listed building in which the development is located was very much favoured by the Council. Many of the policies referred to in the committee report support the redevelopment of vacant buildings. The building itself is unusual as it dates back to Georgian times making it older than other buildings in the area. Restoring it was seen as a vital part in restoring the streetscene in the area.

The committee report places weight on national and regional policy with regards employment and interprets this in a way that supports 'live/ work' – facilitating new working practices. It also refers to regional policy that states that a wider choice of housing should be provided. The Council viewed 'live/ work' as its own type of development so did not require any affordable housing contributions.

Spark Studios was backed up with a business case document that defines what 'live/work' is, how the scheme will be funded and who the key partners are. Planning approval was conditional, however, none of the conditions are particularly relevant to 'live/ work'.

PEOPLE

Demand

All eight 'live/ work' units have been fully occupied since the Studios opened. There has been no problem with finding tenants, which The Business Group believe is due to the very affordable pricing. Conversely, the stand-alone office space has been under-occupied. It does not benefit from the same pricing structure as the combined accommodation.

The Business Group are responsible for marketing the building on behalf of the University. The property is marketed via paid Gumtree adverts, flyers, on site sign boards and The Business Group's networks. The location is challenging, and the marketing has had to respond to this. They receive around 5-6 enquiries per week for the range of provision available at the Studios. However, they have found it very difficult to profile the type of people who are interested in the

Studios as they are very different from each other.

Tenure of development overall

The freehold of the development is owned by Watson Homes (bought from the original developers Godliman-Watson after they went into administration). The residential accommodation is held on a long leasehold by Contour Homes, and the commercial space on a 26 year leasehold by the University of Salford.

Tenure of occupiers

Tenants rent the office space from the University of Salford and the flats from Contour Homes. Tenants must meet the requirements of both partners in order to take a 'live/ work' tenure.

Tenants are required to submit a lengthy application to Contour Homes and to submit a business plan or outline business plan to the University. The Contour Homes application is specific to the 'live/ work' scheme, and does not make applicants eligible for other Contour Homes housing.

The office space is offered on a 6 month commercial lease, and the residential tenancy (Assured Shorthold) is for 6 months also. The maximum stay is nominally three years, although The University and Contour Homes allow tenants to continue beyond this if they are still benefiting from the support provided. This is assessed by The Business Group. Tenants are not granted Security of Tenure on the commercial space. Tenants wishing to break their tenancy ahead of these periods can be accommodated. Tenants are able to sublet part of their offices if they are not using all of the space, although they must continue to use some of it themselves. A formal tenancy review is undertaken after 12 months to assess the viability of the business and any arrears.

Tenants

Emel and Emrahan run PrintSign, a 'point of sales' display provider founded in December 2011. They

have been in Spark Studio for 10 months. They had previously been studying and working, which meant that they had to travel between university, home and office premises. To reduce their travel time they were looking for somewhere that combined living and working, and found Spark Studio through an online search. The affordable rent is a huge benefit to them (they were previously paying triple for a larger space), although the business is now salesbased rather than including fabrication due to a difficulty in finding adequate space.

Kirsty McNulty is a photographer and has been a tenant for nearly three years. Having been made redundant from a previous job, she decided to pursue freelance work. She found Spark Studio through an online search. She felt that the spatial layout of the building would be a benefit, and that leaving her living space to go to an office everyday would increase her productivity. It was helpful in the early years of her setting up to have the office address which helped her to appear more professional. As her business grew, she started using the office less due to using other studios for shooting. This lead to her sub-letting part of the office, as she was rarely using it.

AFFORDABILITY

Rent for the 'live/ work' combination of office and apartment is £639 per month. An apartment of a similar size in the area is likely to be around £550 pcm, so the added office provision is the equivalent of just £90 pcm. The ability to rent both spaces at such an affordable rate is a huge asset to the businesses that are tenants in the Studios.

The Service Charge is kept as low as possible, and increases by 5% every April. Council Tax and utilities are separately charged. There is free wi-fi in the building, although an agreement by the freeholder to secure all phone lines and broadband through a particular provider has reduced value for money for the tenants.

Mechanisms for Affordability

In addition to the low overall rent chargeable, no deposit is required for the properties (one month's rent in advance is required). This is very effective in terms of marketing. The Business Group try to create a supportive relationship with tenants, whereby they would feel confident in approaching them if they were having financial difficulties. The Business Group provide personal budget plans to tenants to in order to help them manage personal finance as well as the business finances.

The 'live/ work' properties have comparable levels of arrears with other office properties that the partners are involved with, and generally better performance than Contour Homes social residential tenants.

Tax status

Council tax is chargeable on the apartments, and business rates on the office space, although all businesses to date have qualified for 100% Small Business Relief.

PROTECTION OF EMPLOYMENT

The developers were keen to avoid the problems of residential reversion that they had seen in other 'live/work' development. For this reason, they decided to physically separate the living and working elements of the offer as well as partnering with the University for sole responsibility of the commercial space.

Management arrangements

The University is responsible for the management of the office space, and have contracted The Business Group to manage it and provide business support to the tenants in order to meet the terms of their lease.

There are no requirements for tenants to spend certain amounts of time in the office space. Some tenants have jobs elsewhere, but are using the office space to start-up new enterprises. The levels of management resources that the 'live/ work'

accommodation requires is comparable to other schemes that they are involved with.

DELIVERY

Funding partners

The building cost £1.4 million to deliver. It was funded through a grant of £240,000 from the European Regional Development Fund (ERDF), £640,000 from Contour Homes (paid for the leasehold of the 8 flats) of which around two thirds was funded by the Homes and Communities Agency, a capital works grant of £135,000 from Salford Council, and the remainder being funded by the developers.

The ERDF funding required the University to prove 12 hours of business support to be provided to the tenants over a period of 12 months. This was onerous to deliver and to co-ordinate with other University funding performance requirements. However, after the building changed hands due to the original developer entering administration, these requirements were released. This will help with the ongoing viability of the building in terms of management commitments.

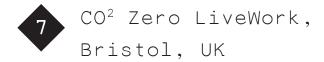
KEY LESSONS

Spark Studio has similarities with other case study examples in terms of its management structure involving both a Housing Association and a business-focused partner, the University of Salford. However, with the benefit of being able to observe the successes and challenges of other dual use developments, they have been able to carefully use the separation of spaces in order to ensure that the work spaces are being used as intended. There is a heavy focus on SME support and this provision is set to become an important business hub in Salford.

The Local Authority was very keen to see this prominent building brought back into use, and for the surrounding area to be regenerated. This support was influential in the delivery of the project. This example also demonstrates forward-thinking on the part of the developer in delivering

work-live accommodation as the first phase of a wider residential development. This commitment of the developer to bringing new and dynamic uses to a long-term vacant building and a challenging neighbourhood show that the placemaking impact of dual use accommodation is of real commercial value.

A further lesson from this example is that grant funding can assist with developments, in this case ERDF. However, developers and managing organisations should be mindful that such funding may place onerous constraints in terms of performance monitoring.



Units 117-133 Wilder Street St Paul's, Bristol BS2 8QU

Scale: Small cluster (9 units)

Spatial arrangement: Separated ground floor

workspace with living above **Building type:** Purpose built

Occupier tenure: Assured Shorthold Tenancies and

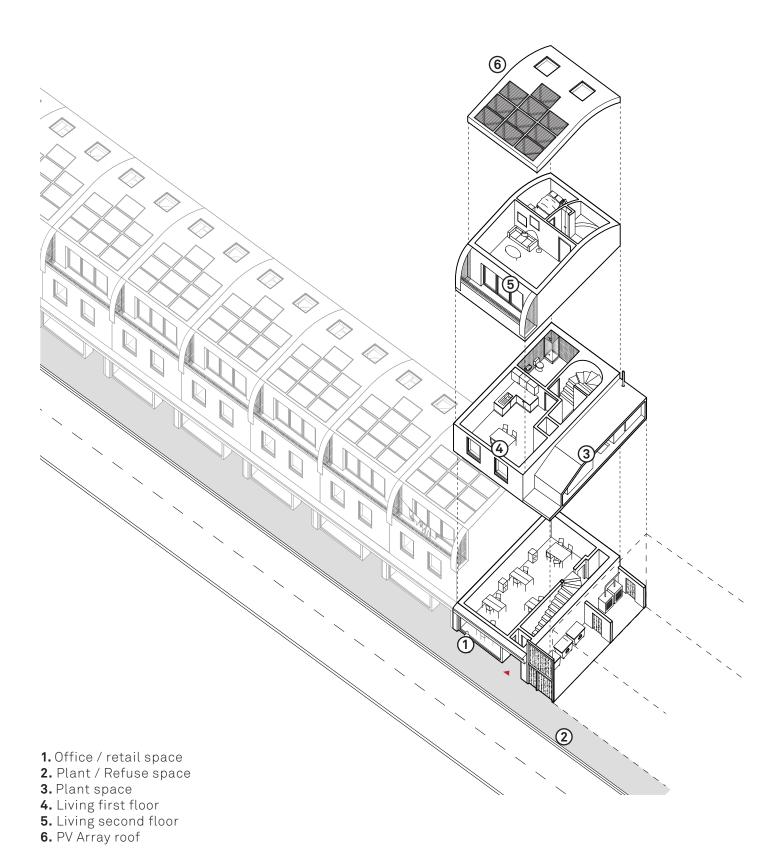
Commercial Leases

Management: By private landlord and developer

CO2 Zero LiveWork is a new build development in Bristol, delivered by two brothers under the company name Logic CDS. The development was consented as sui generis, 'live/ work', as planning policy required re-provision of employment uses that were lost in an adjacent associated development.

Logic CDS retain ownership of the property. The units are let flexibly on a monthly basis, with separate residential and commercial leases, although the landlords are keen to let to tenants wishing to take both together.







PLACE Scale

The development consists of nine 2-bedroom maisonettes, each above a ground floor commercial unit. This layout sought to maximise the number of properties on the site, and required the resubmission of a previously consented planning scheme for seven properties in order to add the two additional units.

Impact on surrounding areas

The development was permitted primarily because the St Paul's area of Bristol is in need of investment and redevelopment. The planning gain associated with social contribution was waived on the development due to the positive social impact that it was expected to, and has, had in the area. The site of the building was previously a fly-tipping zone. Therefore simply by improving the street scene it

has contributed to improvements in the area.

St Paul's deserves a better image, and this is part of it.

The owners feel that the development has allowed more opportunities for people in the area to consider starting a business. This is supported by the ability for people to reduce their overheads by taking on dual-use accommodation and the flexible working practices of, for example, keeping stock upstairs.

St Paul's is a tight-knit community. Having an opportunity for local businesses to be at the heart of the area is important for creating social capital. Street activity associated with the businesses in the development, customers for the barbers, for example, adds to the building's street presence.

The development has increased employment on the site from zero as a car park with a long term vacant building adjacent, to around 25 people working across 9 units.

Spatial arrangement

The residential and work spaces are clearly divided by separate, but directly adjacent external entrances with a staircase leading directly up to the residential space. The ground floor units have large street facing windows, which makes them suited to retail use as well as office use. The layout mimics a conventional 'flat above the shop' typology.

The ground floor commercial units are $28m^2$ (300 sqft) and the residential maisonettes are $60m^2$ (650 sqft). The sizes of the spaces are well suited to the affordable market that the development targets.

Features & facilities

The 'CO2 Zero' building prides itself on high quality environmental performance. The building is certified as Code Level 4 under the Code for Sustainable Homes. Environmental features include: a biomass boiler providing heating and hot water for all the properties, air source heat pumps, a superinsulated timber frame, photovoltaics on the roof, triple glazing to all upper windows, low energy lighting throughout, rainwater harvesting and green roofs. This high-level performance also helps to reduce running costs for tenants, thereby further supporting low-threshold enterprise.

Planning

C02 Zero, Bristol was granted planning permission in 2008. It is considered sui generis, 'live/ work'.

The site is in Policy CC2 designation - 'mixed commercial use area' and is considered appropriate in this location. PPG13, which promoted the reduction of the need to travel by car, was quoted in support of the proposal, as owners would also live in their work place and not need to travel. The Council did not place any parking requirements on

the development as it is situated within its inner parking zone.

The local planning authority supported it, as it met a demonstrable need to deliver small-scale business units. In addition it was considered not to affect the amenity of surrounding building occupants and was likely to increase passive surveillance and pedestrian activity in the area.

Planning approval was conditional, however, none of the conditions are particularly relevant to 'live/ work'. The need to provide employment space on this site was related to a neighbouring development by the same developer, which concerned the partial conversion of an office building (Goodwin House) to residential. The site was previously the car park to this building, and became redundant when an extension to Goodwin House provided new car parking facilities. The 'live/work' proposals provided new employment floorspace to replace the employment floorspace that was proposed to be lost in Goodwin House itself.

The requirement for employment was backed up by a Section 106 legal agreement that required the 'live/ work' units to be operational within 2 years of the completion of the development of Goodwin House. The Section 106 agreement prohibited owners from using the space in any other fashion than a dual use residential and employment space with residential on upper floors and work on the ground floor. Under the Section 106 agreement, the developer was also required to obtain approval for a marketing strategy and economic monitoring strategy for 3 years and 5 years respectively, allied to the occupation of the work place. However, there was no specific requirement to implement these strategies.

PEOPLE

Tenants

Contrary to a number of other developments in the Bristol area which were consented as 'live/ work' and have since reverted to residential use, Logic CDS have decided to actively promote the 'live/

work' aspect of the development. The ability to provide affordable space for local small businesses at a 'budget end' is a positive attribute for them in this area. However, they have found it challenging to find tenants who are looking for this combined accommodation for their business. Currently two tenants are using the units as combined 'live/ work', and the others are being let separately as commercial and residential units. The design of the properties allows this to happen conveniently. Greater flexibility with the tenancies has allowed them to increase occupancy in the units. There is currently a waiting list for the properties, including potential 'live/ work' tenants. The peak number of tenants using the spaces together as true 'live/ work' has been four out of nine.

They do not encourage 'split' units, but do recognise that if the business is struggling, arrears can build up for this, which can impact upon the tenants ability to pay for the residential accommodation. This has become an issue a number of times for them since completing the development. To avoid this problem, they look for tenants that have robust businesses, and now ask for 6 months deposit to give the owners some level of security and confidence. This may discourage potential tenants other than those who are dedicated to finding a 'live/ work' unit.

The whole area, and the tenants, are starting to change and become more affluent. Some tenants are considering taking on not only residential property on the upper floors, but also adjacent commercial units to expand their business. This flexibility to grow 'sideways' and 'upwards' is an asset. Upper levels can be used for employment, but the ground floor may not be used for residential.

Targeted activities

CO2 Zero currently houses a range of employment uses, including: barbers, structural engineer, architect, pound shop, and music and video producers. The property is marketed through word of mouth, drop-in visitors and websites such as Gumtree.

Tenure of development overall

The development was under construction during the 2008 financial crash. This led to a £1.3m devaluation of the scheme during construction caused by falling property markets. The owners had intended to sell leaseholds on the units, but due to this loss decided to retain them to rent on a monthly basis. They are pleased with this decision and intend to retain ownership as the income is reliable.

Tenure of occupiers

Due to problems with inter-related arrears on the properties, the owners have now opted for two separate lease structures for the properties. The upper levels are let on a conventional Assured Shorthold Tenancy, and there is a separate commercial lease, with waived security of tenure, both on 6 month terms. The owners have had to enact their ability to evict tenants for non-payment of rent, after due notice period, on more than one occasion.

There is no application procedure other than a conventional credit check and requirement for 6 month deposit for potential 'live/ work' tenants.

AFFORDABILITY

When leased separately, the residential and commercial accommodation are £850 and £500 per month respectively. A combined 'live/ work' unit can be rented for £1200 per month, a saving of £150 per month. Service charges are £65 for the workspace (with electricity charged separately) and £95 for the flats, which does include electricity. The total charge for both together is £80, a further saving of £80 per month. The units are efficient to run and have very low energy usage, which keeps bills low for tenants. The only additional charges are taxes and telephony. Large deposits are required to give landlords confidence about tenants ability to meet their rent obligations.

Council Tax is applicable on the upper levels, and Business Rates on the ground floor units, although all tenants are currently eligible for Small Business Relief.

PROTECTION OF EMPLOYMENT

The property is managed by LOGIC CDS, the original developers and designers. This includes maintenance, tenant selection and rent collection.

Ongoing employment use on the ground floor of the properties is secured through planning requirements, the ongoing oversight of the management company and through the design of the spaces. The large shop windows and small scale of the units make them unsuitable for use as separate properties, and the access layout, requiring tenants to exit the front door of the residential accommodation and re-enter the commercial unit mean that encroaching residential use from tenants is inconvenient and unlikely.

The separate leasing of the units does nothing to diminish the employment use on the site, although properties occupied in this way can not be said to be truly dual-use.

DELIVERY

The project was entirely funded by LOGIC CDS through bank loans and financing. The contract value was £1.7m. Due to the economic crash of 2008 occurring during the construction, the project had to be expensively re-financed at considerable personal risk to the developers. CO2 Zero was able to secure revised financing of the scheme in part due to its environmental credentials being used in promotional material by their bank. Without this feature, they may not have been able to secure this financing. This demonstrates the potential market value of distinctive aspects such as this.

KEY LESSONS

Flexibility is important. Having multiple restrictions on the type of tenants that are suited to a scheme will necessarily reduce the audience for the product. Being able to lease the units both separately and together has allowed CO2 Zero to maximise occupation rates, which is essential for them as a small independent developer operating on tight financial margins. This can also provide greater

choice for tenants who can potentially 'mix and match' units as their requirements change.

Clear division of commercial and residential space has retained employment uses on the site, although these are arguably the same as would have been delivered with conventional mixed use scheme.

The ambition to provide affordable workspace and living space is admirable, but has lead to significant problems with arrears in rent. For small scale developers, this has been a challenge.

Environmental performance is an important factor in reducing running costs and securing finance for the scheme.

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Westferry Studios, Limehouse, UK

90-162 Milligan Street London E14 8AS

Scale: Major development (29 units)

Spatial arrangement: 20 open plan, 9 with separate

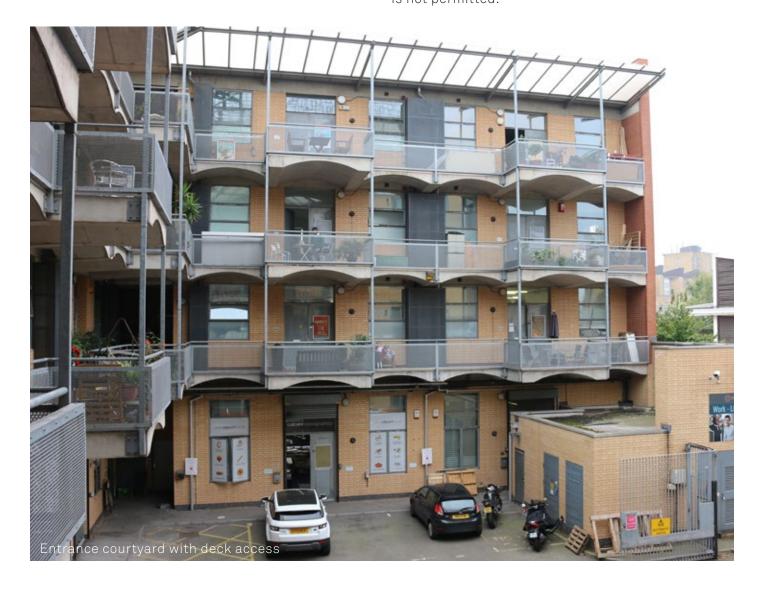
live and work areas

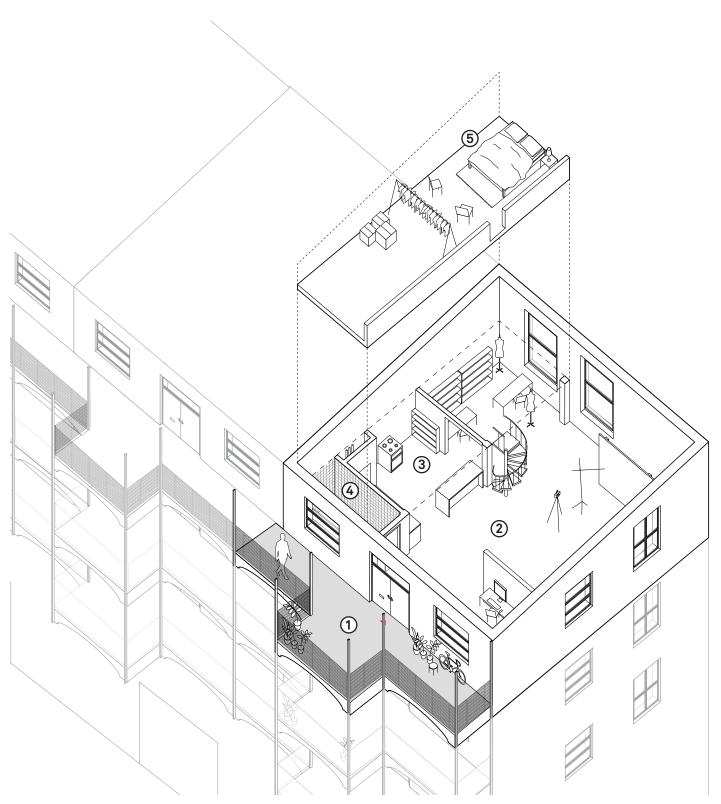
Building type: Purpose built

Occupier tenure: Bespoke commercial lease Management: By Housing Association

Westferry Studios is a purpose-built development owned and managed by the Peabody Trust. It has been in operation as work-live accommodation since 1999. Peabody work with the East London Small Business Centre (ELSBC) to select tenants who will benefit from the stepped affordable rents and business support that are on offer.

The proportion of space used for working and living is generally flexible, including some units used solely commercially. However, solely residential use is not permitted.





- 1. Deck access
- 2. Workspace
- 3. Kitchen
- 4. Bathroom
- **5.** Bedroom mezzanine

Westferry Studios is one of UK's pioneering work-live schemes completed in 1999. The site was previously residential and was donated to Peabody by London Docklands Development Corporation (LDDC). It is a major purpose-built development comprising 29 work-live units and 9 commercial B1 units. It is four storeys high and faces an internal courtyard.

Impact on surrounding areas

Westferry Studios is located in London Docklands, near Canary Wharf opposite West Ferry Docklands Light Railway Station. The building has a public frontage that is highly visible. Commercial units are also located on the ground floor that contribute positively to the streetscape. Due to its proximity to Canary Wharf, the businesses operating from the development bring people in primarily during lunch: both professional clients and public customers, such as those visiting physiotherapists and yoga studios that are on site. Access is private for each of the separate units, and entrance to the units is from an external balcony.

Prior to development, the site was vacant, with no employment uses. The development of Westferry Studios has introduced over 38 businesses to the site, with varying numbers of employees ranging from sole traders to larger staff teams.

Work-Live Balance

The Studios were designed as a work-live, rather than 'live/ work' and are commercially focused. The percentage of live to work is flexible within each unit and changes over time depending on needs and tenant changes. It is estimated that 50% of the units on site are used purely for work.

Spatial Arrangement

The average floor area for a unit is 65m² (700 sqft). The flats are open plan with a light industrial 'look' and were provided as open shells. Peabody feel that much of its success and ability to continue in employment use is down to its design. The studios

have been personalised in different ways by adding internal partitions. Some tenants have added mezzanines to separate the live and work uses. These changes to the internal layout are subject to general commercial lease clauses.

Features & Facilities

Westferry Studios have a commercial 'feel' upon entry due to the ground floor units being fully commercial, and the access courtyard displays all tenants' business signage so there is no feeling of it being a residential space. Other facilities include commercial refuse storage, limited parking for visitors/clients and a security gate to the courtyard and car park.

Planning

The accommodation in Westferry includes work-live units delivered alongside additional C3 residential and B1 business units. The planning conditions themselves do not relate to use within the properties. Planning restrictions do prohibit the use of machinery that would not normally be allowed within a residential development (by reason of fumes, vibrations etc.).

Planning conditions preserve loading and car parking facilities within the site for use by residents and stop them converting to any other use. Residents are required by their lease to retain their property in business use throughout the period of their lease. They are also asked to provide the Peabody Trust with audited accounts to prove business use as required.

PEOPLE Tenants

One of the original aims of Westferry Studios was to support small business in East London. Peabody believes that it continues to be successful in its original intentions. The studios are thus aimed at start up businesses. Enterprises with collaborators, freelancers or employees are able to inhabit the units.





All marketing is undertaken by ELSBC. Historically at times of low demand, the property has also been marketed through agencies and Peabody's own channels, or have nominated people to ELSBC. The visibility of the building and some large signage means that direct enquiries are also attracted. Although there are no specific requirements regarding nature of business, there are a number of creative tenants including fashion and design start-ups.

Demand

The current demand is at a good level, with only one property vacant, having been vacated close to the time of the interview. In the past, if a small business start-up could not be secured, units have been let on the open market, under the same lease, but with no stepped rental. From ELSBC perspective, there is a good demand for this type of unit, dependant on price, location and potential business sector.

Tenure

The development overall is owned by Peabody. A bespoke tenancy agreement is used for occupiers which were introduced in 2007 to bring consistency to the property and to simplify the lease, particularly with the view to making it more manageable for start-up businesses. The terms of the lease are intended to be 'tenant-friendly', including a tenant-only break clause, service charges were omitted in favour of an internal-repairing rent. Leases also include restrictions on the use of the property and are commercial leases thus presuming employment use.

Length of Tenure

Leases are for 5 years with stepped rents increasing annually, and may be continued at Peabody's discretion. Peabody estimate that 50-60% of businesses have failed, 25% have moved on to new premises, 25% continue in place. There is a feeling that perhaps higher demand for units may lead to greater termination of leases after 5 years.

Application procedure

ELSBC assist Peabody with the selection and vetting of tenants. ELSBC refers suitable 'creative' clients to the units after checking the viability of their the business plans and their ability to cover the payments under the lease agreement. ELSBC then provide a written reference to Peabody. Once the tenants have moved in they regularly maintain contact with a nominated ELSBC business counsellor for ongoing business support. ELSBC are paid a 'finders' fee' for this service.

Tenants

Liria and Filipe moved into the property in May 2011. Liria is a knitwear designer, and Filipe is a photographer. They were looking for work-live accommodation prior to moving to Westferry as it suits their working practices (late hours, large space requirements), but had not been able to find suitable accommodation. They heard about the development through another designer friend.

Liria and Filipe constructed a mezzanine in the unit themselves due to the higher space on the top floor of the development. This is their living accommodation, with the kitchen, bathroom and workspace all on the lower level of the unit. Generally the businesses in the development keep to themselves, although Liria and Filipe have some friends that have now moved in to the development. Liria attends a yoga class run by another tenant in the Studios.

Liria has a mentor from ELSBC who has specific knowledge of design practice development. The mentor's input is business focused: how to organise deliveries etc. Filipe has also attended business seminars held by ELSBC. Both have found this input helpful.

The affordability of the studios was a major appeal for both of them. The stepped rents allowed Liria and Filipe to concentrate on their businesses, rather than having to get part-time work to pay their bills. This has helped their practices grow and become stronger. Prior to finding Westferry Studios, Liria

and Filipe were considering moving back to Brazil as they couldn't find accommodation in London. The affordable rents and quality of space meant that they could stay.

AFFORDABILITY

Annual rent for a single unit is £15,000. For tenants accessing the property through ELSBC, stepped rents start at £7,000, rising annually by £2,000 per year until the business is paying market level rents. The priority for Peabody is to maintain a fully let building, rather than have particular proportions of full market rate or stepped rental tenants. Additional charges include business rates, VAT on commercial portions of the properties and council tax.

Mechanisms for affordability

The stepped rent is the key to ensuring affordability for tenants, with the aim to meet a market rent at the end of a 5 year term. Flexible terms of the commercial lease and lack of additional service charges are also intended to support start-up businesses. There are currently no mechanisms for subsidising tenants costs, but this will likely be looked into the future.

Tax status

There is still some lack of clarity regarding council tax and business rates applicable areas within the units. The VOA state that they will judge properties 'as they find them', and therefore tenants' personal subdivision of space means that this varies through the development. Generally the properties are valued as 50-50. In some cases the VOA has revalued properties, which in turn affects the VAT-applicable proportion of rent that Peabody must charge. This requires management on the part of Peabody, and may cause problems for non-VAT registered tenants.

PROTECTION OF EMPLOYMENT Management arrangements

Westferry Studios is managed by the Peabody

Trust as part of its commercial property portfolio. Peabody has a commercial asset portfolio of around 170 buildings. Westferry Studios is the only rented work-live property in Peabody's portfolio. Its other commercial properties are all market rented, and run as an investment portfolio for the Trust.

The Studios require much more management time than other properties. This is because the commercial team are managing the whole block, and all the problems that are associated with that (bins, dilapidations, crime), whereas for other commercial properties in the portfolio this would be the responsibility of the Housing Management Team. The work-live aspect of the scheme also results in greater management demands: tenants' approaches to a property with a residential aspect may result in more personal contact. Arrears on the property are also felt to be slightly higher than on the rest of the commercial portfolio, potentially due to around 50% of businesses failing.

At times when commercial properties are in lower demand, the partnership with ELSBC also helps to ensure a good level of occupation of the units. There were a maximum of 6 or 7 vacant units in 2007, which was felt to be a comparable performance with the rest of the sector at the time.

Peabody's approach to the development has always been that it is a commercial property, with some residential accommodation permitted, that has helped shaped all tenants attitudes to it.

"Work is fine, live/ work is fine, but if it's just purely residential, then we take some action"

Other key contributing factors to ongoing employment uses on the site are: bespoke commercial leases for tenants, vetting process and ongoing business support from ELSBC and the industrial design of the development.

"The design has helped a lot, it's an industrial-looking design"

The scale of the development means that the

Peabody team is familiar with all the tenants and can therefore retain informal control through close management, by comparison with residential leasehold managers who may be managing 400-500 properties and therefore can not have such personal contact with tenants.

Tenure is also significant - rent is paid monthly, rather than offered on a long leasehold, so there is an opportunity for monthly contact with tenants and ongoing oversight which is not possible on leasehold properties.

Peabody have had very few problems with tenants using the properties only for living, only one tenant has been disciplined for this after their business failed, which was also associated with repossession for non-payment of rent.

ELSBC also provide ongoing business support to the tenants of the Studios on a casual basis. This is not monitored by Peabody.

DELIVERY

The site was donated to Peabody by the London Docklands Development Corporation, with very few or no restrictions on what could be built there. This is unusual for properties that Peabody acquire, and therefore made the site suitable for a more experimental development. The development cost of £2.25 million¹ was funded purely by Peabody, which also reduced restrictions on what could be delivered.

From a development perspective, it is rare to be given a site at nil-cost with no restrictions on what is delivered. In this sense, Westferry Studios was an unusual occurrence. However, there is interest from Peabody's perspective about how work-live or subsidised workspace can potentially contribute to a development's character or placemaking impact.

This is particularly true following recent years of experience of 'shell and core' commercial space being delivered and sold for as high a price as possible, which can lead to a 'shallow' result in the opinion of Peabody.

KEY LESSONS

Westferry Studios is a long-running and successful example of dual use accommodation. It is comparatively local to the LLDC area, which suggests that levels of demand may be similar in each location.

The ability of Westferry Studios to perform an 'incubator' role for businesses, initially supporting them through subsidised rents and encouraging them to develop to a point where they can pay market level rents is a huge strength of the scheme.

The funding mechanisms that allowed the scheme to be delivered are idiosyncratic to this project in that the land was donated, and are therefore unlikely to be replicable. Nonetheless, the scheme demonstrates that there is a potentially important role for public sector support of such an experimental scheme. Without the involvement of the London Docklands Development Corporation, it is unlikely that this important provider of creative business support would be in existence.

Tomorrow's property today: sustainable live/ work development in a low carbon economy, Live/Work Network, Tim Dwelly, Andy Lake and Lisa Thompson, April 2008.

Peanut Factory, Hackney Wick

45 Dace Road London E3 2NG

Scale: Small cluster (2-10 Units)

Spatial arrangement: Cells around a shared space **Building type:** Informal use of former industrial

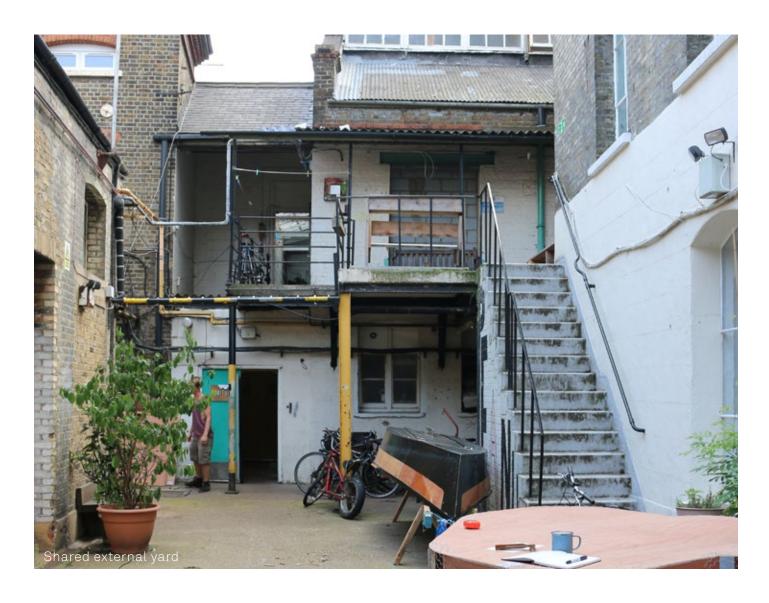
building

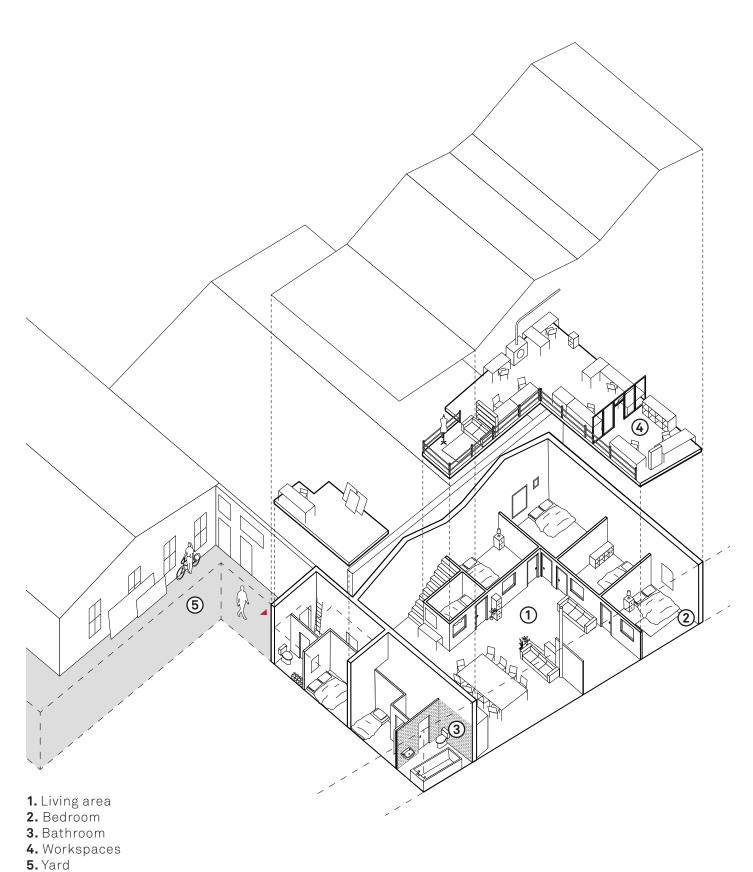
Occupier tenure: Commercial lease

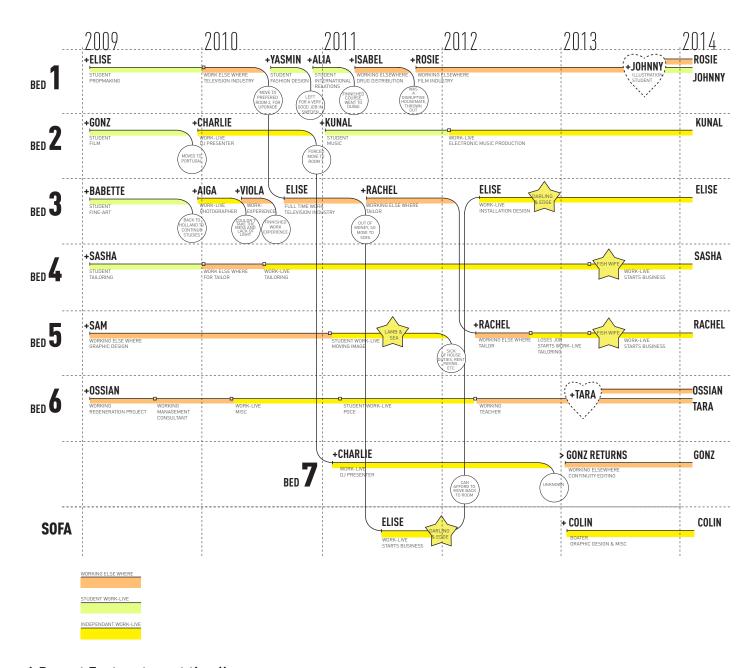
Management: By informal tenant co-operative

The Peanut Factory is an informal work-live occupation of a B1 rated former industrial building in Hackney Wick, within the LLDC boundary.

Its tenants are predominantly in the creative sector. In this particular unit, six of the eight tenants work from the space, and the remaining two just live there. The unit is managed collectively by the tenants, with minimal involvement from the building's freeholder.





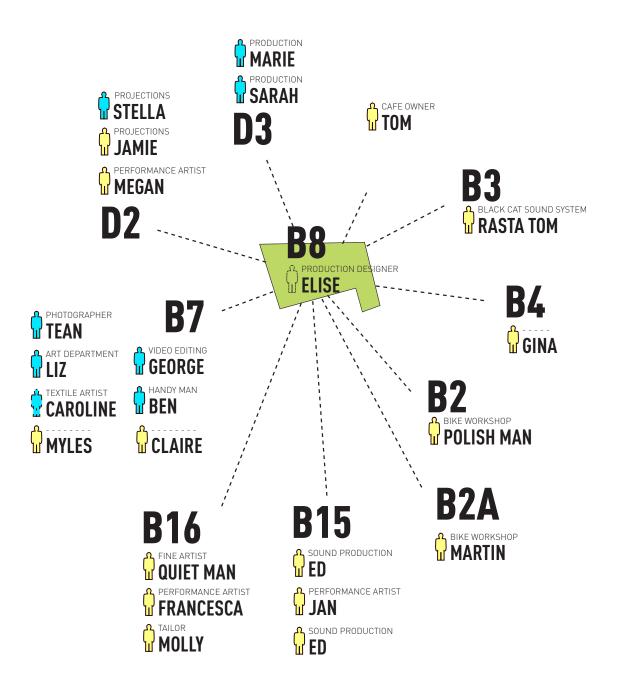


↑ Peanut Factory tenant timeline

The diagram above describes the 'family tree' of the unit over the past five years. It shows a social group that is mutable, with tenants changing rooms as well as arriving and leaving. The growth in the number of tenants reflects an adaptable approach to maintaining affordability in the face of rising rents, as well as a relaxation of the 'no couples' rule that was previously implemented.

The transition from four out of six housemates being students in 2009, to five out of ten running their own practices from the unit in after five years shows the 'incubator' role that such flexible spaces can play.

In addition, the increasing total number of tenants shows a flexible approach to keeping individual rents low, in the facing of increasing head-lease charges.







↑ Work-live relationships of the Peanut Factory

PLACE

The Peanut Factory is a cluster of 19th and 20th century factories situated in the industrial Fish Island Conservation Area. It is composed of a complex arrangement of collective studio units with shared private and shared spaces that range from 50 - 150 sq m. Each unit has a separate lease and the number of occupants range from two to twenty plus. For the purpose of this research document, one such unit was analysed in detail and is taken as a typical example of an informal work-live unit model.

Impact on surrounding areas

Fish Island Conservation Area is situated in the northern section of the Lower Lea Valley, and the Peanut Factory sits along the Western boundary of this protected area of industrial heritage. The Conservation Area Character Appraisal specifically refers to The Old Peanut Factory, Dace Road as part of, "an attractive hub for creative and cultural industries"².

The uses of the private and shared spaces of the Peanut Factory are often seen as interchangeable. The dense plan facilitates this flexibility by enabling access to either a yard or a street (or both) from each of the units. Shared work, leisure and public events occur in the yards contributing to the activation of the streets around it.³

The diagram on the preceding page illustrates the working and social relationships that have developed around this single unit as part of the Peanut Factory complex.

Until the early 2000's, the site was occupied by Percy Dalton's Peanut Factory, with up to 200 employees. The company relocated to Suffolk in

2007 in order to expand the business output beyond what was possible in the complex of Victorian buildings. The current work-live uses commenced in the buildings shortly after this. There are currently around 30 work-live units in the complex.

Spatial arrangement

The inhabited industrial building has been left untouched for the most part, where the structure of the roof and services are left exposed.

There is a physical separation of the live and work use by the means of a constructed mezzanine. On the top level, users have their desks and work areas. The ground floor has a dense concentration of bedrooms clustered around the shared kitchen/living room space. The 6 bedrooms vary in size from approximately $5m^2$ (55 sqft) to $11.5m^2$ (120 sqft) The living space is often used for working too, especially when larger objects are being constructed. The adaptable needs of the tenants have been supported by the flexibility of the space, as the use of the space grows and shrinks accordingly to the need.

All bedrooms in the warehouse are windowless, and a previously constructed bedroom on the first floor was removed with 24 hours notice following an inspection by a fire safety officer. Both of these observations highlight the problems of noncompliance and low-quality of accommodation that often relate to informal uses such as this one.

Features & Facilities

There is a large amount of storage space in the unit. Tenants tend to store some of their items in their bedrooms and workspaces and some in the shared loft spaces. Some of the objects are used for display. There is central heating in the units. There is a known issue of asbestos in the ceilings.

The external yards are key to the tenants working area as there are no double doors on the property therefore larger items are made outside. However the yards are not formally included in the lease.

3 Ibid

¹ Creative Factories Hackney Wick and Fish Island, LLDC, Richard Brown, 2013

^{2 &#}x27;Fish Island Conservation Area: Character Appraisal', LB Tower Hamlets, 4th November 2009.

PEOPLE

Tenants

There are 8 people living in six bedrooms in the unit, comprising 2 couples and 4 singles. Out of the 8 tenants - five predominantly work from the space, one sometimes works from there and two only live in the unit. There is also an additional person who currently only works in the unit. The number of people and the ratio of working to living is flexible and changes over time.

New tenants are selected by the current occupants. There is a level of tolerance (of mess, noise and other people) that is required for people wanting to inhabit the unit. The sector of work is not important, however there is an emphasis on the work culture as tenants prefer the motivational atmosphere of a productive environment where everyone is working hard, no matter what they are working on. Most of the current tenants are from the creative sector including a set designer, couture designer, illustrators and musicians.

The unit is privately owned, and the tenants are on a two year rolling commercial lease. Only five of the tenants are officially on the lease, with the remaining tenants sub-letting from these on the lease.

Tenant

Elise is a set designer who along with a business partner runs a business 'Darling & Edge'. Elise has been living and working in the unit for the last six years. At one point she lived on the sofa for about ten months without paying rent in order to set up her own business. The low overheads were critical to the early viability of her business.

Her business is now successful and she has moved back into a bedroom, paying rent. The business appears to be outgrowing the current space and she has begun to look for larger studio spaces. However she finds official 'live/ work' provision expensive and her business would not be able to sustain itself if she had to pay 'official' rents such as in 'Fish Island Labs' located nearby. Her project budgets are usually between £3000 and £15,000, so £2000 for a

larger studio would price her out of the market. For her the ideal solution would be an ad-hoc affordable work space available on a project by project basis, the combination of work-live is not essential.

Being in Hackney Wick is important to Elise as its industrial nature provides local services and goods that support her business needs. Along with this, she often collaborates with other occupiers of the Peanut Factory including photographers, lighting and sound equipment providers and carpenters, as demonstrated by the diagram above.

AFFORDABILITY

The monthly rental cost has recently gone up from £3207 pcm to £3431 pcm all inclusive. There are some costs that are shared between the tenants such as a weekly cleaner, some communal food, internet and some one-off communal items.

The tenants are currently using electricity and gas that they are not paying for and thus are experiencing further savings.

Planning Status

The building is privately owned, and though the unit is listed as B8 (storage), the landlords are fully aware that there are tenants living in the units.

Seeking official change of use for work-live has proved to be difficult for the neighbouring Stour Space. Stour Space included some work-live accommodation when it was founded and the directors formally pursued dual classification for council tax/business rates purposes with a division appropriate to the split in floor area. However, following confirmation of this valuation, they were visited by building control and planning department officers, who informed them that they were not compliant and never would be. On the basis of this, they decided to ask all remaining residents to leave the property. The hassle caused by this has disincentivised the conversion of existing planning uses in other informal work-live in the neighbourhood to dual use.

Tax Status

At the Peanut Factory business rates are chargeable but not council tax. Tenants often get a small business exemption from the rates.

PROTECTION OF EMPLOYMENT Management Arrangements

The units are self managed by the tenants in an informal co-operative arrangement. The landlord has minimal interaction with the tenants, however is on hand to fix things when needed. There is a level of informal co-ordination required to enable flexibility of working hours and use of the larger communal spaces for work, tenants say that this happens naturally by respecting and understanding each other's needs and pressing work demands.

There is also a Facebook group for the Peanut Factory complex as a whole which is used to borrow/lend tools, warn tenants if someone is going to have a party or for some group purchasing, such as light bulbs.

KEY LESSONS

The existence of provision such as the Peanut Factory shows a demand for affordable combined living and working provision in the areas immediately surrounding the Queen Elizabeth Olympic Park. Anecdotal high demand for spaces such as these can be partially explained by the affordable rents that are charged. However, the combination of both residential and workspace uses has also been an essential component of the overall low overheads that have helped to allow the businesses included in this case study to grow to an established state. Work-live accommodation has therefore played an important role in supporting the local creative economy.

This provision is largely self-managed and its affordability relies on the fact that the occupied properties are designated as industrial uses (B2, B8) in both planning and often tax terms. This illegality poses several challenges in terms of health and safety, quality of accommodation and erosion of former employment land.

Despite these negative features, complexes such as the Peanut Factory also demonstrate interconnected social and economic relationships that are part of the rich urban fabric of Hackney Wick and Fish Island. They contribute to public events, such as the Hackney Wicked Festival, whilst also providing fertile environments for the development of creative businesses.

Iron Works, Hackney Wick, UK

58 Dace Road London E3 2NL

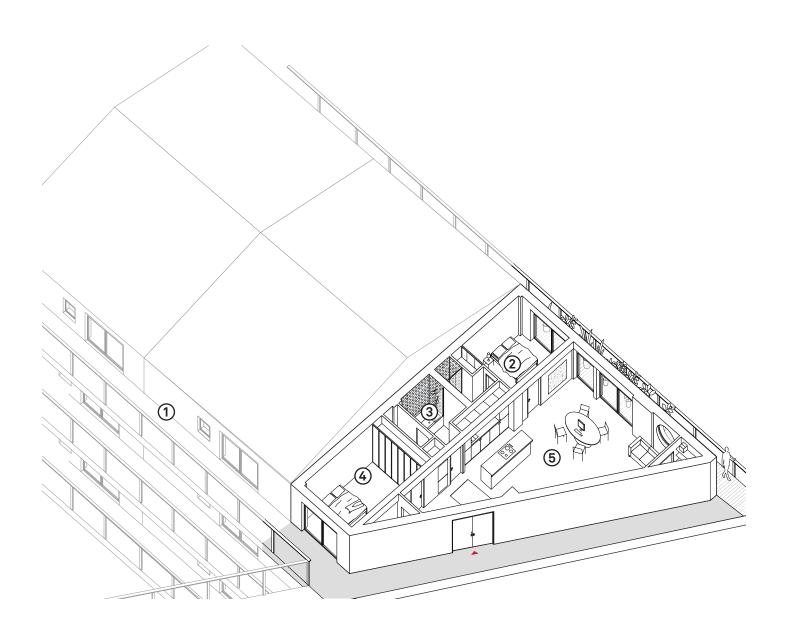
Scale: Major development (70 Units)
Spatial arrangement: Open plan
Building type: Purpose built
Occupier tenure: Leasehold

Management: By commercial management company

Iron Works is a purpose-built 'live/ work' development in Hackney Wick, within the LLDC boundary. It has been selected as a case study as a typical example of unsuccessful implementation of 'live/ work' planning policy.

At the time of this study, there was no evidence that the building was being used for employment purposes, and 18 units have obtained Lawful Development Certificates for Existing Use as residential properties.





- 1. Deck access
- 2. Ensuite Bedroom
- 3. Bathroom
- **4.** Bedroom two
- **5.** Workspace / living



PLACE

Iron Works is a new, purpose-built 'live/work' scheme that is located in Fish Island. The industrial site was derelict before it was developed and completed in 2005. The building is set around a courtyard that overlooks the canal network directly opposite the Olympic site.

Iron Works is a large development consisting of 70 'live/ work' units. The units come in slightly different shapes and sizes but all comprise of two bedrooms.

Impact on surrounding areas

Hackney Wick and Fish Island exist as an 'island' between the A12, the canal system, the Olympic Park and the Greenway. The area is largely industrial and has undergone a large transformation associated with the regeneration brought on by the Olympics. The scheme is located on a quiet corner of Dace Road and is set back from the road. Its frontage onto the street is a metal gate with 'Iron Works' signage. Access to the building, its courtyard and gardens are private and as such the building does not contribute significantly to its surrounding area.

By the time of its redevelopment, there was no employment on the site, although in the early part of the twentieth century, approximately 150 people had been employed making staircases and architectural ironmongery at the Iron Works. Since the site was developed, there is no evidence that employment uses have been undertaken in the site.

Work-Live Balance

Iron Works on the whole is seen as a residential development. The units have not retained employment uses. Many units were also bought offplan for buy-to-let, so there was a further layer of separation between intended use of the space and the actual occupiers. There is no evidence to show that any of the units are being used for employment purposes.

Spatial Arrangement

The building's layout requires entry through a private gate leading into the car park and past the security to reach the main entrance to the building.

The units themselves comprise of 2 bedrooms and have dual aspect. There is also a linked balcony that runs across the building on the side towards the canal. The units are designed as an open plan across a single level. No clear separation has been made between the living and the working areas. The bedrooms are 11.5m² (125 sqft) and 15m² (160 sqft). The open plan living space that includes a kitchen is particularly large and is approximately 55m² (600 sqft) as it was intended to be the space to work in addition to living.

A particular design feature of the units is that the entrance doors are double width, enabling access to large objects. There is also a generous amount of storage space. The units were sold predominantly as empty shells.

Features & Facilities

The building has 24 hour security, a private courtyard and private garden along the canal. There are no other shared communal facilities in the development.

Planning

Iron Works was granted planning permission in 2003. The 'live/work' units are considered sui generis. Of all the case studies, the protection of the live work use has the most support/regulation

in terms of policy guidance, conditions and S106 agreement.

The London Borough of Tower Hamlets had a Draft SPG at the time that provided guidance on 'live/work' units. This required the following:

- Division of floor space between living and working.
- Minimum work area of 50sqm.
- Each unit 90sqm minimum.
- Physical subdivision of units.
- Max 2 beds.
- Appropriate floor loading units for employment.
- Provision of goods lift with 2m wide doors to loading bay.
- Off street parking/disabled parking as required.
- Provision of affordable housing when delivering 15+ units.
- Respect to residential amenity and amenity space.

The scheme adhered to most of the above. However, crucially it did not divide the floorspace between living and working, justifying that desk-based work like design/technology did not need to be removed spatially from the living areas, and it did not provide any affordable housing.

The scheme supports the Fish Island Use Regeneration Framework that promotes the use of 'live/work' on the canal frontage. Part of the Section 106 agreement related to public realm improvements along the canal walkway which were seen as a key part of the scheme. Much of the policy context at local and national level mentioned in the applicant's Planning Overview relates to maintaining employment land. The applicant's case was that many of the buildings on site were no longer fit for purpose/employment use, therefore this scheme was seen as something that actually would increase the amount of employment in the area, especially with relation to the office units, café and museum.

Like Spark Studios, the renovation of the forge building on site was seen positively by the local planning authority. The location of the site in relation to bus stops and within 800m of local shops also supported the application.

The Section 106 agreement stated that the 'live/ work' units should at NO time be used for wholly residential use contrary to the conditions of the Planning Permission without an express grant of planning permission authorising the change of use from use as a 'live/work' unit. The Section 106 agreement requires that "each of the live/work units shall permit at least once a year ... a duly authorised officer of the Council to access the live/work units for the purpose of ascertaining that it is still in live/ work use and provide such written information ... to ensure that the work element of the live/ work use is and has been taking place save that this clause b) shall no longer apply to a live/work unit if there has been a change of use to wholly residential or commercial"

There was no management plan or business case related to this case study in any of the material reviewed. The planning conditions required that:

- "The work element of the live/work accommodation hereby permitted shall be used for purposes within Class B1 if the Town and Country Planning Order 1987, in association with the live element of the accommodation here approved, and shall not be used for any other purpose."
- The residential element of the live/work units hereby permitted shall not be used or occupied other than in connection with the approved work element, shall be ancillary to the work area and at no time shall be used solely for residential use without the express grant of planning permission."

An informative on the decision notice stated that: "Occupiers of live/work accommodation are advised that they live in an industrial area where employment uses are encouraged that may potentially cause noise disturbance from industrial processes and deliveries that can take place on a 24-hour basis.

The planning portal at Tower Hamlets records 18 applications for Lawful Development Certificates for Existing Use as residential properties in Ironworks since 2011 – this is 23% of the units. All have been granted.

This example is typical of new build 'live/ work' developments in the LLDC area that were consented as sui generis and have since been used overwhelmingly as residential property. Other examples include Omega Works (98 'live/ work' units), Wick Lane Wharf (112 units), Burford Wharf (76 units) and Hallings Wharf Studios (approx. 85 units).

PEOPLE

Tenants

The tenants comprise of a range of single persons, couples and families with younger children. Families tend to move out as their children grow older. A resident interviewed as part of the research for Iron Works was unaware of anyone who ran their businesses from their units. However it was likely, as is the case of the interviewed tenant, that people did some work from home equivalent to 'home-working'. For example the second bedroom had been used by this resident as an office for a brief amount of time (note that this was not the intended work area in the original design).

Tenure

The building is privately owned and has suffered development and management issues. The original developer went bankrupt when the building was being constructed, and it is believed among the tenants that as a result a number of corners were cut with regards to the quality of delivery.

Individual units are owned on a leasehold basis, some of which are now operated as privately rented accommodation under buy-to-let terms. Occupiers comprise of approximately a 50% split between lease-owners and renters.

AFFORDABILITY

A 2 bedroom corner unit in Iron Works was bought for £285,000 in 2010. This same unit is currently valued at £499,000. In terms of rental costs in 2010 the costs for a two bedroom flat was around £1200 pcm, currently it is around £1500-1600 pcm.

According to local estate agents, this increase in value is (ironically) linked to the live-work intentions of the units that meant these units were built with generous living areas.

Service charge is approximately £2000 a year (previously £1500 in 2010). In addition to this, electricity is £1000 and water £400 approximately. No additional business rates are paid but council tax is around £80 pcm. There are no particular mechanisms for affordability.

PROTECTION OF EMPLOYMENT Management Arrangements

The building has had ongoing service management issues, an issue perceived as common among large new-built schemes. It is believed that due to the mix of tenure, the tenants who rent units are less likely to be involved or want to pay more service charges to maintain the upkeep of the scheme. To counter this inactivity, owner occupiers have set up a Residents Association to tackle recurring issues such as the lifts breaking down.

It is widely understood among the residents that 'live/ work' was a loophole that developers took advantage off to build developments in Hackney such as Iron Works, that were always intended to be purely residential. Even though there is a level of homeworking that takes place, working from these units is not the priority and cannot be enforced.

DELIVERY

The Iron Works development is a purposebuilt block. It was delivered by London Green Developments Ltd and designed by Pollard Thomas Edwards Architects. It is understood that this was funded privately as a commercial development, and received no supporting grants.

KEY LESSONS

Iron Works is a typical example of the unsuccessful 'live/ work' developments that took place across London in the 1990s and early 2000s. Spatially,

there are many similarities with Westferry Studios, in the scale of units, deck access and industrial finish of the properties, for example, However, there has been no demonstrable retention of employment uses on the site. The major differences between this unsuccessful example and the success of Westferry Studios are the leasehold occupier tenure, lack of tenant selection processes and the low levels of ongoing management. The combination of privately owned properties with no management oversight, and a lack of discrimination as to whether potential tenants were likely to use the units in the manner intended has meant that there was little chance of employments uses continuing. This example demonstrates that dual use properties intended for leasehold ownership - no matter how well designed as working environments - should be considered as residential properties, as work use is entirely dependent upon individual tenants.

Iron Works is the most highly regulated of all the case study examples in planning terms, with a draft SPG, planning conditions and a S106 legal agreement to secure the 'live/work' use. However, 18 applications in the development have been granted Lawful Development Certificates for residential use, so the planning regulation has clearly not worked in practice.

Balfron Tower, Poplar, UK

St Leonard's Road London E14 0QT

Scale: Major development (40 Units)

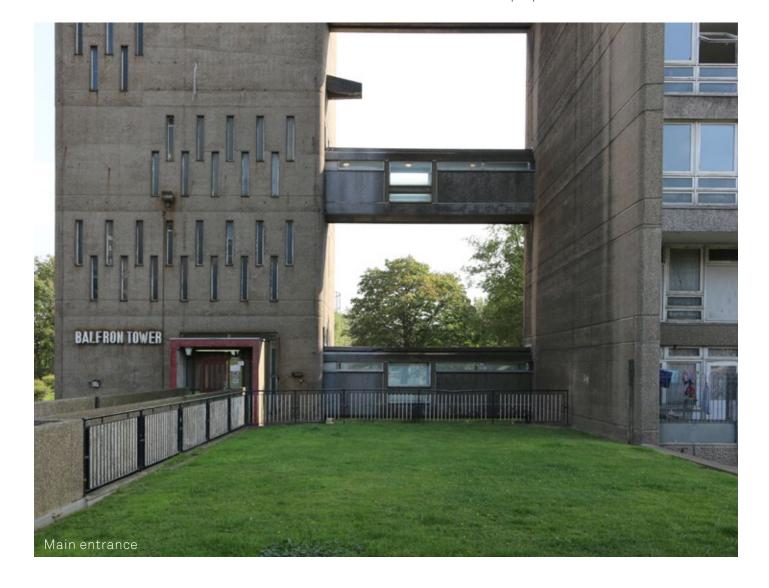
Spatial arrangement: Conventional residential

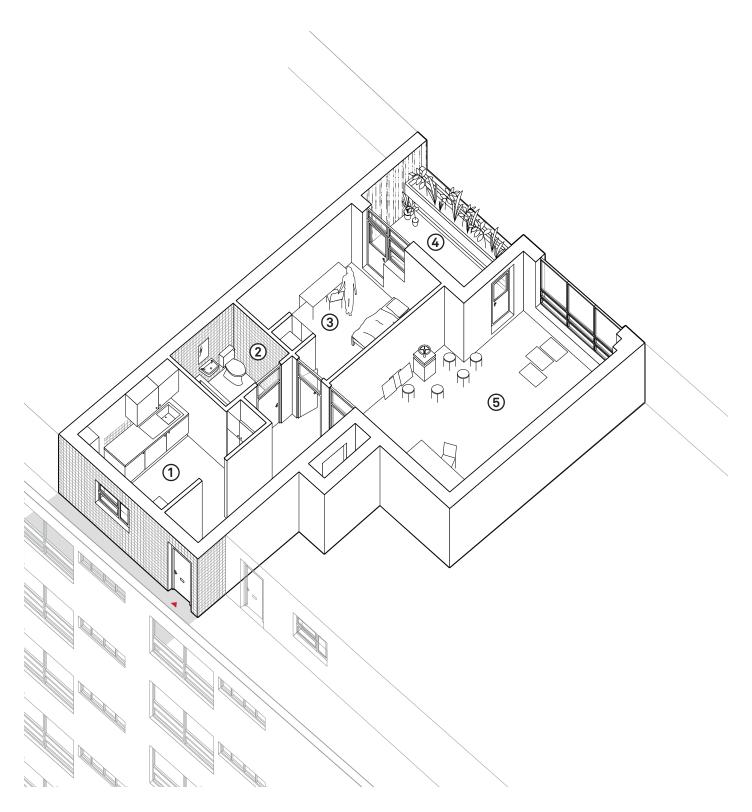
layout

Building type: Use of former residential building

Occupier tenure: Licence to occupy Management: By workspace provider

Balfron Tower is a residential tower owned and managed by the housing association, Poplar HARCA. The tower is due for extensive renovation works in late 2014. In an innovative partnership, artists' workspace providers, Bow Arts are managing a programme which offers flats at affordable rents to practicing artists. These flats are unsuitable for occupation by social tenants as they are only available in the short-term ahead of the redevelopment, but the presence of the artists acts as a guardianship mechanism for security of otherwise vacant properties.





- 1. Kitchen
- 2. Bathroom
- 3. Bedroom / Secondary workspace
- **4.** Balcony
- 5. Main Workspace

PLACE

Balfron Tower is a Grade II Listed building designed by architect Ernö Goldfinger completed in 1967. It is a 27 storey concrete brutalist building located in Poplar adjacent to the Blackwell Tunnel. The block was council owned and managed up to 2007 after which it was transferred to Housing Association, Poplar HARCA.

As Poplar HARCA were vacating properties prior to its refurbishment, they were faced with issues of the properties being squatted. Bow Arts, an arts educational charity in East London who had worked alongside Poplar HARCA previously, began the pilot scheme of occupying properties with artists on a short term basis to deal with these issues.

There are 145 properties in the building in total, of which currently under this scheme, Bow Arts manage 40 properties (a mix of 1, 2 and 3 bed units).

Impact on surrounding areas

The surplus that Bow Arts makes from artists' rents after their costs are covered is put into a Community Arts Chest that is used, in discussion with residents' Estate Boards, to fund a range of education and arts projects locally. This has a significant social benefit for the estate.

The artists are generally around in the building during the day, due to working from the property, which means they have a greater chance of talking to other residents, older people and children, as well as working in local schools. This meant that a trust developed relatively quickly between the long-term residents of the estate and the Bow Arts tenants, particularly once residents realised that they were all on similar income levels, not 'posh' artists. Bow Arts believe that the ability of art to bring together people of different backgrounds and ages is strong.

The Bow Arts programme has introduced employment/ self-employment of approximately 40 people to a formerly purely residential site.

Spatial Arrangement

The conventional residential arrangement of the flats are used flexibly and adapted to suit different artists needs. The average size is $70\,\text{m}^2$ (750 sqft) but this varies. Units are generally under-occupied by comparison with normal levels, for example a couple would shared a two bedroom unit, allowing the second bedroom to be used as a studio.

No structural changes or electrical changes are permitted to the properties, only decoration and cosmetic changes. As the building is Grade II Listed, and the listing includes elements such as light switches and other interior fittings, which must be retained unless written permission is given.

PEOPLE

Potential Tenants

The scheme is aimed at young professional artists and creative practitioners who will benefit from the very affordable rentals - which will allow them to spend more time on their creative practice, and at same time be able to contribute to the local community. Singles, couples and up to two artists are allowed to share the spaces.

The types of artistic practices are restricted due to the building being a residential block. No heavy sculptural work or practices involving noxious fumes are permitted to prevent disturbance to other residents. Hours of noisy work are also restricted for this reason.

Demand

Bow Arts have huge demand for properties in the scheme, they are unable to keep pace with demand. Currently around 40-50 people per month are added to the waiting list for work-live properties, which currently includes around 600 people in total (although some may now have found other accommodation, so total numbers may be unreliable).





Poplar HARCA have good access to local art and design colleges and run two websites for marketing: http://www.londonsartistquarter.org and http://www.artiststudiofinder.org. Initially, Bow Arts found that they were having enquiries from people just looking for workspace, and that the offer of residential accommodation was also appealing. However, now they are having to be more careful to 'filter out' people who are just looking for residential accommodation.

Tenure

The block overall is owned by Poplar HARCA who are a resident focused, socially engaged housing association.

Properties were originally let to Bow Arts scheme tenants on a shorthold tenancy, with a minimum 6 month term, and 2 months break clause. Bow Arts have more recently started using a License to Occupy, rather than a Shorthold Tenancy, as this gives them greater flexibility in terms of break clauses. All tenants of Balfron Tower have been shifted from a Shorthold Tenancy to a License to Occupy. This was due to Poplar HARCA and their joint venture developer wanting to reduce the risk of not being able to vacate premises swiftly enough, but Bow Arts have used it as an opportunity to state more strongly the purpose of the tenancies. The notice period on the Licence to Occupy is 1 month.

Length of Tenure

When the scheme first began in 2007, there was an expectation that they would be available for a maximum of 18 months. However, some of the units in Balfron Tower, and are still occupied 7 years later.

Average turnover on studios in generally 2-3 years. For the work-live properties this has been a lot lower, with tenants generally staying as long as they can. Exit surveys for studio provision show that the major factors in artists choosing to leave their studios are either financial or moving out of London due to house prices. The work-live scheme does much to address both of these factors, which may

contribute to its low turnover. Combined with the waiting list figures stated above, this low turnover also indicates high demand for affordable dual use accommodation space in London.

In some cases occupancies can be expected to be terminated, and then extended at short notice, which may lead to early termination of tenancies as people make other plans.

Application Procedure

Proof of income is required for applicants. No students, no one without a track record of being a practicing artist, no one on housing benefit or other subsidies are eligible. The application process requires artists to set out how they would use the space, and they are also assessed through an interview process to ensure that they are genuine applicants who will use the space to work from.

The application process makes clear that community engagement is desired in prospective tenants, in some form or other, so they are selected partially on the basis of their desire to engage with other residents. Not all residents are required to participate in these activities, but they are required to understand the benefit of similar things and be open to them.

AFFORDABILITY

Rents for tenants on the scheme are £600 pcm for 1 bed, £650 pcm for 2 bed and £750 pcm for 3 bed. Additional charges include water, electric services and council tax.

The affordability of the scheme allows artists in the emerging stages their careers to practice, but Bow Arts recognise that financial constraints mean that artists often support themselves by working elsewhere. Tenants have reported that joining the scheme allows them to dedicate more time to their practice, but it would not be suitable to discriminate at application stage because an artist had to work elsewhere to cover their costs. Thus no limits are place on the amount of time working from the

property, though Bow Arts do require evidence of artistic practice.

The Community Arts Chest Initiative also provides potential sources of income for the artist by introducing them to new networks and contacts, such as schools, for education projects or public art commissions. This can provide a secondary creative income related to their practice, and has been a notable aspect of the scheme.

Bow Arts are careful to manage their properties closely and are 'tight' on arrears, particularly given the low operating figures for individuals in the sector. Their financial advice can help artists to manage what can be erratic incomes, and the are able to offer payment plans to ensure rents can be paid. Artists can also be relocated to smaller units if applicable. Arrears are felt to be approximately the same as with workspace provision.

The intention is that this scheme forms part of a 'ladder' for practicing artists, early in their careers to move on to bigger and better things. Bow Arts are mindful of creating an affordable 'trap' where artists may not be able to sustain their practice upon leaving the scheme. Sometimes this is successful, tenants have been able to save for mortgages although others have reverted to their pre-tenancy situations.

PROTECTION OF EMPLOYMENT Management Arrangements

In general, management of anything inside the flats is the responsibility of Bow Arts, but communal heating etc means that some items fall to Poplar HARCA and can take some perseverance in order to address. Bow Arts do not pay a rental to Poplar HARCA, nor do they charge for the guardianship that the scheme provides (unlike other guardianship schemes).

Management in order to ensure that other workspaces are being used is also required, and in that sense, Bow Arts' need to confirm ongoing practice from the property is no more onerous here than other studio schemes.

There can be a need to address some problems or maintenance issues more urgently than with other properties that Bow Arts run, simply because people are living in the premises, which adds an additional urgency that may not apply to studios. This has been a learning curve for Bow Arts ("the emotional side") which they have not experienced with other properties.

Bow Arts are clear that their agenda of community engagement has complimented the existing attitude of Poplar HARCA. However, funding for such projects run by housing associations generally have to be grant funded, either internally or externally, and may not therefore have longevity. The benefit of the Community Arts Chest scheme is that it provides a sustainable stream of funding for engagement projects. The Community Arts Chest Initiative generates around £50k per year.

Contact is made with tenants around three times per year, through open studios and similar events which ensures that creative use is ongoing. It is important to be flexible to artists individual requirements, but solely residential use is not permitted. Small numbers of tenants have been asked to leave the scheme for not practicing from their properties

Other Details

Bow Arts also has opportunities for training and skills, and the chance to access a schools education programme for those artists who are interested. They are also able to provide financial advice, and some commissioning opportunities for public art

DELIVERY

Funding Partners in Delivery

Bow Arts have entered into a Service Level Agreement with Poplar HARCA for the properties which they are responsible for, there is no charge by either party for this. This is an ongoing partnership whereby Bow Arts provide guardianship through occupation, and Poplar HARCA make the space available. There is no funding from Poplar HARCA for the scheme.

Cost of Delivery

Bow Arts enter spend a modest amount, between £500 and £2,000, on ensuring that properties are suitable to be occupied to a basic level: electricity, gas, water tight and secure.

KEY LESSONS

Bow Arts have been really pleased with the success of the scheme, and have attempted to recreate it elsewhere, working with other housing associations and local authorities. However, so far they have been unable to do this. They believe this is due to a huge shift in pressures on housing in recent years. There has also been a change in legislation in the last 2 years, meaning that Housing Associations are now able to relocate long-term residents into temporary accommodation. Changes in housing benefit and bedroom tax has increased pressures on available properties, which means that social tenants now have priority over Bow Arts tenants to access properties and can now be considered where they previously wouldn't have been. This change means that the long-term viability of schemes such as this one are in question.

Bow Arts are also competing in the guardianship sector against much larger commercial organisations such as Camelot and AdHoc, who although they charge both landlords and tenants, are able to dedicate more resources to marketing, and may be seen as more trusted.

There is a unique opportunity for creating communities of artists through schemes such as this one, which are distinct from those that develop in purely workspace accommodation. The ability to live and work in the same space has been a benefit on a financial level, but the opportunity to interact with other people in a similar field has been particularly valuable.

There have been no tensions between the long-term residents and artist tenants that Bow Arts are aware of. Both the artists and the residents are sensitive to the dynamic between them, this is a different attitude to conventional guardianship schemes.

Conversely one older social tenancy couple didn't want to move out of their property because it was nice to live in now that the artists were there!

Generally Bow Arts have been "really pleasantly surprised" at how successful the scheme has been.

Case Study cross-referenced	Scale	Spatial arrangement	Building type	Occupier tenure	Management
Creative Lofts, Huddersfield, UK	Major development (21 units)	Mezzanine level dividing uses	Refurbished former civic building	Assured shorthold tenancy	By Housing Association
Veld van Klanken, Hoogvliet, NL	Major development (38 units)	Work space provided in separate building	Purpose built	Residential tenancy agreement	By Housing Association
3 Everett Station Lofts, Portland, USA	Major development (47 units)	Open plan with flexible division by tenants	Refurbishment of former office building	Residential tenancy agreement	By non-profit organisation
HUS 24, Stockholm, Sweden	Large group (12 tenants)	Conventional residential, with shared workspace	Use of former residential building	Residential tenancy agreement	By private company
Victory Works, Hackney Wick, UK	Small cluster (2 units)	Separated ground floor workspace with living above	Refurbishment of former light industrial building	Leasehold	None
Spark Studio, Salford, UK	Small cluster (8 units)	Separated live and work	Refurbished former residential building	Assured Short- hold Tenancies & Commercial Leases	By Housing Association and Business Support Agency
7 CO ² Zero LiveWork, Bristol, UK	Small cluster (9 units)	Separated ground floor workspace with living above	Purpose Built	Assured Short- hold Tenancies & Commercial Leases	By private landlord and developer
8 Westferry Studios, Limehouse, UK	Major development (29 units)	20 open plan, 9 with separate live and work areas	Purpose Built	Bespoke commercial lease	By Housing Association
Peanut Factory, Hackney Wick, UK	Small cluster (2-10 units)	Cells around a shared space	Informal use of former industrial building	Commercial lease	By informal tenant co- operative
10 Iron Works, Hackney Wick, UK	Major development (70 units)	Open plan	Purpose Built	Leasehold	By commercial management company
Balfron Tower, Poplar, UK	Major Development (40 units)	Conventional residential layout	Use of former residential building	Licence to occupy	By workspace provider

AFFORDABILITY DATA



ron Works, Hackney Wick, UK. Photo: We Made That

Delivery costs and affordability

In order to provide a basis for affordability and viability assessment, the tables included overleaf compare the delivery and occupier costs for the UK based case studies from this report.

These tables show that all examples successfully delivering dual-use accommodation - as opposed to those reporting low levels of demand - are substantially more affordable than their comparable equivalent accommodation. These affordability comparisons show that case study examples of dual use accommodation typically offer savings of between 20-30% against comparable equivalent separate residential and work spaces rents, and up to 67% in the case of Westferry Studios at its most subsidised.

Delivery Cost Comparison Schedule

Case Study	Total GIFA (sq ft)	No of Units	Year	Location	Site Cost	Development Cost (£)	Development Cost (£ per sq ft)	Total Cost (£ per sq ft)	Funding Sources
Creative Lofts, Huddersfield, UK	21,356	21	2002	Huddersfield, UK	£71,500 Site cost: From www. liveworknet. com	£2,100,000	£98.33	£101.68	EU Creative Towns Fund (£240,000), Huddersfield Pride (£225,000), Yorkshire Forward (£340,000). Additional funding from RDA/English Partnerships, Kirklees Council, Places for People.
Spark Studios, Salford , UK	13,487	8	2012	Salford, UK	£180,000 Site cost: From compulsory purchase order request to Salford Council. Funding Sources: From www.liveworknet.com	£1,400,000	£103.80	£117.15	Godliman & Watson Homes (£180,000), ERDF (£240,000), Contour Homes (£650,000), University of Salford (£150,000), Salford Council (£135,000)
C0² Zero LiveWork, Bristol, UK	9,817	9	2008	Bristol, UK	Unavailable	£1,820,000	£185.39	-	Logic CPS with loan from Triodos
Westferry Studios, Limehouse, UK	37,674	27	2014	Limehouse, UK	£0	£3,450,000	£91.58 No. of units and build cost: from www. livework- net.com	£91.58	Peabody Trust
Iron Works, Hackney Wick, UK	105,712	78	2005	Hackney Wick, UK	Unavailable	£8,500,000	£80.41	-	PTE Property and London Green
Peanut Factory Hackney Wick, UK	Unknown	30 (approx)	2009	Hackney Wick, UK	£9,600,000	Unavailable	-	-	Landlords with additional contribution from first tenants
Balfron Tower, Poplar, UK	59,471	146 (65 available as Live/ Work)	2011	Poplar, UK	£0 Site cost: Only includes 65 units in live/ work use	£250,000	£4.20	£4.20	Bow Arts

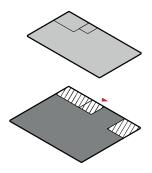
Tenant Affordability Comparison Schedule

Case Study		Average F (sq			Monthly Rent/ Mortgage (£)		Monthly Additional Charges (£)		Total Cost per sq ft per annum (£)	Assumptions
	Live	Dual Use	Work	Total	Live	Work	Live	Work	Work-Live Combination	
Creative Lofts , Huddersfield, UK	732 (68m²)	161 (15m²)	753 (70 m²)	1,746 (162m²)	£685.00	inc	£208.88	£875.00	£12.90 ↑ 9% cost	Live charges: Council Tax (Band D £1,438.52) and utilities Work Charges: Business rates (Example Engine room pays £10,500), VAT included.
Typical comparable equivalent	475 (44m²)		2244 (208m²)	2,719 (252m²)	£475.00	£1117.67	£208.88	£875.00	£11.81	Live charges: Council Tax (Band D £1,438.52) and utilities Work Charges: Business rates (Example Engine room pays £10,500)
Spark Studios , Salford , UK	710 (66 m²)		280 (26m²)	990 (92m²)	£639.00	inc	£165.79		£9.76 ↓ 33% saving	Live charges: Council tax (Band A £921.47) and utilities Work charges: Business Rates (100% rate relief), VAT included.
Typical comparable equivalent (1 bed flat & small office)	700 (65m²)		120 (11m²)	820 (276m²)	£560.00	£266.00	£165.79		£14.51	Live charges: Council tax (Band A £921.47) and utilities Work charges: Business Rates (100% rate relief)
C0² Zero LiveWork , Bristol, UK	650 (60 m²)		300 (28m²)	950 (88m²)	£1,200.00	inc	£139.47	£31.67	£17.32 ↓ 3% saving	Live Charges: Council tax and utilities Work Charges: Small Business - 100% Rate Relief 2014 (Rateable Value £3250), electricity, service charge (covers both uses), VAT included.
Typical comparable equivalent (2 bed flat & small commercial unit)	700 (65m²)		250 (23m²)	950 (88m²)	£772.50	£425.00	£179.47	£31.67	£17.79	Live Charges: Council tax and utilities Work Charges: Small Business - 100% Rate Relief 2014 (Rateable Value £3250), electricity, service charge (covers both uses)
Westferry Studios, Limehouse, UK (Year 1)	280 (26m²)	161 (15m²)	635 (59 m²)	1,076 (100m²)	£533.00	inc	£150.04	£53.30	£8.21 ↓ 67% saving	Live charges: Council Tax Band B £732.51, Utilities Work Charges: Business rates £4,100 (100% small business rates relief), VAT on business portion of rent (50%)

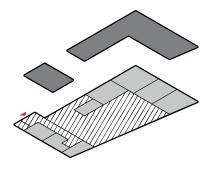
Case Study	Average Floor Area (sq ft)				Monthly Rent/ Mortgage (£)		Monthly Additional Charges (£)		Total Cost per sq ft per annum (£)	Assumptions
continued	Live	Dual Use	Work	Total	Live	Work	Live	Work	Work-Live Combination	
Westferry Studios, Limehouse, UK (Year 5)	280 (26m²)	161 (15m²)	635 (59 m²)	1,076 (100m²)	£1,250.00	inc	£150.04	£125.00	£17.01	
Typical comparable equivalent (Studio flat & studio)	564 (52m²)		415 (39 m²)	979 (91m²)	£1,419.00	£373.00	£150.04	£74.60	£24.72	Live Charges: Utilities, Council tax (Band B £732.51) Work Charges: VAT on business rent, assume 100% rates relief
Iron Works, Hackney Wick, UK	366 (34m²)	732 (68m²)		1,098 (102m²)	£1,600.00	inc	£250.82		£20.23 ↓ 31% saving	Live Charges: Council tax (Band D £941.79) Service charge (£1000 per year,) Utilities
Peanut Factory Hackney Wick, UK	614 (57m²)	743 (69 m²)	624 (58m²)	1,981 (184m²)	£3,840.00	inc			£23.26 \$\square\$ 20% saving	Live Charges: £480 each all in (energy, cleaner, communal sundries) 9 people total, two couples, 5 single Couples pay £720 Singles pay £480 Work Charges: Small business exemption
Typical comparable equivalent (Room in house share & studio)	250 (23m²)		140 (613m²)	390 (36m²)	£648.00	£302.00			£29.23	Live Charges: all inclusive Work Charges: Small business exemption
Balfron Tower , Poplar, UK	97 (9m²)	172 (26m²)	183 (17m²)	452 (42m²)	£600.00	inc	£150.04		£19.91 ↓ 19% saving	Live Charges: Utilities, Council tax (Band B £732.51)
Typical comparable equivalent (Studio flat & studio)	564 (52m²)		415 (39 m²)	979 (91m²)	£1,419.00	£373.00	£150.04	£74.60	£24.72	Live Charges: Utilities, Council tax (Band B £732.51) Work charges: VAT on business rent, assume 100% rates relief

Note: Average Utilities charges Water £24 Energy £40 Internet / Telephone £25 Total £89

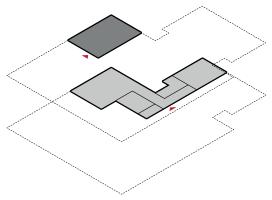
Comparison floor area diagrams



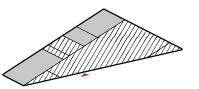
↑ Creative Lofts, Huddersfield, UK



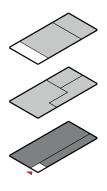
↑ Peanut Factory, Hackney Wick, UK



↑ Spark Studio, Salford, UK



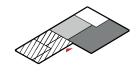
↑ Iron Works, Hackney Wick, UK



↑ CO² Zero LiveWork, Bristol, UK



↑ Westferry Studios, Limehouse, UK



↑ Balfron Tower, Poplar, UK

Key

Work

Live

/// Dual use

SUMMARY

Part I of this Work-Live Study, 'Research & Case Studies' has analysed previously undertaken study work on the subject of dual use accommodation, and documented a series of case study examples showcasing the current practice of delivery of such space in the UK and internationally.

Part II goes further and describes opportunities, observations and recommendations based on the research undertaken in Part I.

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Credits

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