

LLDC: Combined Economy Study

Part A: Economy Study

A Draft Report by Regeneris Consulting

March 2018

# London Legacy Development Corporation

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# 1. Introduction and Purpose of Study

- 1.1 Regeneris Consulting along with We Made That, Tom Fleming and Carter Jonas have been commissioned by London Legacy Development Corporation (LLDC) to carry out a Combined Economy Study. This work comprises a suite of research projects which will be used to inform the 2018 review of the area's Local Plan.
- 1.2 The commission includes:
  - A Local Economy Study and Business Survey (Part A)
  - Creative and Cultural Opportunities Assessment (Part B)
  - A Retail and Town Centre Needs Assessment (Part C)
- 1.3 This report is the Economy Study (Part A) which focusses upon three elements:
  - Baseline Evidence provides an evidence base on the current situation with regards to the economic performance of the LLDC area.
  - Defining Needs and Demand identifies the need and demand for employment.
     The study focusses on the premises and the total number of jobs associated with these sectors.
  - Conclusions and Recommendations makes recommendations for the LLDC Local
     Plan based on Stages 1 and 2.
- 1.4 The study is intended to provide a key contribution to the evidence being assembled by LLDC as they develop their revised Local Plan. It is set in the context of the requirements for plan making specified in the National Planning Policy Framework, and in the specific guidance on planning to meet economic needs set out in the Planning Practice Guidance.
- 1.5 The Business Survey which also forms part of Part A of the Combined Economy Study is detailed in separate report, however it has been referred to throughout this report.

#### The LLDC Area

1.6 The London Legacy Development Corporation (LLDC) is the Local Planning Authority for the area of East London including Queen Elizabeth Olympic Park, as shown in Figure 1.1. It is one of only two development corporations in London, and crosscuts the four East London Boroughs of Hackney, Newham, Tower Hamlets and Waltham Forest.

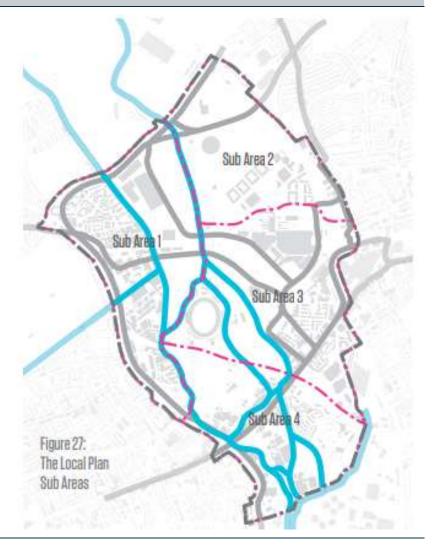


- 1.7 Established by the Mayor of London in 2012, the Corporation has the responsibility for delivering the regeneration of the Olympic Park and surrounding area through high-quality sustainable development and investment. The LLDC purpose is "to use the once-in-a-lifetime opportunity of the London 2012 Games and the creation of Queen Elizabeth Olympic Park to develop a dynamic new heart for East London, creating opportunities for local people and driving innovation and growth in London and the UK."
- 1.8 Hosting the London 2012 Olympic Games brought significant national and international attention to this part of London and has resulted in rapid changes over the past five years. There are now over 26,000 people in the LLDC area, which results from a population increase of over 10 times the rate of London between 2010-2015.
- 1.9 The area is also characterised by a growing young population and a rise in the number of creative and digital industries, particularly supported by initiatives such as Here East, the International Quarter (Office led development) and a new Cultural Education District (CED).
- 1.10 Figure 1.1 provides a context map of the local plan area and the sub-areas identified in the existing local plan.
- 1.11 The four sub-areas which make up the LLDC area include;
  - Sub-Area 1: Hackney Wick and Fish Island
  - Sub-Area 2: North Stratford and Eton Manor
  - Sub-Area 3: Central Stratford and Southern Queen Elizabeth Olympic Park
  - Sub-Area 4: Bromley-by-Bow, Pudding Mill, Sugar House Lane and Mill Meads.

#### Figure 1.1 LLDC Local Plan Sub-Areas

The four Sub Areas are:

- Sub Area 1: Hackney Wick and Fish Island
- Sub Area 2: North Stratford and Eton Manor
- Sub Area 3: Central Stratford and Southern Queen Elizabeth Olympic Park
- Sub Area 4: Bromley-by-Bow, Pudding Mill, Sugar House Land and Mill Meads.



Source: LLDC Local Plan, 2015

# **Report Structure**

#### 1.12 The remainder of this report contains:

- Section 2 Policy context: sets out the key economic policies which are relevant at a national, regional and local level.
- Section 3 LLDC economy: provides an overview of the key socio-economic indicators to illustrate the current structure of the economy and its past performance.
- Section 4 Defining the functional economic market area (FEA): sets out our evidence on the FEA for the area which includes; LLDC, London Boroughs of: Newham, Tower Hamlets, Hackney and Waltham Forest; as documented in the most recently commissioned LLDC Housing Requirement Study (2018).



- Section 5 Commercial Property Market Assessment: provides an overview of the current position and past market trends in commercial development. It also summarises the supply position in terms of available employment land for LLDC.
- Section 6 Future Growth Scenarios: draws on evidence from past economic performance, the take up of floorspace and land along with employment forecast data to provide a set of growth scenarios for LLDC. It also translates these scenarios into implied floorspace and land requirements.
- Section 7 Conclusions: provides conclusions and recommendations for LLDC.

# 2. Policy Context

- 2.1 The Legacy Corporation Local Plan was adopted in 2015 and is the Statutory Development Plan for the area. To ensure that it remains up-to-date, the Legacy Corporation has initiated the formal process of reviewing the Local Plan regularly to respond to new evidence presented on key matters, as well as relevant changes that have occurred at local, London and national level.
- 2.2 The Legacy Corporation area is changing rapidly, with a lot of new development being built and more planned. The number of people living in the area is growing as is the number and type of jobs and business opportunities, for example the creation of Here East in Hackney Wick and development of the International Quarter London in Stratford.
- 2.3 Therefore, it is important that the growth assumptions made in the Local Plan are correct and up-to-date.
- 2.4 In addition, the Greater London Authority (GLA) has recently consulted on the new London Plan (Draft), the strategic plan for London. The Plan will shape how London grows and evolves over the next 20 to 25 years. The London Plan is a material consideration during the planning process and must be acknowledged as part of this study.
- 2.5 Alongside the New London Plan, other important strategic documents such as the New Economic Development Strategy for London is currently being consulted on and must also be considered
- 2.6 National, regional and local policy guides the context in which economic development and planning take place and any relevant considerations have been detailed below.

# **National Context**

#### National Planning Policy Framework (NPPF) 2012

- 2.7 The Framework sets out the Government's economic, environmental and social planning policies for England. The Framework states that the purpose of the planning system is to contribute to the achievement of sustainable development, which should be a 'golden thread' running through both plan-making and decision taking.
- 2.8 The NPPF condenses all planning policy statements (PPSs) into a single all-encompassing planning framework with the intention of making the planning system less complex and



- more accessible. The National Planning Policy Framework was published and came into effect on 27th March 2012.
- 2.9 The NPPF advocates Sustainable Development and this should be reflected by the emerging local plan and be informed by robust evidence to support clearly defined allocations for land for employment. In relation to economic and employment land it states the following:
  - "A competitive economy requires a planning system which operates to encourage (and not impede) sustainable growth, and the NPPF places weight on the need to support economic growth through the planning system."
  - A revised version of the NPPF is being drafted and will be published in Spring 2018 with final adoption before the end of 2018.

#### **National Planning Practice Guidance (NPPG)**

- 2.10 The Practice Guidance provides a methodology for assessing economic development needs. It states that plan makers should liaise closely with the business community to understand their current and potential future requirements.
- 2.11 When examining the recent take-up of employment land, the Practice Guidance<sup>1</sup> advises that it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses.

#### Government Industrial Strategy: Building a Britain for the Future

- 2.12 The recent publication of the Government's Industrial Strategy white paper sets out the long-term plan to boost productivity and earning power of people throughout the UK. The strategy sets out how it intends to help businesses create better, higher-paying jobs with investment in the skills, industries and infrastructure for the future.
- 2.13 There are five foundations set out within the strategy, which aim to boost productivity and earning power across the country, which include;
  - ideas
  - people
  - infrastructure

<sup>&</sup>lt;sup>1</sup> National Planning Practice Guidance; Housing and Economic Needs Assessments, 2015



- business environment
- places

# **Regional Context**

#### **Draft New London Plan**

#### **Good Growth**

- 2.14 Good growth is the golden thread that runs through the New London Plan, referring to sustainable growth that works for everyone. The approach frames economic growth by its potential to improve the health and quality of life of all Londoners, to reduce inequalities and to make the city a better place to live, work and visit. Each policy area in the New Draft Plan is informed by six Good Growth policies:
  - Building strong and inclusive communities;
  - Making the best use of land;
  - Creating a healthy city;
  - Delivering the homes Londoners need;
  - Growing a good economy;
  - Increasing efficiency and resilience.
- 2.15 The New London Plan recognises the conflicting needs across the city; to provide additional housing whilst retaining employment land. These conflicting needs mean that decision makers, land owners and developers need to think differently when approaching new development, considering how intensification of mixed-uses can satisfy both housing and employment requirements.
- 2.16 Despite the contrast in focus between productivity nationally, as stated in the Industrial Strategy and good growth set out in the Draft New London Plan, there are clear links between regional and national strategy.
- 2.17 The four grand challenges identified within the Industrial Strategy have cross-cutting relevance for the whole of the UK, and London is no exception:
- 2.18 London can already justifiably claim to be at the heart of the UK's **innovation** economy via its focus on the horizon (e.g. advanced urban services being highlighted as a particular area



- of focus) however, the areas aspirations to support creative and high-tech industries will help contribute towards this.
- 2.19 The plan commits London's to reinforce its competitive business environment on the global stage, to scale-up innovators and entrepreneurs, and to enhance employment space across the city. The LLDC has a vision for the area to become a diverse and internationally recognised employment location, which will only enhance London's global reputation as a place to do business.
- 2.20 Further improvements to transport and digital **infrastructure** are critical to accommodate future growth and better connect people to opportunities and the opening of Crossrail which will serve Stratford, will help achieve this.
- 2.21 Better functioning and more distinctive **places** was a focus of the previous mayor and continues to be a priority for the current Mayor. The Draft New London Plan places more emphasis on opportunities in Outer London, and the Mayor's Good Growth Fund will boost investment in town centres and places of work across the city. Above all, London's housing challenge is central to the Mayor's narrative, with a range of new policies and initiatives to deliver a wider range of housing across London.
- 2.22 The good growth focus highlights the Mayor's commitment to London's people and communities. It acknowledges the threat of living costs and Brexit, while the Mayor's draft Skills for Londoners strategy aims to empower all residents to access opportunities and ensure that London's future businesses and sectors have access to the skills they need to develop. This is important to LLDC's neighbouring boroughs and the strategy for convergence.

#### Land for Industry, Logistics and Services

- 2.23 The Draft New London Plan confirms the importance of industrial, logistics and related uses to the functioning of its economy, servicing the needs of the population and contributing towards employment opportunities.
- 2.24 The Draft New London Plan (2017), sets out a number of policies relating to Land for Industry, Logistics and Services to Support London's Economic Function (Policy E4), Strategic Industrial Locations (Policy E5) & Locally Significant Industrial Sites (Policy E6).
- 2.25 Industrial land and floorspace provide capacity for these activities to operate effectively, however over the period of 2001 to 2015, more than 1,300 ha of industrial land was transferred. As a response, the Plan outlines the need to retain capacity by establishing a



general principle of no overall net loss of industrial floorspace capacity across London in designated Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS).

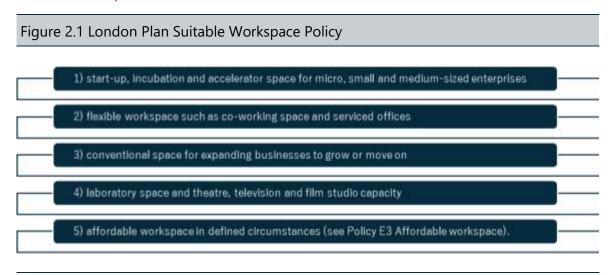
SILs are London's main stock of land for industrial, logistics and related uses, whilst LSISs are designated locations that have particular local importance for industrial and related functions in Boroughs. SILs are given strategic protection due to their critical role in London's economy. The Plan points to the importance of securing and enhancing strategic provision in SILs in areas of London, including Fish Island South including Bow Midland West rail site, Bow Goods Yard East and Here East (Hackney Wick) which are located within the LLDC area.

- 2.26 In terms of managing overall industrial space, boroughs follow one of the following three approaches:
  - Provide Capacity: strategic demand for the above uses are strongest in these Boroughs, and in response they should seek to deliver intensified floorspace capacity in either existing and/or new locations accessible to the strategically accessible locations.
  - Retain Capacity: Boroughs should seek to intensify industrial floorspace capacity following the general principle of no net loss across designated SIL and LSIS.
  - Limited Release: industrial vacancy rates are currently well above the London average in these Boroughs, and there is scope for limited release of industrial land in SIL and/or LSIS through a plan led approach.
- 2.27 Within the Draft New London Plan the LLDC area has been identified as a location in which industrial land needs to be retained and will therefore be an important consideration when reviewing the new Local Plan for the LLDC area.
- 2.28 To ensure sufficient employment land is retained, without constraining housing development and future growth, the master planning of mixed-use developments is key. This has been acknowledged by the GLA, with industrial intensification being encouraged, particularly to meet the needs for additional housing. However, within the Draft New London Plan, the London Borough of Newham (LBN) has been identified as one location where industrial land could be released, which LBN are currently disputing.



#### **Sector Growth Opportunities and Clusters**

- 2.29 The New Draft London Plan provides the planning framework to deliver workspace requirements for business and employment. This is intended to complement the Mayor's Economic Development Strategy (EDS) for London.
- 2.30 Policy E8 stipulates that to support the evolution of London's diverse sectors, availability of suitable workspaces is crucial. The types of workspaces listed in the New London Plan are included below;



Source: GLA New London Plan Draft (2017)

- 2.31 London's higher and further education institutions and their development across all parts of London are also a priority within the New London Plan. With the integration of educational institutions into regeneration and development opportunities to support social mobility and the growth of emerging sectors being encouraged.
- 2.32 The development of new clusters should be supported where opportunities exist, such as CleanTech innovation clusters, Creative Enterprise Zones, film, fashion and design clusters, and green enterprise districts such as in the Thames Gateway.
- 2.33 East London, has been identified by the Mayor of London as an area for creative clustering and enterprise. The support for further clustering within the London Plan and the area's already established creative cluster will play an important role in the economic evolution in the area.

#### Low-cost Business Space and Affordable Workspace

2.34 The New Draft London Plan recognises the importance of low-cost business space and affordable workspace. The Plan has two distinct policies to support SMEs and start-ups and



emphasises that Development Plans and development proposals should support the provision of space suitable for SMEs considering strategic and local assessments of demand and supply.

#### Table 2.1 London Plan - Low-cost Business Space & Affordable Workspace Policy

Policy E2 Low-cost business space

- A) The provision, and where appropriate, protection of a range of low-cost B1 business space should be supported to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand.
- B) Development proposals that involve the loss of existing B1 space (including creative and artist studio space) in areas where there is an identified shortage of lower-cost space should:
- demonstrate that there is no reasonable prospect of the site being used for business purposes, or
- ensure that an equivalent amount of B1 space is re-provided in the proposal (which is appropriate in terms of type, specification, use and size), incorporating existing businesses where possible, or
- demonstrate that suitable alternative
   accommodation (in terms of type, specification,
   use and size) is available in reasonable
   proximity to the development proposal and,
   where existing businesses are affected, that
   they are subject to relocation support
   arrangements before the commencement of
   new development.
- C) Development proposals for new B1 business floorspace greater than 2,500 sq.m (gross external area) should consider the scope to provide a proportion of flexible workspace suitable for micro, small and medium sized enterprises.

Policy E3 Affordable workspace

- A) In defined circumstances, planning obligations may be used to secure affordable workspace at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose. Such circumstances include workspace that is:
- dedicated for specific sectors that have social value such as charities or social enterprises
- dedicated for specific sectors that have cultural value such as artists' studios and designer-maker spaces
- dedicated for disadvantaged groups starting up in any sector
- providing educational outcomes through connections to schools, colleges or higher education
- supporting start-up businesses or regeneration.
- B) Particular consideration should be given to the need for affordable workspace for the purposes in part A above:
- 1) where there is existing affordable workspace on-site
  - 2) in areas where cost pressures could lead to the loss of affordable workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones)
- in locations where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area.
- C) Boroughs, in their Development Plans, are encouraged to consider more detailed affordable workspace policies considering local evidence of need and viability. These may include policies on





- site-specific locations or defining areas of need for certain kinds of affordable workspace.
- D) Affordable workspace policies defined in Development Plans and Section 106 agreements should include ways of monitoring that the objectives in part A above are being met, including evidence that they will be managed by a workspace provider with a long-term commitment to maintaining the agreed or intended social, cultural or economic impact. Applicants are encouraged to engage with workspace providers at an early stage to ensure that the space is configured and managed efficiently.
- E) Leases or transfers of space to workspace providers should be at rates that allow providers to manage effective workspace with sub-market rents, meeting the objectives in part A, over the long term.
- F) The affordable workspace elements of a mixeduse scheme should be operational prior to residential elements being occupied.

Source: New Draft London Plan 2017



## **Draft London Economic Development Strategy**

2.35 The Mayor of London is consulting on the Draft London Economic Development Strategy, detailing 12 aims for London's Economy by 2041. These 12 aims are listed in Figure 2.2 below.

Figure 2.2 Draft London Economic Development Strategy

#### THE MAYOR'S AIMS FOR LONDON'S ECONOMY IN 2041

- Londoners are living healthier and happier lives.
- Living standards are improving with real incomes growing yearon-year.
- London has a fairer and more inclusive economy.
- London is a more affordable city to live and work.
- Londoners who want to work, and are able to, have access to quality employment.
- London has the most talented workforce in the world.

- London is a global leader in innovation and creativity.
- London is the world capital for business, trade and investment.
- London is the best city in which to start and grow a business.
- More people are walking, cycling and using public transport to travel, helping London to grow sustainably.
- London is one of the greenest, cleanest and most resource efficient economies in the world.
- London has the highest productivity among global cities.

Source: Draft London Economic Development Strategy

2.36 The Queen Elizabeth Olympic Park and the wider LLDC area have been identified as playing a specific role in meeting the aims above and supporting the growth in the London economy. The strategic roles in which the LLDC area must fulfil are detailed below.

#### Queen Elizabeth Olympic Park Cluster for Innovation

- 2.37 The Queen Elizabeth Olympic Park is developing into an area for innovation that is home to a cluster of academic institutions and businesses engaged in research, design, development and manufacture. These organisations are coalescing around several modern industrial sectors, including:
  - Construction and the built environment.



- The automotive industry, including autonomous vehicles, low carbon engines and energy storage.
- Digital technology.
- Fashion and related creative businesses.

A cluster of expertise around the future of cities is emerging, comprising:

- The Digital Engineering and Test Centre which is using virtual engineering tools and techniques to accelerate the development of automotive systems, helping to cut emissions.
- The Advanced Propulsion Centre looking at electric drive chain development.
- UCL robotics researching the application of autonomous systems in life sciences, healthcare, manufacturing and creative industries.
- The High Speed Sustainable Manufacturing Institute looking at localised and circular economy value chains.
- The Future Living Lab planned at Here East, centred around UCL's world-leading research in the design, development and operation of smart, sustainable cities. East Works will work across the local community to develop the technical skills East Londoners need to be able to work in and to lead businesses in these sectors.
- 2.38 The Stratford Waterfront and UCL East proposals fulfil a key role in the innovation aspirations for the area. However, whilst the UCL East proposal has a resolution to grant (subject to Section 106 agreement), the proposals for Stratford Waterfront are still in preapplication stage. Therefore, the certainty of the proposals being delivered is not definitive.

#### **East London Fashion Cluster**

- 2.39 Initiated by London College of Fashion, and supported by the Mayor of London, a partnership consisting of UKFT (UK Fashion & Textiles Association), BFC (British Fashion Council), LLDC, and Poplar HARCA has united around a shared ambition to retain and strengthen London's status as a global fashion capital.
- 2.40 The East London Fashion Cluster (ELFC) partnership aims to capitalise on East London's historic and re-emerging status as a centre for fashion innovation, design, manufacture and retail, as well as the opportunities presented by the relocation of the London College of Fashion to Stratford Waterfront. The partnership has developed a broad-ranging Action Plan to support the sector. It aims to tackle a range of issues facing the sector, including



access to finance, affordable space and skills. The aim is to create a more resilient fashion sector in London with the capacity to innovate across the value chain.

#### Office space to support the growth in services

- 2.41 In the coming years, the city will need a substantial amount of new office space to accommodate the growth of the services sector. The London Office Policy Review 2017 identifies a need for between 4.7 million sq.m and 6.1 million sq.m by 2041. This space needs to be accommodated through new sites, redevelopment or intensification, otherwise rents could rise to uncompetitive levels and growth could be constrained. The CAZ (Central Activities Zone) and NIOD (Northern parts of Isle of Dogs) will continue to be the main focus for office development in London. Stratford and Old Oak could provide significant capacity to support some office functions in the future. Beyond central London the Mayor wants to support viable office clusters in town centres as part of creating diverse local economies.
- 2.42 In May 2013, the government made it easier to allow offices to be converted to housing through Permitted Development Rights. There is evidence that as a result, London has lost a large amount of office space, a significant proportion of which was occupied, or part occupied at the time of conversion. There is a risk that further viable and strategically important office space could be lost at a time when significant additional capacity is needed. There is not much office stock within the LLDC area that is eligible for change under permitted development, therefore there is less risk of losing office to residential within the LLDC area. The CAZ, the NIOD, Tech City, the Royal Borough of Kensington & Chelsea and the Royal Docks Enterprise Zone have been exempt from these Permitted Development Rights, but this protection will end in May 2019. After this time the relevant planning authorities will require their own protection in place through an Article 4 direction.

## **Local Context**

## LLDC Local Plan (2015)

2.43 The current LLDC Local Plan is the overarching planning tool that is used by LLDC to help shape the area however, due to the rapid development, change to national and regional policy and based on Local Plan Inspector's advice the Local Plan is now being reviewed. The relevant polices that need to be considered alongside the employment land study are listed



in the table below. A more detailed reflection on the existing polices is included later in this report.

#### Strategic Policy SP.1: Building a strong and diverse economy

- 2.44 LLDC will work with its partners to develop a strong local economy, driving the transformation of East London. This will include the expansion of opportunities for local, national and international business and promotion of cultural, tourist and leisure expansion.
- 2.45 This supports higher and further education expansion, including opportunities for postgraduate study and research, and promoting access to skills and employment training; as well as strengthening the local economic profile of the area, including support of flourishing business sectors and providing additional floorspace in a range of sizes, types and forms.

#### Policy B1: Location and Maintenance of Employment Uses

2.46 Policy B1 identifies several employment clusters where B Use Classes shall be focussed as listed in the Table below and shown in Figure 2.3

New Spitalfields Market O A106 B169 Hackney Marshes Centre STRATFORD Chandos Ro HACKNEY WICK CHOBHAM MANOR Westfield Stratford City 6 ondon Stadium O B1b5 **B**1b6 BOW Masjid e Ilyas 🕲 Tower Hamlets

Figure 2.3 Policy B1 Employment Clusters

Source: Regeneris Consulting



Table 2.2 Policy B1 Employment Clusters				
Ref	<b>Employment clusters</b>	Cluster function		
B1a1	Here East (Hackney Wick) SIL	A range of complementary employment uses within B1 and B8 Use Classes of regional significance, including technology-based industry, offices, broadcasting and production uses, and smaller workshops. Also including supporting uses of further and higher education and conference facilities within D Use Classes, and small-scale subsidiary retail.		
B1a2	Fish Island South including Bow Midland West Rail Site SIL	A range of significant B2 and B8 Use Classes of industrial, warehousing, transport, waste management and distribution. A safeguarded rail head and associated bulk freight distribution use. Uses should make effective use of the railhead, including potential for aggregate distribution and for concrete batching, the manufacture of coated materials, other concrete products and handling, processing and distribution of or aggregate material. Only small-scale supporting ancillary uses will be supported.		
B1a3	Bow Goods Yard East SIL	A safeguarded rail head and associated bulk freight distribution use. B2, B8 and waste management uses are appropriate. Only development supporting the rail-related and small-scale ancillary uses will be supported.		
B1b1	Site at junction of Lee Conservancy Road and Eastway LSIS	B Use Class industrial use and suitable for a future industrial, storage and distribution or transport-related use.		
B1b2	Trafalgar Mews, Eastway	Mixed industrial and business use and transport associated use.		
B1b3	Site at Chapman Road LSIS	A mix of small-scale industrial, storage and distribution uses.		
B1b4	Bartrip Street North LSIS	A mix of small-scale industrial, storage and distribution uses.		
B1b5	Wick Lane and Crown Close, Fish Island OIL	An employment-led mix of uses, including warehouse, storage, distribution, with some potential for residential development and live work in appropriate locations. An appropriate and gradual transition between nearby uses of residential and industrial.		
B1b6	Cooks Road OIL	Land within B1c/B2/B8 Use Classes. Land between Cooks Road and River Lea, redevelopment opportunity with a significant proportion of employment use providing floorspace within a range of use B1–B8 Uses Classes alongside other uses, with an element of residential, providing a transition to the lower employment mix of uses within the remainder of Pudding Mill.		
B1b7	Sugar House Lane/ Stratford High Street LSIS	Land within B2/B8 Use Classes. Area at the northern end of the Strand East site, partly fronting Stratford High Street, with an existing planning permission for a cluster of development for a mix		





		of predominantly office, workshop, retail, hotel and associated business and employment-generating uses.		
B1b8	Rick Roberts Way North LSIS	A cluster of existing high-quality industrial design and manufacturing uses of B2 and B8 Use Classes in modern buildings.		
B1b9	Temple Mills Lane LSIS	Transport uses appropriate to or subsidiary to current use as bus depot.		

#### Policy B4: Providing Low-Cost and Managed Workspace

2.47 Existing managed and low-cost workspace shall be retained where viable and where it complements wider plans for the area. New managed workspace and/or low-cost workspace will be encouraged where it is flexible and able to meet the needs of various end users within B Use Classes and includes an appropriate management scheme secured through Section 106 Agreements.

#### Policy B5: Increasing Local Access to Jobs, Skills and Development

2.48 Through development proposals, the Legacy Corporation will aim to maximise participation in current local skills and employment training initiatives and use local labour agreements to secure a proportion of the construction and end-user jobs for local residents.

#### Policy B6: Higher Education, Research and Development

- 2.49 The Legacy Corporation will encourage the provision of facilities for higher education, postgraduate study and research, and wider research and development activity. Proposals for facilities within areas of mixed-use development will be required to demonstrate that they achieve a high level of amenity for those living and working in that location. These facilities should generally be located:
  - Within or at the edge of the Metropolitan Centre and Pudding Mill, or at edge of Sugar House Lane or Here East employment clusters;
  - Within easy access to public transport hubs; and
  - Where uses are compatible and no unacceptable adverse amenity issues arise.

#### **Legacy Communities Scheme (LCS)**

2.50 The Legacy Communities Scheme (LCS) is an Outline Planning Permission (11/90621/OUTODA) for the development of the Queen Elizabeth Olympic Park and adjacent areas, to form five new neighbourhoods. as it sets out the LLDC plans for the



- development of new neighbourhoods across the area. The LCS plans to develop five new neighbourhoods which include Chobham Manor, East Wick, Sweet Water, Marshgate Wharf and Pudding Mill.
- 2.51 The outline scheme aims to deliver 10,000 new households by 2030. The five new neighbourhoods will be planned around green spaces and squares; built to be lasting homes for those who live in them.
- 2.52 Around a third of them will be affordable housing, with many of them built for long-term rent as well as to buy. Each new neighbourhood will provide play areas, schools, nurseries, community spaces, health centres and shops, with places to relax, play and exercise.
- 2.53 The Planning Delivery Zones (PDZs) are as follows;
  - PDZ1 & PDZ2 Stratford Waterfront
  - PDZ4 Chobham Manor
  - PDZ5 East Wick
  - PDZ6 Sweetwater
  - PDZ8 Pudding Mill
  - PDZ12 Rick Roberts Way
- 2.54 It should be noted that a number of the plots within the LCS are subject to potential change.
- 2.55 The proposed development for UCL East covers all of PDZ2 and part of PDZ1 and will deliver significant academic and commercial research space, around 1,800 student bed spaces and supporting retail.
- 2.56 The consented scheme at the remainder of PDZ1 will be revisited to facilitate the Culture and Education District (CED) proposals. It is also anticipated that these amendments are likely to alter the proposals for the remaining LCS PDZs, in the future.

#### **Olympic Legacy Supplementary Planning Guidance**

2.57 The Olympic Legacy Supplementary Planning Guidance (OLSPG) was agreed by the GLA in June 2012. The SPG was produced by the GLA in conjunction with the London Boroughs of Hackney, Newham, Tower Hamlets and Waltham Forest, Lee Valley Regional Park Authority, London Thames Gateway Development Corporation, London Legacy Development Corporation, Olympic Development Authority and Transport for London.



- 2.58 The SPG's overall vision for business and employment is to promote Stratford as a new metropolitan centre, ensure land use change leads to a wide range of new business, and identify and protect sites needed for social infrastructure. The relevant development principles are outlined below.
- 2.59 The SPG has several relevant employment principles which should be acknowledged within this study, each of the principles are summarised below.

#### Development Principle B2: Planning for New and Emerging Sectors

The established creative and cultural clusters at Hackney Wick, Fish Island, Sugar House Lane, Three Mills and Stratford should be protected and expanded. Support should be given to the businesses and activities with growth potential, notably the creative, technological and cultural sectors, media businesses, waste infrastructure, green technology enterprises and higher education facilities with research and development needs.

#### Development principle B3: Promoting mixed use neighbourhoods

Mixed use development should be promoted within the locations identified as Mixed Use, cultural and creative clusters.

#### Development principle B4: Land use change

Development proposals and plans in the OLSPG area should promote the managed release of surplus industrial land in accordance with the industrial geography set out in this guidance, provide employment and training opportunities for local people, and ensure that sufficient and appropriately located land, including good quality and affordable space is available for businesses and social infrastructure.

# Neighbouring Boroughs – Employment Land Reviews

#### London Borough of Hackney – Employment Land Review, May 2017

- 2.60 The review acknowledges the economic activity that could occur within the LLDC area however, parts of the Hackney area that fall within the LLDC boundary have been excluded.
- 2.61 The report shows that there is not sufficient planning pipeline development to meet employment need to 2033. Hackney's existing supply of B class employment floorspace is calculated to be at 933,700sq.m; 77% or 715,000sq.m of which is located within designated



- Priority Employment Area (PEAs). Hackney has a further 0.5% or 4,880sq.m of B class floorspace located in Locally Significant Industrial Sites (LSISs).
- 2.62 Within the PEAs, the majority of employment floorspace is B1a (offices) at 60%, however this is likely to be higher.
- 2.63 Based on this analysis and current pipeline with planning permission, there is a need to plan for an additional 117,797sq.m of office floorspace over the Plan Period (2018-2033). The review recommends that B1a/b floorspace be considered together as 'office' floorspace. There are also potential further losses of -54,623sq.m of industrial (mainly B2/B8) floorspace.
- 2.64 The ELR recommends that PEAs and LSISs need to be safeguarded and protected against losses of employment floorspace and that there is intensification potential within these areas which could help meet need.

#### London Borough of Newham – Employment Land Review, November 2017

- 2.65 This assessment looks at employment land within the London Borough of Newham but not within the LLDC boundary. The study shows no demand or need for additional office space or land. Instead the ELR proposes careful management of the existing stock of built space, recognising that the pipeline of space may not meet local needs.
- 2.66 For industrial land the ELR estimates that around 26ha of additional land needs to be brought into industrial use; over and above that in use today. This is comprised of a need for between 6-9 ha of industrial land and 16ha to accommodate warehouses, with a further hectare added to account for 5% frictional vacancy.
- 2.67 The Review then goes on to identify the capacity of the Borough's existing employment portfolio to accommodate the identified demand. This looks at where there is undeveloped land within the Borough's protected employment portfolio which should be protected to help meet the positive demand for more employment land.

#### London Borough of Tower Hamlets – Employment Land Review, September 2017

2.68 The review (excluding the LLDC area) states that the rate of industrial land release in Tower Hamlets has been far too high in recent years, between 2015 and 2030 the review forecasts a supply under-provision of 192,000sq.m.



- 2.69 As such the ELR suggests the Borough cannot afford to permit any further losses and that ideally, those already permitted would not be implemented. As a short-term measure any further releases need to be strongly resisted.
- 2.70 The report suggests there is no magic reservoir of land in Tower Hamlets to repair the deficiency; partly because the market evidence shows that the type of land and property in highest demand is lower density, traditional industrial space which is rarely forthcoming in redevelopment and regeneration schemes. Considering this, the report suggests that Tower Hamlets should work with the GLA to better consider the role the remaining stock plays in supporting the London economy, providing local jobs and serving the CAZ.
- 2.71 In terms of office land there is differing views generated from the Experian and GLA data. Looking across the 15-year period, Experian suggests there is an oversupply, which the ELR determines is not excessive. A review of supply and demand indicates a supply headroom of 400,000sq.m, meaning that the areas currently designated for office use are sufficient to deliver the necessary development pipeline for office activity over the next plan period.

#### London Borough of Waltham Forest - Employment Land Study, May 2016

- 2.72 The analysis within this study demonstrates the potential for Waltham Forest's economy to grow significantly over the plan period, driven by a range of factors including expansion of the residential population and the migration of businesses out of Zones 1 and 2.
- 2.73 A series of growth scenarios are presented, and the study sets a proportion of land required to meet this. With this in mind, the strategy recommends the Borough seeks to develop a the capacity for approximately 2,750 FTE jobs. This would require in the region of 57,000sq.m of additional floorspace, this would be divided between c.19,000sq.m of office floorspace, c.10,000sq.m of industrial space and 28,000sq.m of warehouse space. The study suggests this would require an indicative land provision of between 7.2ha and 10.6ha depending on the intensity of development.
- 2.74 The study then sets out a range of locations to deliver new, additional space on vacant land and through the redevelopment of underutilised sites in the town centres and major industrial locations.



#### Implications for LLDC Area

- There is pressure on industrial land across all Boroughs with the 'retention' of industrial land recommended for all Boroughs except Newham within the New London Plan. The GLA recommendations for the release of some employment land in Newham have been challenged by LB Newham. As a result, LB Newham are looking for the GLA to recategorize the 'release' of industrial land to 'retain' within the New London Plan. Retention of hits industrial land could help meet some of the need for industrial land in this area of London.
- With the supply of industrial within neighbouring areas being limited, the need for more innovative commercial development and intensification of uses will become even more crucial.

# 3. Summary of 2014 Economy Study

- 3.1 In 2015, LLDC commissioned a Local Economy Study, that comprised of three parts;
  - Part A Business Survey
  - Part B Economy Study
  - Part C Qualitative Research
- 3.2 The Employment Land Review element of the Economy Study (Part B) estimated the amount of employment land that could be released during the plan period.

#### **Findings**

- 3.3 The 2015 study concluded that demand for industrial floorspace would continue to fall however, there would be matched demand for office space, although the changes were forecast to be relatively modest.
- 3.4 The scenarios for demand growth suggest that it would be appropriate to release between 0.4 and 6.2ha of industrial land and to promote the provision of between 17,100sq.m and 59,500sq.m of office type employment space, either in mixed-use areas and/or as part of mixed-use developments. Remaining B2/B8 industrial land should be protected for B2/B8 use (i.e. the large industrial or warehouse-type space typology).
- 3.5 The analysis of industrial and employment typologies suggests that there may be limited potential for industrial provision to be included as part of mixed-use development incorporating typologies compatible with residential, retail and leisure. This implies it could be appropriate to release a slightly larger quantum of industrial land than forecasts recommend, if this is balanced by higher targets for employment floorspace in mixed-use development.

#### **Overall Policy Recommendations**

- 3.6 The previous study made the following recommendations for LLDC;
  - Release/de-designate between 0.4 and 6.2ha of industrial land in the Local Plan.
  - Protect all remaining industrial type land in the LLDC area for appropriate employment use. The Draft Local Plan has a combination of site allocations and generic policies with the aim of encouraging a diverse range of businesses to locate



- within clusters of activity. Care is needed with such an approach as a number of the industrial activity typologies are not consistent with mixed-use development.
- Seek to secure between 17,100sq.m and 59,500sq.m of office and/or workshop type employment space either as single-use developments and/or as part of mixed-use developments over the plan period.
- 3.7 When considering the policy response to the potential to retain or release industrial sites, LLDC has the option to encourage particular forms of employment in locations which fit with the overall regeneration vision alongside the observed quality and functionality of the sites as observed in this ELR.

# 4. The LLDC Area: The Economy Today

- 4.1 This section sets out the current position of the LLDC area economy. It draws upon the most recent publicly available data for the area, as well local research including the 2018 LLDC Business survey (carried out as part of this study).
- 4.2 As demonstrated at the beginning of this document the LLDC administrative area, is split into four sub-areas as shown in Figure 4.1, including;
  - Sub-Area 1: Hackney Wick and Fish Island
  - Sub-Area 2: North Stratford and Eton Manor
  - Sub-Area 3: Central Stratford and Southern Queen Elizabeth Olympic Park
  - Sub-Area 4: Bromley-by-Bow, Pudding Mill, Sugar House Lane and Mill Meads.
- 4.3 Within the following section, national and local data sets have been used to build a picture of the LLDC economy. Where possible the

Figure 4.1 LLDC Sub-Areas

Source: We Made That

sub-areas listed above have been analysed however, the geographies in which the data is available does not always directly match boundaries of the sub-areas.

The lowest geography in which much of the data in this section is available, is based on Lower Super Output Areas (LSOAs). The LSOAs within the LLDC area do not follow the LLDC administrative boundary, therefore a best-fit approach was taken. The LSOAs used to define the LLDC area include; E01001846: Hackney 018A, E01001849: Hackney 018, E01004224: Tower Hamlets 001C, E01032764: Tower Hamlets 004E, E01004238: Tower Hamlets 008D, E01033578: Newham 013E,

4.4

Figure 4.2 LLDC Area: Statistical Geography



Source: ONS

E01033583: Newham 013G and

Newham

E01033586: Newham 013H. These are shown in Figure 4.2.

013F,

# **LLDC Demography**

# **Local Population**

E01033579:

4.5 Since 2010, the LLDC area has seen rapid population growth (see Table 4.1). This is over 10 times that of London, and seven times the growth in the neighbouring boroughs in the same period.

Table 4.1 Population Growth 2010 - 2015				
	LLDC	Neighbouring	London	
		Boroughs <sup>2</sup>		
Total Population (2015)	28,890	1,168,200	8,673,700	
Percentage Change (2010-2015)	84%	12%	8%	

Source: ONS 2017

<sup>&</sup>lt;sup>2</sup> Neighbouring boroughs are the four London Boroughs that intersect at the Olympic Park: LB Tower Hamlets, LB Newham, LB Hackney and LB Waltham Forest





Population growth has varied across the area, reflecting the completion of large-scale residential developments. Central and North Stratford have seen the biggest proportionate change, although Hackney Wick and Fish Island is the most populous area.

## **Population Profile**

4.6 The LLDC area had a larger share of young people (16-29) and working age population (16-74) than London and its four neighbouring boroughs. This has grown significantly since 2010 (see Figure 4.3).

Source: ONS BRES 2017

4.7 The number of residents aged 16-29 has increased by 97% at a time London and the neighbouring boroughs have both seen a slight decrease (see Figure 4.4). The is likely to be as a result of the delivery of new student housing and more accessible PRS residential development.



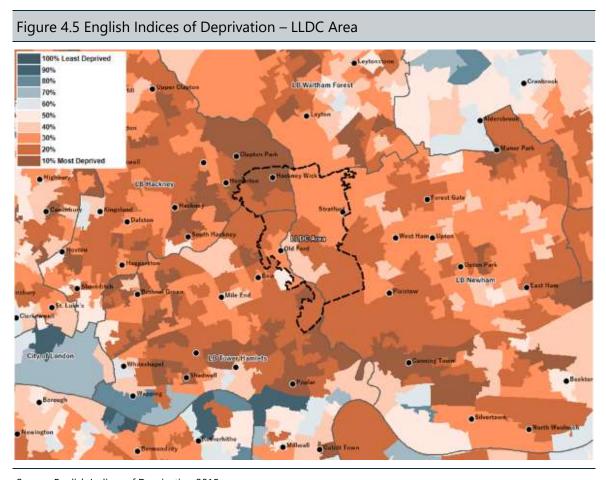
Source: ONS 2010 and ORS Household Survey Data 2017

# **Population Projections**

- 4.8 The latest ORS Household Survey has enabled population projections for the LLDC area to be forecast. The latest projections forecast the LLDC population to grow by over four times its current level (c. 300%) by 2036, taking the overall population to over 108,000.
- 4.9 This growth is higher than any of the London Boroughs over the same period and significantly higher than overall population growth for London (+18%).

### **Deprivation**

- 4.10 The Indices of Deprivation (2015) show that of the nine lower super output areas (LSOAs) that make up the LLDC area, eight are in the 30% most deprived in the country and all are within the 40% most deprived (see Figure 4.5).
- 4.11 If the average score was taken for all the LSOAs that fall within the LLDC area, the LLDC area as a whole would fall within the 30% most deprived areas in the country.



Source: English Indices of Deprivation 2015



4.12 The overall index of deprivation is based on a number of sub-domains, which include; Income, Employment, Education, Skills and Training, Health Deprivation, Crime, Barriers to Housing and Living Environment. The change in each of these between the last two calculations of the IMD are shown below in Figure 4.6:

Figure 4.6 Indices of Deprivation – Subdomains

IMD 2015 & 2010: Domains of Deprivation (LLDC)



Source: English Indices of Deprivation

4.13 As shown in Figure 4.6, the LLDC area has improved in its performance in all sub domains of the IMD, most notably in terms of income and employment. The area remains within the bottom 20% for Living Environment, Crime and Barriers to Housing.

## The LLDC Labour Market

# **Economic Activity**

4.14 The Census in 2011, showed that the LLDC had an economic activity rate of almost 74%, marginally higher than London (72%) (see Table 4.2). Since then, there has been significant population change in the LLDC area and London. The most recent ORS Population Survey (2017) has suggested that the economic activity rate has risen to 86% of the resident population, whilst the ONS Labour Force Survey suggests it has increased to 78% in London.

Table 4.2 Economic Activity Rates				
	LLDC		London	
	2011 (Census)	2017 (ORS)	2011 (Census)	2017 (LFS*)
Economically Active	74%	86%	72%	78%
Economically Inactive	26%	14%	28%	22%

Source: Census 2011, ORS Population Survey 2017, \*ONS Labour Force Survey (LFS)





4.15 When the type of economic activity is considered in more detail, it would appear the number of people in employment has increased by +7%, whilst the unemployment rate has decreased by -5% (see Table 4.3).

Table 4.3 Types of Economic Activity			
	Census 2011	ORS Survey 2017	
Economically active: Total	74%	86%	
Economically active: In employment	61%	68%	
Economically active: Unemployed	7%	2%	
Economically active: Full-time student	6%	16%	

Source: Census 2011 and ORS Population Survey 2017

4.16 Another significant change has been in the proportion of the economically active population, who are full-time students. (+10%).

#### **Qualifications and Skills**

- 4.17 Along with the changes to the labour market, it is also important to look at how the skills profile of the local population has changed significantly.
- 4.18 In 2011, the Census recorded 41% of the resident population in the LLDC area having qualifications of Level 4 (Degree or Equivalent) or above; slightly higher than the London average (38%). A recent household survey<sup>3</sup>, has shown that since 2011, the number of qualifications of Level 4 or above has increased to 65%, greater than 50%, across London (see Figure 4.7).

<sup>&</sup>lt;sup>3</sup> Opinion Research Services (ORS), LLDC Household Survey, 2017

Figure 4.7 LLDC Qualification Attainment 2011 & 2017 70% **2011 2017** 65% 60% 50% 41% 40% 30% 20% 17% 14% 12% 11% 10% 0%

Apprentice

Lvl 3

Lvl 4+

Other

Source: Census 2011 and ORS Population Survey 2017

None

4.19 This suggests that the majority of residents who have moved to the area in recent years are not only economically active but also more highly qualified.

## The LLDC Economic Performance

4.20 The LLDC area experienced considerable employment growth over the five-year period between 2011-2016. An increase of over 100% is more than six times the growth in London (see Table 4.4).

Table 4.4 Employment 2011-2016					
LLDC Neighbouring Boroughs					
Overall Employment	26,515	577,125	5,151,415		
Percentage Change from 2011	103%	23%	16%		

Source: Business Register Employment Survey (BRES), 2016 – 2011<sup>4</sup>

<sup>&</sup>lt;sup>4</sup> Due to the change in LSOA boundaries in 2011, a series of LSOAs have been selected to ensure a best fit. It should be emphasised that it is the trend that is important and not the exact numbers purported.

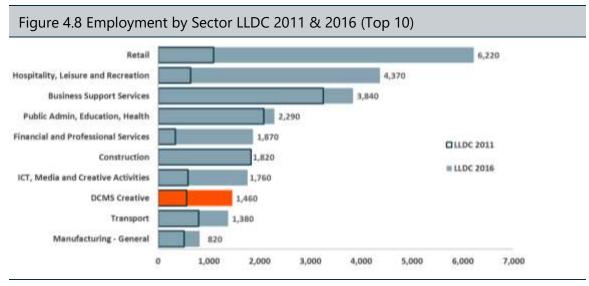




## **Employment Sectors**

- 4.21 The strong economic performance in the area is supported by growth in all sectors over the last five years.
- 4.22 As shown in Figure 4.8, there has been considerable employment growth in Retail (+82%) and Hospitality, Leisure & Recreation (+85%), most likely driven by the opening of Westfield alongside other attractions within QEOP.
- 4.23 Although less significant, there has also been growth London's target growth sectors including ICT, media and creative industries.

The Creative Industries have been identified as being particularly important for LLDC and the area around the QEOP. Employment in the creative sector has grown by over 60% since 2011, the fifth highest sector increase after Hospitality, Retail, Financial & Professional and ICT as shown in Figure 4.9.. Using the Department for Culture, Media and Sport's definition, the creative sector encompasses a range of industries and employment opportunities from 13 subsectors, including performing arts, film, advertising and software,



Source: Business Register Employment Survey (BRES), 2016 – 2011

- 4.24 Figure 4.10 shows the sector specialisms across the LLDC area. A metric that shows the concentration of an industry relative to London's performance. A score greater than 1 shows the sector is over-represented, whereas a score of less than 1 shows a sector that is less prevalent than in the city as a whole. Due to how BRES data is captured, the geographies do not align perfectly with subarea boundaries, therefore, Subareas 2 and 3 have been combined.
- 4.25 A range of sectors have specialisms across the area. This includes elements of manufacturing, wholesale and construction which have been present in the area for several decades.

Figure 4.9 Employment Growth by Sector



Source: BRES, 2011 & 2016

4.26 Hackney Wick has become an area with specialisms in a range of different manufacturing, including artistic and creative production. Pudding Mill and Bromley By Bow and the future CED area's specialisms are perhaps more reflective of the more 'traditional' economic activities in the area; this is unsurprising given the lack of development in these locations.

Figure 4.10 Structure of the LLDC Economy



Source: BRES, 2016

4.27 Figure 4.11 shows the more traditional type of manufacturing that is present within the LLDC area. Figure 4.12 is an example of the more modern and contemporary workspace that is occupied by hi-tech manufacturing such as Ford Smart Mobile.

Figure 4.11 Example of Traditional Employment Space



Figure 4.12 HereEast

Source: Getty images



Source: Getty Images

4.28 The sector specialisms such as retail and leisure & hospitality are more likely linked to the Westfield Shopping Centre and the Olympic Park, as shown in Figures 4.13 and 4.14.

Figure 4.13 Westfield Shopping Centre

Figure 4.14 Lee Valley Velopark





Source:

http://londoncosmopolitan.blogspot.co.uk/2011/12/westfield-stratford-city-east-london.html

Source: Neil Baldwin

## **Businesses**

4.29 Underpinning the recent employment growth, is the significant increase in the total number of businesses operating in the LLDC area. This growth has been almost double that seen in London (see Table 4.5).

Table 4.5 Business Growth 2012-2017				
	LLDC⁵	Neighbouring	London	
		Boroughs		
Total Businesses 2017	2,350	58,690	505,660	
Percentage Change from 2012	77%	71%	41%	

UK Business Count 2012/2017

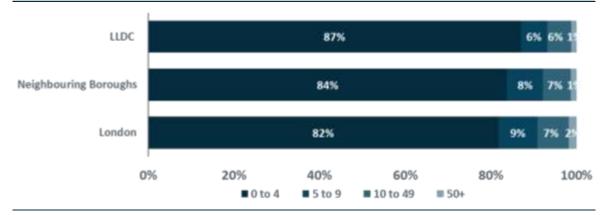
#### **Business Profile**

4.30 The LLDC area has a higher proportion of micro businesses (employing between 0 and 4 employees, than London and its near neighbouring boroughs. Growth of larger businesses in the areas has been lower than neighbouring boroughs since 2011.

<sup>&</sup>lt;sup>5</sup> Due to data availability the Business Count for LLDC is taken at the Middle Super Output Area (MSOA) level.



Figure 4.15 LLDC Business Size Profile in Context



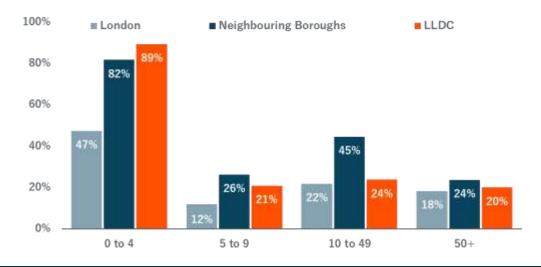
Source: UK Business Count 2017

Table 4.6 LLDC Business Size 2017						
LLDC Area		0 to 4	5 to 9	10 to 49	50 to 249	250+
Businesses	Number	2,035	145	130	30	0
(2017)	% of	87%	6%	6%	1%	0%
	Total					

**UK Business Count 2017** 

4.31 The lower growth rate in companies employing 10-49 people could indicate that the ability for larger businesses to open or small businesses to upscale in the LLDC area. It may also be an indication the as businesses grow they need to locate elsewhere within the four neighbouring boroughs (see Figure 4.16).

Figure 4.16 Business Change by Size 2012-2017



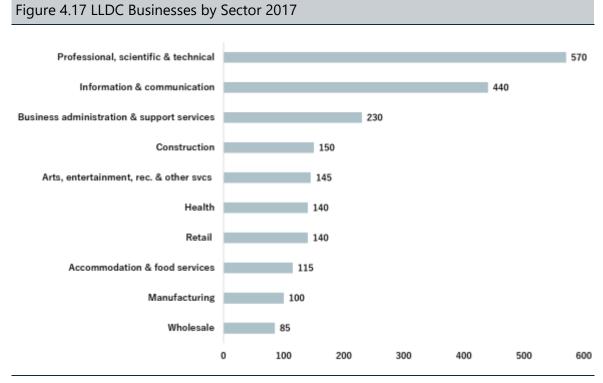
Source: UK Business Count 2012/2017





#### **Business Sectors**

4.32 UK Business Count shows that the professional, scientific and technical, information and communication and business administration are the most strongly represented sector across the LLDC area (see Figure 4.17).



Source: UK Business Count 2017

4.33 The growth in businesses over the last 5-years is skewed towards professional industries as well as information and communication (ICT) activity. There has been a substantial increase in creative businesses since 2012, more than three times the rate of increase in London.

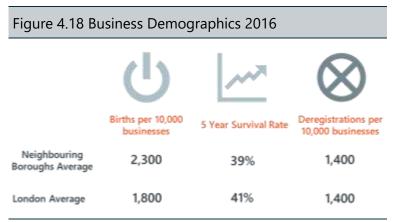
Table 4.7 Total DCMS Creative Businesses 2012-2017				
LLDC Neighbouring Boroughs Londo				
Total DCMS Creative Businesses 2017	575	13,530	96,930	
Proportion of Total Businesses	19%	23%	25%	
Percentage Change from 2012	150%	81%	41%	

Source: UK Business Count 2017/2012. Due to suppression of UK Business count, figures are rounded to the nearest 5. These should be taken as an indication of local specialisation and recent trends.



## **Enterprise**

- 4.34 The latest ONS Business Demography data shows the number of active businesses, new business start-ups and 5 years businesses survival rates. Unfortunately, it is not possible to analyse the data below local authority level, therefore the business demography data cannot be looked at exclusively for the LLDC area.
- 4.35 To provide some context of how business new businesses perform in the area, the neighbouring boroughs have been analysed (see Figure 4.18).
- 4.36 The data shows that the average number of business births across the neighbouring boroughs is over 3,600. This is 20% higher than the average for all London boroughs.



4.37 However, the 5-year business survival rate is lower than the

Source: ONS Business Demography Data, 2016

- London average. The latest data suggests that on average 39% of all new businesses survive beyond 5 years, compared to an average of 41% for London.
- 4.38 Despite the lower survival rates, the average number of business deaths in 2016 neighbouring boroughs (2,206) was less than the London average (2,326).



## **Positioning LLDC: Competitor Analysis**

- 4.39 The Draft London Plan and Economic Development Strategy point out the need for London to continue to cultivate strong economic nodes through the evolution of the designated Opportunity Areas. The table below (see Figure 4.19) sets out LLDC's performance against other Opportunity Areas referenced within the London Plan.
- 4.40 As the figure below shows the LLDC area is performing well (ranked 1<sup>st</sup>) in relation to Employment Growth and Business Growth, compared to other Opportunity Area across London. However, the LLDC areas low base from which these two-metrics are measured needs to be considered.
- 4.41 Despite creative activity being a specialism within the LLDC area, the number of creative jobs as a percentage of all jobs, LLDC is ranked lower (7<sup>th</sup>) than more established creative hubs such as Shoreditch, Bankside, Borough and London Bridge and Whitechapel.
- 4.42 However, the LLDC area does perform well (3<sup>rd</sup>) in terms of the proportion of jobs in ICT and Digital which could demonstrate the area is becoming more closely aligned to innovation and hi-tech activity.

Figure 4.19 Competitor Analysis – London Opportunity Areas (2012 - 2017)

	Employment Growth	Business Growth	% Jobs Within CAZ	% Creative Jobs	% Knowledge Based Jobs	% ICT and Digital Jobs	Office Values
1	11DC	ŁŁDC	tsle of Dogs	Shore(fital)	hir of bogs	Paddington	King's Cross
	103%	≠77%	20%	18%	66%	17%	£69
2	King's Cross +65%	Isle of Dogs +56%	88L8 10%	BBLB 13%	Shoreditch 53%	Sharedish	Shoredich £57
3	B8LB	Whitechapel	King's Cross	White City	BBLB	LLDC	Paddington
	+29%	+51%	S%	12%	50%	11%	£55
4	E&C	King's Eross	Whitechapel	King's Cross	Paddington	Isle of Dogs	88LB
	+21%	+44%	4%	11%	43%	9%	£50
5	HE OF DOGS	Shoreditch	Paddington	Whitechapel	Whitechapel	Whitechapel	Whitechapel
	+20%	+41%	4%	9%	42%	9%	£49
6	Whitechapel	E&C	Shoreditals	Paddington	King's Cross	BBLB	ELDC
	+20%	+36%	1%	7%	34%	7%	643
7	Paddington	88L8	VNEB	LLDC	VNEB	King's Cross	isle of Dogs
	+18%	+35%	3%	6%	18%	6%	£39
8	Shornditch	VNEB	11DC	VNEB	White City	VNEB	White City
	-7%	+27%	2%	5%	16%	5%	£39
9	VNEB	Paddington	E&C	E&C	HDC	E&C	E&C
	+5%	+22%	1%	2%	11%	3%	£31
10	White City	White City	White City	isle of Dogs.	E&C	White City	VNEB
	-13%	+6%	1%	2%	9%	1%	£26

Source: Regeneris Consulting

## The 2018 Position: Findings from the Business Survey

- 4.43 The information presented above provides a good snapshot of a rapidly evolving economy with some very positive messages in terms of business and employment growth. It is however, important to recognise that national data sets will never provide a completely accurate representation of the evolution of the business base in rapidly changing areas.
- 4.44 National datasets are published intermittently meaning that 'new' data sets can be one or two years old when they are made available. With this in mind, it is important to balance the use of these data sets with good local insight.
- 4.45 As part of the Combined Economy Study, a business survey of 650 businesses was undertaken to provide more up to date insight into the evolution of the business base in the LLDC area.
- 4.46 Basic businesses information was gathered using a door-to-door assessment and accompanying structured interviews. Given the typically lower level of end-user interaction, industrial-type businesses can have limited online presence and purely desk-based research



is likely to miss the exact scope and breadth of businesses on site, despite these businesses being integral to the character of the area and important contributors to local economy.

## **Summary of Findings**

4.47 A combination of on-the-ground business observational work and surveying, engagement with workspace providers has captured around 650 businesses in the LLDC area. This total, in combination with an estimated minimum of 130 businesses based in live-work units, suggests that there are at least 780 businesses in our survey area. Furthermore, the LLDC area is home to 300 artist studios and almost 400 co-working desks which host and support a range of individual non-commercial artistic activities and start-up and SME enterprises.

Figure 4.20 Summary of Business Survey Findings



Source: We Made That

## **Business Activity**

- 4.48 No one business sector has a monopoly across the LLDC area, but 'Other' services, marketing agencies or a cleaning companies for example, have been identified as the most common single sector activity.
  - A mix of manufacturing, arts & culture and sound and video service businesses are also important local sectors, although this varies across sub-areas.
  - 21% of businesses were identified as being engaged in creative activity. Once the
    area's live-work spaces and associated assumptions on the creative activity within
    these premises are factored in, this climbs to a third of the LLDC's total business
    base.
  - The LLDC area continues to host one of the largest concentrations of artists' studios in London, with over 300 studios within the area (5% of the London-wide supply).
     Indicating how important the creative industries are to the character of particular parts of the LLDC area.



## Workspace

- 4.49 Workspace typologies across the LLDC area continue to be defined by the distinct characteristics of the different sub-areas. The particular mix of industrial building stock is particularly suitable for multiple forms of re-use.
  - Workshops have been identified as being the most common form of workspace, supporting 177 businesses.
  - Small and large industrial spaces support another 192 businesses between them.
  - Every business sector is represented within one or more of these typologies.
  - Retail, office and other workspace typologies do not attract a similarly diverse and resilient range of businesses.
  - While workshop spaces continue to be the most common workspace typology
    across the LLDC area, large industrial spaces occupy the largest volume of
    floorspace. This is reflective of the operational, storage and servicing requirements
    of many industrial occupiers which typically require larger floor plates.
  - Workshop spaces, in comparison, occupy relatively little floorspace across the businesses surveyed, but provide numerous workspaces to SME and light industrial businesses.
  - The combination of these typologies and floorspace offers is what sustains the area's business base diversity.

## **Employment Densities**

- 4.50 The Business Survey has allowed observations to be made relating to employment densities across the LLDC area. This information is based on actual employment information collected (where available).
  - The extensive geography of the LLDC area, in combination with the scale of ongoing construction, makes for a varying landscape of employment densities.
  - Most of this economic density is driven by shared or managed workspace units including artists' studios, workshop and studio complexes in industrial buildings and new-build office spaces with large floorplates. Managed office and workshop provision around Burford Road support some of the densest employment buildings in the LLDC area, followed by workshop and artists' workspace buildings in Fish Island and the HereEast site within the QEOP.



- Based on the surveyed employment data and associated employment estimates, the LLDC's designated industrial sites are operating at varying levels of employment density in comparison to the London-wide employment density average (69 employee/ha).
- The HereEast (Hackney Wick) SIL is estimated to be operating at a density of 280 employees/ha, well above the London average for industrial land. This is reflective of the re-purposing of the built stock for a range of employment activities which extend beyond industrial activities, including educational, broadcasting and food and drink businesses.
- Similarly, the Fish Island South (including Bow Midland West Rail Site) SIL site is currently operating at around 95 employees / ha. Rather than being delivered through a strategic, single workspace provider as at Here East, density in this Fish Island site is being delivered through multiple managed workspace sites, a concentration of workshop spaces and service and creative sector-based activities which are correlated with higher employment densities.
- The Bow Goods Yard East SIL site, however, is operating at a density of less than ten employees/ ha, well below the London-wide average. All of the LLDC area's LSIS sites, apart from the EGC site on Eastway, are also currently operating at densities lower than the London-wide average.
- This indicates that there is capacity for increasing employment densities on these sites through industrial intensification schemes.
- Similarly, the area's OIL sites are currently operating low employment densities (30 employee/ha on the Wick Late OIL site and only 7 employee/ha on the Cook's Road OIL site). Delivery of new residential and workspace schemes are currently on site in both OIL locations, expected to increase both area's employment totals.
- 4.51 Figure 4.21 shows the employment densities across the LLDC area, these are based on building level densities.



**EMPLOYMENT** DENSITY Көу **Building density** <20sqm / employee 20 - 40 sqm / employee 40 - 60 sqm / employee 60 - 80 sqm / employee 80 - 100 sqm / employee 100 + sqm / employee

Figure 4.21 Employment Density

Source: We Made That; Business Survey 2017





## **Emerging Trends**

#### **New Arrivals**

- 4.52 The LLDC's current business base is one which is relatively newly established in their workspaces. Of business profiled on their premises tenancies (263 businesses), over 70% have moved into their current premises within the last five years. Almost half these new arrivals have more into their current workspace within the last year.
  - Premise tenure ranges across the LLDC area with businesses in the North Stratford sub-area averaging 3.6 years in their current premises, while those in the Bromley-by-Bow / Pudding Mill sub-area average 9.5 years.
  - Services and arts and culture businesses are the most common recent arrivals to the
    area, including design services, maker and photography activities. The majority of
    these businesses are smaller-scale SMEs or individual artists/makers, many of whom
    have relocated into managed studio workspaces in Hackney Wick and Fish Island.
  - A third of businesses report to have moved from other East London locations, and around 15% from within the LLDC area itself.

#### **Expected Short-Term Change**

- 4.53 In the context of continuing change, redevelopment and regeneration of the LLDC area and surrounding neighbourhoods, the employment profile of the area is expected to continue to evolve within a relatively short time-frame.
  - A quarter of businesses reported plans to move from their current premises within the next year and a further 10% reported uncertainty as to whether they will remain at their current premises over the next year. Suggesting c.35% of the profiled business base could be expected to change within the year.
  - Of those businesses reporting to plans to move within the year, businesses in service, food and drink manufacturing, other manufacturing vehicle sale and repair activities are the most common.
  - Food and drink wholesale and manufacturing businesses report plans to retain a
    presence in the LLDC area through a retail, restaurant or supplier offer, while moving
    their 'production' operations outside of the area. It is anticipated this is due to LLDC's
    increased food and drink amenity servicing a growing population.
  - Key reasons given by businesses for their plans to move include;



- the sale and redevelopment of workspace;
- business expansion, and;
- the need for more space, rising rents and business rates and the increasing challenges of moving goods into the area.
- Few businesses have secured new workspace to move to, but most businesses profiled report a desire to stay within the LLDC area. Others identified locations include Rainham, Hackney and Essex and a wider look 'outside of London'.

#### **Creative Industries**

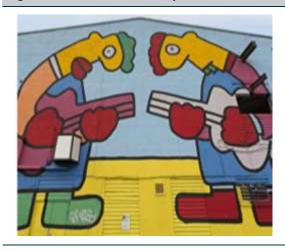
- 4.54 The LLDC area continues to support a strong concentration of creative sector businesses and associated workspaces. Around a third of the LLDC's total business base is estimated to be operating within the creative sector. In addition, the area continues to host one of the largest concentrations of artists' studios in London, with over 300 studios within the LLDC area.
  - Provision is delivered by long-standing artists' workspace providers like Cell, SPACE and ACME who manage studios across London, as well as by newcomers and local providers like Mother Studios and Arbeit (see Figures 4.22 and 4.23 respectively).

Figure 4.22 Mother Studios Hackney Wick



Source: https://www.motherx.co.uk/

Figure 4.23 Arbeit Hackney Wick



Source: http://arbeit.org.uk

- Observational research suggests that the dynamics within the creative sector (rather than a move towards or away from the sector) are taking place within the LLDC area.
- A new 'wave' of creative sector tenants has moved into the area. These tenants are typically more established, have some London-wide or international connections

and can afford higher rental and business rates than the LLDC's historic business base. These types of business include;

- visualisation and information design services;
- post-production services;

- recording studios;
- photography services, and;
- fashion design brands.
- 4.55 This echoes trends across the wider context of artists' workspace in London, with providers suggesting that although demand and occupancy rates continue to be high, the profile of those artists who are able to afford and sustain studio space in their buildings has shifted towards mid-career and career-change artists, and away from graduate or early-stage career artists.

#### Food & Drink - Production and Amenity

- 4.56 The LLDC area has experienced a notable growth in businesses working in food & drink-related sectors over the past three years. Since 2014, the number of food & drink manufacturing businesses has almost doubled.
  - Food & drink-related businesses make up around 12% of all businesses in the area.
  - Over half operate in restaurant, hot food and mobile food activities (61%), a third in manufacturing activities and a smaller proportion are drinking establishments like bars and pubs (12%).
  - Small workshop and industrial units are home to a growing number of street food and event catering businesses. These businesses are typically based in the Fish Island area and serve a wider East London geography, with a particular focus on streetfood markets in the Shoreditch area. The businesses require industrial/yard space for food preparation, storage and management activities.
  - Within food & drink manufacturing, breweries and other specialist drink producers constitute a particularly strong offer. Businesses operating include;
    - Truman's Brewery (long-standing in the area);
    - Howling Hops (new arrival), and;
    - Minor Figures (new arrival small batch coffee and cold brew businesses).



- The new arrivals have moved into the area from other East London locations, including Homerton, Stoke Newington and Hackney Central.
- Food & drink businesses present a clear opportunity to seed more localised amenity and night-time offerings in the area. Food & drink manufacturing businesses often support associated retail spaces which contribute to amenity offer of particular neighbourhoods.
- With local food and drink producers on its doorstep, the LLDC's amenity offer stands
  to benefit from these businesses if they continue to be supported through the
  availability of affordable workspace and through partnerships with new markets and
  customers in the area.

#### **Models of Workspace Provision**

- 4.57 Since 2014, two distinct strands of managed workspace provision have become further established within the LLDC area: Grade A office space and workshop/studio units in subdivided industrial units. The LLDC's particular mix of industrial building stock multi-storey, large floorplate buildings have proven suitable to multiple forms of re-use.
  - In Hackney Wick and Fish Island, a number of these larger former industrial premises are now occupied by a diverse mix of creative sector and service SMEs, typically in small units (<100sq.m). It is also assumed that these changes in use will have resulted in employment densities within the area increasing.
  - This workspace provision sees the replacement of single, larger industrial businesses with multiple small-scale start up and SME businesses within the same building footprint.
  - In and around central Stratford, a series of high-spec office buildings have been completed or are in the process of completion. These buildings accommodate thousands of employees, typically working in the public sector, health, property and other service activities.
  - The type of workspace provision in central Stratford is typified by the Unex Tower, 4
     Cam Road and 1 Stratford Place and will be cemented by the completion of the
     International Quarter London, which upon completion will host approximately
     25,000 jobs on site.
  - Although different in their spatial set up, investment requirements and tenant profile, both the managed workspace models described above. result in increasingly



dense sites of employment, bringing new business and employees to their respective neighbourhoods.

# 5. The LLDC Economy in Context: Defining a Functional Economic Area

- 5.1 It is important that the future of the LLDC economy (and specifically policy recommendations) are considered in their local and regional context. To enable this, it is standard practice to identify a Functional Economic Area (FEA) around any given geography.
- 5.2 There is no standard approach or data source to define a FEA, and government guidance suggests the use of a range of indicators. The Planning Practice Guidance (PPG) published in 2014 offers the following advice on defining a FEA:

'The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Factors for consideration in defining an area's FEA include:

- extent of any Local Enterprise Partnership within the area;
- travel to work areas;
- housing market area;
- flow of goods, services and information within the local economy;
- service market for consumers;
- administrative area:
- catchment areas of facilities providing cultural and social well-being;
- transport network.

Source: Planning Practice Guidance, CLG, 2014

#### Limitations

5.3 Whilst an assessment of the FEA has been carried out, it should be noted that defining an FEA within London presents a number of challenges. The pace and scale of change, make it difficult to identify a definitive FEA. The polycentric, but well-connected nature of the city also means that people travel further to work in London and goods and services are transferred more quickly.



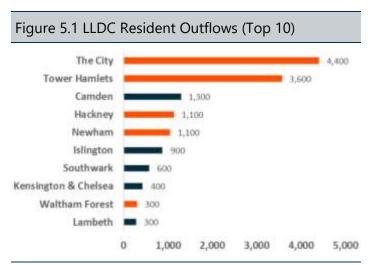
5.4 An illustrative FEA has been explored to provide context and demonstrate the economic relationships the LLDC area has with the rest of London.

## Methodology

- 5.5 In assessing the FEA for the LLDC we have collated, and analysed data based on a number of factors which will influence the local and regional economy.
- As there is no one source for defining the FEA we have assessed these approaches in turn, before drawing a conclusion on the best approach to take for this study. These are:
  - FEA1: Travel to Work Areas
  - FEA2: Housing Market Areas
  - FEA3: Flows of Goods and Services
  - FEA4: Retail and Leisure

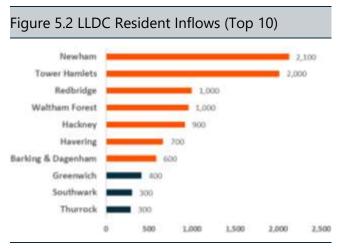
## **FEA1: Travel to Work Areas**

- 5.7 Travel to work data from the 2011 Census highlights strong commuting flows between LLDC and the areas identified as part of the Housing Requirements Study (2017).
- 5.8 In 2011, around 14,700 travelled to the LLDC area to work and around 16,700 lived in the area. Therefore, the district experienced a daily net out-commuting flow of around 2,000 people, mainly to other districts and boroughs across London.
- 5.9 Figure 5.1 shows the resident outflows, of which the majority commute to the City of London.



Source: Census 2011, Travel to Work

5.10 Figure 5.2 below shows the commuter inflows to the LLDC area. The majority (56%) travel from neighbouring boroughs.



Source: Census 2011, Travel to Work

5.11 Census 2011 data suggested that the self-containment rate (people who live and work in the area) is low, at less than 1% of the population.

5.12 However, based on the large amount of development that has occurred in the area since 2011, it is anticipated the self-containment rate is now much higher.

5.13 A recent household survey

completed by Opinion Research Services (ORS) suggests that over 25% of residents live and work in the local area<sup>6</sup>, which would indicate a significant increase in self-containment since the Census was carried out The Household Survey also shows that over 75% of residents work within London, with a similar proportion travelling less than 60 minutes to reach their place of work.

#### Implications for the Functional Economic Area

- Strong out commuting flows between LLDC area and nearby London boroughs including; City of London, Hackney, Tower Hamlets, Newham and Waltham Forest.
- Similarly, there are strong in commuting flows from neighbouring London boroughs including, Newham, Tower Hamlets, Waltham Forest, Redbridge, Havering and Barking & Dagenham.
- The travel to work patterns complement the HMA identified in the most recent Housing Requirements Study, signifying a logical FEA for LLDC.

## **FEA2: Housing Market Areas**

5.14 The latest LLDC Housing Requirements Study(2018) looks at a range of market areas including; the four London Boroughs that make up the LLDC area, which are; Hackney, Newham, Tower Hamlets and Waltham Forest.

<sup>&</sup>lt;sup>6</sup> The local area, as defined in the survey consists of; Stratford/Hackney Wick/Fish Island/Other part of the local area.



5.15 The most recent Housing Requirements Study also considers the sub-regional market areas and Broad Rental Market Areas (BRMAs). The LLDC area falls across to BRMAs which are Inner London and Outer London. Despite the LLDC overlapping two BRMAs, the LLDC Housing Requirements Study have reviewed the outcomes of the individual Strategic Housing Market Assessments covering Newham, Waltham Forest, Hackney and Tower Hamlets as context for the needs of the LLDC area.

#### **House Prices**

- 5.16 The housing market in the LLDC area is influenced by the surrounding areas as well as the existing London housing market.
- 5.17 Based on ONS data (and drawing on Land Registry data), the median house price in the LLDC area in 2017 was c. £407,000. There are notable differences in house prices across the SHMA. Median house prices in Barking & Dagenham are the lowest across the HMA at £299,000, whilst median house prices in Tower Hamlets, Hackney and City of London are considerably higher at £520,000, £608,000 and £830,000 respectively.
- 5.18 Median house prices in the LLDC area are lower than all neighbouring Boroughs except for Newham. However, as more new build housing developments are completed within the LLDC area, it is anticipated that median house prices within the area will increase in coming years.

Table 5.1 Median House Prices across HMA (Year Ending March 2017)				
Local Authority	Median house prices			
City of London	£831,400			
Islington	£608,252			
Hackney	£520,900			
Tower Hamlets	£488,070			
Waltham Forest	£430,888			
Redbridge	£417,202			
LLDC Area	£406,935			
Havering	£379,069			
Newham	£357,036			
Barking and Dagenham	£299,076			

Source: ONS, House Price Statistics for Small Areas - Median house price for national and subnational geographies, 2017.



#### Implication for the Functional Economic Area

- Median house prices suggest that market values are more aligned to the Boroughs further East of the LLDC area however, they will be influenced by the wider London housing market.
- Travel to work data suggests that residents in the area tend to travel to the City and neighbouring boroughs however, a number of residents will travel further afield to work, due to the strong transport links.
- The HMA identified in the recent Housing Requirements Study would represent a sensible FMA for the LLDC area.

## FEA3: Flows of Goods and Services

- 5.19 The flow of goods and services from businesses to consumers (i.e. consumer markets) and between businesses (supply chains) can be used as a proxy to represent the business market of an area. Data from the **LLDC Business Survey 2017**<sup>7</sup> shows that around 25% of the businesses surveyed stated they have customers in East London, with 65% of businesses stating they have customers across London.
- 5.20 The survey also revealed that businesses in the local area have strong local supply chains, with the majority of businesses stating suppliers were local (c. 30%) and within London (c.65%).
- 5.21 The flow of goods and services does vary by business sector however, nearly all have suppliers based locally or in London, with a few predominantly relying on supply chains outside of the region or the UK.

#### Implication for the Functional Economic Area

- LLDC businesses largely on London markets for good and services (As well as labour see above FEA1).
- Many supply chains outside the UK, although still a high proportion of goods and services traded locally.



<sup>&</sup>lt;sup>7</sup> LLDC Local Economy Study 2017: Business Survey

## FEA4: Retail and Leisure

#### Retail

- 5.22 Stratford Westfield is the main retail centre within the LLDC area, being one of the largest shopping centres within inner London; it is an important retail asset for East London and beyond. The older Stratford Centre, which is not on the same scale as Westfield is located on the periphery of the LLDC area.
- 5.23 The recent residents' survey, that has been commissioned as part of the Local Plan Review<sup>8</sup> shows that 88% of residents carry out their main food shop within Westfield, Stratford, East Village or at local shops within 5-10 minutes' walk of their home. This would indicate that that spend on convenience goods is well contained within the LLDC area, with little spend leaking into neighbouring areas.
- 5.24 When asked where residents carry-out their top-up shopping over 95% stated they did this within the aforementioned areas, further demonstrating food and convenience expenditure is well contained within the local area.
- 5.25 Similarly, household expenditure on comparison goods is also high, with c.85% of households stating that they shop for clothes and shoes locally. However, when households were asked where they buy electrical goods and luxury items, the percentage of households decreased to between 70% 75%.
- 5.26 The Retail and Town Centre Needs Study carried out as part of this study suggested that the LLDC areas market share for convenience goods for the study area (which includes; Islington, Tower Hamlets, Newham, Redbridge and Barking & Dagenham) is around 10%, rising to around 18% of the immediate area. The retention rate for comparison goods is higher at over 30%.

#### Leisure

5.27 As well as a retail destination, Westfield Shopping Centre also acts as a leisure destination offering a range of bars, restaurants and a cinema. Stratford Centre plays less of a role in providing leisure amenities. Hackney Wick is considered a leisure destination however, this is closely linked to night-time activities rather than all forms of leisure.

<sup>&</sup>lt;sup>8</sup> Opinion Research Services; Local Plan Population Forecast Model Review, 2017



- 5.28 The residents' survey as part of the Local Plan Review, also asked about the leisure offer within the local area. Overall, 70% of households said they stayed within the local area for their leisure activities with the majority (50%) stating Westfield as their main destination, others included; Hackney Wick (7%), Stratford Centre (5%), East Village (4%) and other parts of the immediate neighbourhood (6%).
- 5.29 Local leisure patterns are similar to those for retail however, London appears to provide greater competition for LLDC as a leisure destination; with almost 30% of households choosing to visit the West End or other parts of London for leisure purposes.
- 5.30 The Retail & Town Centre Needs Study also acknowledges that the LLDC area has a broad range of leisure activities, including food and drink activities, cinema, bowling alley and a range of other venues such as the London Stadium, Velopark and Tennis and Hockey Centre.

#### Implication for the Functional Economic Area

- Low levels of leakage for both convenience and comparison spend, this is due to Westfield and Stratford Centre providing a considerable range of retail options.
- Retail expenditure is well retained within the area, despite strong competition from other well-known shopping destinations close-by in Central London.
- Leisure patterns are similar to retail patterns with high levels of leisure expenditure retained locally. However, Central London appears to have a greater pull in relation to leisure than it does retail.

## **FEA 5: Transport Network**

- 5.31 Stratford is one of the most connected locations in London, with a TfL PTAL<sup>9</sup> of 6b (highest possible score). Stratford Station boasts access to the London Underground (Central Line), London Overground, Dockland Light Railway (DLR), National Rail Links, International Railway Links (HS1) and in the coming years, The Elizabeth Line (Crossrail).
- 5.32 Whilst the centre of Stratford and Westfield are easily accessible, it should be acknowledged that the outer lying areas are not as well-connected. This is particularly true of Hackney Wick & Fish Island (both as low as PTAL 2) and Pudding Mill (as low as PTAL 1). The outlying locations do however, have stations that link to the wider transport network such as

<sup>&</sup>lt;sup>9</sup> Public Transport Accessibility Level; Scores range from 1a (worst) to 6b (best)



- Bromley-by-Bow (District/Hammersmith & City Line), Hackney Wick (Overground), Pudding Mill, Abbey Road & Stratford High Street (DLR).
- 5.33 The extensive transport links make the area a desirable place to live, which was demonstrated in the recent household survey, showing that whilst a large proportion of local resident's travel to neighbouring areas such as the City, Westminster and Tower Hamlets to work, a number of residents travel further afield to West London (Richmond, Chiswick, Hammersmith) and further East to Essex.
- 5.34 The area is also linked to an extensive road network with good access to the A12, A13 and A406 North Circular).

#### Implication for the Functional Economic Area

- Well connected to labour, visitors and goods across London and the wider South-East region.
- Range of options to travel to the area, ensuring the location is resilient to delays, cancellations and disruption.
- The transport network is due to be extended and improved by the opening of Crossrail which will reduce journey times even further and improve accessibility. However, capacity at existing Stratford Station could be a constraint.

## **Strategic Considerations**

- 5.35 As well as considering how current observed economic trends impact upon the Functional Economic Area of LLDC, it is also important to acknowledge the important strategic role that the area plays in the evolution of London and the wider South East.
- 5.36 New and emerging puts the QEOP and LLDC area at the intersection of two areas identified as two of London's most important economic zones:
  - Lee Valley Opportunity Area The Lee Valley occupies a strategic position in the LSCC with a number of development opportunities, including Tottenham Hale, Blackhorse Lane, Meridian Water, Ponders End, Lea Bridge and Leyton, Stamford Hill, Clapton and the Lea Bridge roundabout. The Plan advises that industrial, logistics and commercial uses continue to form part of the overall mix of uses in the area, with no net loss of industrial floorspace capacity, and to fully explore opportunities for intensification of industrial land and co-location of industrial and residential uses.



- The New Draft London Plan has set targets to deliver 21,000 homes and 13,000 jobs.
- Thames Estuary Production Corridor The Mayor of London and SELEP partners have recently set out ambitions to support the development of a new creative production corridor in the Thames Estuary Linked to the government's new Industrial Strategy. This is a plan to house large scale production activities in the estuary area to support London's growing creative industries. The area begins at Newham in the west and stretchers to Tendring and Thanet in the east.

## The FEA of LLDC

- 5.37 The analysis presented above shows that there are a number of clear relationships between LLDC and its surrounding area.
  - LLDC area sees strong commuting flows with the City and neighbouring Boroughs such as; Tower Hamlets, Newham, Waltham Forest, Camden and Islington.
  - The LLDC Strategic Housing Market Assessment Review (2018) identifies a housing market area centred on the neighbouring boroughs of; Hackney, Newham, Tower Hamlets, Waltham Forest.as well as Havering, Barking & Dagenham and Redbridge.
  - House prices in LLDC are influenced by London's housing market. However, statistics
    suggest that median house prices in the LLDC area are lower than those in all
    neighbouring boroughs (except Newham). Median house prices are expected to
    increase as residential development within the LLDC continues to grow.
  - The majority of businesses in the LLDC area acknowledge the local area provides both suppliers and customers, as does London.
  - The convenience and comparison goods offer within the LLDC area is very good.
     Leakage of convenience and comparison goods spending to surrounding areas is low. London and the West End pose the greatest competition however, this is predominantly leisure.
  - The transport network (via underground, overground, DLR and rail) connects LLDC with the rest of London, areas to the East (Newham and Barking and Dagenham) as well as Essex and the South East.
- 5.38 Given this assessment identified above we identify the following Local Authorities as forming part of LLDC's functional economic area:



- City of London
- Newham
- Tower Hamlets
- Hackney
- Waltham Forest
- Camden
- Islington
- 5.39 As previously mentioned, defining an FEA for an area within London is complex and therefore, the FEA for the LLDC area has been devised for contextual and illustrative purposes.
- 5.40 In defining the illustrative FEA we recognise the strong ties LLDC has with its neighbouring Boroughs and London Whilst the LLDC has links with the whole of London especially in terms of travel to work and goods & service flows; taking all indicators into account, it is suggested the districts identified above with which LLDC has the greatest ties.

## Supply of Commercial Space: Property Market Assessment

6.1 This section provides a review of the current commercial and industrial property market. To help inform this review we have used property market intelligence, as well as qualitative information, based on consultations with property agents and businesses operating in the area.

## Office Market Review

- 6.2 The London Office Policy Review (LOPR) in 2017 recognised that London office market has changed significantly over the last five years and is currently facing a period of uncertainty. It identifies the following as being particularly salient:
  - Brexit causing great uncertainty over long-term outlook for London offices.
  - Workstyles have continued to evolve: London's café culture has never been busier;
     and serviced offices have become mainstream.
  - Firm restructuring has continued with the city's SME population growing by almost one-quarter, to over one million firms for the first time.
  - New forms of occupation Co-work provider WeWork opened in London in 2014 and is now one of its largest occupiers.
  - Continued spatial restructuring with further concentration in Central London and retrenchment in Outer London.
  - Permitted Development Rights they have led to swathes of office stock, often occupied and useful, being lost to housing.
  - Evolving Central London market dynamics fragile supply-demand dynamics, more footloose occupiers and general concern over prospects.
  - Employment change is continuing apace with continued financial sector retrenchment, and the technology sector now the largest space taker.
- 6.3 The RICS's UK Commercial Property Market Survey (Q3: 2017) states that at the national level, headline occupier demand held steady, as a net balance of only +5% of respondents noted an increase over the guarter. That said, this does mark a modest improvement on



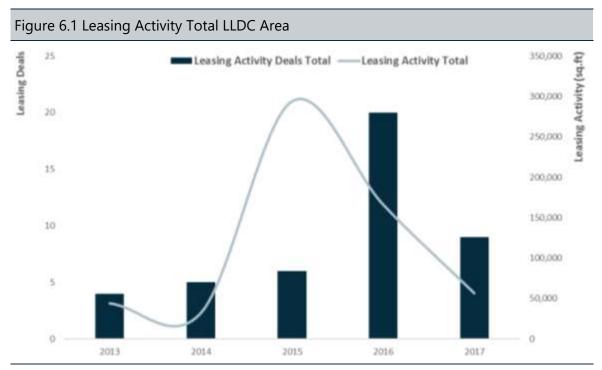
- the figure of -2% in Quarter 2, 2017. Unlike the increased demand witnessed in the industrial sector the office market has stabilised having fallen earlier in the year.
- 6.4 With regards to the regional breakdown, near-term all-sector rent expectations are positive across most parts of the UK. However, London is the exception, where negative projections in the office and retail sectors are cancelling out positive expectations for industrial rents.
- 6.5 Consultation with property agents who operate within the LLDC area have also stated that the office market is cooling across London. However, the LLDC area is becoming more competitive as an office location and is a plausible alternative to Canary Wharf, which was not the case 10 years ago. The competitiveness of the LLDC area, is also expected to improve as a result of Crossrail and the development of the International Quarter and Cultural and Education District.
- 6.6 This is also acknowledged within the LOPR (2017), which states that some questions remain over Stratford's future success as an office location. It identifies that major occupiers are currently government organisations, with a lack of major commercial entities moving to the area, yet. As a result, it is yet to establish recognition as a major commercial office centre.
- 6.7 The LOPR also outlines that the Olympics raised the profile of the area amongst occupiers and that on completion in 2019, Crossrail services will enhance access to the key markets of Central and West London.
- 6.8 In addition, the Draft New London Plan identifies Stratford as a future satellite to the Central Activities Zone (CAZ), along with Old Oak Common. Therefore, the Stratford area has been earmarked as a strategic reserve for nationally significant office functions in the event future demand for office space exceeds development capacity in the CAZ.

## Recent Office Take-Up

- 6.9 There were nine office deals in the LLDC area in 2017. This is half of the number of transactions in 2016, although this needs to be considered in the context of development and completion of new spaces.
- 6.10 New deals in 2017 saw almost 57,000sq.ft of office space leased. This is much lower than the previous five-year average of close to 120,000sq.ft however, it should be noted that two major transactions were signed in 2017. Cancer Research UK (c. 130,000sq.ft) and British Council (c. 83,000sq.ft) both agreed leases but are not due to take-up the space until 2018 and therefore, are not included within the total for 2017.



- 6.11 Of the total floorspace leased, almost 36,000sq.ft (over 60%) was taken within the HereEast development, including a major lease agreed by Ladbrokes Coral (over 26,000 sq. ft) along with other leases including Ford Smart Mobility and F45 Training.
- 6.12 The average floorspace take-up per transaction in 2017 was just under 6,300sq.ft, which is lower than the five-year average (16,000sq.ft) for the LLDC area.
- 6.13 Whist 2017 saw an average deal size smaller than the FEA, the average floorspace per transaction for the immediate LLDC area (16,300sq.ft) over the last five years is significantly higher than that of the FEA (6,400sq.ft).



Source: CoStar Commercial Property Market Data

6.14 Current office rents are estimated to be £41 per sq.ft which is lower than the FEA average of £52 per sq.ft. However, LLDC office rents have increased at a much faster rate than those in the FEA. Data from the last five years has shown that office rents have increased by +96% within the LLDC area, compared to +36% across the wider LLDC FEA.

Source: CoStar Property Market Data

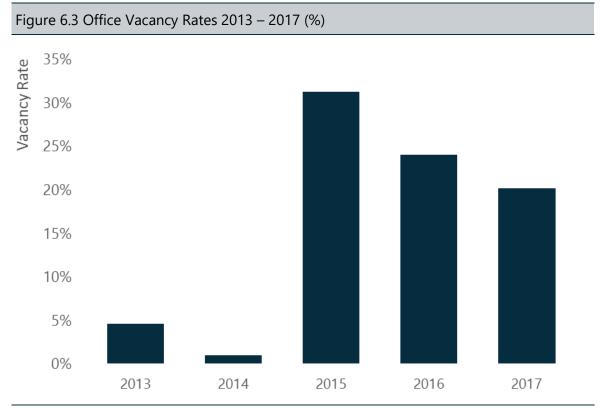
6.15 This growth in office rental values would signify increasing demand for office space in this part of London and suggesting the LLDC area is becoming recognised as a sound location to base a business.

#### Office Availability

- 6.16 In addition to completed deals, CoStar Focus also records the number of available office floorspace within the local area. As of December 2017, the CoStar Focus dataset identified a total of 469,000sq.ft of office floorspace being available in the LLDC area and 17,690,000sq.ft being available across the FEA, this equates to availability rates of 32% and 10% respectively.
- 6.17 The amount of vacant office floorspace within the LLDC area and the LLDC FEA is close to 300,000 and 10,180,000sq.ft respectively. This quantum of floorspace represents a 21% vacancy rate within the LLDC area, which is significantly higher than that in the FEA (8%). Whilst the vacancy rate appears high, it should be considered that the area is in a period of transition with a large number of new developments, such as HereEast, which was opened in 2015 and has yet to be fully occupied. Vacant space available at HereEast makes up close to 90% of all available office space within the LLDC.
- 6.18 The Business Survey carried out as part of the wider Combined Economy Report collected information relating to vacancy. This information is additional to commercial property market data.



6.19 However, the Business Survey recognised that there was very little recorded vacancy of large office spaces. This is reflective of the fact that workshop spaces are well-used and in demand in the area, and that large office spaces are typically pre-let or purpose-built for occupiers. The number of pre-lets and agreed tenancies mentioned above could mean that vacancy rates could be lower than the commercial property market data suggests. The figure below shows how vacancy rates have changed over the past 5 years.



Source: CoStar Property Market Data

- 6.20 Based on both the vacancy rates and availability rates, it would appear that the LLDC area has a good supply of office floorspace however, the 469,000sq.ft of available office space is split across nine properties. HereEast which is not fully occupied makes up 85% of the available floorspace, which would indicate the options for different types of office space is limited. Once the HereEast office floorspace is discounted there is almost 72,000sq.ft of office floorspace available.
- 6.21 The average size of space available (Exc. HereEast) is close to 6,000sq.ft which would appeal to smaller businesses.

## The Property Agents Perspective

- 6.22 Consultation with local property agents supports this trend, with agents suggesting that the LLDC area has become a more desirable office location; with the number of enquiries for office space in the area increasing significantly in the last five years. The LLDC area now offers a viable alternative and is becoming more competitive with well-established office locations such as the City and Canary Wharf.
- 6.23 Anecdotal evidence has suggested that demand in the area has been for larger floorplates such as those found at Stratford Place however, there is also demand for smaller SME space more suited to SMEs. Businesses requiring 30,000 to 40,000sq.ft of floorspace are well catered for but smaller businesses requiring 2,000sq.ft are less well supplied.
- 6.24 It was also noted that the LLDC area is still a relatively new office location and whilst there are a number of large public-sector organisations moving to the area, there is no real presence from large scale private sector organisations. It is acknowledged that this will come in time however, demonstrates that the area is still in its relative infancy as a prime office location.

#### **Overview of LLDC Commercial Sector**

- There are signs that LLDC area is becoming a more popular office location, with strong demand and increasing rents, the area is becoming ever more competitive with Central London.
- There is a significant pipeline of development and existing availability meaning that there will need to be significant take up for the area to mature over the coming years.
- There are two prominent markets in the local area;
- i) demand from large occupiers who require large floorplates, mainly operating in the Stratford Central and QEOP area: and
- ii) smaller and less formal SME space which is more prominent in Hackney Wick and Fish Island.
- The area needs both forms of workspace to cater for the diverse needs of businesses operating and looking to operate within the LLDC now and in the future.



## **Industrial Sector Review**

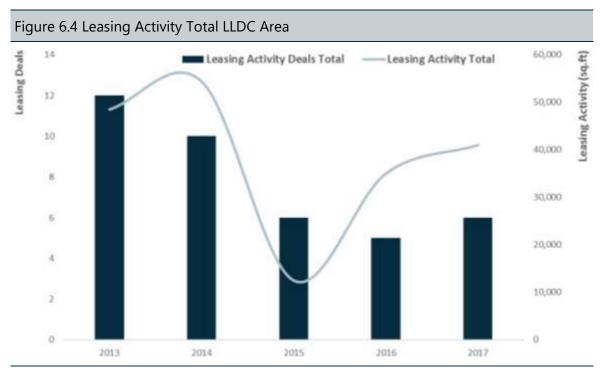
- 6.25 Nationally, tenant demand for industrial space has increased strongly in 2017 (+28%). However, the availability of leasable industrial space declined markedly, as it has done over the last few years. This trend is more pronounced in London, where the retention of industrial sites a significant priority for the GLA.
- 6.26 This is reflected in the industrial land retention policy which is proposed in the Draft New London Plan, which highlights the importance of ensuring there is suitable supply of land for industrial and related functions (Policy E4). Within this Policy, it indicates whether local authorities should look to provide, retain or release industrial land. As with all locations identified within the Central Market Area, it has been advised that LLDC retains all industrial land capacity.
- 6.27 The London Industrial Land Demand Study<sup>10</sup> (GLA, 2017) suggests there are several reasons the retention of land has been proposed in London. One of is which is because a significant proportion of industrial land has been released for housing. Another reason, is that projections for the decline in industrial employment in London have not been as significant as initially estimated.

## **Industrial Take-up**

As shown in Figure 6.4, in the LLDC area, there were six leasing activity deals recorded in 2017, which is lower than the 20 recorded in 2016 but higher than the number of deals in preceding years. The total amount of floorspace leased was 41,000sq.ft, which is higher than the LLDC five-year average of 38,300sq.ft. The majority of deals were in either Hackney Wick or Fish Island, with exception of one deal near to Stratford High Street. The industrial take-up was a combination of single occupancy industrial space within a larger industrial estate (Stour Road), standalone industrial space (Atlas Wharf) and space within multitenanted premises (99-115 Wallis Road), indicating that a range of industrial space is sought after across the area. The average amount of space per deal in 2017 was 6,800sq.ft which is higher than the five-year average of 5,200sq.ft. This is also higher than that of the wider FEA area which saw an average floorspace per transaction of 3,300sq.ft in 2017.

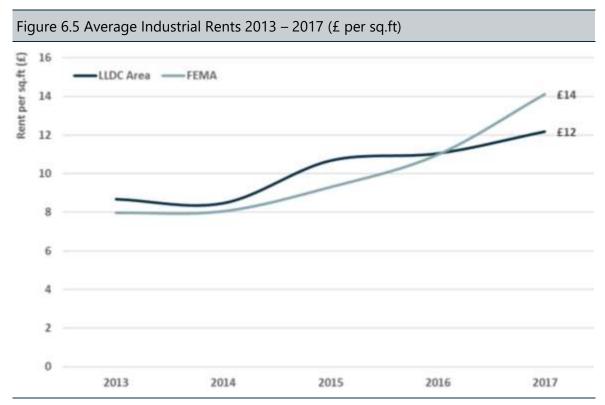
<sup>&</sup>lt;sup>10</sup> GLA, 2017; CAG Consulting; London Industrial Land Demand Study





Source: CoStar Property Market Data

- 6.29 In 2017, average industrial rents were over £12 per sq.ft which is slightly lower than the FEA average of £14 per sq.ft (see Figure 6.5). You would expect the rents within the FEA to be slightly higher due to the majority of the FEA being closer to Central London, where the supply of industrial land is even more limited.
- 6.30 Rents in both the LLDC area and the wider FEA have increased by 40% and 77% respectively. This growth in rent is a result of the loss of industrial land in recent years, along with the increased demand.



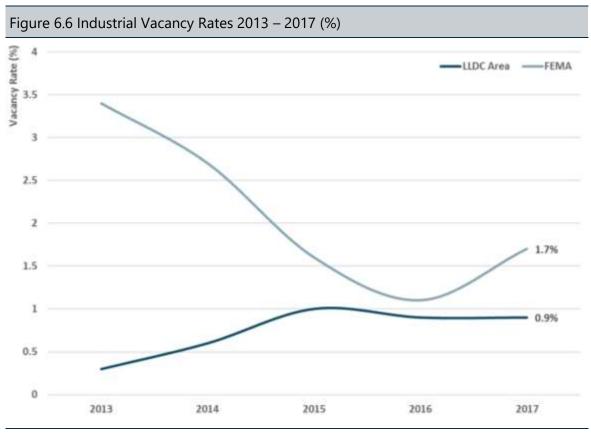
Source: CoStar Property Market Intelligence

## **Industrial Availability**

- 6.31 According to CoStar Focus data from 2017, there were 17 spaces listed with an overall floorspace of c. 75,000sq.ft, as a proportion of total stock, this equates to an availability rate of 4%, which is slightly higher than the wider FEA area (3%).
- 6.32 When only the vacant floorspace is considered, this rate decreases further; with the data suggesting that the LLDC area has a vacancy rate of less than 1% and the FEA 1.7%. This further demonstrates the current levels of demand for industrial land and emphasises why the GLA are making policy recommendations to retain existing employment land within London.
- 6.33 Figure 6.6 shows how the vacancy rates for industrial land have changed over the last five years. Industrial vacancy rates have been very low for the last five years, with rates remaining below 1% across the LLDC and dropping from c.3.5% to c.1.7% across the FEA. The loss of industrial land to other uses across the FEA area and the increased demand for industrial land will be a major contributory factor to the decrease in vacancies.
- 6.34 The Business Survey also found that demand for industrial land was high and there is little evidence of workspaces not being able to find tenants when on the market. In terms of vacant premises, large industrial spaces (>500sq.m) are the most common vacant



workspace typology across the LLDC area, followed by retail spaces. However, typically the reasons for vacancy are because industrial spaces are vacant, but not available to let, in anticipation of redevelopment, while retail spaces are vacant and available to let.



Source: CoStar Property Market Data

6.35 The industrial land stock available within the LLDC area is currently split across seven sites in; Hackney Wick, Fish Island, Stratford Old Town and Pudding Mill. The average size of each site is close to 10,500 sq. ft, with the largest on Dye House Lane (15,745).

# **Property Agent Perspective**

- 6.36 Conversations with local agents suggest that there is strong demand for industrial space and some concern at the amount that has been lost, both to the Olympics and housing. Whilst the data suggests rental levels are around £12 per sq.ft, agents believe that rental levels for industrial space is rising to around £20 per sq.ft as a result of high demand and very low supply.
- 6.37 The consensus amongst agents, is that any industrial land within the LLDC area will perform well, as demand is so high and the location desirable. The area is a well-established industrial location and with supply so low in Central London, has little competition.



- 6.38 Despite the extremely high demand for industrial land of all forms, it is suggested that there is a lack of modern industrial stock within the area. New industrial types of stock are needed to help serve emerging demands such as e-commerce and last mile logistics; which require larger yards for increased vehicular access but smaller internal areas.
- 6.39 It was suggested that industrial intensification is key when considering the retention and provision of new industrial stock. A number of local agents felt it was imperative that proposed mixed-use developments are well-designed in partnership with developers. This will ensure mixed use sites are viable as well as meet the needs of the changing industrial market and could go some way in meeting the current supply shortage.

#### Overview of LLDC Industrial Sector

- Industrial land is becoming increasingly constrained across London as a whole, and the LLDC area is no exception to this.
- The LLDC area remains a good location with demand being high however, the current space available may not be fit for purpose. More contemporary and practical space to suit the needs of emerging businesses would help improve the existing offer whilst being more adaptable to mixed use development and intensification.
- Agents believe value may increase in the future, particularly if new space is not delivered.

# **Existing Supply of Employment Land**

6.40 Based on desk-based research, the Business Survey and Retail & Town Centres Needs Study that have been compiled as part of the wider Combined Economy Study, a summary of the quality of existing industrial space has been provided, split out by subarea.

### **LLDC** Area

- 6.41 Workspace typologies across the LLDC area continue to be defined by the distinct characteristics of the different sub-areas. As detailed further in the emerging employment trends section of the Business Survey report, the particular mix of industrial building stock is particularly suitable for multiple forms of re-use.
- 6.42 The Business Survey found that workshops have been identified as being the most common form of workspace, supporting 177 businesses. Small and large industrial spaces support another 192 businesses between them. Every business sector is represented within one or



- more of these typologies. It can be seen that retail, office and other workspace typologies do not attract a similarly diverse and resilient range of businesses.
- 6.43 Particular concentrations of workspace are present in certain sub-areas. Around two thirds of the workspace in Hackney Wick and Fish Island is either workshop or small industrial space. Whilst over half of the businesses in North Stratford and Eton Manor are occupying retail space. Here, these are predominantly spaces that make up the street-frontage to the East Village residential developments.
- 6.44 Assembly spaces are present in both bespoke and informal contexts. With the exception of the London Stadium, all venues from the 2012 Olympic and Paralympic Games are open to the public every day of the week and have a relevant full-time workforce. These assembly spaces provide a significant amenity to the area. Industrial spaces provide assembly space in the form of nightclubs and event spaces. Here businesses build their offer on an informal aesthetic that would not be replicable anywhere else in the area.
- 6.45 Vacancy of workspace is minimal across the LLDC area. Where it is present, it is often in anticipation of redevelopment. There is little evidence of workspaces not being able to find tenants when on the market, which is reflective of the wider property market in London.
- 6.46 Table 6.1 provides a summary of the types of workspace defined by typology, Figure 6.7 shows where these types of workspace are located across the LLDC area.

Table 6.1 Workspace Typologies - LLDC Area					
Туроlоду	Count	Percentage of all Workspace			
Assembly space	17	3%			
Large industrial space	62	10%			
Large office space	54	8%			
Retail space	119	18%			
Small industrial space	101	16%			
Small office space	121	19%			
Workshop space	171	27%			
Total	645	100%			

Source: LLDC Business Survey 2017; We Made That

6.47 Access to labour, transport and amenities are important factors for businesses, and their decisions to locate within an area. For example, traditional, heavier industrial uses are located within easy access of the road, rail and waterway transport network and have greater parking and logistical requirements. Office uses tend to be located in areas with

good public transport links and access to the labour market. The attractiveness of the overall environment can also be a large draw for employers and employees alike.

WORKSPACE TYPOLOGIES

Figure 6.7 Workspace Typologies – LLDC Area

Source: We Made That, 2017

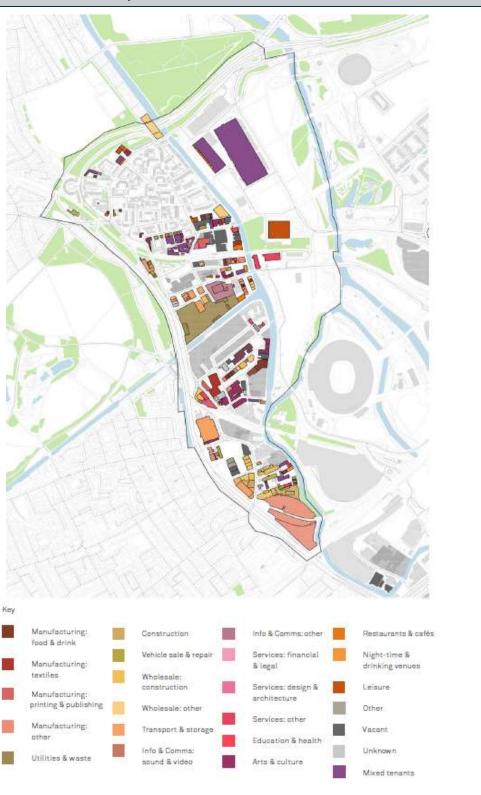
6.48 As detailed earlier in the report, the LLDC area has a number of existing employment clusters (see Table 2.2), which all serve individual functions. The function of each of these

areas and the important roles they serve as part of the LLDC and wider London economy should be carefully considered in the future. Therefore, ensuring existing employment floorspace capacities and specific employment designations are retained, will be central in protecting the roles of these employment clusters.

6.49 Each of the LLDC subareas benefit from their own distinct character and sense of place and the roles the subareas play within the LLDC economy is explored in more detail in this section.

# Hackney Wick & Fish Island

Figure 6.8 Subarea 1 – Hackney Wick and Fish Island



Source: We Made That, 2017

6.50 A large proportion of workspace in Hackney Wick and Fish Island is either workshop or small industrial space (see Table 6.2),. Historic large industrial space across the sub-area has typically been subdivided into smaller units (see Figure 6.9). The area contains the HereEast SIL (Industrial Business Park) and the Fish Island South (Bow Midland Rail Site), a number of smaller designated LSIS sites (Lee Conservancy Road, Trafalgar Mews, Chapman Road and Bartrip Street North) and the Wick Lane Other Industrial Location. The presence of industries within these sites is influenced by the factors detailed below.

Figure 6.9 Photography Studio Hackney Wick



Source: We Made That

- 6.51 The development of HereEast has provided a different workspace offer in this area, by converting a large scale industrial space, into a mix of retail, assembly office and industrial space.
- 6.52 Ongoing construction and redevelopment across this sub-area, is reported by businesses to be putting pressure on both occupancy and operation.
- 6.53 For businesses that predict leaving the area within the year, around a third report the loss of their workspace as the cause. Disruption and pollution from construction was cited as being the biggest problem to businesses. Large blocks of space in the subarea are left devoid of productive activity

during construction periods, to the detriment of neighbouring businesses.

Table 6.2 Workspace Typologies - Hackney Wick & Fish Island					
Typology	Count	Percentage of all Workspace			
Assembly space	6	2%			
Large industrial space	30	8%			
Large office space	14	4%			
Retail space	42	12%			
Small industrial space	69	19%			
Small office space	74	21%			
Workshop space	120	34%			
Total	355	100%			

### Accessibility

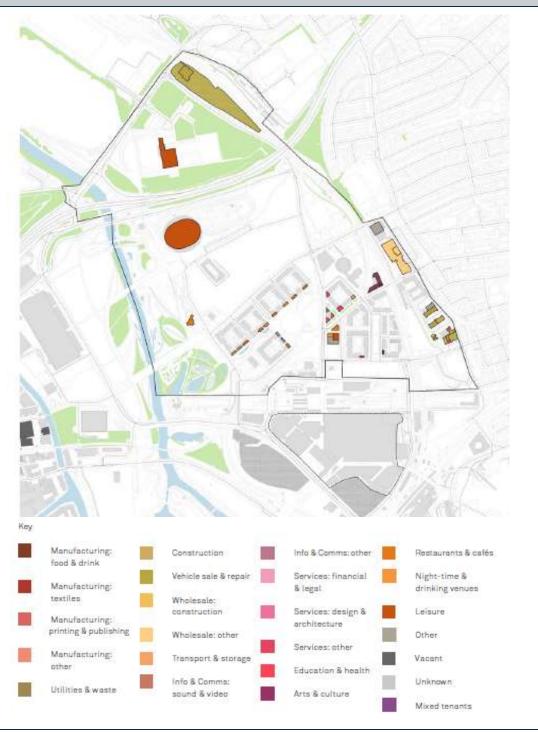
6.54 Hackney Wick has a PTAL rating of 4 (6a being the best) and is located in Zone 2, served by one train station. This provides London Overground services to Stratford, Richmond and Clapham Junction. Bus services also run throughout the area to Dalston, Stoke Newington, Newham, Marble Arch and Leytonstone. The Fish Island area has generally lower PTAL levels with much of this currently having a rating of 2. Hackney Wick and Fish Island is particularly well-accessed to the strategic road network with the A12 running west of the area. The south part of the area also benefits from direct access to the rail heaf at Bow Foods Yard. Parts of the area also benefit from direct access to the ater network.

#### **Environment**

6.55 Throughout Hackney Wick and Fish Island, there is a presence of graffiti which contributes to the overall character of the area and its strong creative links. However, this simultaneously can be perceived as a place which is run down and neglected, particularly to the south of the area where the building qualities are generally lower. Due to the industrial nature of the area, there is a lack of actives frontages. As a result, there is no obvious 'neighbourhood centre'.

## **North Stratford & Eton Manor**

Figure 6.10 Subarea 2 – North Stratford & Eton Manor



Source: We Made That, 2017

6.56 As shown in Table 6.3, the majority of businesses (60%) across the sub-area are occupying workspace classed as retail space. These are spaces that make up the street-frontage to residential developments. The workspaces along the Leyton Road site are mainly small industrial spaces. This subarea contains the Temple Mill Lane LSIS designation.

Figure 6.11 Recently established amenity, health and leisure provisions around the new E20 neighbourhood



6.57 The continuing construction and residential growth of this sub-area is facilitating the

Source: We Made That 2017

growth of businesses. Many businesses are dependent on the continued increase in local residents to patronise their business. Surveyed businesses report risks present in this progression not happening fast enough.

Table 6.3 Workspace Typologies – North Stratford & Eton Manor				
Туроlоду	Count	Percentage of all Workspace		
Assembly space	2	5%		
Large industrial space	1	2%		
Large office space	1	2%		
Retail space	25	60%		
Small industrial space	11	26%		
Small office space	2	5%		
Grand Total	42	100%		

### Accessibility

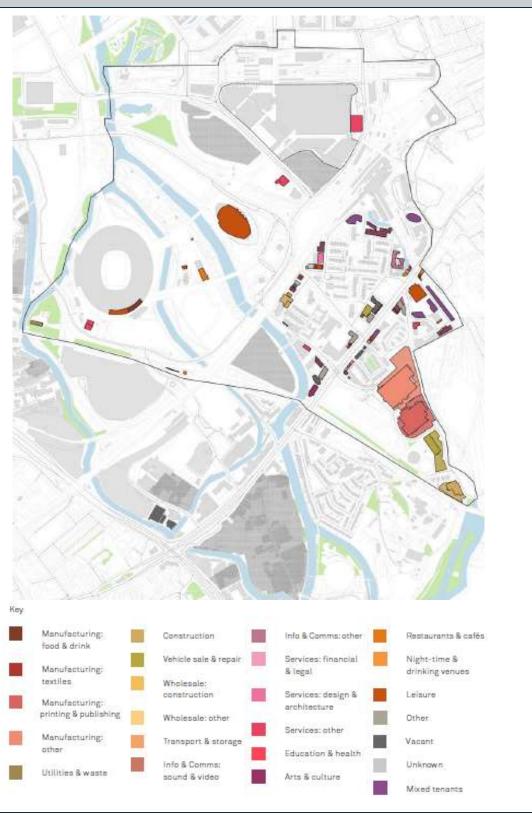
6.58 The area is well connected with the neighbourhood centre of East Village having a PTAL rating of 6b (6a being the best) and is located in Zone 2. Due to its close proximity to Stratford International Station, East Village has numerous connections including National Rail; London Overground; Tube; DLR; Tram and Buses. The area is served by bus services towards Chingford, Leytonstone, Walthamstow, Chingford Mount, Canning Town Wanstead. As you move north through the subarea the PTAL rating drops however, the northern part of the area also has good strategic road access to the A12.

## **Environment**

6.59 The modern, well maintained public realm along with the residential development and active ground floor use including; shops, bars and cafes at East Village creates a vibrant environment. Both the environment and condition of buildings in the area is good.

# **Central Stratford & Southern QEOP**

Figure 6.12 Subarea 3 – Central Stratford & Southern QEOP



Source: We Made That, 2017



- 6.60 Businesses in the Central Stratford and Southern Queen Elizabeth Olympic Park sub-area mainly occupy a mix of small and large office spaces, retail spaces and workshops (see Table 6.4). The former Guardian Print Works and the Kessler factory occupy some of the largest single footprint industrial spaces across the LLDC area. The IQL development will eventually provide around four million sq.ft of Grade A office space and will be the largest amount of non-retail workspace in the LLDC area.
- 6.61 The retail spaces that make up the streetfrontage of buildings along Stratford High Street also provide small office spaces and examples Source: We Made That; 2017 can be seen of creative industries utilising these

Figure 6.13 Repurposed Industrial Units in Central Stratford



spaces. This subarea also contains the Rick Roberts Way LSIS designation, which currently provides a significant quantum of high quality employment space. Based on the limited supply of this type and quality of space locally and regionally, it is important measures are in place to protect it.

Table 6.4 Workspace Typologies – Central Stratford and Southern QEOP				
Typology	Count	Percentage of all Workspace		
Assembly space	6	3%		
Large industrial space	11	6%		
Large office space	35	19%		
Retail space	40	21%		
Small industrial space	11	6%		
Small office space	39	21%		
Workshop space	47	25%		
Grand Total	189	100%		

## Accessibility

6.62 Stratford has a PTAL3 rating of 6b (6a being the best) and is located in Zones 2/3. There are 18 buses which operate from the Stratford bus station which all have multiple routes,



- including services to Oxford Circus, Romford and Canning Town. Public coach services also operate with National Express with multiple coach services between Stratford town centre and Stansted Airport, Cambridge, Ipswich/Colchester and Norwich/Thetford. A Terravision coach service also runs between Stratford town centre and Stansted Airport.
- 6.63 Stratford rail station is served by the following TfL lines: Central; DLR; Jubilee; and the London Overground. The TfL rail services provide connections from Kent and London St Pancras, as well as from Essex, Hertfordshire, East Anglia and Liverpool Street/Fenchurch Street. Stratford will also be served by the Elizabeth Line which has the potential to bring forward growth and development from Stratford eastwards. This will be open in 2019. Stratford as a centre has changed immensely since the 2012 Olympic Games and transport has been a key factor in this growth. Stratford International also provides services from Kent to London St Pancras. Generally, the PTAL level decreases with distance from the Metropolitan Centre with some parts of the subarea only having ratings of 2 or 3.
- 6.64 Pedestrian flows are good throughout this area. Westfield is fully pedestrianised and provides links between Stratford Station, Stratford International Station and the QEOP. The area does not benefit from any direct routes to the strategic road network however, moorings provide potential access to the water network.

### **Environmental Quality**

- 6.65 Westfield Stratford city is a purpose-built shopping destination centre that is well managed and has a welcoming environment. This acts as a draw for Stratford as a whole and introduces shoppers and visitors to the area. After the consultation with the Stratford Centre Manager, it became apparent that the arrival of Westfield Stratford has benefitted the traditional part of Stratford.
- 6.66 There is a large provision of green space in this area, in particular around the QEOP which is interlinked by well laid pedestrian pathways.

# Bromley-by-Bow, Three Mills & Pudding Mill

Manufacturing: Construction Info & Comms: other Restaurents & cafés food & drink Night-time & Services: financial Vehicle sale & repair Manufacturing: & legal drinking venues textiles Wholesale: construction Services: design & Leisure Manufacturing: architecture printing & publishing Other Wholesale: other Services: other Manufacturing: Transport & storage Vacent other Education & health Info & Comms: Unknown Utilities & waste sound & video Arts & culture Mixed tenants

Figure 6.14 Subarea 4 – Bromley-by-Bow, Three Mills & Pudding Mill

Source: We Made That, 2017



occupy either small or large industrial spaces (see Table 6.5). This is representative of the 2 clusters of industrial workspace around Marshgate Lane and Three Mills Studios where older industrial sites have been adapted for different uses, including creative activity. This subarea contains the Bow Goods Yard East SIL, the Sugar House Lane LSIS and the Cook's Road OIL.



Source: 3 Mills Studio

Table 6.5 Workspace Typologies – Bromley-by-Bow, Three Mills and Pudding Mill				
Typology	Count	Percentage of all Workspace		
Assembly space	3	5%		
Large industrial space	20	34%		
Large office space	4	7%		
Retail space	12	20%		
Small industrial space	10	17%		
Small office space	6	10%		
Workshop space	4	7%		
Grand Total	59	100%		

#### Accessibility

- 6.68 Bromley-by-Bow has a PTAL rating of 3/4 and is located in Zones 2/3. It has good accessibility to the road network with the A12 running through the centre with direct links to Canary Wharf. The A118 also provides links into Stratford. The Western part of the area also benefits from direct access to the rail head at Bow Goods Yard. The area is also accessible via the Bromley-by-Bow underground station. The bus routes serving the area go to Mile End; Dalston Junction and Lewisham.
- 6.69 Pedestrian linkages are poor due to the busy A12 which can only be crossed via the subway, which is uninviting particularly during the night time. There is currently a need for additional



- lighting and CCTV installation. The town centre is also poorly linked to Bromley High Street (located outside of the LLDC's boundary) as again, access is via an underpass and there are little town centre uses linking the two areas.
- 6.70 Pudding Mill has a PTAL rating of 2 and is located in Zone 2/3. It has DLR services providing connections to Stratford and Canary Wharf. The addition of the residential and working population will require longer and higher-capacity trains to operate on the DLR.
- 6.71 There are regular bus services that run along Stratford High Street including routes to Crossharbour; Oxford Circus; Lewisham; Newham Hospital); and Clapton.
- 6.72 Pudding Mill Station is accessed via the A12. This busy road generates a large amount of noise pollution as well as impacting on air quality. This impacts future investment and reduces the overall appeal of the centre for new residential (i.e. new population) and sensitive industries that may consider moving into the area. Other key road connections include Cook's Road, Barbers Road and Marshgate Lane.
- 6.73 In terms of constraints, Pudding Mill is bounded on three sides by the waterways and the railway line. This encloses the centre and limits the access into the site and its relationship with the wider area. An enhancement of Barbers Road will improve the overall connectivity to Pudding Mill Lane and across the centre.

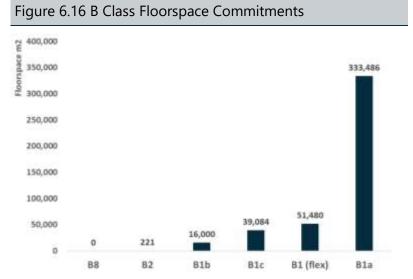
#### **Environment**

- 6.74 The Bromley-by-Bow area consists of large vacant derelict buildings which degrades the overall environmental quality of the area. This is because the building has been vandalised and is in poor condition. This prominent building and the addition of the noisy A12 decreases the overall environmental quality of the area. Furthermore, the current subway link does not create a safe and appealing environment for visitors. It should be noted however that there are no residential, civic or community uses within Bromley-by-Bow, despite being a proposed district centre. The impact of these compounding uses therefore dilutes the function as a district centre.
- 6.75 Whilst the waterways around Pudding Mill restrict permeability, they enhance the physical environment of the area, along with Lee Valley Park and Three Mills Green. The preserved heritage at Three Mills Studios, also adds to the character of the area.



# **Future Supply of Employment Land**

- 6.76 This section provides an overview of the supply of employment land within the LLDC area, considering all planned development and strategic sites.
- 6.77 Based on the current planning pipeline (Appendix A), there is an estimated 535,000sq.m of B class floorspace that will be developed between now and 2030 (see Figure



Source: LLDC Planning Applications

- 6.12) however, this includes employment space that is currently under construction. When any development currently under construction (such as East Wick Phase 1) is removed from the pipeline the total quantum of B class floorspace equates to 285,000sq.m.
- 6.78 As shown in Figure 6.16 the vast majority of all B class floor space is B1a office space, which makes up 76% (c. 430,00sq.m) of all B class permissions granted by LLDC. The majority of the remaining pipeline (c. 106,000sq.m) development is made up of other forms of B1 uses (B1b, B1c and flexible B1 uses). The B1b pipeline development is also considering development at UCL East, which has a resolution to grant, subject to Section 106 agreement. By comparison there is very little B2 or B8 use in the development pipeline.
- 6.79 There are a number of large scale and high-profile mixed-use developments across the LLDC area. The developments include Strand East, UCL East and the remaining development at International Quarter London (IQL), these developments all have a B class element, which make up 80% (c.180, 000sq.m) of total B class floorspace within the LLDC planning process.
- 6.80 However, it should be noted that whilst the IQL development is predominantly B1 office, there is some flexibility relating to the format of future uses. There could be the potential to replace a quantum of B1 office space, with workshop type uses, alongside residential development. However, if the proposed B1 space was to be changed to residential uses, this should not impact on the overall employment land supply in the LLDC area, due to the current pipeline providing sufficient space for all future demand scenarios.





6.81 Large-scale development is underway and in the pipeline in Hackney Wick Central area, which equates to almost 28,000sq.m of all B class floorspace, subject to Section 106 agreement. However, this is predominantly flexible B-class use, with a focus on shared workspace, artist studios and workshops.

Figure 6.17 International Quarter London



Source: https://www.internationalquarter.london/

Figure 6.18 Hackney Wick Central



Source: http://karakusevic-carson.com/work/hackney-wick-central-masterplan

6.82 The vast majority of B class floorspace in the planning pipeline is anticipated to be complete by 2025 with some development completing by 2030. The average annual completion rate is close to 89,000 sq.m of B class floorspace per annum however, this is heavily skewed by the completion of the IQL in 2023.

Table 6.6 Planned B Class Floorspace (sq.m) - Phased								
2018 2019 2020 2021 2022 2023 2024 2025 To							Total	
14,396	14,298	94,934	16,000	·	390,582		6,451	536,660

- 6.83 Table 6.6 only indicates completion dates and elements of the floorspace may become available before completion therefore these figures only provide an indication of when floorspace will become available.
- 6.84 Several the planned developments already have agreed tenancies therefore, the amount of pipeline development cannot be considered available. TfL have already occupied the site, whilst the Financial Conduct Authority (FCA), Transport for London (TfL), Cancer Research UK & British Council have all agreed leases for a combined 100,000sq.m of pipeline development.

6.85 Despite this, the current development pipeline demonstrates there is a significant amount of B class employment space due to be developed within the LLDC area over the next 10 to 15 years.

## **Pipeline Development Employment Estimates**

- 6.86 Based on the current commitments and pipeline developments it is estimated there will be enough employment space to support c. 40,000 jobs, of these jobs it is estimated c.36,000 will be B1 employment and the remaining 4,000 and small number of B2/B8 jobs supported.
- 6.87 A significant number of these jobs (c. 30,000) will be supported in the development referred to as Stratford City, which includes the IQL development. The total employment supported by IQL is dependent on all B1 office space being built-out. If some of the office was replaced with workshop type space, the number of jobs supported could vary.
- 6.88 Whilst the planned development will generate a considerable amount of employment space and related jobs, it is envisaged this supply of office will help support the LLDC areas role as a CAZ satellite, helping absorb spill over demand for office space from the CAZ.

# 7. Demand: Future Growth Scenarios

- 7.1 To help inform future decisions on the delivery of commercial space in the LLDC area number of future growth scenarios have been considered. These provide the basis upon which an assessment of future quantification of employment space needs in the future.
- 7.2 Forecasts and scenarios are not predictions of the future but are useful for providing a framework for planning for the future. The rapid and diverse change that are anticipated within the LLDC area over the next 15 years means that it is difficult to alight on a specific scenario. As such as such, we have considered a range of potential scenarios to provide flexibility, including two derived from new forecasts commissioned specifically by LLDC for the four growth boroughs, the scenarios are discussed in more detail later in this section.

# **Recognising Uncertainty**

- 7.3 The London Office Policy Review (2017) (See Section 6) along that we are currently in a period of uncertainty, with a range of factors complicating our assessment of future scenarios and forecasts.
- 7.4 The Government's Aqua Book<sup>11</sup> provides an outline of the considerations which need to be considered when making conclusions about the future.

#### The importance and implications of uncertainty – key points

"Analysis is used to inform decision-makers about which option to choose, often in unique situations. For each option, a range of real outcomes may occur – the actual outcome is uncertain.

Uncertainty will always exist and is inherent in any analysis and real-world decision. Decision-makers aim to achieve their desired outcome by adopting strategies which increase the chances of better outcomes occurring while decreasing the chances of less favourable outcomes occurring. This requires good information on uncertainty, such as the range of outcomes that may occur together with the likelihoods for each option they can choose. "Best estimates" are not usually enough.

The Aqua Book is the Government's guidance on quality assurance in analytical research https://www.gov.uk/government/publications/the-aqua-book-guidance-on-producing-quality-analysis-forgovernment



In the proposed responsibilities framework, commissioners should always expect information on uncertainty from analysts, and challenge them when it is absent, inadequate or ambiguous. Analysts often describe uncertainty in qualitative terms, e.g. moderate uncertainty, high confidence, that do not express the range or likelihood of alternative outcomes. Commissioners should request further information; however, project constraints and practicalities may limit what can be achieved. If the uncertainties are too complex for analysts to quantify, even approximately, the analysts should say so in order that the commissioner can take this into account.

When communicating with decision-makers and stakeholders, commissioners of analysis need to describe the extent to which outcomes are uncertain and the reasons for this."

### **Brexit Considerations**

- 7.5 Perhaps the most significant uncertainly over the course of the Local Plan period will be Brexit and its implication of London's labour market and business sectors. In January 2018, the Mayor of London produced findings of an impact assessment on the impact of Brexit on London's economy (Preparing for Brexit<sup>12</sup>).
- 7.6 Under all scenarios considered in the Preparing for Brexit report, London is expected to experience a decrease in terms of productivity and employment. However, London is not expected to be affected as much as the UK, in terms of GVA and productivity. This reflects that London has a higher concentration of higher-value sectors, which are more resilient, and are able to recover from economic shocks more quickly.
- 7.7 The research finds that Financial & Professional Services, Science and Technology, Creative and Construction, are among the sectors hit the hardest by Brexit. Given the relatively high degree of employment in these sectors within the LLDC, it is important to be wary of how future EU/UK trading relationships may affect the LLDC economy.
- 7.8 The report also raises several other concerns pertinent to the LLDCs creative economy, relating to the funding for creative and cultural industries. Here, the report details how longstanding funding for this sector is unlikely to be replaced by the UK government following Brexit.

<sup>12</sup> https://www.london.gov.uk/sites/default/files/preparing\_for\_brexit\_final\_report.pdf



7.9 This report does not model Brexit impacts, but does recommend gathering local economic intelligence on an ongoing basis to track the impact of Brexit and other forms of uncertainty.

# **Scenarios Workshops**

7.10 Recognising uncertainty and the impact this might have on consideration of the future; two workshops were held with local stakeholders and officers. A range of influencing factors were identified that have been considered in making judgements on the scenarios below:

Table 7.1 Scenarios	Table 7.1 Scenarios Workshop					
Factor Identified by	Potential Future Impact					
Partners						
Implications of	The uncertainty of Brexit could have significant impact on the London					
Brexit	and the LLDC as a whole. Concern over potential impacts on labour					
	supply.					
	The opening of Crossrail, will further improve the accessibility of the					
Opening of Crossrail	area, making it more desirable area to live and work. This could increase					
Opening of Crossian	the need for housing and office space putting further pressure on					
	existing industrial land.					
	It is envisaged that as the area becomes matures as an office location,					
Take-up of space by	major tenants could move to the area. This would bring long-term					
major corporate	investment to the area and could encourage more major tenants to the					
tenants	LLDC area, as it becomes more established - competing more closely					
	with the City and Canary Wharf.					
	As the demand for land increases, intensification of mixed-use					
Industrial	development will become more and more necessary. Intensification					
Intensification	could be a way of ensuring the area preserves its heritage whilst					
	increasing its housing and employment stock.					
	With the proposed Cultural and Education District in the pipeline					
Further growth in	(including tenants such as UAL, V&A and Sadler's Wells), the LLDC area					
the Education Sector	will become a well renowned educational destination. Further growth					
the Education Sector	could help stimulate the creative sector further along with support					
	services connected to the sector.					



# **Future Employment Scenarios**

- 7.11 It has become established practice in assessing future employment land requirements to consider forecast employment growth in building a picture of how an area's economy is likely to change. The employment forecasts we have produced estimate future changes in the number of jobs in different sectors based on a range of evidence, including:
  - past trends nationally, regionally and locally in terms employment change;
  - the share of jobs in different sectors in an area compared to national and regional
    averages as a measure of particular concentrations of employment. This serves as a
    proxy for the sectoral strengths of an area in terms of current and past performance.
     Where there are high concentrations and strong past growth in certain sectors, these
    might be expected to continue in future; and
  - forecast growth rates nationally and regionally, taking account of government projections and other sources to understand how the UK economy is expected to perform in the future.
- 7.12 It is therefore good practice to carefully examine the main assumptions in forecasting models used, and to consider different forecasts in arriving at a view about an area's growth prospects including:
  - Past Employment Trends based on ONS Business Register and Employment Survey (BRES) data and GLA historical employment data. These forecasts are based on past employment trends, which have been extrapolated to 2036.
  - Greater London Authority (GLA) Labour Market Forecasts developed by the GLA
    and all London Boroughs local, this model forecasts jobs numbers from 2016-2051
    and is a widely-used source of data for employment forecasts.
  - Oxford Economics Employment Forecasts commissioned by LLDC in partnership with the London Olympic Growth Boroughs, Oxford Economics produced employment forecasts for 2016 to 2030.



7.13 The scenarios that have been considered are set out in Table 7.2 below.

Table 7.2 Future Growth Scenarios						
Scenario	Description					
1 – Following the Past Trend	Historical employment data for each of the Growth Boroughs					
Simple scenario assuming	has been collated using the GLA Employment Forecasts					
that recent high growth in	(2017).					
the growth boroughs will	Historical employment data for the LLDC has been collated					
continue for the next 20	using ONS BRES data.					
years	We have calculated the proportion of Growth Borough					
	historic employment growth attributable to LLDC (7%)					
	between (2013 – 2016).					
	Extrapolated average annual employment growth (2013 –					
	2016) c. +24,000 p.a. (Growth Borough) / +1,700 p.a. (LLDC)					
	to 2036.					
	These projections are based purely on historical					
	employment trends, no planned development has been					
	accounted for in this scenario.					
	• Total job growth in LLDC under this scenario (2016 – 2036)					
	= c.33,000					
2 – Growing in line with	GLA Labour Market Forecasts were collated for Growth					
London Growth (GLA)	Boroughs.					
Scenario considers the GLA's	We calculated the proportion of Growth Borough historic					
central forecasts and makes	employment growth attributable to LLDC (7%) between (2013					
assumptions about the	<b>–</b> 2016).					
amount of growth	Annual average employment growth for Growth Boroughs					
attributable to the LLDC	(+14,400 p.a.) was attributed to LLDC (+1,000 p.a.)					
areas.	The GLA forecasts take jobs growth and future employment					
	site development into consideration.					
	• Total job growth in LLDC (2016 – 2036) = c.20,000					
3 – Business as Usual	Based on the recently commissioned (by LLDC) Growth					
Scenario (Oxford Economics	Borough Employment Projections (2016 – 2030) which were					
for LLDC)	modelled by Oxford Economics and are revised forecasts of					
Uses recently commissioned	the 2013 estimates.					
local forecasts, showing a	Employment growth in the Growth Boroughs has been					
'do nothing' scenario.	significantly higher than anticipated in 2013; this is due to					
	rapid population growth during 2013-16 and a number of					
	major developments not being included in the original 2013					
	forecasts.					

•	The OE forecasts (until 2030) for the Growth Boroughs have
	been apportioned to LLDC area (based on historic BRES data).
	OE forecasts project to 2020 therefore years 2021 2026

- OE forecasts project to 2030 therefore years 2031 2036 were extrapolated based on annual average growth in previous years.
- The Oxford Economics baseline forecast does not consider the impact of future planned developments.
- Total job growth in LLDC (2016 2036) = c.12,500
- 4 Higher
  Growth/Development
  Scenario (Oxford Economics
  for LLDC)

Uses recently commissioned local forecasts which includes the impact of new planned development.

- As with scenario 3, the same method for the OE baseline forecasts have been applied to the high growth scenario.
- The Oxford Economics high growth scenario takes future employment site development into consideration. The planned developments accounted for include; IQL, CED Strand East and Pudding Mill
- Total job growth in LLDC (2016 2036) = c.20,300

Source: Regeneris Consulting

#### Limitations

- 7.14 ONS BRES data provides employment data at the smallest possible geography available which are Lower Super Output Areas<sup>13</sup> (LSOAs). The LSOAs used to collate this data, are based on the LLDC administrative boundary and are the closest possible match available. BRES data is the only robust source of employment data available for the LLDC area.
- 7.15 As there are no other forms of historical employment data for the LLDC area, the baseline position for all scenarios is the same.
- 7.16 Whilst the past trends scenario is solely based on historical employment growth within the LLDC area, the remaining three scenarios are all based on pre-determined forecasts developed by forecasting houses including Oxford Economics and GLA Economics team. There is an overall understanding of the assumptions made in relation to population growth and future developments however, there is no access to the underlying data. For example, assumptions have been made relating to some future development sites within both the GLA forecasts and Oxford Economic forecasts however the precise quantum of development used is not known.

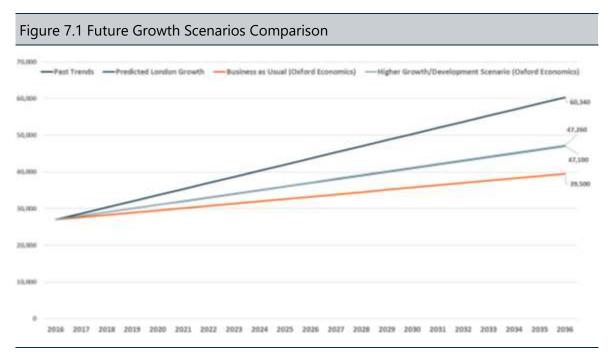
<sup>&</sup>lt;sup>13</sup> LSOAs -A geographic hierarchy designed to improve the reporting of small area statistics in England and Wales.



- 7.17 There are no stand-alone forecasts exclusive to the LLDC area. Therefore, to estimate future employment for the LLDC area, the LLDC area's contribution to historic employment growth for each of the following boroughs; Hackney, Newham, Tower Hamlets and Waltham Forest has been analysed. Using historic employment data (BRES) the proportion of neighbouring borough growth was then apportioned to the LLDC area. This apportionment has then been applied to each of the employment forecasts detailed in the table above.
- 7.18 The sectoral change applied to the employment forecasts has been based on the GLA labour market forecasts and historical changes for each sector.

# **Comparison of Forecasts**

7.19 Figure 7.1 below compares future employment change according to the three sets of forecasts used. As previously mentioned, the forecasts all start from the same base position in 2016.



Source: ONS BRES data / GLA Labour Market Forecasts / Oxford Economics. Due to the GLA forecast and Oxford Economics High Growth Scenario following a very similar trajectory the lines overlap within Figure 7.1

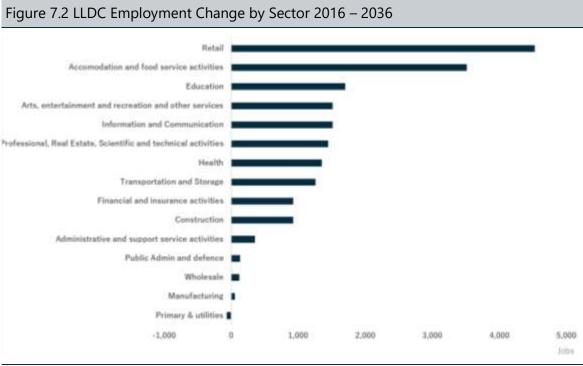
7.20 There is expected employment growth across all forecasts however, the forecasts based on past employment change shows the fastest growth between 2016 and 2036, with total employment reaching c.60,000. The Business as Usual (Oxford Economics baseline) forecast show the slowest growth, with a total employment reaching c.40,000 by 2036 (see Table 7.3).

7.21 Both the Predicted London Growth and the Higher Growth/Development scenario forecasts are closely aligned, with both showing total employment being around 47,000 by 2036. These are the only two scenarios that factor in an element of planned development and is the most likely reason for this alignment.

Table 7.3 Employment Forecasts – LLDC (Total Employment)							
2016 2021 2026 2031 2							
Past Trends	27,000	35,340	43,670	52,010	60,340		
In line with London Growth	27,000	32,030	37,050	42,080	47,100		
Business as Usual (OE Baseline)	27,000	30,130	33,250	36,380	39,500		
Higher Growth (OE High Growth	27,000	32,070	37,130	42,200	47,260		
Scenario)							

GLA/ONS/Oxford Economics

- 7.22 Whilst the forecasts for total employment show overall growth, it should be noted that some sectors will contract within these periods.
- 7.23 To forecast sectoral change between 2016 2036, historic data (ONS BRES 2017) from 2012-2016 was used, along with forecast sectoral change across London (GLA Labour Market Statistics). This has allowed sectoral estimates for the LLDC to be apportioned and forecast.



Source: ONS BRES/GLA Labour Market Forecasts

7.24 The sectoral forecasts for LLDC show that employment in the already dominant sectors of retail, accommodation and food will see the highest growth (see Figure 7.2). Historic growth (at the local level) and the anticipated future growth in these sectors (at the National and Regional level) are reasons why these are major contributors to the forecast employment growth.

## **Translating Jobs Growth to Floorspace**

- 7.25 The employment forecasts have been translated in to a requirement for floorspace by considering the nature of employment in each sector and the implications for the types of floorspace which employers in the sector will need to grow. The following categories of floorspace which employers in the sector will need to grow were used:
  - B1a/B1b: office-based and research and development (R&D)
  - B1c/B2: manufacturing
  - **B8**: distribution and logistics

## Safety Margin

- 7.26 The application of a safety margin is common practice in employment land reviews (ELRs), with the justification being that it allows for a choice of sites for the market and delays in sites coming forward. Although national guidance on ELRs does state the need to provide a portfolio that allows for choice, there is no official benchmark on what allowance should be made.
- 7.27 We believe it is necessary to make some allowance for the LLDC area, given that it is a buoyant market where the supply of employment land is very tight. We have applied a safety margin based on the take-up of employment land in the previous five years.

#### **Key Steps**

- 7.28 The floorspace requirements have been derived by applying the following steps:
  - Allocate detailed 4-digit SIC sectors to employment use-classes. This was done using the professional judgement of Regeneris, and our assessment and knowledge of the nature of key sectors in the LLDC area.



- 2) Use data from the Business Register and Employment Survey (BRES) for 2016, estimate the proportion of employment in 4-digit sectors for each of the broad sector.
- 3) Use these proportions as 'weights' to derive the total number of jobs in each sector which will require different types of floorspace.
- 4) Convert total employment in full-time equivalent jobs (FTEs) at broad sector level. This was based on the long-term average of the ratio between full-time and part-time employment taken from ABI-BRES.
- 5) Convert the total number of FTE jobs in each use-class into floorspace by applying employment densities<sup>14</sup> from the Homes and Communities Agency's (HCA's) Employment Density Guide, as follows:
  - B1a space: 12sq.m per FTE net internal area (NIA) or 15sq.m per FTE gross external area (GEA);
  - B1b space: 50sq.m per FTE NIA or 63sq.m per FTE GEA;
  - B1c space: 47sq.m per FTE NIA or 59sq.m per FTE GEA;
  - **B2 space**: 36sq.m per FTE gross internal area (GIA) or 38sq.m per FTE GEA;
  - B8 space: 77sq.m per FTE GEA.
- 6) An allowance of 8% is added to all floorspace requirements to reflect normal levels of market vacancy in employment space based on GLA guidance This is only added where demand for floorspace is growing.
- 7) A safety margin based on previous take-up rates for commercial and industrial space to allow for flexibility and to provide a choice of sites for potential occupiers. This is only added where demand for floorspace is growing.
- 7.29 There are a number of caveats which should be applied when interpreting the forecasts. It is possible that the structure of employment within each sector may change over the course of the study period. However, there is no way of knowing how or where this might occur. The methodology assumes that future growth in the demand floorspace will be driven by the same sub-sectors which are already established in the LLDC area.

<sup>&</sup>lt;sup>14</sup> Employment densities for completed projects may differ slightly from the averages used in our calculations. This may account to some of the differences identified between the past completions scenario and other employment-led scenarios.



7.30 Using this methodology, it is estimated that between 1,370 and 6,500 FTE jobs in the LLDC area will require B-class employment space based on the four employment-led scenarios assessed, as shown in Table 7.4.

Table 7.4 Total FTEs requiring B-Class Floorspace in LLDC, 2016-2036					
Total Jobs Growth B-Class FTEs					
Past Trends	+33,300	+6,660			
In line with London Growth	+20,100	+3,300			
Business as Usual (OE Baseline Scenario)	+12,500	+1,370			
Higher Growth (OE High Growth Scenario)	+20,300	+3,360			

Source: Regeneris Consulting, GLA Labour Market Forecasts and ONS BRES Employment Data

7.31 The total employment demand by type of B-class use is listed below in Table 7.5. As you can see the vast majority of B class demand will be driven by B1a Office employment.

Table 7.5 B1, B2 and B8 employment change by 2036 (FTEs)						
	B1a	B1c	B2	В8	Total	
Past Trends	+5,313	+227	-17	-103	+1,240	+6,660
In line with London Growth	+3,310	+160	-30	-530	+390	+3,300
Business as Usual (OE	+2,160	+120	-40	-770	-100	+1,370
Baseline Scenario)	+2,100	+120	-40	-770	-100	+1,570
Higher Growth (OE High	+3.340	+160	-30	-520	+410	+3,360
Growth Scenario)	+5,340	+100	-30	-320	+410	+3,300

Source: Regeneris Consulting, GLA Labour Market Forecasts and ONS BRES Employment Data

7.32 The breakdown of employment floorspace required; as a result of the forecast employment demand is detailed below in Table 7.6.

Table 7.6 B1, B2 and B8 floorspace (sq.m) change by 2036						
	B1a (NIA)	B1b (NIA)	B1c (NIA)	B2 (GIA)	B8 (GEA)	Total
Past Trends	+63,760	+11,370	-800	-3,700	+86,730	+157,360
In line with London Growth	+39,740	+7,930	-1,350	-18,990	+27,470	+54,800
Business as Usual (OE Baseline Scenario)	+25,880	+5,940	-1,660	-27,810	-6,710	-4,360
Higher Growth (OE High Growth Scenario)	+40,110	+7,980	-1,340	-18,760	+28,390	+56,380

Source: Regeneris Consulting, GLA Labour Market Forecasts and ONS BRES Employment Data



- 7.33 The range of floorspace required varies significantly depending on the forecast employment scenario. Based on Past Employment trends, over 157,000sq.m of B class floorspace will be required, of which c. 75,000sq.m of B1 office will be required. Whilst the past trend scenario does not consider any future development, this scenario does account for the growth in B1 type employment, experienced in the LLDC area in recent years.
- 7.34 The Business as Usual scenario (Oxford Economics Baseline) does not consider planned developments within the forecasting. Whilst the Higher Growth/Development scenario (Oxford Economics High Growth) does account for planned developments including IQL and Strand East.
- 7.35 The lowest estimates are based on the Business as Usual scenario, which suggests a decline in demand for industrial land (B2/B8). Whilst the quantum of industrial floorspace, seems to vary significantly dependent on the scenario, the large difference between these two figures is based on the employment forecasts for B2 and B8 uses. Due to these uses being 'land hungry' and having low employment densities, relatively small variations in employment can have a significant effect on land required.
- 7.36 However, as mentioned previously due to limitations with the data and changes in land use policy at the London level, this needs to be observed with caution.

# **Comparison with 2014 Employment Forecasts**

#### Office Floorspace

- 7.37 For local office uses (i.e. excluding IQL and HereEast), the previous Employment Land Review forecasts indicated that B1 employment would grow by between 1,400 and 5,000 jobs by 2031, which equated to 17,000sq.m to 60,000sq.m of office floor space.
- 7.38 The demand forecasts as part of this study estimates that B1 office employment will increase between 2,200 5,400 jobs by 2036, which equates to 30,000sq.m 75,000sq.m of office floor space over the plan period.
- 7.39 The revised employment forecasts as part of this study are higher than the previous study however, the plan period used for this study is over 20 years, whereas the previous study was based over a 15-year period.
- 7.40 To allow for direct comparison with the 2014 report, the employment change and floorspace requirements until 2031 have been looked at in the tables below.



7.41 When the employment change is considered up until 2031, the B1 office employment estimated ranges between 1,600 to 4,800 jobs, which equates to between 21,700sq.m and 54,590sq.m of office floorspace by 2031.

#### **Industrial Demand**

- 7.42 The previous Employment Land Review estimated that there could be a loss of industrial jobs that ranges from -100 to -600 and forecast change in land demand of between -2.2ha to -7.5ha over the plan period to 2031.
- 7.43 By comparison this review of employment land shows a loss of industrial jobs ranging from -900 to +1,100 over the plan period until 2036, which equates to -10.2ha to +15.7ha, indicating a large range between scenarios. As discussed previously, the large difference between these two figures is based on the employment forecasts for B2 and B8 uses having low employment densities and only relatively small variations in employment having a significant effect on land required.
- 7.44 When the plan period until 2031 is assessed the loss of industrial jobs ranges from -900 to +700, which equates to -6.9ha to +12.6ha.

Table 7.7 B1, B2 and B8 employment change by 2031 (FTEs)						
	B1a	B1b	B1c	B2	В8	Total
Past Trends	+3,925	+172	-24	-178	+901	+4,796
In line with London Growth	+2,430	+122	-33	-537	+222	+2,205
Business as Usual (OE	+1.570	+93	-38	-744	-169	+713
Baseline Scenario)	1,510	. 55	30	7-1-1	103	.,,,
Higher Growth (OE High	+2,445	+123	-32	-533	+229	+2,231
Growth Scenario)	+2,443	T 123	-32	-333	+229	+4,231

Source: Regeneris Consulting, GLA Labour Market Forecasts and ONS BRES Employment Data¥

7.45 The breakdown of employment floorspace required; as a result of the forecast employment demand is detailed below in Table 7.8.

Table 7.8 B1, B2 and B8 floorspace (sq.m) change by 2031						
	B1a (NIA)	B1b (NIA)	B1c (NIA)	B2 (GIA)	B8 (GEA)	Total
Past Trends	+ 47,100	+8,600	-1,110	-6,410	+63,100	+111,280
In line with London Growth	+29,160	+6,100	-1,530	-19,330	+15,530	+29,930



Business as Usual (OE	. 10 0 40	. 4 660	1 770	26 770	11 050	16 900
Baseline Scenario)	+18,840	+4,660	-1,770	-26,770	-11,850	-16,890
Higher Growth (OE High	+29,350	+6.130	-1.530	-19.200	+16,020	+30,770
Growth Scenario)	+23,330	+0,130	-1,350	-19,200	+ 10,020	+30,770

Source: Regeneris Consulting, GLA Labour Market Forecasts and ONS BRES Employment Data

# **Translating Floorspace into Land Requirements**

- 7.46 The next step is to translate floorspace into land requirements. This is determined by the nature of employment land development in the LLDC area, and specifically the density of development. As findings from the business survey show, this varies considerably for different types of floorspace typologies across different parts of the LLDC area.
- 7.47 It is therefore necessary to apply different assumptions for plot ratios (the relationship between gross floorspace and total site area) for the different types of land use. The assumptions for the different use classes are shown in the table below. These assumptions have been based on industry standards and evidence gathered from desktop research.
- 7.48 Due to the uncertainty around the exact plot ratios, the different plot ratios shown in Table 7.9 should be interpreted as providing broad guidance. The actual plot ratios achieved on individual sites will vary, depending on their characteristic and location.

Table 7.9 Plot ratio assumptions				
	Plot ratio assumption used			
Office (B1a/B1b)	0.5			
Manufacturing (B1c/B2)	0.4			
Distribution (B8)	0.5			

Source: Based on desktop research by Regeneris Consulting, 2017

7.49 The overall employment land requirements have been estimated, based on the plot ratios above. The requirements for each of the scenarios is detailed in Table 7.10.

Table 7.10 Employment Land Requirements 2016-2036 (ha per annum)						
Office Industrial						
Past Trends	1.1	0.8				
In line with London Growth	0.8	0.1				
Business as Usual (OE Baseline Scenario) 0.6 -0.3						
Higher Growth (OE High Growth Scenario) 0.8 0.1						





- 7.50 All scenarios forecast an increased requirement for office uses, with the annual requirement ranging from 0.6ha to 1.1ha. The need for this type of employment space would fit with the areas increasing popularity as an office location and the supply in the pipeline.
- 7.51 Three of the four scenarios forecast a requirement for additional industrial land, yet the business as usual scenario estimates a decline in the need for industrial space. Whilst this may be true based on previous growth and development, the messages from local authorities, the GLA and agents very much contradicts this.

# **Demand and Supply Assessment**

- 7.52 Over the next 15 years, it is anticipated that there will be c.530,000sq.m of B class employment floorspace developed, based on planning application and floorspace densities, this could support in the region of 40,000 jobs.
- 7.53 However, the vast majority of the floorspace within the planning process is B1 type space with very small amounts B2 or B8 planned to be developed.
- 7.54 The majority of office floorspace in the pipeline is based on the large-scale development proposed at IQL and the CED, which will be the significant drivers for growth the LLDC area.
- 7.55 Whilst the floorspace within the pipeline appears more than sufficient for the employment demand forecast, the LLDC's role as a CAZ satellite could see take-up of office space beyond these projections, as the area matures as an office location and begins to absorb overspill from the CAZ office market.
- 7.56 Whilst the amount of office floorspace due to come forward should satisfy forecast demand, the same cannot be said for industrial type uses. Based on pipeline development and local vacancy rates the industrial market is going to remain constrained. Whilst the demand forecasts show limited increase in demand (with the Business as Usual scenario showing a decline) for this type of land it is important to acknowledge the GLA's current position on retaining industrial land, along with anecdotal evidence, which highlights the growing demand for this type of industrial land.

## 8. Conclusions and Recommendations

- 8.1 Three of the four growth scenarios tested suggest an increase in demand for industrial land ranging from 0.1 to 0.8ha per annum. However, the Business as Usual Scenario (OE Baseline) suggests demand for industrial land will decrease. Despite this, the current GLA position on retention of industrial land and anecdotal evidence suggesting industrial land is in short supply, the release of any industrial land would not be recommended.
- 8.2 However, if industrial space can continue to be included as part of future mixed-use development, following the general principle of 'no net loss' (across designated SIL and LSIS sites) as per Policy E7 of the Draft London Plan, the quantum of industrial land required may not be as high as the demand scenarios suggest.

#### **Reflection on Existing Local Plan Policies**

8.3 It is important to reflect on the relevant policies within the existing Local Plan and provide recommendations as to whether they will still be relevant in the future and how they should be presented in the revised Local Plan.

Table 8.1 Relevant Existing Local Plan Policies			
Policy	Description	Action	
Policy SP1	Building a strong and diverse economy		
Policy B1	Location and Maintenance of Employment Uses	Amend – this is an important strategic policy and should be retained within the new Local Plan. However, clearer guidelines on the potential for intensification and consolidation of land located at LSISs and OILs should be included. This include a requirement to at least maintain levels of employment as well as protecting and accommodating employment in strategically important sectors (including creative and cultural). Where possible, developers should be encouraged to re-provide space to better meet the specific needs of occupiers (as set out in the recommendations of Part B Creative and Cultural)	

		Opportunities Assessment) and to meet the specific requirements of the local area. Developers should also be challenged to seek innovative responses tin terms of intensification and reconfiguration of space. Consideration should also be given to the role of the IBP at Hackney Wick evaluated against the criteria within the London Plan Policy E5.
Policy B4	Providing Low-Cost and Managed Workspace	Retain and Amend – rents are increasing in the area due to demand increasing and supply elsewhere becoming limited. To ensure the heritage, character and diversity of the business base provision of lower cost workspace is recommended. The policy as written is sound, but LLDC should ensure that it is written in a way that requires developers to respond to the three requirements set out in. policy E2 in the Draft London Plan. Distinction should also be made between low cost office and specific space for artists and creative production as well the provision of new affordable workspace. In line with London Plan E2 – "Larger-scale commercial development proposals should consider the scope to incorporate a range of sizes of business units, including for SMEs".
Policy B5	Increasing local access to jobs, skills and employment training	Retain – the LLDC area has seen improvements in skills and educational levels over the last 5 years. It is important that this trend continues, and the local population are equipped to fill the growing number of opportunities becoming available in the area.
Policy B6	Higher education, research and development	Retain – the role of higher education, research and development is important to the LLDC area therefore it is relevant for this policy to be retained.

Source: LLDC Local Plan

#### Draft London Plan Policy E2 - Low Cost Space

A. The provision, and where appropriate, protection of a range of low-cost B1 business space should be supported to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand.

B. Development proposals that involve the loss of existing B1 space (including creative and artist studio space) in areas where there is an identified shortage of lower-cost space should:



- demonstrate that there is no reasonable prospect of the site being used for business purposes,
- or ensure that an equivalent amount of B1 space is re-provided in the proposal (which
  is appropriate in terms of type, specification, use and size), incorporating existing
  businesses where possible,
- or demonstrate that suitable alternative accommodation (in terms of type, specification, use and size) is available in reasonable proximity to the development proposal and, where existing businesses are affected, that they are subject to relocation support arrangements before the commencement of new development.
- C. Development proposals for new B1 business floorspace greater than 2,500sq.m (gross external area) should consider the scope to provide a proportion of flexible workspace suitable for micro, small and medium-sized enterprises.

#### Draft London Plan Policy E3 – Affordable Workspace

A. In defined circumstances, planning obligations may be used to secure affordable workspace at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose. Such circumstances include workspace that is:

- dedicated for specific sectors that have social value such as charities or social enterprises,
- dedicated for specific sectors that have cultural value such as artists' studios and designer-maker spaces,
- dedicated for disadvantaged groups starting up in any sector,
- providing educational outcomes through connections to schools, colleges or higher education,
- supporting start-up businesses or regeneration.
- B. Particular consideration should be given to the need for affordable workspace for the purposes in part A above:
- where there is existing affordable workspace on-site,
- in areas where cost pressures could lead to the loss of affordable workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones),
- in locations where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area.



C. Boroughs, in their Development Plans, are encouraged to consider more detailed affordable workspace policies in light of local evidence of need and viability. These may include policies on site-specific locations or defining areas of need for certain kinds of affordable workspace.

D. Affordable workspace policies defined in Development Plans and Section 106 agreements should include ways of monitoring that the objectives in part A above are being met, including evidence that they will be managed by a workspace provider with a long-term commitment to maintaining the agreed or intended social, cultural or economic impact. Applicants are encouraged to engage with workspace providers at an early stage to ensure that the space is configured and managed efficiently.

E. Leases or transfers of space to workspace providers should be at rates that allow providers to manage effective workspace with sub-market rents, meeting the objectives in part A, over the long term.

F. The affordable workspace elements of a mixed-use scheme should be operational prior to residential elements being occupied.

8.4 Specific policies within the current Local Plan, relating to each of the LLDC sub-areas have also been reflected upon, as follows.

Table 8	Table 8.2 Sub-area Specific Local Plan Policies		
	Sub-Area 1 – Hackney Wick & Fish Island		
Policy	Managing change in	Retain – retaining employment space whilst preserving the	
1.1	Hackney Wick and Fish	heritage (including the creative heritage) of the Hackney Wick	
	Island	area should still be a priority within the Local Plan. Part B of	
		the combined economy study sets out the aspiration to	
		maintain a continuum of spaces (size, cost, flexibility) in	
		Hackney Wick and Fish Island.	
Policy	Promoting Hackney	Retain – the Hackney Wick and Fish Island identity is an	
1.2	Wick and Fish Island's	important asset for the LLDC area. This provides diversity	
	unique identity and	within the area and plays an important role in the cultural and	
	appearance	creative sectors.	
	Sub Area 3 – Central Stratford & Southern QEOP		
Policy	Stratford High Street	Retain – mixed-use development is key to creating a sense	
3.1	Policy Area	of place along Stratford High Street and could be an	
		important source of additional of smaller scale non-	
		residential uses, including employment space within the	
		LLDC area. As per recommendations in Part B (Creative and	
		Cultural Opportunities Assessment), developers should be	



supported to deliver a variety of different spaces on the high street which can enable creative industries and potentially night-time economy uses to operate on the high street, providing appropriate specification of spaces to enable and facilitate new creative, cultural and night-time industries and expansion of and retention of businesses in the area. Where possible, new cultural uses should be encouraged on the High Street, potentially as a 'fringe' or to support activities on QEOP.

#### Sub Area 4 - Bromley-by-Bow, Three Mills & Pudding Mill

	Protecting and			
4.4	enhancing heritage assets at Three Mills			
	assets	at	Three	Mills
	Island	and	Sugar I	House
	Lane			

Retain – Three Mills Island and Sugar House Lane are important heritage assets that provide a significant employment function in the area. These sites also play an important role in the cultural and creative sectors in the area.

#### **Broader Recommendations**

8.5 In compiling the evidence for this study, a number of broader recommendations have been identified. Whilst these are not related to specific policies, they should be considered in future planning and strategic activities of LLDC.

### Placemaking, Market Making and Strategy

- 8.6 The evolution of other Opportunities Areas in London (such as Kings Cross) has shown the value of placemaking and perception in securing investment and economic growth. As the LLDC area matures, it is important that LLDC and its partners take a strategic approach to the economy and the proposition of the QEOP and environs as an economic area. This will not only provide clearer direction, it will ensure that developers make more informed judgements about spaces they provide, reassured that they are contributing to a broader economic plan.
- 8.7 A key element to the economic strategy for the area should be to recognise (and value) the various markets that exist across the area. Although there is inevitably a focus on larger occupiers given the quantum of space within the pipeline, the organic markets supported in managed workspace and workshops is valuable resource not only for LLDC, but also for East London as a whole.



- 8.8 It is also important the QEOP continues to evolve as one of London's key innovative nodes. Building upon the emerging communities supported at Hear East and Plexel, it is important the amenity, support and collaboration necessary to enable a genuine innovation district, are supported through direct intervention, Planning and areas stewardship.
- 8.9 Part B of the Combined Economy Study The Creative and Cultural Opportunities Assessment provides recommendations on how supporting the creative, cultural, leisure and night time offer can support the evolution of the offer in the LLDC area and the role of the different centres and specific places within the area.

# Recognising Wider Context and the Sub-Regional and Regional Role of the LLDC area.

- 8.10 In taking a more strategic approach to the evolution of the area's economy, it is important that LLDC recognise the area's role in relation to its neighbours and London as whole. The emergence of the Royal Docks, Productive Lee Valley and Thames Estuary Production Corridor, are all providing impetus for neighbouring areas.
- 8.11 The QEOP and neighbouring areas can act as a spark for these and other locations. Whilst previous strategies have sought to retain businesses within the area, it should be acceptable (where it is not possible to relocate businesses in the LLDC area) that a business growing into other premises outside of the LLDC area is net growth in the East London area and a success. Again, improved monitoring of business information will help track this and the impact on the region as a whole.

#### **Ongoing Collection of Economic and Market Intelligence**

- 8.12 This report has shown how much the area has evolved and changed in the last five years and even in the period since the publication of the last statistics. Enhanced monitoring of change and more reflection on market intelligence could help LLDC move from a period of delivery, to one of curation and placemaking.
- 8.13 Carrying out more regular analysis of publicly available data sources, alongside dialogue with businesses and consultation with those outside of the area, will ensure that LLDC and partners are able to remain agile to economic change. Specifically, this will help ensure that the LLDC area remains ahead of other locations in London.
- 8.14 Partners should also embrace the sharing of data to provide a richer and timelier picture of how the area and its specific nodes are evolving.



#### **Embracing new Approaches**

- 8.15 The Draft London Plan states "Where there is demand for workspace or viable existing business uses on site, development proposals for alternative uses should deliver an equivalent amount of workspace through the intensification or reconfiguration of space".

  To do this, developers are asked to consider innovative new ways to accommodate different uses in a single location, using research and precedents from elsewhere, LLDC and its partners should embrace their role as an exemplar for London. This is particularly true when it comes to the use and provision of industrial and logistics space. Supporting the development of more innovative approaches to mixed use and industrial intensification, will not only help address potential future supply locally, but will also provide a practical demonstration of how new approaches can be realised.
- 8.16 We Made That on behalf of the GLA published the Industrial Intensification Primer (2016); which details how competing future demands for; industrial, commercial and residential uses could change the way mixed use development is designed. The primer considers how industrial areas can be used more intensively and how can industry can be integrated with housing.
- 8.17 The report sets out four proposals for industrial intensification<sup>15</sup> and how housing and industry can be designed into the same development. The four types of proposal are as follows;
  - Industrial space alongside residential (Figure 8.1); industrial spaces can be located in close proximity to residential at block level, if adequate consideration is given to servicing requirements and environmental impacts, making use of blank façades.
  - Smaller industrial units below residential (Figure 8.2); small industrial units can be
    built in residential areas and schemes if access, servicing and potential
    environmental impacts are addressed. Industrial units should meet the requirements
    above.
  - Larger industrial unit integrated into residential (Figure 8.3 & 8.4); integrating
    larger industrial space with residential is more challenging but could be considered
    in appropriate circumstances. Specialist consultants will be required to mitigate
    against potential environmental impacts. Co-location should not be considered

<sup>&</sup>lt;sup>15</sup> GLA Intensification Primer should also be referred to for master planning considerations and design limitations.

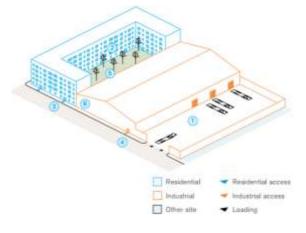


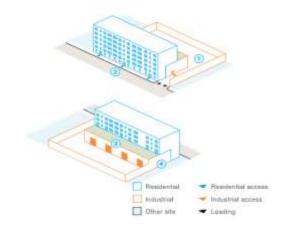
within designated industrial areas as conflicts with surrounding sites may be created and should only be considered where social infrastructure is sufficient.

- 8.18 The LLDC Employment Space Study (2015), also feeds into the Industrial Intensification Primer and the approaches set out in these reports have already been LLDC underpinning decision over the last few years. For example, LLDC have already been utilising the approach of Policy B1 and facilitating the re-provision of industrial space in the form of mixed use development including B1c/B2 workshop space. Therefore, it is important this approach to future mixed-use development continues to be a priority for developers, landowners and LLDC decision makers.
- 8.19 Figures 8.1 to 8.4 provide examples of intensification and how mixed-use development could accommodate both residential and industrial within the same space.

Figure 8.1 Industrial space alongside residential

Figure 8.2 Smaller industrial units below residential



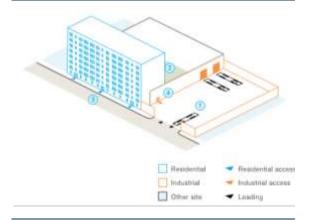


Source: GLA Industrial Intensification Primer

Source: GLA Industrial Intensification Primer

Figure 8.3 Larger industrial unit integrated into residential (i)

Figure 8.4 Larger industrial unit integrated into residential (ii)



Residential Residential access Industrial Consultrial access Dates after Loading

Source: GLA Industrial Intensification Primer

Source: GLA Industrial Intensification Primer

# Appendix A - Pipeline Planning Applications (Employment Uses)

Table 8.3 Planning Applications		
Planning Application Number	Location	
10/90641/EXTODA; 07/90023/VARODA	IQL remainder	
15/00358/OUT	Cherry Park	
10/90641/EXTODA; 07/90023/VARODA	S5	
10/90641/EXTODA; 07/90023/VARODA	S4	
10/90641/EXTODA; 07/90023/VARODA	S9	
10/90641/EXTODA; 07/90023/VARODA	N22	
10/90641/EXTODA; 07/90023/VARODA	M7	
10/90641/EXTODA; 07/90023/VARODA	East Village plots	
17/00032/FUL	Westfield Retail Extension	
11/90621/OUTODA	PDZ1	
11/90621/OUTODA	PDZ2	
11/90621/OUTODA; 13/00504/REM; 14/00356/REM;	PDZ6	
16/00510/REM; 16/00518/REM		
11/90621/OUTODA; 16/00520/REM	PDZ5	
11/90621/OUTODA	PDZ4	
11/90621/OUTODA	PDZ8	
11/90621/OUTODA	PDZ12	
12/00336/LTGOUT	NEQ	
12/00336/LTGOUT; 15/00250/REM	MU2	
12/00336/LTGOUT; 15/00481/REM	MU3	
12/00336/LTGOUT	MU4/Remainder	
12/00336/LTGOUT; 15/00359/REM	MU5	
12/00336/LTGOUT; 16/00223/REM	R1	
12/00336/LTGOUT; 16/00440/REM	R2	
12/00336/LTGOUT; 15/00327/REM	R4	
12/00336/LTGOUT; 17/00348/REM	R5	
15/00361/FUL	6-7 Park Lane	
15/00446/FUL	1-2 Hepscott Road	
15/00212/FUL	33-35 Monier Road,	
15/00416/FUL	52-54 White Post Lane	
15/00540/FUL	24-26, White Post Lane	



15/00598/FUL	Duncan House
14/00387/FUL	80-84 & 88, Wallis Road
15/00278/FUL	Bream Street
15/00392/FUL	Cooks Road
12/00210/OUT	Neptune Wharf
13/00280/FUM	Vittoria Wharf
14/00374/FUL	Monier Road West
14/00260/FUL	4 Roach Road, Fish Island, London, E3
	2PA
13/00404/FUM	206-214 High Street, Stratford
17/00007/FUL	Adjacent to 1-7 Dace Road
16/00166/OUT	HWC Remaining blocks
16/00462/FUL	1-7 Dace Road
15/00338/FUL	75-89 Wallis Road and 59 Berkshire
	Road
16/00441/FUL	25-37 Rothbury Road
16/00560/FUL	1, Beachy Road
14/00422/FUL	Marshgate Lane
16/00685/FUL	415, Wick Lane
13/00204/FUM	Monier Road East
17/00231/FUL	Dye House Lane
16/00704/FUL	57 Berkshire Road
16/00003/FUL	99 Wallis Road
11/90619/FUMODA	68-70 High Street
06/90011/FUMODA	80-92 High Street