

***London Borough of
Wandsworth
Employment Land and
Premises Study
2016***

Final Report

August 2016

***Prepared for
London Borough of
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EXECUTIVE SUMMARY

Study Context

AECOM was commissioned by the London Borough (LB) of Wandsworth in March 2016 to undertake an Employment Land and Premises Study (ELPS) of the Borough. The ELPS assesses the quantity, quality and viability of the Borough's employment land to form an evidence base to support the review of LB Wandsworth's Local Plan. The ELPS will be used by the LB Wandsworth to inform its future approach to the provision, protection, release and enhancement of employment land and premises.

The National Planning Policy Framework (NPPF) outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies.

The need for Local Planning Authorities to produce an up to date employment land evidence base and the suggested format is outlined in national Planning Practice Guidance (PPG) published in March 2014. The PPG updates the suggested methodology for producing an employment land evidence base. Of relevance the PPG suggests that studies take account of wider employment uses such as utilities, land for transport and waste management. The Greater London Authority's (GLA) Land for Industry and Transport Supplementary Planning Guidance (SPG) (2012) also provides specific directions on employment provision requirements in London.

The requirements of the PPG and the GLA's Land for Industry and Transport SPG are captured in our approach.

Policy and Literature Review

The NPPF replaced PPSs as of March 2012 with the aim to make the planning system less complex and to promote sustainable growth. The NPPF recognises that the planning system plays an important role in promoting economic growth and building a strong, competitive economy. Key regional policy on employment land-use is contained in the London Plan (2011) and GLA Land for Industry and Transport SPG (2012). The London Plan sets out its vision for the South London sub-region, of which LB Wandsworth is a part, which centres on optimising the development of its Opportunity Areas; tackling barriers to work and social exclusion; managing the release of surplus industrial land; and planning effectively for sustainable economic growth, including in sectors of new and emerging technologies. At a local policy level, LB Wandsworth has an adopted Local Plan and adopted a new Wandsworth Core Strategy in 2016.

Overall, as a central London borough, the policy review emphasises the need for LB Wandsworth to plan sustainably for growth, particularly within the VNEB OA as a location which is centrally located and accessible (once the Northern Line Extension is complete), and seeks to balance the needs of land for new housing and employment uses.

Socio-economic Profile

Compared to the London average, LB Wandsworth has a relatively high-skilled, high-earning resident population with above-average representation of managerial and technical occupations. 69.7% of residents hold a degree level education or over, compared to 49.1% across London, while the proportion holding managerial and technical occupations are similar. Average weekly resident-based earnings in LB Wandsworth are estimated at £719, compared to £621 across London. However, there are signs of a disparity between resident occupational

characteristics and the local employment base. The share of employment in key office-related sectors is below the London average.

Employment within the Borough is marked by relatively high proportions in health, education, wholesale and retail trade, and accommodation and food services. These are in general less specialised sectors servicing the needs of local residents. Meanwhile, the manufacturing sector is relatively under-represented, along with office-related service sectors. Nevertheless, some key office-related service sectors have experienced recent growth. TTWA data indicates that almost 40% of LB Wandsworth residents live and work in the Borough or remain within the central London CAZ and work within the City of London and London Borough of Westminster.

LB Wandsworth has a relatively strong level of entrepreneurial dynamism as indicated by the net growth in registered businesses in 2014-15. This indicates potential for further, more specialised economic growth. In line with this, there are signs that the Borough is experiencing growth in industries such as the digital and creative technologies sectors, which are predominantly occupied by small businesses and start-ups, many of which experience rapid growth in the first few years after establishment. There has also been high growth in employment in industry groups which are associated with high value jobs.

This section has introduced the socio-economic profile of LB Wandsworth with the most up to date data, benchmarked against London. The most meaningful indicators for this ELPS are changes to the supply and demand of employment land, and we analyse how this has changed in the following sections of the report.

Employment Land Supply

Study Area and Scope

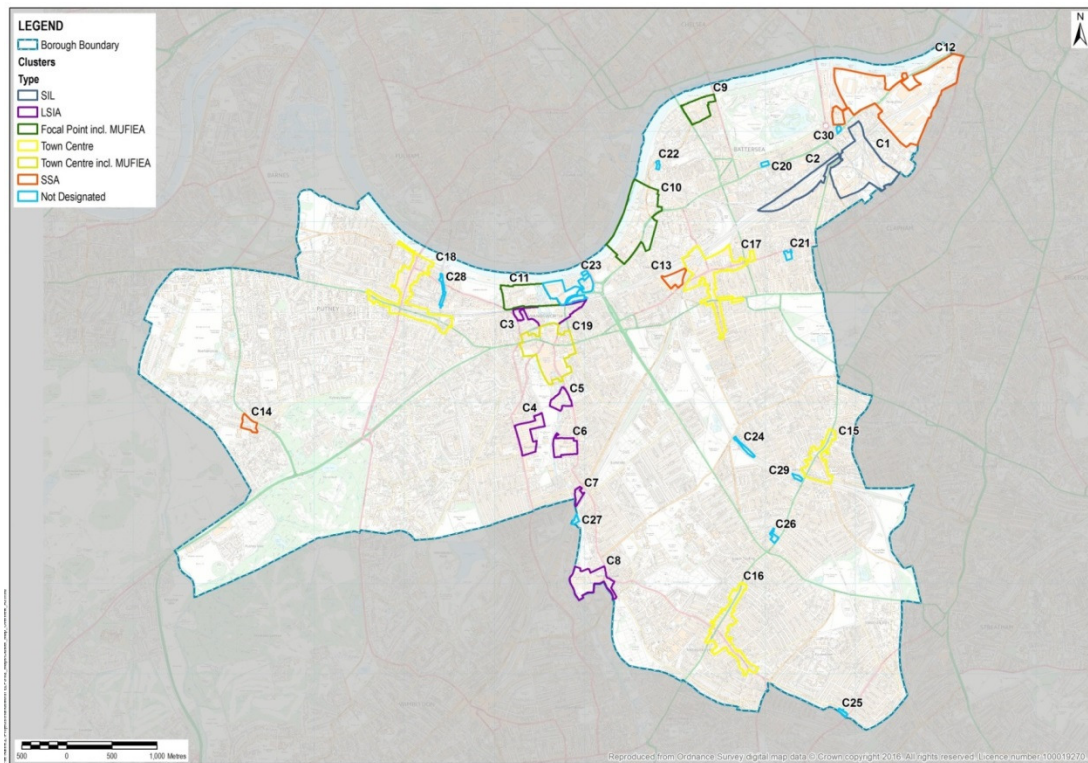
The assessment of the supply of employment land is centred on a qualitative survey of employment land within LB Wandsworth, which comprised a site visit to 30 clusters, combined with elements of desk research.

The clusters surveyed thus comprised: two SILs; six LSIAAs; three Focal Points (including MUFIEAs); three areas which include SSAs; five town centres; and 11 non-designated areas of employment land >0.25 ha in size, listed in Table E1 and shown in Figure E1.

Table E1: Surveyed Employment Clusters – May/June 2016

AECOM Cluster No	Employment Area/ Name of Cluster	LB Wandsworth Local Plan Designation	Area (ha)
C1	Stewarts Road	SIL	31.1
C2	Stewarts Road - Culvert Place & London Stone Business Estate	SIL	11.7
C3	Central Wandsworth	LSIA	11.1
C4	Kimber Road	LSIA	7.2
C5	Old Sergeant	LSIA	3.5
C6	Bendon Valley	LSIA	4.9
C7	Thornsett Road	LSIA	1.1
C8	Summerstown	LSIA	10.1
C9	Ransomes Dock Focal Point	Focal Point incl. MUFIEA	6.7
C10	Lombard Road/York Road Focal Point	Focal Point incl. MUFIEA	29.6
C11	Wandsworth Riverside Quarter and Wandle Delta Focal Point	Focal Point incl. MUFIEA	13.0
C12	Nine Elms	SSAs (part)	66.3
C13	Land at Clapham Junction station, SW11	SSA 4.1.4	3.1
C14	Roehampton, Danebury Avenue, SW15	SSA 8.1.1	2.1
C15	Balham Town Centre	Town Centre	9.5
C16	Tooting Town Centre	Town Centre	14.9
C17	Clapham Junction Town Centre	Town Centre	22.8
C18	Putney Town Centre	Town Centre	21.4
C19	Wandsworth Town Centre	Town Centre incl. MUFIEA	23.9
C20	71 Warriner Gardens – Old Imperial Laundry	Not designated	0.4
C21	99-109 Lavender Hill Road	Not designated	0.6
C22	Cotswold Mews	Not designated	0.3
C23	Smugglers Way, Marl Road and Jews Row	Not designated	8.9
C24	Industrial units at Jaggard Way	Not designated	0.8
C25	Industrial units adjacent to 282 Mitcham Lane	Not designated	0.4
C26	Wimbledon Sewing Machine Co, Balham Cars, and industrial units on Chetwode Road	Not designated	0.6

Figure E1 Surveyed Employment Land Clusters



Source: AECOM (2016)

The assessment was conducted based on a set of site appraisal criteria (which were agreed with the Borough in advance) from which detailed analysis was carried out to identify the typologies of employment land within the Borough.

Supply of B-class uses

Overall, the supply of industrial (B1c/B2/B8 use) employment land in LB Wandsworth is that presented in the 2015 GLA study, amended to account for any recent redevelopment for other uses. The supply of land comprises land both within the clusters surveyed and on-sites smaller than 0.25 ha which is in industrial use, as defined by the 2015 GLA study. The supply of industrial employment land identified here (141.9 ha) has been used to inform the forecasting of demand for these uses.

A comprehensive database identifying sites which contain floorspace for office uses is not available. Where greater than 0.25 ha every effort has been made to include these sites as clusters for survey, including as part of surveys of SIL, LSIAs, Focal Points, MUFIEAs and town centres. However it is recognised that there is a supply of floorspace in office use of precisely unknown scale which lies dispersed outside the employment clusters identified.

For the purpose of the forecasting of demand for office premises and floorspace set out in the forecast of demand, the most recent Valuation Office Agency (VOA) data on the supply of floorspace in LB Wandsworth has been used. This dataset in effect comprises office floorspace both within clusters surveyed and those which is dispersed outside of these clusters, identifying that the total stock of office premises in LB Wandsworth is 400,600m².

Overview of Clusters

Our assessment concludes that the majority of clusters surveyed are functioning well, have high occupancy rates and support a diverse range of business types. There is also little evidence of loss of employment sites to other uses, and limited conversion of office premises to residential accommodation (in line with guidance outlined in the PPG). There is some new mixed use development incorporating office and flexible (e.g. studio or SME) space however, most notably within the Wandsworth Riverside Quarter, and The Light Bulb development off Wandsworth High Street, both of which provide space for small businesses and start-ups and are likely to function as new clusters for these types of employment. The more comprehensive redevelopment being undertaken in the Stewarts Road and Nine Elms area of the CAZ will ensure that there is a good supply of new, high grade office provision continuing to come forward within the Borough and provide suitable space for larger companies, and may be attractive to company headquarters. There is a recognised demand for smaller office premises within town centres however, and this should also be seen as a priority, with current supply within town centres being reasonably constrained.

The survey found reasonably limited opportunities for intensifying sites for industrial uses, with the main opportunities being to redevelop older and poor quality premises to improve efficiency (if appropriate), intensity of use (i.e. office/workshop space) or very small isolated sites, which may be more suited to release for redevelopment for alternative uses. An example is the gas holder site off Smugglers Way, which presents a key opportunity for redevelopment of a site of a larger size which may become vacant in the future if decommissioned. Similarly, evidence of potential for intensification was observed, such as at Havelock Terrace in the Queenstown Road SIL, and at a former bingo hall site within Bendon Valley LSIA.

Property Market Assessment

LB Wandsworth's commercial property market should be considered within the context of its wider functional economic market area (FEMA). The analysis within this report is structured as follows:

- Defining the Functional Economic Market Areas (FEMAs) for office and industrial space, and present some contextual data on floorspace and employment
- Assessing the characteristics of the office market we consider two levels of provision:
 - the office market within the CAZ, being representative of the type of office stock that is being proposed and built at VNEB OA; and
 - the local / sub-regional demand for the office market, excluding VNEB OA.
- Assessment of the local and sub-regional industrial space by analysing key property market indicators.

Findings are based on desk-based research, analysis of the property market using CoStar and VOA data, and qualitative information from consultation with key business stakeholders and local property market agents, working within the office and industrial property market. Wherever possible we have sought a view on how the market could perform in the future were constraints to development removed.¹

¹ In line with the PPG, (2016); Paragraph: 005 Reference ID: 2a-005-20140306

Central London Office Market (CAZ)

It is evident that the nature and scale of provision coming forward at Wandsworth's VNEB OA portion of the CAZ is significantly different to other office premises elsewhere in the Borough, such that the market and occupiers it attracts will stand apart from it and firmly face the CAZ/Central London Office market at VNEB OA. The majority of the estimated 205,000m² floorspace anticipated to be constructed by 2024 will be within buildings of large floorplate. Current indications are that rents achieved will be in the order of £600-700 per m².

This space being of high quality design and specification set within an 'urban quarter' containing the historic Battersea Power Station, US Embassy and a revamped New Covent Garden Market is expected to attract high quality occupiers from high-value/growth sectors such as technology and business services. It is considered that the creation of this 'urban quarter' is key to providing the fabric for Wandsworth's portion of the Central London Office Market (CAZ) to succeed, and market impressions are that this is well on the way to being realised. It remains important that LB Wandsworth, and other actors, be responsive to helping to attract the occupier levels and calibre of occupier necessary to bring about the step change in employment offer locally which the VNEB OA CAZ market presents the opportunity for.

Local / Sub-regional Office Market

The local / sub-regional office market in Wandsworth accommodates 400,600m² of floorspace and whilst not large has a presence within the FEMA defined for it which spans across the river. Premises are mostly small and found dispersed along the River Thames in Focal Areas, Wandsworth Town Centre and within SILs and LSIAs, with some medium-sized premises being located within Putney Town Centre. Occupiers are generally split between the more traditional SMEs and sole traders, such as legal, accountancy and small consultancy firms, and creative and cultural occupiers; the former often being found in older quality premises, and the latter in more modern workspace as general trends. Demand for older and average quality premises is low as expected as occupier requirements change.

Amongst the six boroughs in its local office FEMA, Wandsworth has the second lowest stock of vacancy (10,400m²) and third lowest vacancy rate (2.6%). Availability is higher and while the Borough represents only 12% of stock, it contributes 19% of available floorspace. Net absorption rates, which are representative of demand, have been indicative of low levels of demand between 2012 and 2015, though increasing in 2016 suggesting that new occupiers are being attracted to the Borough by the space available. Average rents currently stand at £318 per m², a level significant lower than other inner London boroughs of the FEMA (Hammersmith & Fulham, Kensington & Chelsea and Lambeth) and more in line with the outer London boroughs of the FEMA (Richmond and Merton). Rental levels have however been rising since 2010, in line with the general trend across the FEMA.

In conclusion, the local / sub-regional office market is relatively small in absolute terms, and is continuing to undergo a structural change in its market such that the stock of medium-large sized premises/floorspace is decreasing so that supply is becoming increasingly concentrated within smaller premises. This is being driven by a lack of demand for medium/large premises borne from general occupier requirements trending towards small and flexible workspace, the poorer and dated quality of larger stock, and redevelopment for other uses proceeding due to PDR. Demand levels for smaller premises appear to be fairly positive, particularly from creative and cultural sector occupiers and continuing demand from traditional occupiers. The market in Wandsworth, including when considered in terms of trends in rental values and

availability, is not considered to be in a greatly different state from that of the local market in neighbouring boroughs/the FEMA and whilst not overwhelmingly buoyant, is not considered to be in bad health.

Local / Sub-regional Industrial and Warehousing Market

The industry and warehousing market in Wandsworth accommodates 360,800m² of floorspace being of around average in size for the five-borough FEMA defined for it (accounting for 18% of the space), which is led by Southwark with 28% of the floorspace. Activity is focused along two main axes; one running east-west from remnant areas in Nine Elms and the Queenstown Road SIL through to as far west as the Osiers Road MUFIEA; with the second extending from north to south along the Wandle Valley.

In terms of offer, there are few examples of large units, with medium-sized units of good to average condition being notable and small units being well distributed within designated and non-designated areas. Occupiers are varied though with particular concentrations of food processing and distribution, drinks manufacturing, printing and lighting. Traditional activities such as cement and concrete production and waste management remain important. Warehousing and distribution is mostly small to medium scale and there are a number of self-storage occupiers present.

Amongst the five boroughs in its industrial and warehousing FEMA, Wandsworth's floorspace vacancy rate (1.6%) is in line with the rest of the FEMA which is considered to be low generally. Net absorption rates, which are representative of demand, are negative in the Borough and are thought to be a consequence of a lack of new premises coming onto the market to meet demand and erosion of the industrial base through large-scale redevelopment of space for other uses particularly in Nine Elms. Average industrial rents currently stand at £203 per m², which is notably the highest in the FEMA, having risen sharply since 2014 at a rate outstripping the other boroughs.

In conclusion, the industrial and warehousing market in Wandsworth is average in size within its FEMA, being characterised by containing mostly small to medium sized premises and with a range of occupiers, many engaged in supporting CAZ functions or meeting local need for goods and services. Key occupiers within the market are New Covent Garden Market and other food and drinks-related enterprises, aggregates processors and medium-sized storage and distribution businesses. Vacancy and availability is low however and although the market meets an evidenced demand for small units and premises, overall indicators of demand are negative due to decreasing stock of larger premises and a lack of modern medium-sized premises coming onto the market. Further loss of industrial and warehousing space is to occur through continued redevelopment of the VNEB OA, although this has been strategically planned. Rental values are high and rising. The industrial market in Wandsworth, including when considered in terms of trends in rental values and availability, whilst fairly buoyant for smaller premises is ultimately still shrinking in size, including when considered against wider trends in the FEMA.

Demand Forecast and Comparison between Supply and Demand

The forecast is largely driven by quantitative analysis, though it is informed by qualitative findings from other sections of this review.

Our approach looks at both the macro-economic forecast and historic trend based forecast and considers their suitability for forecasting future land and floorspace needs. Our approach involves the following steps:

- Review historic trends in floorspace and employment using ONS published data, and the relationship between these two variables
- Review projections in office and manufacturing/warehousing employment using GLA Economics data² and consider how these compare against historic trends; and
- Based on historic trends and future projections, or a combination of the two, forecast employment floorspace and land requirements for office, manufacturing and warehousing space.

At each step the analysis considers trends for office and industry across LB Wandsworth and their representative FEMAs (see Section 5.1) so that local and wider economic and property markets can be compared.³

Central London Office Forecast

As presented above the office space provision planned at VNEB OA is primarily orientated towards the Central London office market, catering for businesses operating from offices which have a national or international reach. This is not to say that small office space, which could be used by smaller businesses operating at a local/sub-regional market level, will not be provided at VNEB OA.

The assessment of demand for a Central London facing office provision has been based on a broad review of demand and supply conditions, the former being based on an understanding of the wider projected demand for office provision in key boroughs which comprise the CAZ, and the latter considering whether the area has the right characteristics to attract demand arising across the CAZ. On balance, we consider that it is more likely than not that VNEB OA will capture a critical level of demand from the wider Central London office market to fulfil its development plans. As such we consider it reasonable to assume that the demand for VNEB OA would meet the planned supply of 205,000m² B1a/b use class floorspace over the long term.

This section therefore focusses on the supply and demand conditions of the local/sub-regional office market and local/sub-regional industrial market. It compares the projected future demand for the local/sub-regional office market floorspace and local/sub-regional industrial market land over the period 2016-2030 with existing supply conditions across the borough, taking into account vacant floorspace and land which is vacant and developable or has derelict buildings, as set out in previous sections.

Local / Sub-regional Office and Industrial and Warehousing

The results of the employment land demand forecast, accounting for supply, are shown below. Office floorspace demand is shown in **Table E2** and industrial land demand in **Table E3**.

² Autumn 2015

³ As suggested by Planning Practice Guidance (PPG), (2016); Paragraph: 012 Reference ID: 2a-012-20140306.

Table E2: Future Local / Sub-regional Office Floorspace Demand 2016 to 2030

Demand for Office Floorspace (Local/sub-regional market)	Floorspace (m ²)		
A. Supply of occupied office floorspace (2016)	390,100		
B. Current vacant office floorspace (2.6%)	10,500		
C. Total stock of office floorspace (2016) [A+B]	400,600		
<i>Forecast</i>	<i>Low</i>	<i>Mid</i>	<i>High</i>
D. Floorspace demand to 2030	21,600	37,500	54,100
E. Optimum frictional vacancy at 2030 [5% of A+D] ⁴	20,600	21,400	22,200
F. Surplus/deficit of vacant floorspace in 2030 [E-B]	10,100	10,900	11,700
G. Gross requirement for office floorspace 2016-2030 [C+D+F]	432,300	449,000	466,400
H. Net requirement for office floorspace 2016-2030 [G-C]	31,700	48,400	65,800

Source: AECOM

⁴ Frictional vacancy is the optimal level of surplus land or floorspace (as a % of overall land) required to allow for the efficient churn of occupiers. For LB Wandsworth a suitable frictional floorspace vacancy rate would be 5% according to the Mayor of London's Land for Industry and Transport Supplementary Planning Guidance, as currently levels are lower than this rate.

Table E3: Future Local / Sub-regional Industrial Land Demand 2016 to 2030

Demand for Industrial Land (Local/sub-regional market)	Stock (ha)		
A. Total core and wider industrial land (2016)	141.9		
B. Occupied core industrial land (2016)	76.9		
C. Current vacant industrial land	0.7		
D. Land equivalent of vacant Industrial floorspace (1.6%)	1.3		
E. Total Industrial Land (2016)	78.9		
<i>Forecast</i>	<i>Low</i>	<i>Mid</i>	<i>High</i>
F. Land demand to 2030	-10.8	-2.8	6.0
G. Additional Demand for Utilities, Transport and Waste Management 2016-2030	0		
H. Optimum frictional vacant land at 2030 [5% of B+ F+G] ⁵	3.3	3.7	4.1
I. Excess vacant land: optimal levels of frictional land minus existing vacant industrial land [H- C-D]	1.3	1.7	2.1
J. Gross requirement for industrial land 2016-2030 [E+F+G+I]	69.4	77.8	87.1
K. Net requirement for industrial land 2016-2030 [J-E]	-9.5	-1.1	8.2

Source: AECOM

Trends in Historic Industrial Land Supply

It has been identified that 38.4 ha of industrial land had changed to non-industrial use in LB Wandsworth between 2001 and 2015, with 29.4 ha, or 75%, of this change having occurred between 2010 and 2015. An additional 7.5 ha of industrial land has changed to non-industrial use in the Borough between 2015 and 2016, so that the total change since 2010 has been approximately 36.9 ha. When viewed within the context of the GLA SPG benchmark release figure of 41 ha over the period 2011-2031, 90% of this has already taken place, within approximately 5 years. Of the 36.9 ha of industrial land changed to other uses, the VNEB OA accounts for approximately 12 ha. The loss of industrial land across the FEMA has been of a similar rate.

This contraction is, proportionately, well in excess of the release rates set out in the SPG endorsed by the GLA and has occurred in part because there has been insufficient protection of industrial land during a sustained period of strong demand for housing. The redevelopment of industrial land for other uses at locations such as VNEB OA and within the MUFIEAs has

⁵ A suitable frictional *land* vacancy rate would be 5% according to the Mayor of London's Land for Industry and Transport Supplementary Planning Guidance, as currently vacancy levels are lower than this rate. See previous footnote for definition of frictional vacancy.

significantly added to this contraction in industrial stock. We observe that some of the planned redevelopment of industrial land at VNEB OA, to accommodate regeneration plans, has still yet to occur (see Section 7.4, Development Pipeline).

It is important that the Council recognises the scale of change which has occurred in LB Wandsworth's industrial land supply and reasons for this when identifying further industrial land as being appropriate for redevelopment to other uses.

Conclusions

Office (B1a/b) – Local/Sub-regional

There is approximately 400,600m² of office floorspace in LB Wandsworth. Provision is dispersed fairly widely within the Borough and located within Focal Points, town and local centres, within SILs and LSIAAs, and in single premises scattered outside these areas. The Borough's office stock represents 18% of all office stock found in the local/sub-regional FEMA. Our forecasting exercise estimates that there is net additional demand for between approximately +31,700m² and +65,800m² of local/sub-regional office floorspace in the planning period to 2030 (see Table E2). The positive projected growth in local/sub-regional office floorspace is based on the forecast growth in office based employment and the Borough's potential to attract demand. There is also clear potential for positive economic multiplier effects from the presence of the CAZ market in VNEB OA.

The survey of employment land and the property market analysis presented in Sections 4 and 5 indicates that the local office supply in LB Wandsworth mostly contains small to medium sized companies. As such the commercial property market caters to and reflects the requirements of such occupiers. Floorspace vacancy, at 2.6%, is particularly low (lower than the optimal rate of 5%) and is indicative of a tight market with little flexibility to support the natural churn of businesses within the Borough.

This picture of future supply is complicated by the influence of PDR with the potential loss of local/sub-regional office space in the borough measuring around 48,600m². The Council should continue to monitor the impact of PDR, as clearly this scale of potential loss could impact significantly on the provision of space to support local businesses. The former preferred office location at Upper Richmond Road in Putney accommodates many of these premises, though here, as in other locations, most premises affected have been older stock or those occupied by one tenant which might prove difficult to re-let if required. Conversions of smaller buildings have been fewer in number.

With the disappearance of medium-large buildings catering to the local/sub-regional office market expected to continue, opportunities for the provision of new office floorspace will need to be met through redevelopment of former industrial or lower value uses in the MUFIEAs or Focal Points to provide small and flexible workspace for modern SMEs, such as recent examples at The Light Bulb (SME space on Wandsworth High Street). The development of the VNEB OA will also provide some new opportunities.

Though not factored into our considerations or calculations of future economic growth, Crossrail 2, were the scheme to be delivered, could be a significant driver of demand and provision and may attract high-profile occupiers to station locations.

Office – Central London Office Market (CAZ)

As of 2016, the CAZ⁶ contains 20,096,500m² of office space – approximately 50 times larger than the stock of floorspace in the local/sub-regional office FEMA. The area attracts businesses with a national and international market / client/customer base, which require access to a highly skilled and diverse labour market, and those seeking visibility and market presence.

The provision of office space in the CAZ has changed significantly over the past 10-15 years. The market (the development community and ultimately occupiers) has shown appetite for large schemes of high quality specification office space within new mixed use business locations with complementary retail and leisure provision. There is a strong planning pipeline for schemes in the CAZ and well connected areas of inner London suggesting supply is expected to increase further.

The commercial floorspace planned at VNEB OA is a response to this. The nature and scale of office provision coming forward is significantly different to other office premises elsewhere in the Borough. Together the flagship Battersea Power Station development, revamped New Covent Garden Market, the Northern Line Extension and US Embassy, represent a significant investment in/endorsement of a sense of place. The scheme provides a significant opportunity to drive wider regeneration and economic growth in the Borough, and attract higher value added businesses.

Presently within both the Wandsworth and Lambeth portion of the VNEB OA little to no floorspace of scale has been built-out. However, by 2024 in the region of up to 205,000m²⁷ of high quality B1a office floorspace is planned to be operational within the Wandsworth portion of the area, the majority of the floorspace will be within large floorplate premises individually providing more than 10,000m^{2.8}. We understand from the Council that there are also plans for provision of flexible floorspace which would be suitable for SME provision. As no office space of large scale (10,000m² plus) has been built-out in Wandsworth portion of VNEB OA as yet, take-up levels, occupier type, rents achieved and availability should be monitored by the Council. Our view is that new infrastructure provision and place making at VNEB OA will position the area well to capture demand from the Central London office market.

Industry and Warehousing (B1c/B2/B8)

There are a total of 141.9 ha of land currently in industrial use in Wandsworth, of which 78.9 ha of land is occupied by core industrial and warehousing uses or vacant (see E3). The current provision of industrial floorspace is estimated to be in the region of 602,000m². Industrial uses lie within designated as SIL, LSIA's, MUFIEAs, SSA and non-designated employment land.

Industrial businesses operating within the Borough are mostly SMEs with a local/sub-regional market reach, and their land and premises requirements reflect their scale and operations. There are two types of industrial activities for which demand is expected to strengthen against the broader trend of contraction in industrial activities. The first is distribution activities which

⁶ Taken to be all postcode sectors where a majority of the area overlaps with the CAZ.

⁷ In addition, the US Embassy will comprise c.52,000m² of office-type floorspace delivered by 2019, albeit within sui-generis use class but considered to be evidence of the potential stature of office occupiers that could be attracted to the VNEB, and thus of relevance to supply identification.

⁸ Nine Elms on the South Bank: The Schedule (2015)

service CAZ functions. The second is higher value added industrial activities including creative activities (such as design and production). These activities require higher specification units.

The forecast shows that there is projected to be demand for industrial land in the period 2016 to 2030 of between approximately -9.5 ha and +8.2 ha once vacant land and floorspace has been accounted for – two contrasting positions, one representing the Wandsworth context and the other that of the FEMA.

The majority of employment land within existing SIL and LSIA's remain the most suitable locations in Wandsworth for accommodating this industrial and warehousing demand. This corresponds to the principles set out in London Plan Policy 2.17. By comparison the Borough's MUFIEAs and non-designated industrial areas generally either contain average/poor quality sites (albeit with some good examples) and are considered appropriate for redevelopment for other uses where there is demand for this.

Recommendations

R1 The forecasting exercise suggests that there is a net additional floorspace demand for between 31,700m² and 65,800m² of local/sub-regional office (B1a/b) up to 2030 once vacant floorspace and frictional vacancy have been factored in.

R2 The Council should continue to monitor changes of use/redevelopment proposals concerning office space to ensure that sufficient land/floorspace is available for economic growth over the planning period, 2016 to 2030.

R3 To ensure the realisation of its vision for the VNEB Opportunity Area as a strategic employment hub at the gateway to the Borough, the Council should continue to promote the economic development and regeneration of the area and to monitor the take-up of premises and types of occupier to maximise its success.

R4 To help ensure there is sufficient capacity to meet projected demand levels for industrial/warehousing land and floorspace in LB Wandsworth to 2030 the following existing designated employment land should continue to be protected for industrial/warehousing employment uses:

- Queenstown Road SIL (C1 and C2)
- Central Wandsworth LSIA (C3) (parts – see R6 below)
- Kimber Road LSIA (C4)
- Old Sergeant LSIA (C5)
- Bendon Valley LSIA (C6) (parts – see R5 below)
- Thornsett Road LSIA (C7), and
- Summerstown LSIA (C8)

R5 To help meet wider strategic objectives and promote higher density development at accessible locations the Council should consider promoting intensification of a portion of the Queenstown Road SIL (Cluster 1) at Havelock Terrace to include higher density employment uses (e.g. B1a/b) through designation as Industrial Business Park

R6 To help meet wider strategic objectives the Council could consider a change of use away from industrial employment uses at the following SIL/LSIAs industrial/warehousing clusters, through release from these designations by redesignating for a mix of uses including employment:

- Central Wandsworth LSIA (C3) – Hunts Trucks and adjoining Gasholder only (2.8 ha), and
- Bendon Valley LSIA (C6) - (0 ha as not currently in employment use)

R7 To help meet housing and wider regeneration objectives, including specific place-making aims, in Wandsworth over the plan period the Council should continue to permit a change of use away from industrial employment at the following clusters, currently either designated as within MUFIEA or Focal Points:

- Ransomes Dock Focal Point (C9) including Howie Road MUFIEAs (0.3 ha)
- Lombard Road/York Road Focal Point (C10) including Chatfield/Mendip Roads and Gwynne Road MUFIEAs (3 ha), and
- Wandsworth Riverside Quarter and Wandle Delta Focal Point (C11) including Osiers Road MUFIEAs (0.4 ha)

R8 To help retain an appropriate balance of supply and demand of industrial land over the planning period, the Council could adopt a criteria based policy requirement with regard to proposals for changes of use away from industrial uses at a limited amount of industrial employment land not designated as SIL or LSIA or within MUFIEA.

The decision on which land to permit for redevelopment should be based on certain criteria listed below being met. The loss of employment use in non SIL, LSIA or MUFIEA sites should not lower the overall industrial capacity of the borough significantly below that estimated by this study to be necessary to meet anticipated need over the planning period.

To help ensure that not too much industrial land changes use the Council could introduce a policy in the updated Local Plan that states that industrial land will ideally only move to alternative uses if certain criteria are met.

R9 The Council should seek to protect and encourage the provision of growth sectors at the following locations particularly:

- Focal Points including MUFIEAs (C9, C10, and C11)
- Summerstown LSIA (C8)
- Wandsworth LSIA (C3), and
- Nine Elms (C12).

Summary Recommendation

The above recommendations provide guidance on how LB Wandsworth could plan to meet the needs of businesses in borough over the period 2016 to 2030, taking into account the findings of the research undertaken and analysis set out within this study.

It is worth reflecting on how the recommendations could impact on the balance of employment land provision and demand as this will highlight the challenges the Council has in meeting the

net change in demand whilst planning positively for balanced growth across other sectors and achieving regeneration aspirations. Table 8.1 sets out how recommendations suggesting release / change of use at a cluster level would impact on supply, which shows in total were all recommendations to be applied the potential release of industrial land would be around 6.6 ha.

To recap, our assessment of potential employment floorspace and land needs in LB Wandsworth to 2030 shows that there is likely to be a positive demand for office space in the region of at least 31,700m² for office space orientated towards local/sub-regional markets; a reasonable likelihood of demand to meet the planned provision of circa 205,000m² office space at VNEB OA orientated towards occupiers seeking high quality space from which to operate businesses with a national/international reach; and a contraction in manufacturing and warehousing space of -9.5 ha, though were LB Wandsworth able to attract demand arising across the wider FEMA the project contraction in demand, the figure of net loss could be lower.

First considering office space: the floorspace requirement for local/sub-regional office provision is not significantly large and the view is that this level of demand could be met comfortably within Focal points including MUFIEAs, town centres (where sites can be identified), the VNEB OA should limited space be available and at locations where release or re-designation of industrial land is recommended, i.e. Havelock Terrace, Central Wandsworth and the Bendon Valley site. The national/international office demand-supply balance being planned for and being built out VNEB OA is wholly self-contained and therefore met.

The question then is whether the industrial land forecast net requirement can be met. There are a combination of factors which have to date and will continue to impact on the provision of land, which now provide challenges for the Council in deciding how to proceed with any land release, the potential for which is suggested in our recommendations:

- the ongoing strong contraction in industrial demand, in particular in the past five years, over and above the GLA's SPG benchmarks guidance for the Borough, which has led to the loss of poorer quality sites and so reduces options for balanced release to accommodate other competing use classes
- a relatively small absolute stock of industrial land remaining within the Borough
- the limited amount of vacant and developable land within existing employment clusters
- planned release from VNEB OA which has yet to be accounted for and which will see the displacement and relocation of businesses located on approximately 11 ha of industrial land
- a forecast contraction in industrial land over the Local Plan period which is not significantly large (low end being -9.5 ha).

The potential revised supply position, were all recommendations to be followed, suggests a potential release figure of up to -6.5 ha of employment land. Not all this land supports core industrial uses but by definition could potentially accommodate it. This figure of release falls within the net demand forecast of -9.5 ha. However this demand figure does not take into account the planned redevelopment of industrial land from VNEB OA for other uses. Our understanding is that a number of businesses located on the 11 ha of industrial land have plans, which include consolidation and rationalisation of operations and relocation outside of the Borough, though others may still needs to be accommodated within the Borough/FEMA. If this is correct then a straight comparison of the supply release and net demand land requirements would suggest that it is not possible to release/allow redevelopment of all other

existing industrial sites listed in our the recommendations for other uses and meet the projected net additional demand arising. However as release of industrial land enables redevelopment for other uses, without such release other regeneration objectives are likely to be hampered, though planning legislation, such as the NPPF assumption in favour of sustainable development, may determine matters separately.

Intensification of existing sites, including sites with wider industrial activities for example utilities, may play a role in helping to alleviate this imbalance but not all of it. For those existing sites which have the potential to accommodate higher levels of industrial activity, as stated in R5, the Council should look to maximise the job potential and intensify land use.

R10 On the basis of the above it is recommended that, in considering how to draft its planning policy, the Council should:

1) explore with other Councils in the FEMA as part of its consultations relating to its Local Plan's evolution and Duty to Cooperate, whether and how other local authorities could support the release of industrial land as a consequence of regeneration schemes which provide wider economic and community benefits from LB Wandsworth and accommodate businesses who are displaced and unable to find suitable land/premises within the Borough

2) consult with businesses in the Borough and in particular those businesses within the approximately 11 ha of planned release at VNEB OA to determine their growth plans, premises needs and locational requirements, and

3) consider how a selection of recommendations of industrial land release could be pursued which maximises wider economic and community benefits and minimise loss of industrial land to ensure the net industrial land demand is best accommodated.

1 INTRODUCTION

1.1 Study Context

1.1.1 AECOM was commissioned by the London Borough (LB) of Wandsworth in March 2016 to undertake an Employment Land and Premises Study (ELPS) of the Borough. The ELPS assesses the quantity, quality and viability of the Borough's employment land to form an evidence base to support the review of LB Wandsworth's Local Plan. The ELPS will be used by the LB Wandsworth to inform its future approach to the provision, protection, release and enhancement of employment land and premises.

1.1.2 Employment land is defined as land with business activities which operate from premises with B1, B2 and B8 use classes. Throughout this report employment land is referred to as

- Offices comprising use classes B1a (office) and B1b (research and development or R&D) as these premises are often very similar in their operational requirements; and
- Industry comprising use classes B1c (light industry), B2 (manufacturing) and B8 (warehousing).

1.1.3 Within LB Wandsworth, employment land falls within the following areas as termed by regional and local planning policy:

- Strategic Industrial Locations
- Locally Significant Industrial Areas
- Mixed Use Former Industrial Employment Areas
- Town Centres
- Focal Points, and
- Non-designated employment land.

1.1.4 All B-use class employment land measuring 0.25 ha or over was assessed in this study.

1.2 Objectives

1.2.1 The main objectives of the ELPS are to:

- Assess the quantity and quality of the Borough's current employment land supply provision and its suitability to continue to support B-use class employment activities
- Assess the demand for B-use class employment space over the Local Plan period
- Compare the scale and qualitative characteristics of supply against forecast demand over the plan period, and
- Provide high level conclusions about employment land in the Borough.

1.2.2 Within these broad objectives are a number of specific points of consideration, including:

- An assessment of the needs of start-up businesses and SMEs
- The premises requirements of growth sectors including creative industries and new technologies sectors, and

- Current pressures on and the future of town centre office premises in the context of changing permitted development rights.

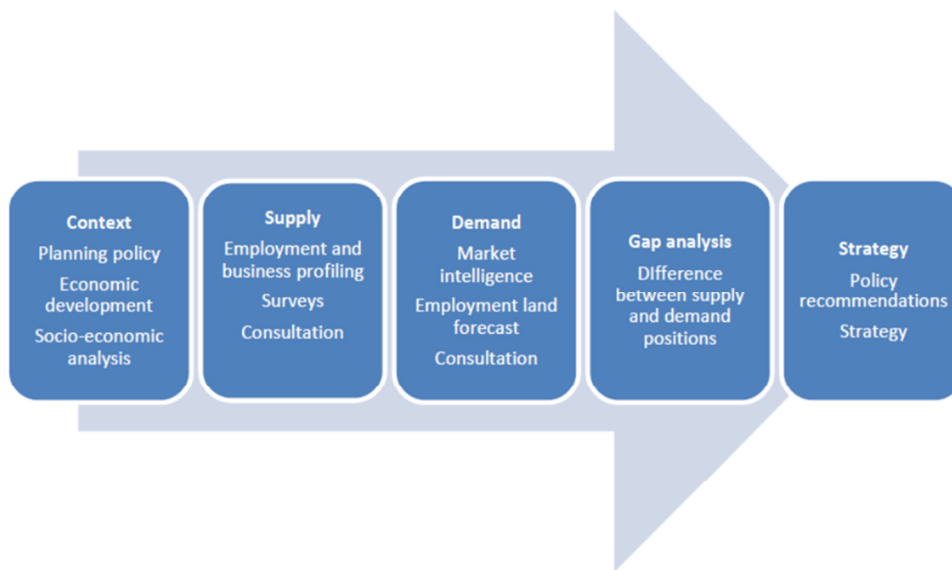
1.3 Approach

1.3.1 The National Planning Policy Framework (NPPF) outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies.

1.3.2 The need for Local Planning Authorities to produce an up to date employment land evidence base and the suggested format is outlined in national Planning Practice Guidance (PPG) published in March 2014. The PPG updates the suggested methodology for producing an employment land evidence base. Of relevance the PPG suggests that studies take account of wider employment uses such as utilities, land for transport and waste management. The Greater London Authority’s (GLA) Land for Industry and Transport Supplementary Planning Guidance (SPG) (2012) also provides specific directions on employment provision requirements in London.

1.3.3 The main research elements of this employment land and premises study as illustrated in the figure below. The methodology and tasks at each stage conforms to the PPG and the GLA’s Land for Industry and Transport SPG.

Figure 1.1: Approach to the Employment Land and Premises Study



Source: AECOM (2016)

1.4 Study Area

1.4.1 We explain the selection of these clusters further in Section 5.

1.5 Report Structure

1.5.1 The ELPS is structured as follows:

- Section 2 sets out a review of the policy and strategy context
- Section 3 provides a high level analysis of socio-economic baseline conditions in the Borough

- Section 4 summarises the key qualitative and quantitative results of the employment land cluster appraisals
- Section 5 provides an overview of the employment land market based on a review of historical and expected future trends in the commercial and industrial property sectors based on the views of local market agents and stakeholders
- Section 6 projects the demand for office and industrial uses over the Local Plan period
- Section 7 presents a quantitative comparison of the forecast demand against supply of available land and floorspace available for development; and
- Section 8 sets out our overall conclusions and our employment land policy recommendations.

2 PLANNING POLICY AND LITERATURE REVIEW

2.1 Introduction

2.1.1 This section outlines the planning policy and strategic context of relevance to employment land in the study area.

2.2 National Planning Policy

National Planning Policy Framework 2012

2.2.1 The National Planning Policy Framework (NPPF)⁹ was published and came into effect in March 2012. The NPPF superseded Planning Policy Guidance and Planning Policy Statements and provides overarching guidance on the Government's development aims, with the intention of making the planning system less complex and more accessible.

2.2.2 The NPPF outlines the Government's vision of sustainable development, which should be interpreted and applied locally to meet local and community aspirations. The NPPF also describes the Government's vision for building a strong, competitive economy. It outlines a presumption in favour of sustainable development, emphasising that Local Plans and Employment Land Studies should present robust evidence to support clearly defined allocations of land for employment.

2.2.3 In relation to the economy and employment land, the NPPF emphasises that:

"The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth.

Therefore significant weight should be placed on the need to support economic growth through the planning system.

To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century.

Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should:

- *Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth*
- *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period*
- *Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances*

⁹ NPPF, (2012); UK Government

- *Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries, and*
- *Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.*

Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities” (NPPF, pages 6-7).

Planning Practice Guidance

- 2.2.4 In March 2014 the Government published new national Planning Practice Guidance (PPG)¹⁰; a new web based resource in support of the NPPF which undergoes regular updates. Guidance includes ‘Housing and Economic Development Needs Assessments and ‘Housing and Economic Land Availability Assessments. This guidance replaces the Office of the Deputy Prime Minister (ODPM)’s publication; ‘*Employment Land Reviews: Guidance Note*’¹¹.
- 2.2.5 ‘*Housing and Economic Development Needs Assessments*’ outlines that in economic development terms ‘need’ relates to the amount of economic development floorspace required based on quantitative assessment and an understanding of the qualitative requirements of market segments. The PPG requires assessments to be based on an objective analysis which is not influenced by limitations imposed by: the supply of land for new development; historic under performance; viability; infrastructure; or environmental constraints. It is recognised that there is no one methodological approach for the assessment of need. However, the PPG advises that in understanding the current market in relation to economic uses, plan makers should liaise closely with the business community to understand their current and potential future requirements.
- 2.2.6 To provide an understanding of the underlying requirements for office, general business and warehousing sites the PPG emphasises the importance of considering projections (based on past trends) and forecasts (based on future scenarios) and sites which have been developed for specialist economic uses. The PPG recommends that analysing supply and demand concurrently will enable conclusions to be drawn on whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This in turn enables an understanding of which market segments are over-supplied and those which are undersupplied. By comparing availability of stock with particular requirements ‘gaps’ in local employment land provision can be identified.
- 2.2.7 ‘*Housing and Economic Land Availability Assessment*’ sets out a general methodology for assessing land availability but focuses primarily on the assessment of housing rather than employment land. With relevance to this Study, the PPG requires local planning authorities to work with other local authorities within the functional economic market area when assessing availability of land. The PPG also requires plan makers to be proactive in identifying as wide a range of sites as possible, including existing sites that could be improved, intensified or

¹⁰ PPG, (2014), UK Government

¹¹ Employment Land Reviews: Guidance Note, (2004); Office of the Deputy Prime Minister

changed, or those which have particular policy constraints. The assessment of the suitability of sites for development should be guided by the relevant local development plan, regional, and national policy, as well as market and industry requirements. Sites in existing development plans, or with planning permission, will generally be considered suitable for development although it may be necessary to assess whether circumstances have changed which would alter their suitability.

- 2.2.8 The PPG outlines the Government's approach to permitted development rights, which support the Government's effort to increase housing supply; allowing change of use from B1 (a) office to residential (C3) without the need for planning permission. This came into force in 2013 and has the purpose of supporting and enabling residential growth.

2.3 Regional Planning Policy

The London Plan (consolidated with alterations since 2011)

- 2.3.1 The March 2016 London Plan¹² is an update of the 2011 London Plan to ensure it has relevant regard to government guidance and national legislation enacted since 2011. The London Plan sets out an integrated social, economic and environmental framework for the development of London to 2036.

Employment and the Economy

- 2.3.2 The London Plan outlines the Mayor's Vision and Objectives for sustainable development in London within six detailed objectives, outlining aspirations to 2036. Those particularly relevant to employment, the economy and local development are:
- Objective 1: *"A city that meets the challenges of economic and population growth in ways that ensure a sustainable, good and improving quality of life"*, emphasising the need for high quality homes and a reduction in inequality, and
 - Objective 2: *"An internationally competitive and successful city with a strong and diverse economy and an entrepreneurial spirit that benefit all Londoners and all parts of London"*.
- 2.3.3 Policy 2.9: 'Inner London' recognises that the central London boroughs are increasingly becoming the home of new and emerging sectors of the economy, which can lead to clustering and new accommodation requirements. Accordingly, Policy 2.9 includes a requirement to ensure that appropriate workspaces for inner London's changing economy are made available, and that *"the Mayor will, and boroughs and other stakeholders should, work to realise the potential of inner London in ways that sustain and enhance its recent economic and demographic growth while also improving its distinct environment"*.
- 2.3.4 Policy 2.10: 'Central Activities Zone (CAZ) – Strategic Priorities' outlines the area's unique London wide, national, and international role in supporting a mix of local and strategic uses, enhancing the 'vital linkages' between the CAZ and labour markets within and beyond London, and emphasising the need to manage industrial capacity to meet the 'distinct needs' of the CAZ.

¹² The London Plan (consolidated with alterations since 2011), (2016); Mayor of London

Opportunity Areas and Areas for Intensification

- 2.3.5 Policy 2.13: 'Opportunity Areas and Areas for Intensification' seeks to realise the potential for growth through proactive engagement between stakeholders and by creating frameworks to inform planning policy in the opportunity and intensification areas. These designations should support the optimisation of *"residential and non-residential output and densities, provide necessary social and other infrastructure to sustain growth"*. They should also contribute towards *"meeting (or where appropriate, exceeding) the minimum guidelines for housing and/or indicative estimates for employment capacity"* as appropriate. The Vauxhall Nine Elms Battersea (VNEB) Opportunity Area (OA) is the main focus for redevelopment within the LB Wandsworth and is predicted to provide an increased employment capacity of approximately 25,000 new jobs and approximately 20,000 new residential units. While the South Wimbledon/Colliers Wood Area for Intensification lies partly within the LB Wandsworth, Merton Council have identified that the main opportunities for regeneration in this area lie in Colliers Wood, wholly within the London Borough of Merton.
- 2.3.6 Paragraphs 2.58 and 2.59 describe Opportunity Areas as *"the capital's major reservoir of brownfield land with significant capacity to accommodate new housing, commercial and other development linked to existing or potential improvements to public transport accessibility"*, and Areas for Intensification as *"typically built-up areas with good existing or potential public transport accessibility which can support redevelopment at higher densities. They have significant capacity for new jobs and homes but at a level below that which can be achieved in the opportunity areas"*.

Town Centres

- 2.3.7 Policy 2.15: 'Town Centres' states that they should be *"the main foci beyond the Central Activities Zone for commercial development and intensification"*. The London Plan defines Clapham Junction, Putney, Tooting, and Wandsworth as 'Major Centres' with medium growth predicted. Balham and Earlsfield are classed as 'District Centres' with medium growth predicted.
- 2.3.8 Policy 4.7: 'Retail And Town Centre Development' indicates that boroughs should:
- *"Identify future levels of retail and other commercial floorspace need (or where appropriate consolidation of surplus floorspace) in light of integrated strategic and local assessments"*
 - *Take a proactive partnership approach to identify capacity and bring forward development within or, where appropriate, on the edge of town centres, and*
 - *Manage existing out of centre retail and leisure development in line with the sequential approach, seeking to reduce car dependency, improve public transport, cycling and walking access and promote more sustainable forms of development"*.

Offices

- 2.3.9 Policy 4.2 'Offices' states that the Mayor will, and boroughs and other stakeholders should, *"support the management and mixed use development and redevelopment of office provision to improve London's competitiveness and to address the wider objectives of this Plan, including enhancing its varied attractions for businesses of different types and sizes including small and medium sized enterprises"*. By addressing strategic and local differences, boroughs can meet the *"distinct needs of the central London office market... by sustaining and developing its unique and dynamic clusters of 'world city' and other specialist functions and business environments"*. The modernisation of existing office stock should also be

encouraged, as well as focusing new development on viable, well connected locations and promoting mixed use development.

Industrial Land

- 2.3.10 Policy 4.4: 'Managing Industrial Land and Premises' states that the Mayor will work with boroughs and other partners to "*adopt a rigorous approach to industrial land management to ensure a sufficient stock of land and premises to meet the future needs of different types of industrial and related uses in different parts of London*". Monitoring and managed release of surplus industrial land can also contribute to strategic and local planning objectives such as new housing provision.

Housing

- 2.3.11 Policy 3.3: 'Increasing Housing Supply' recognises that there is a "*pressing need for more homes in London in order to promote opportunity and provide a real choice for all Londoners in ways that meet their needs at a price they can afford*". The FALP aims for an additional 42,400 homes to be built annually in London to meet high demand. The annual target for the LB Wandsworth is to provide 1,812 net additional homes between 2015 and 2025.

Innovation and New Technology

- 2.3.12 Policy 4.10: 'New and Emerging Economic Sectors' emphasises the need to:
- "*Support innovation and research, including strong promotion of London as a research location and encourage the application of the products of research in the capital's economic development*", and
 - "*Work with developers, businesses and, where appropriate, higher education institutions and other relevant research and innovation agencies to ensure availability of a range of workspaces, including start-up space, co-working space and 'grow-on' space*".

London Industrial Land Supply and Economy Study 2015

- 2.3.13 The London Industrial Land Supply and Economy Study¹³ was produced by AECOM and Cushman and Wakefield for the GLA, to provide a comprehensive analysis of London's supply of land in industrial and related uses such as warehousing for logistics, waste management, utilities, wholesale markets and vacant land (including time-series data for the 2001-2006-2010-2015 period). Backed by desk research, field surveys and Geographic Information System (GIS) mapping, the Study's purpose is to provide valuable input into the evidence base for the review of the London Plan, and other reports relating to industrial land. The Study assists the GLA, Transport for London (TfL), the London boroughs, and other partners to implement a rigorous strategy for industrial land management and investment, and to plan, monitor and manage release of surplus land to contribute to strategic and local planning objectives.
- 2.3.14 The study found that there was 149.4 hectares (ha) of industrial land in Wandsworth in 2015. Of this,
- 42.7 ha was occupied by industry and 43 ha was occupied by warehouses totalling 85.7 ha of land in 'core' industrial use

¹³ London Industrial Land Supply and Economy Study 2015, (2016); GLA

- 63 ha was occupied by wider industrial land uses (such as utilities and waste management facilities), and
- 0.7 ha was vacant industrial land.

Mayor's Economic Development Strategy for Greater London 2010

- 2.3.15 In May 2010, the Mayor of London published a new Economic Development Strategy (EDS)¹⁴. The purpose of the Strategy is to provide relevant stakeholders, public authorities and interested parties, with a vision for London's future, an analysis of the economy and policy directions for achieving its ambitions; and to clarify roles and responsibilities with other partners who make a major contribution to developing London's economy.
- 2.3.16 The EDS is framed around economic objectives, which focus on the promotion of London as a competitive business environment which attracts investment in infrastructure and regeneration, and remains a leading international centre of learning, creativity, and innovation. The Strategy highlights London's strengths in financial and business services, consulting, engineering, architectural and legal services, research, design, and product development.

London Office Policy Review 2012

- 2.3.17 The GLA's London Office Policy Review¹⁵ provides information on the supply and demand for offices in London, and analysis of the operation of the office market and its relationship with planning policy. The main findings of the 2012 report were that London had adjusted well to the difficult market conditions experienced since the downturn of late 2007 and 2008, and that the general outlook for the city's future as a global financial centre is optimistic.
- 2.3.18 The rate of growth in office jobs in the period to 2036 is projected to be around half the rate which has prevailed over the last two decades; however the 2014 updated employment forecasts project more buoyant growth rates. The 2014 employment forecasts project that office employment within the LB Wandsworth will increase from 26,000 to 42,000 by 2026.

London Office Policy Review 2016

- 2.3.19 A further London Office Policy Review will be undertaken in autumn 2016. This will review; occupancy trends; the impacts of permitted development rights (for office to residential conversions); attempt to understand the changing nature of work and workspace; produce projections of office employment and floorspace demand, and; gauge the future prospects for office development in viable locations outside central London. It will take into account consideration of relationships with the office market in the wider south east.

Land for Industry and Transport Supplementary Planning Guidance 2012

- 2.3.20 The Greater London Authority (GLA) published the Land for Industry and Transport Supplementary Planning Guidance (SPG)¹⁶ in 2012, with the key objective of ensuring the provision of sufficient land, suitably located, for the development of industry and expansion of transport systems.

¹⁴ Economic Development Strategy for Greater London, (2010); Mayor of London

¹⁵ London Office Policy Review, (2012); GLA

¹⁶ Land for Industry and Transport Supplementary Planning Guidance, (2012); GLA

- 2.3.21 The SPG emphasises that there is increasing demand for industrial land from a range of other industries, and a balance must be found between “*retaining sufficient industrial land in appropriate locations and releasing land to other uses*”. The SPG notes that “*Strategic Industrial Locations and Locally Significant Industrial Sites should in general be protected, and release of industrial land through development management should generally be focussed on smaller sites outside of the SIL framework*”. Importantly, central and inner London boroughs face strong competition from other higher value land uses, particularly commercial offices, residential and retailing, and therefore “*boroughs around the Central Activities Zone (CAZ) should consider industrial uses servicing the needs of central London*”.
- 2.3.22 The SPG highlights the important role that logistics plays in supporting London’s economy and, drawing on AECOM research, identifies six principal logistics property market areas that serve the city. The LB Wandsworth falls within the Wandle Valley area, along with the boroughs of Merton, Sutton, and Croydon.
- 2.3.23 Annex 1 of the SPG sets out the indicative industrial land release benchmarks for the period 2011-2031, which for the LB Wandsworth is -41 ha (a target of -2.1 ha per annum). The LB Wandsworth is identified as a borough for ‘Restricted with exceptions’¹⁷ transfer of employment land.
- 2.3.24 The GLA intend to commission an Industrial Land Demand Study in Autumn 2016 to sit alongside the updated industrial land supply position presented in the London Industrial Land Supply and Economy study (2015), produced by AECOM. This may entail a revisiting of the benchmark rates of release particularly in light of the actual release or loss of industrial since 2012 being greater than that forecasted.

London Strategic Housing Land Availability Assessment 2013/14

- 2.3.25 The GLA published a Strategic Housing Land Availability Assessment (SHLAA)¹⁸ in 2013 to provide an indication of London-wide housing capacity at borough level across London and is a key evidence base document for the London Plan (an update for 2015/16 projections is currently being undertaken). The SHLAA identified sites, giving consideration to their housing potential and the timeframe for when they are likely to be developed. The SHLAA identified that sites in LB Wandsworth had capacity to provide 18,123 homes over the period 2015-25, or 1,812 homes annually, with a number of large sites in the Borough offering a significant capacity for development.

2.4 Local Planning Policy

Wandsworth Local Plan Core Strategy 2016

- 2.4.1 The LB Wandsworth Core Strategy¹⁹ was adopted by the Council in March 2016. Together with the LB Wandsworth Site Specific Allocations Document (SSAD)²⁰ which “*identifies individual site allocations together with Area Spatial Strategies for the areas of greatest*

¹⁷ Exceptions relate to the managed release of industrial/warehousing land within the VNEB Opportunity Area as planned for through Local Plan documents and an Opportunity Area Planning Framework (2012) produced by the GLA in partnership with LB Wandsworth and LB Lambeth – see section 3.5.1 below.

¹⁸ Strategic Housing Land Availability Assessment 2013/14, (2013); GLA

¹⁹ Wandsworth Local Plan Core Strategy, (2016); London Borough of Wandsworth

²⁰ Wandsworth Site Specific Allocations, (2016); London Borough of Wandsworth

change in the Borough", and the Development Management Policies Document (DMPD)²¹, the Core Strategy outlines the Council's vision, guiding principles, and development objectives for the Borough up to 2030; together they form LB Wandsworth's Local Plan and provide the framework for the supporting documents such as the Supplementary Planning Documents (SPD).

2.4.2 The Core Strategy sets out key strategic environmental, social, and economic objectives which reflect the Borough's vision and strategy for development. These objectives represent the key delivery outcomes of the Core Strategy:

- Environmental objectives focus on the need to promote sustainable development, protecting and enhancing the character of the different districts in the Borough. Sustainable waste management is promoted, including enhancing recycling and reducing landfill. Additionally, low carbon development and energy efficient construction is seen as key, with an emphasis on use of local resources and sustainable building techniques. Open spaces should be protected and enhanced, with health, wellbeing, and excellent levels of public amenity sought.
- Social objectives seek to ensure that the strategic target for housing completions in LB Wandsworth is achieved, with dwellings that meet the needs of all people, including affordable, family, and special needs housing. This will help towards the creation of safer, healthier communities. Additionally, access to educational, social, welfare, health, community, and police services is seen as key.
- Economic objectives "*seek to maximise the employment potential of land in the Borough by safeguarding land and buildings for business and industrial use and promoting development for employment purposes in appropriate locations including as part of mixed use development so as to increase job and business opportunities*". Improving the vitality of town centres, and focusing regeneration in areas of deprivation is seen as key, as well as ensuring that new development is appropriate within its surroundings, taking account of existing factors such as transport accessibility. The proposed centres at Battersea Power Station and Vauxhall are cited as a key focus for shopping and employment, leisure and other community activities within the Borough.

2.4.3 The following policies are of particular relevance to the ELPS:

- Policy SSAD 1 relates to the Borough's SSAD, and states that for sites identified in the Document, planning permission will be granted where "*the proposed development is in accordance with the principles and the detailed criteria set out for the site in the SSAD, and with the relevant area spatial strategy*". Proposals which do not comply with the SSAD are discouraged and will only be granted permission where the development is in accordance with other relevant policies and that an alternative type of development is demonstrated to be appropriate.
- Policy PL 6: 'Meeting the needs of the local economy' states that:
 - Strategic industrial and waste land is allocated within the Queenstown Road and Battersea Strategic Industrial Location (SIL) supported by a number of Locally Significant Industrial Areas (LSIAs) in the Wandle Valley.
 - Redevelopment of Mixed Use Former Industrial Employment Areas (MUFIEAs) for the purposes of mixed use residential development will be

²¹ Wandsworth Development Management Policies Document, (2016); London Borough of Wandsworth

- considered as acceptable where net employment floorspace equivalent to “*at least existing employment space*” is provided, new uses are compatible with neighbouring uses, and that residential amenity will not be adversely affected.
- Nine Elms is identified as a significant employment area, reflecting “the designation of much of the area as either part of the Central Activities Zone (CAZ) or as a SIL, and the provision of new upgraded facilities at New Covent Garden Market”.
 - Town centres, in particular Putney and Battersea Power Station, “will be the main focus for office development”, with the LB Wandsworth Thames Policy Area being a focus for mixed use development, particularly those areas well served by public transport. Areas lacking local jobs will be promoted through employment and regeneration initiatives.
 - “*Employment floorspace specifically targeted at the needs of the local economy, in particular the provision of flexible business space*”, will be sought in units of up to 2,000m² where appropriate.
- Policy PL 7: ‘Land for industry and waste’ identifies key SILs: the Queenstown Road, Battersea SIL will be the main focus of land for: industry; logistics; and business, as well as for potential waste management sites. This area will be complemented by LSIA’s in the Wandle Valley: Central Wandsworth; Old Sergeant; Kimber Road; Bendon Valley; Thornsett Road; and Summerstown. Together these areas “*comprise the strategic reservoir of industrial land in the Borough*”. Appropriately waste management sites are identified in the SSAD, which will provide sufficient capacity to meet the LB Wandsworth’s waste targets outlined in the London Plan, for the duration of the Plan period. Development on sites adjacent to existing waste sites and those identified in the SSAD “*that may prejudice use for waste management purposes will not be permitted unless satisfactory mitigation measures can be provided*”; however appropriate developments for recycled activities will be supported.
 - Policy PL 8: ‘Town and local centres’ identifies the five existing designated centres, of Balham, Clapham Junction, Putney, Tooting, and Wandsworth, which will be the focus for shopping and complementary activities, including business, cultural, leisure and entertainment uses. These centres will be promoted to provide “*a distinctive range of facilities serving their local area*”.
 - “*New shopping (A1) floorspace will be promoted in all five town centres and in the potential CAZ frontage at Battersea Power Station to meet projected future needs. Where no suitable town centre sites can be identified, a sequential approach to identifying suitable edge of centre locations will be applied*”.
 - A diverse mix of uses is encouraged, including shopping, leisure, entertainment facilities, sport and recreation uses (including cinemas, restaurants, bars and pubs, arts, culture and tourism development including hotels), offices and other business uses, educational, institutional, health, community, residential, and other uses “*which contribute to the vitality and viability of the centres including the development of the evening economy*”.
 - The town centres, particularly Putney, and Battersea Power Station will remain the focus for office development. Where it can be demonstrated that existing office space is unsuitable and incapable of being adapted, a variety of alternative town centre uses, including retail, leisure, health, and residential

(within mixed use) developments, will be acceptable. High density mixed use development is also encouraged, particularly along main roads.

- “The nine local centres will continue to be promoted as local shopping centres, suitable for a wide range of services and facilities, supporting the overall provision of shopping facilities in the Borough”.
- Policies PL 9-15 outline area specific policies for: River Thames and the Riverside; The Wandle Valley; Nine Elms and the adjoining area in north-east Battersea; Central Wandsworth and the Wandle Delta; Clapham Junction and the adjoining area; East Putney and Upper Richmond Road; and Roehampton. The policies emphasise the key land uses to be supported in these areas, and restrictions or criteria which should be met in order for new development to come forward.
- Policy IS 1: ‘Sustainable development’ focuses on the relationship between development and transport accessibility, highlighting the need for climate change adaption and a reduction in levels of carbon emissions. Maximising previously developed and underused land is emphasised. Public transport accessibility is identified as a key priority, as well as improving access to buses and trains for disabled people.

Wandsworth Local Plan Site Specific Allocations 2016

2.4.4 The LB Wandsworth adopted its updated SSAD²² in 2016. The SSAD identifies the key sites within the Borough where development or other change is anticipated, where “the Council has particular objectives or is supporting or promoting specific proposals”. The development sites identified will contribute to achieving the objectives of the Core Strategy.

2.4.5 There are 116 Site Specific Allocations identified in the Borough, with significant clusters around the VNEB OA and Central Wandsworth areas. Additionally, nine Spatial Strategy Areas have been identified, which are key or focal areas for development. These are: Nine Elms; Ransome’s Dock; Clapham Junction; Wandle Delta and land north of the railway; Central Wandsworth; Land between Armoury Way and the railway; Putney Town Centre South (Upper Richmond Road); and Roehampton.

Wandsworth Development Management Policies Document 2016

2.4.6 The LB Wandsworth Development Management Policies Document (DMPD)²³ was adopted in 2016, in conjunction with the Core Strategy. The DMPD sets out the Council’s detailed policies for managing development in the Borough, which, together with the Core Strategy, SSAD, and the London Plan, “form the ‘Development Plan’ for the Borough and will be used to assess and determine planning applications” and will help deliver the Core Strategy. Policies of relevance to the ELS are outlined below.

- Policy DMH 1: ‘Protection of Residential Land and Buildings’ emphasises the Borough’s desire to safeguard existing residential dwellings and avoid the loss of designated or brownfield residential land.
- Policy DMTS 1: ‘Town Centre Uses’ outlines a preference for retail uses in town centres, with a desire for development to be focused in existing town or local centres, and CAZ frontage areas within the VNEB OA.

²² Wandsworth Site Specific Allocations, (2016); London Borough of Wandsworth

²³ Wandsworth Development Management Policies Document, (2016); London Borough of Wandsworth

- Policy DMTS 1: 'Out-of-centre development' emphasises the need to meet local needs, and the importance of smaller retail facilities within residential areas, however that these needs should also be balanced with the requirement for new residential development; particularly in areas which are already well served by retail facilities.
- Policy DTMS 14: 'Offices' details the locations which are a focus for new office development in the Borough, with a desire for large scale development in the VNEB OA and smaller scale offices elsewhere, particularly above retail units within town centres. Change of use away from offices within town centres should be resisted.
- Policy DMI 1: 'Strategic Industrial Locations (SILs) and Locally Significant Industrial Areas (LSIAs)' emphasises that the loss of existing B1(c), B2 and B8 floorspace "*will be resisted unless full replacement provision is provided*", and the introduction of other use classes in SILs and LSIAs will be discouraged. The Stewarts Road Industrial Area western boundary is classed as appropriate for Industrial Business Park uses.
- Policy DMI 2: 'Mixed Use Former Industrial Employment Areas (MUFIEAs)' notes that mixed use development with a residential component is appropriate in MUFIEAs, with an appropriate mix of uses being encouraged as long as development in MUFIEAs does not detract from the competitiveness or success of existing town centres.
- Policy DMI 4: 'Provision of flexible employment floorspace' Where proposals include an element of B1a (office) floorspace it should be designed to provide good quality accommodation and to enable flexible use for a range of B1 purposes, particularly to serve the needs of Small and Medium Enterprises (SMEs) and allow them to grow, and remain in the Borough within flexible, affordable premises.
- Policy DMI 5: 'Allocated Sites for waste management facilities' and Policy DMI 7: 'Development criteria for waste sites' note that suitable sites for waste management have been identified in the SSAD. Where an existing waste management site is proposed for redevelopment, an alternative location which can offer an equal or greater capacity must be sought as compensation. Loss of designated land to non-waste uses will be resisted.

Lombard Road/York Road Riverside Focal Point Supplementary Planning Document 2015

- 2.4.7 The Lombard Road/York Road Riverside Focal Point Supplementary Planning Document (SPD)²⁴ sets out an Area Spatial Strategy (ASS) which promotes the area to become a focal point of activity, where it may be appropriate to develop tall buildings. A total of 16 sites are identified within the ASS which are appropriate for intensified development for predominantly mixed use employment and residential purposes. Guidance is given on design principles and the opportunities for development the sites present.

²⁴ Lombard Road/York Road Riverside Focal Point Supplementary Planning Document, (2015); London Borough of Wandsworth

2.5 Other Documents and Studies

Vauxhall Nine Elms Battersea Opportunity Area Planning Framework 2012

- 2.5.1 The Greater London Authority (GLA) has prepared a planning framework for the VNEB Opportunity Area (OA) in partnership with the LB Wandsworth, LB Lambeth, London Development Agency (LDA), Transport for London (TfL), and English Heritage. The OAPF provides supplementary guidance to the London Plan, outlining the strategic policy framework for development within the OA, “*articulating the key policy directions established in the London Plan, Lambeth’s Core Strategy and Wandsworth’s Core Strategy and Site Specific Allocations Document*”.
- 2.5.2 The VNEB OAPF supports the delivery of “*a high density mixed use development scenario comprising 16,000 new homes and a range of 20,000 – 25,000 jobs*”. With regard to employment, the OAPF notes that the removal of the SIL designation which previously covered a large portion of Nine Elms provides a considerable opportunity for a wider variety of development, with the Stewarts Road industrial area as the main focus for retention and intensification of industrial uses. New Covent Garden Market (NCGM) is also cited as a major employer within the VNEB OA, noting the NCGM Authority’s intentions to redevelop a portion of the site in order to enhance wholesale market activity.
- 2.5.3 In relation to the broad land use strategy for the LB Wandsworth and LB Lambeth, the OAPF estimates that across both boroughs, approximately 20,000 – 25,000 new jobs will be delivered in the OA over the Local Plan period. This is based on “*delivery of 200,000m² of mixed use employment (office, retail, and other uses) within the OA, plus a further 160,000m² of office, 60,000m² of retail and 80,000m² of other employment uses at Battersea Power Station*”. See Section 2.6 for a comprehensive review of the economic development and regeneration aspirations contained within the VNEB OA.

Wandsworth Employment Land and Premises Study 2010

- 2.5.4 An ELPS²⁵ was undertaken by DTZ in 2010, covering the period to 2025. The Study considers the balance between demand and supply of employment land, particularly in light of the economic downturn. A demand for office and industrial premises is identified, particularly to serve small businesses within flexible accommodation.
- 2.5.5 The VNEB OA and Wandsworth town centre areas are identified as key employment locations which support a range of uses, with smaller town centres such as Balham and Clapham Junction being the focus of smaller retail and office functions which serve the surrounding residential areas. The VNEB OA is also identified as the key focus for existing available allocated land and extant permissions, and as a key area for new demand for large scale development floorspace. Outside of this area there is both a demand for new land and premises, and a shortage of available allocated land to support this, particularly for smaller businesses.
- 2.5.6 The ELPS suggests that current occupiers within the LB Wandsworth may struggle to find premises suitable for their needs (particularly SMEs looking to expand to larger premises) and may therefore seek alternatives outside the Borough. In order to ensure that existing businesses are retained in the Borough and able to grow, “*the loss of current employment floorspace within defined employment sites should therefore be resisted*”.

²⁵ Wandsworth ELPS, (2010); DTZ

2.6 Areas containing Redevelopment Opportunities

2.6.1 Areas with a relevant focus on redevelopment and/or provision of industrial and office uses include:

- Vauxhall Nine Elms Battersea
- Central Wandsworth and the Wandle Delta
- Clapham Junction, and
- East Putney and Upper Richmond Road.

Vauxhall Nine Elms Battersea

2.6.2 The VNEB OA is one of London's most important opportunity areas and is by far the largest regeneration zone in Central London. Covering 195 ha, it reaches between Lambeth Bridge and Chelsea Bridge, including the Albert Embankment, Vauxhall and part of north Battersea.

2.6.3 The OA comprises many current and former industrial lands, including: Battersea Power Station; the Prince of Wales gasholders; an industrial riverside strip to the North of Nine Elms Lane; the New Covent Garden Flower Market site; and the Stewarts Road area which forms part of the Queenstown Road SIL.

2.6.4 The most significant focus for new employment space within LB Wandsworth is Battersea Power Station and its surroundings. This is intended to become a new major centre (with CAZ Frontage), complementing the other key town centres in the Borough, and which capitalises on the building's iconic nature.²⁶ A primary focus for new office floorspace will be in the Vauxhall / Embassy district, which has significant potential to build on proximity to the new U.S. Embassy (under construction) and good transport links. Smaller-scale office development is also encouraged in the area north of the Vauxhall to Queenstown Road railway line (as an appropriate ground and lower floor use), and alongside the redeveloped New Covent Garden market (alongside retail, market and residential development).

2.6.5 The SIL designation covering the central part of the OA, north and south of Nine Elms Lane, has been removed and the OA's regeneration will see most existing industrial land replaced with mixed-use development. However, the Stewarts Road industrial area is retained as SIL and was proposed to see an intensification of employment uses supported by public realm and access improvements. Given the uplift in value it is expected that many existing industrial businesses will relocate outside the OA, but Stewarts Road will form the focus for re-accommodating businesses which are particularly reliant on proximity to the CAZ. It will also serve as a key area for activities relating to waste and recycling.

2.6.6 The 2010 *Stewarts Road Study* prepared for Wandsworth Council proposed intensification of uses in the Stewarts Road site focused on three key areas:

- Silverthorne Mix – intensifying existing uses particularly relating to construction related activities, enabling an increase in levels of manufacturing and jobs on site;
- Pensbury/Clyston – intensified for waste and recycling uses;
- Patcham Terrace/Lockington Schools – development of a high-density residential, retail and commercial scheme.

²⁶ Vauxhall Nine Elms Battersea Opportunity Area Planning Framework, (2012); GLA

- 2.6.7 This would be supported by transport and access improvements, including a new, business-only link road from Battersea Park Road to Silverthorne Mix, addressing current constraints on goods movements; and improved public realm.
- 2.6.8 According to a 2012 study, around 17,000 of the 20,000 – 25,000 new jobs to be provided are estimated to be additional employment resulting from the development of the OA, of which 11,900 are expected to be located in LB Wandsworth)²⁷.

Central Wandsworth and the Wandle Delta

- 2.6.9 This area spans between the River Thames and Wandsworth Town Centre (one of the Borough's oldest centres), encompassing a number of industrial and former industrial sites. Historically the town centre has suffered from poor public realm and pedestrian connectivity, and is divided by an orbital one-way system formed of part of the A3 and South Circular trunk roads. It is dominated by the large, inward-facing Arndale Shopping Centre (now Southside Shopping Centre). In the 1990s the town centre faced difficulties and the nearby Arndale Estate became an area of deprivation. In the 2000s the area became a focus for regeneration through a Single Regeneration Budget (SRB) led by the Wandsworth Challenge Partnership.²⁸
- 2.6.10 LB Wandsworth's Core Strategy (2016) sets out the Vision that "*in the next ten years Wandsworth town centre has the opportunity to become a safe and attractive place in which to live, work and shop.*" There is a key opportunity to bring mixed use development on formerly designated industrial land, defining an expanded centre for LB Wandsworth. This would be supported by public realm improvements, enhancement of the green space asset of the Wandle Delta, and schemes to manage transportation impact.
- 2.6.11 As set out in the Core Strategy, development across this area should aim to deliver at least 1,363 new homes and 61,500m² GIA of new employment floorspace by 2029/30. Key sites include:
- Further development on the Ram Brewery and adjoining sites (mixed uses including residential and complementary retail), and
 - Further development of Hardwick's Square area, Business Village and adjoining sites (mixed uses including residential and replacement business space).

Clapham Junction

- 2.6.12 Clapham Junction is a key town centre anchored by its major railway interchange. As noted in LB Wandsworth's Core Strategy (2016), significant investment is needed in the station to cope with overcrowding and growing passenger numbers, including a new station entrance and bus/rail interchange facilities. Given the station's very high level of connectivity there is an opportunity for substantial new mixed-use development around the station, including potential for high-rise buildings. Improving public realm connectivity across the wider town centre area could also lead to increased development potential.

²⁷ *The Wider Economic Benefits of the Northern Line Extension in the Vauxhall, Nine Elms, Battersea Opportunity Area*, (2012); Volterra Partners

²⁸ Wandsworth Local Plan Core Strategy, (2016); London Borough of Wandsworth

East Putney and Upper Richmond Road

- 2.6.13 Putney is an important riverside town centre in the southwest of the Borough. Within the town centre, the Upper Richmond Road frontage serves as the largest existing cluster of office space in LB Wandsworth. Much of the area’s office space consists of older stock for large single occupiers which has become outdated, and is empty in many cases or is being redeveloped for residential-led mixed use schemes. Meanwhile there is an identified shortage of affordable accommodation for small businesses.
- 2.6.14 The Core Strategy (2016) seeks to encourage the redevelopment and refurbishment of current offices with more modern space focused on the needs of small and medium-sized firms, and/or designed for more flexible use. This recognises that the viability of office redevelopment has been a challenge, and permits a wider variety of town centre uses within mixed developments where office-based uses are proved to be unviable. This recommends that these wider uses can play an important role in cross-subsidising office provision. In general, however, redevelopment in this area should seek to avoid an overall loss of office space.

2.7 Other Boroughs’ Employment Land Reviews and Policies

- 2.7.1 An overview of the findings of employment land reviews undertaken in boroughs neighbouring or close to Wandsworth is shown in Table 2.1.

Table 2.1: Findings of Other Borough’s ELRs and Policies

Borough of Employment	ELS/ELR Publish Date / and Local Plan period)	Key Findings
Lambeth	2013 (2011-26)	Forecasts that the Borough from 2011-2026 will see an increase in jobs associated with B1a uses (4,800 to 14,400 jobs), while the number of people employed in jobs associated with B1c/B2 (-300 to -600 jobs) uses is expected to decrease. B8 jobs are forecast to either to decrease slightly or increase (-100 to 1,100 jobs). No key industrial business areas are recommended for release, except those in Opportunity Areas, as these are expected to act as the locations where B8 floorspace will be built.
Southwark	2016 (2014-36)	Forecasts that between 2014 and 2016 the Borough will require 460,000m ² net of office floorspace, 80% of the floorspace is expected to be delivered within the CAZ. The additional floorspace will be required due to a forecast increase in office jobs of 35,500, in comparison industrial jobs are forecast to decrease by 2,400. Demand for industrial land is forecast to decline by 1 ha per annum from 2014-2036, in line with the GLA Industrial Land Release Benchmarks.
Hammersmith and Fulham	2005/2010	The 2010 Employment Land and Premises Study Update outlines that the Borough is expected to require between 350,000 and 450,000m ² . The original Employment Land and Premises Study (2005) estimates that from 2001-2016 the Borough will require an additional 250,000-350,000m ² of B use floorspace. This will be split as follows: 80% B1a Offices; 15% B1c, B2 and Sui Generis; and 5% B8.

Borough of Employment	ELS/ELR Published (and Local Plan period)	Key Findings
Kensington and Chelsea	2009 (2009-26)	Outlines that the office floorspace demand is expected to increase by 69,152m ² . Over the same period industrial and warehouse demand is expected to decrease by 4,496m ² with an upsurge in demand during 2012 which may mute the size of the overall demand decrease.
Merton	2010 (2010-21)	Estimated that the Borough from 2010-2021 will require an additional 12,200-75,800m ² . In comparison, need for industrial (includes B2 and B8) floorspace is forecast to decrease by between -3,900 and -36,900m ² . Overall, this equates to a range in employment land gain/loss of -8.1 ha to +2.2 ha. The ELS reviewed 16 larger industrial sites and 133 smaller employment areas. Three of the 133 small employment areas were found to be suitable for release to develop residential property, the combined area of being 0.3 ha.
Richmond	2009 (2008-2026)	LB Richmond's Employment Sites and Premises Study (2013) forecasts that from 2011 to 2031 the number of jobs in Richmond will increase by 2,600. The Study outlines that based upon the 2012 London Office Policy Review, an additional 62,000m ² of office floorspace will be required to meet demand between 2011 and 2031. Industrial land demand is estimated to decline by -4 ha based upon the GLA's Industrial Land and Transport SPG (2012) over the same time period.

2.8 Summary

- 2.8.1 The NPPF replaced PPSs as of March 2012 with the aim to make the planning system less complex and to promote sustainable growth. The NPPF recognises that the planning system plays an important role in promoting economic growth and building a strong, competitive economy. Key regional policy on employment land-use is contained in the London Plan (2011) and GLA Land for Industry and Transport SPG (2012). The London Plan sets out its vision for the South London sub-region, of which LB Wandsworth is a part, which centres on optimising the development of its Opportunity Areas; tackling barriers to work and social exclusion; managing the release of surplus industrial land; and planning effectively for sustainable economic growth, including in sectors of new and emerging technologies. At a local policy level, LB Wandsworth has an adopted Local Plan and adopted a new Wandsworth Core Strategy in 2016.
- 2.8.2 Overall, as a central London borough, this policy review has emphasised the need for LB Wandsworth to plan sustainably for growth, particularly within the VNEB OA as a location which is centrally located and accessible (once the Northern Line Extension is complete), and seeks to balance the needs of land for new housing and employment uses.

3 SOCIO-ECONOMIC PROFILE

3.1 Introduction

3.1.1 This section profiles LB Wandsworth using key socio-economic indicators. The analysis informs an understanding of the local economic strengths and weaknesses that may impact upon employment land and premises requirements. Key indicators profiled include:

- Population, including the working population, and skill and occupational profile of residents
- Commuting patterns
- The workplace economy, by business stock and size, and
- Workplace employment by industry sector.

3.1.2 To provide a comparative assessment LB Wandsworth is benchmarked against London-wide averages.

3.2 Population

3.2.1 Demand for employment sites and premises will be driven in part by trends in the size of the resident population.

3.2.2 The latest published population estimates show that LB Wandsworth has grown from 307,000 at the 2011 Census to 312,100 in 2014 – a 1.7% increase over the three-year time period. This is lower than the Greater London average increase of 4.5%²⁹, and the average increase across the South London sub-region of 3.4%. GLA population projections for LB Wandsworth suggest that by 2037 the Borough's population will grow by approximately 63,400 to 371,700³⁰. The implication of this is a likely growth in demand for land for housing, community facilities, infrastructure and employment land and floorspace over the Local Plan period.

3.3 Workforce and employment

3.3.1 The latest statistics from the Office for National Statistics (ONS) show that LB Wandsworth has approximately 228,300 working age residents (men and women aged 16 to 64), which represent approximately 73% of the resident population.³¹ This proportion is slightly higher than the London-wide average of 68%.

3.3.2 ONS record 187,400 (82.1%) working age residents of LB Wandsworth as being economically active with 175,600 people in employment. This proportion is slightly above the economic activity rate recorded for London as a whole (77.3%). The higher rate of economic activity in LB Wandsworth corresponds to unemployment of 11,800 which for LB Wandsworth equates to 6.3% of the working-age population.

3.4 Earnings

3.4.1 The Annual Survey of Hours and Earnings (ASHE) (2015) records the average gross weekly earnings of LB Wandsworth residents as £719 which is £98 higher than the average earnings

²⁹Mid-year Population Estimates 2014, (2014); ONS

³⁰Round trend-based Population Projections - Central Scenario, (2014); GLA

³¹Mid-year Population Estimates 2014, (2014); ONS

by London residents. ASHE records an average gross weekly earning of those people working within LB Wandsworth of £591. This earnings differential, in favour of workplace jobs located outside the Borough could be a driver for out-commuting. Details are shown in Table 3.1.

Table 3.1: Resident and Workplace Earnings 2014

Earnings	LB Wandsworth (£)	London (£)
Resident-based	719	621
Workplace-based	591	660

Source: ONS Annual Survey of Hours and Earnings – Resident and Workplace Analysis (2015)

3.5 Skills and Training

3.5.1 LB Wandsworth residents generally hold higher qualification levels in comparison to the rest of London. The majority of the Borough’s working age residents hold GCSEs and 69.7% are educated to a degree level and above – significantly higher than the proportion for London as a whole (49.1%). The proportion of residents with no qualifications is notably lower in LB Wandsworth (4.5%) than in London (8.0%). Further information is shown in Table 3.2.

Table 3.2: Skills and Training 2015

Qualification Level ³²	LB Wandsworth (%)	London (%)
NVQ4 +	69.7	49.1
NVQ3 +	8.1	14.0
NVQ2 +	7.4	11.7
NVQ1 +	4.0	7.8
Other Qualifications	6.3	9.6
No Qualifications	4.5	8.0

Source: ONS Annual Population Survey (October 2015 to September 2015)

3.6 Occupational Classifications

3.6.1 Table 3.3 sets out the occupation of LB Wandsworth residents compared with London averages. The following points are observed:

- Standard Classification of Occupation (SOC) 2010 major group 1-3 includes the highest skills base, and accounts for the largest actual number of residents by occupation in LB Wandsworth. The proportion of the resident workforce who hold such positions (68.5%) is above the London average (52.9%).
- SOC 2010 major group 4-5: The proportion of LB Wandsworth residents (14.2%) in employment who hold these levels of occupations is slightly below the London-wide average (18.0%). The skilled trade occupations are under-represented in the Borough, accounting for 4.7% of the working population compared with 8% across London.

³² NVQ 4 - HND, Degree and Higher Degree; NVQ 3 equivalent - 2 or more A levels, advanced GNVQ, NVQ 3, 2; NVQ 2 equivalent - 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2; NVQ 1 equivalent - fewer than 5 GCSEs at grades A-C, foundation GNVQ, NVQ 1; No qualifications - no formal qualifications held.

- SOC 2010 major group 6-7 and 8-9: 17.3% of the employed LB Wandsworth workforce is employed in these occupations, significantly below the average across London (29.1%). All four categories are under-represented in the Borough, with the largest difference being in elementary occupations – 3.7% in LB Wandsworth compared to 9.6% in London.

Table 3.3: Employment by Occupation 2013

SOC Group	Occupation	LB Wandsworth		London
		Actual	%	%
1	1 Managers, directors and senior officials	26,400	14.7	11.6
	2 Professional occupations	52,200	29.0	23.7
	3 Associate professional & technical	44,700	24.8	17.6
2	4 Administrative & secretarial	17,200	9.6	10.0
	5 Skilled trades occupations	8,400	4.7	8.0
3	6 Caring, leisure and Other Service occs	11,600	6.4	8.1
	7 Sales and customer service occs	8,000	4.4	6.9
4	8 Process plant & machine operatives	4,900	2.7	4.5
	9 Elementary occupations	6,600	3.7	9.6
Total		180,000	-	-

Source: ONS Annual Population Survey (Jan 2015 - Dec 2015)
 Note 1: SOC = Standard Classification of Occupation, 2000

3.7 Travel to Work

3.7.1 The most recent data on travel to work patterns is provided through origin-destination statistics collated from the Census in 2011³³. While the total figures for employment may be more than four years old, the figures give a good indication of the pattern of movement of residents and workers into and out of LB Wandsworth.

3.7.2 Of LB Wandsworth’s residents currently in employment, 13.3% live and work in LB Wandsworth. The most popular workplace destination outside the Borough for residents is Westminster and the City of London (25.7%), followed by Camden (4.8%), and the neighbouring boroughs of Hammersmith and Fulham (4.2%), Kensington and Chelsea (4.2%) and Lambeth (3.8%). In addition, (9.4%) mainly work at or from home, while (7.8%) have no fixed location of employment.

³³Census 2011, (2011); ONS

3.7.3 Table 3.4 presents data on the top ten employment destinations of LB Wandsworth residents.

Table 3.4: Top 10 Employment Destinations for Wandsworth residents

Borough of Employment	Number	Percent (%)
Westminster (incl. City of London)	46,072	25.7
Wandsworth	23,925	13.3
Camden	8,626	4.8
Hammersmith and Fulham	7,618	4.2
Kensington and Chelsea	7,481	4.2
Lambeth	6,759	3.8
Tower Hamlets	6,632	3.7
Southwark	6,000	3.3
Merton	4,768	2.7
Islington	4,150	2.3
Other boroughs	57,408	32.0
Total	179,439	100

Source: ONS Census 2011

3.7.4 There is a strong out-commuting flow: of the 179,439 residents in employment, 107,200 leave the Borough to work elsewhere. This represents a net out-commuting trend of 36% (defined as the total number of daily workers in the Borough as a proportion of the total number of employed residents). Boroughs which border LB Wandsworth are the most common source of in-commuting, including Merton (10%), Lambeth (9.8%) and Croydon (6.2%). The ONS origin-destination commuting data therefore suggests a strong relationship between LB Wandsworth and boroughs in or adjoining the CAZ.

3.7.5 The job density rate for LB Wandsworth is estimated at 0.59 compared to 0.93 for London³⁴ also points to LB Wandsworth as a place to live outperforms its qualities as a place to do business. However, this is a relative judgement and is not to say that LB Wandsworth does not have economic strengths and opportunities.

3.8 Business

Stock and Scale

3.8.1 The latest known business registrations data is from ONS which records 15,825 VAT or PAYE-based enterprises in LB Wandsworth in 2015³⁵. Micro-businesses (defined as companies employing up to nine employees) represent 93.2% of all businesses in LB Wandsworth, which is slightly above the London average (90.1%). There are a total of 135

³⁴ Job Density, (2013); ONS

³⁵ Traders may be registered below the VAT threshold, which as of April 2016 was £83,000 per year. This estimate of business stock is therefore likely to be lower than the actual number of businesses located in the borough.

medium businesses (employing 50 to 249 employees) and 40 large businesses (employing more than 250 employees). Further information is shown in Table 3.5.

Table 3.5: VAT and PAYE by Size Band

Employment Size	LB Wandsworth		London
	Number of Businesses	% of total	% of total
1 to 9 (Micro)	14,755	93.2	90.1
10 to 49 (Small)	895	5.7	8
50 to 249 (Medium)	135	0.9	1.5
250 + (Large)	40	0.3	0.4
Total	15,825	100.0	100.0

Source: UK Business Activity, Size and Location (2015)

3.9 Business Registrations and De-registration

3.9.1 VAT registration and de-registrations rates for LB Wandsworth provide an indication of the entrepreneurial characteristics of the Borough.

3.9.2 The net change in business registrations in LB Wandsworth in 2015 was relatively high and positive. Published data indicates that there were 3,055 registrations and 1,860 de-registrations resulting in a net gain in LB Wandsworth’s business stock of 1,195, or 6.9%. This is almost the same rate as the London-wide average of 7.1% and higher than the national average (in England and Wales) of 4.2%.

3.10 Employment Sectors

3.10.1 Our analysis of the current picture of LB Wandsworth benchmarked against London is shown in Table 3.6. This is based on the ONS Business Register and Employment Survey (BRES), Standard Industrial Classification (SIC), for 2014. This data covers employment within LB Wandsworth, rather than employment of the resident workforce as illustrated in the SOC analysis in Table 3.6.

Table 3.6: Employment by Broad Industry Sector

Sector	LB Wandsworth		London
	Employment	% of Total	% of Total
1 : Agriculture, forestry and fishing	0	0	0
2 : Mining, quarrying and utilities	500	0.4	0.6
3 : Motor trades	1,000	0.9	0.8
4 : Financial and insurance	1,500	1.3	7.4
5 : Manufacturing	1,800	1.6	2.4
6 : Property	2,900	2.5	2.4
7 : Transport and storage	3,800	3.3	4.7
8 : Construction	4,100	3.6	3.1
9 : Public administration	5,200	4.5	4.5
10 : Wholesale	5,400	4.7	3.2
11 : Information and communication	6,300	5.5	7.8
12 : Arts, entertainment, rec.	6,500	5.7	5.1
13 : Business administration	7,900	6.9	10.2
14 : Accommodation and food	9,800	8.5	7.5
15 : Professional, scientific tech	11,900	10.3	13.5
16 : Education	12,100	10.5	8
17 : Retail	13,100	11.4	8.6
18 : Health	21,200	18.4	10.1
Total	115,000	100.0	100.0

Source: Business Register and Employment Survey, (2014); ONS

3.10.2 At this high level those sectors which align most closely with the employment land uses B1a/b, B1c/B2 and B8 are: 4. Financial & insurance, 13. Business administration and support services and 15. Professional, scientific/technical (which aligns most closely with B1a and B1b uses); 5. Manufacturing (which aligns to factory uses i.e. B2); and 7. Transport & storage (which aligns with warehousing). The professional, scientific and technical sector could be considered as broadly aligning to research and development or office use.

3.10.3 From the above it can be seen that:

- Manufacturing employment (which aligns with industry) in LB Wandsworth accounts for 1,800, or 1.6% of the total. This is lower proportionally than the average across London (2.4%). The construction (3.6%) and motor trades (0.9%) sectors (also aligning with industry) account for a marginally higher proportion of employees in LB Wandsworth than across London.

- Transport and storage (which aligns with warehousing) employment measures 3,800, or 3.3%, in LB Wandsworth, which is below London-wide average of 4.7%. Employment in wholesale (also aligning with warehousing) accounts for 4.7% of jobs and is slightly above the London-wide average of 3.2%.
- Employment in key office-related service sectors is below the London average. The information and communication; financial and insurance; property; professional, scientific and technical; and business administration sectors employ 30,500 people in LB Wandsworth in total, or 26.5% of the Borough's employment base, compared to 41.3% of the employment base across London.
- There is a relatively higher level of employment in the health sector (18.4% compared with 10.1% across London), and in the education sector (10.5% compared to 8.0% across London). This may contribute to the low job density within the Borough as these sectors tend not to have local supply chains.
- These findings contrast with the resident-based SOC analysis in Table 3.3, suggesting that there is a disparity between the occupations of LB Wandsworth residents and the employment available within the Borough. For example, the SOC analysis indicates that more than two thirds (68.5%) of all residents work in managerial or professional occupations, whereas the BRES data shows that office-related sectors such as finance and insurance, and information and communication, are under-represented within the Borough. This helps explain the mismatch between resident- and workplace-based earnings and the strong flow of out-commuting from the Borough.

3.10.4 Further analysis of the composition and recent change in key office-related service sectors based on the ONS Business Register and Employment Survey (2014) shows that:

- In absolute terms the largest growth has been observed in the activities of head offices and management consultancy sector; computer programming and related activities; office administration, office and business support; architecture and engineering; and video and sound recording. Together, these sectors added around 3,100 jobs in the period 2009-14.
- The fastest average growth rates (though smaller in absolute terms) have been observed in the programming and broadcasting sector (compound annual growth rate of 39.8%); information service activities (19.1%); veterinary activities (13.2%); travel services (12.5%); and telecommunications (10.5%).
- The greatest contraction (in both absolute and proportional terms) has been seen in scientific research and development; rental and leasing activities; publishing activities; security and investigation activities; and employment activities.

Key non B-use class Employers

3.10.5 As identified in Table 3.6 above, the health and education sectors comprise a significant proportion of the employment market within the LB Wandsworth (18.4% and 10.5% respectively). As premises accommodating these sectors do not constitute B-use class floorspace, it is not a requirement of this ELPS to consider their floorspace and employment land needs. It should be recognised however that there are several key employers within these industries situated within the Borough, including St George's Hospital and Roehampton University, and these thus influence the socio-economic profile of Wandsworth from an employment perspective. Additionally, Wandsworth Prison (HMP Wandsworth) is the largest in the UK and also a major employer in the Borough, providing several hundred jobs.

Location Quotient

- 3.10.6 Location quotients provide a comparison measure of the relative size of an employment sector. A location quotient greater than 1.0 means that the concentration of employment in the sector is above the Greater London average, whereas a location quotient below 1.0 means it is below the Greater London average. The higher the location quotient the greater the industry specialisation. Industry sectors with high location quotients often pinpoint those sectors where the local economy has a comparative advantage.
- 3.10.7 Table 3.7 presents the location quotient by broad sector in the LB Wandsworth relative to Greater London. The table also includes data on the percentage change in employment over the period from 2009 to 2014 and the relative share of total employment each industrial group has. This helps to identify those sectors in which the Borough is relatively well represented, growing and of importance to the local economy.
- 3.10.8 The table shows three sectors are well-represented (location quotient above 1.2, i.e. the sector has 20%+ more employment than expected when compared against the Greater London average) and have experienced growth rates of over 15% between 2009 and 2014: wholesale; health; and primary green jobs³⁶. It is notable that several industry groups have a location quotient which is below 1.0 (and are therefore less represented within the Borough compared with the average for Greater London, however have experienced a positive percentage change and have a reasonable share of the employment market, such as Information and Communication, and the Creative and Digital Knowledge Economies. This represents growth within these sectors, and suggests that they are underrepresented within the Borough at present and could potentially represent an emerging growth opportunity for LB Wandsworth within the creative and digital technologies sector, which is highly represented by SMEs including start-ups.
- 3.10.9 Several industries are represented at a similar level to the London average, however have experienced a notable drop in employment levels between 2009 and 2014, particularly lower value trades such as Motor Trades and Construction. Both these sectors share a high proportion of the LB Wandsworth market, indicating a steady decline and that the market may be oversaturated within the Borough.
- 3.10.10 The following industries are also expected to contribute towards strong future economic growth within the Borough, providing LB Wandsworth with opportunities to grow its higher value added employment base:
- Tourism Economy
 - Primary Green Jobs
 - Secondary Green Jobs
 - Education
 - Health, and
 - Knowledge Economies (e.g. Information and Communication and Creative and Digital sectors).

³⁶ Green jobs can be considered as those activities which contribute to preserving or restoring environmental quality. This includes jobs that help to protect ecosystems and biodiversity; reduce energy, materials, and water consumption and minimise or avoid generation of waste and pollution. 'Primary' green jobs are those involved in the sectors of energy management, environmental consultancy, renewable energy, green infrastructure, waste and recycling and water supply and treatment. 'Secondary' green jobs include agriculture, forestry and fishing, energy equipment manufacture and construction.

Table 3.7: Location Quotients within the LB Wandsworth (Greater London = 1.0) (2014)

Broad Industry Group	Location Quotient	% Change in Employment 2009-2014	Employment (Actual)	% Employment Share
Agriculture, Forestry & Fishing	0.5	-61.1	0	0.0
Mining, Quarrying & Utilities	0.8	-9.6	500	0.5
Manufacturing	0.6	-24.8	1,800	1.5
Construction	1.2	-7.9	4,100	3.6
Motor Trades	1.1	-36.7	1,000	0.9
Wholesale	1.5	38.5	5,400	4.7
Retail	1.3	8.2	13,100	11.4
Transport & Storage	0.7	-37.1	3,800	3.3
Accommodation & Food Services	1.1	24.7	9,800	8.5
Information & Communication	0.7	27.9	6,300	5.5
Financial & Insurance	0.2	5.1	1,500	1.3
Property	1.0	8.7	2,900	2.5
Professional, Scientific & Technical	0.8	17.7	11,900	10.3
Business Administration & Support Services	0.7	6.6	7,900	6.9
Public Administration & Defence	1.0	-14.6	5,200	4.6
Education	1.3	18.3	12,100	10.5
Health	1.8	16.2	21,200	18.4
Arts, Entertainment, Recreation & Other Services	1.1	3.4	6,500	5.6
<i>Sub-sectors</i>				
Knowledge Economy	0.7	15.1	25,400	22.0
Knowledge-Intensive Services Economy	1.0	12.7	64,000	55.6
Creative Economy	0.9	27.3	3,700	3.2
Digital Economy	0.7	22.2	6,600	5.7
Tourism Economy	1.2	24.2	12,900	11.2
Primary Green Jobs	1.4	15.8	3,400	3.0
Secondary Green Jobs	0.9	22.7	4,300	3.7
Green Jobs	1.1	19.5	7,700	6.7

Source: ONS, (2014); Business Register and Employment Survey.

Note relating to table 3.7:

Shaded cells represent those sectors which:

- Have a LQ greater than 1.2 i.e. are well represented in LB Wandsworth relative to the Greater London average
- Have seen employment growth greater than 15% between 2009 and 2014
- Currently represent more than 10% of LB Wandsworth's workplace employment

3.11 Summary

- 3.11.1 Compared to the London average, LB Wandsworth has a relatively high-skilled, high-earning resident population with above-average representation of managerial and technical occupations. 69.7% of residents hold a degree level education or over, compared to 49.1% across London, while the proportion holding managerial and technical occupations are similar. Average weekly resident-based earnings in LB Wandsworth are estimated at £719, compared to £621 across London.
- 3.11.2 However, there are signs of a disparity between resident occupational characteristics and the local employment base. The share of employment in key office-related sectors is below the London average. Average weekly workplace-based earnings (£591) trail both resident-based earnings (£719) and the London-wide workplace-based average (£660). A relatively high proportion of residents commute outside the Borough to work.
- 3.11.3 Employment within the Borough is marked by relatively high proportions in health, education, wholesale and retail trade, and accommodation and food services. These are in general less specialised sectors servicing the needs of local residents. Meanwhile, the manufacturing sector is relatively under-represented, along with office-related service sectors. Nevertheless, some key office-related service sectors have experienced recent growth.
- 3.11.4 TTWA data indicates that almost 40% of LB Wandsworth residents live and work in the Borough or remain within the central London CAZ and work within the City of London and London Borough of Westminster.
- 3.11.5 LB Wandsworth has a relatively strong level of entrepreneurial dynamism as indicated by the net growth in registered businesses in 2014-15. This indicates potential for further, more specialised economic growth. In line with this, there are signs that the Borough is experiencing growth in industries such as the digital and creative technologies sectors, which are predominantly occupied by small businesses and start-ups, many of which experience rapid growth in the first few years after establishment. There has also been high growth in employment in industry groups which are associated with high value jobs including professional, scientific and technical, information and communication and financial and insurance.
- 3.11.6 This section has introduced the socio-economic profile of LB Wandsworth with the most up to date data, benchmarked against London. The most meaningful indicators for this ELPS are changes to the supply and demand of employment land, and we analyse how this has changed in the following sections.

4 EMPLOYMENT LAND SUPPLY

4.1 Introduction

4.1.1 This section provides a summary of the key findings of the survey and desk research and identifies the prominent characteristics of LB Wandsworth's employment land. Our analysis considers which employment sites are currently successfully supporting various types of occupiers as well as identifying those employment clusters which are both unsuitable for different use types and those which could potentially be redeveloped or intensified to improve the offer of employment land within the Borough.

4.2 Employment Land Surveyed

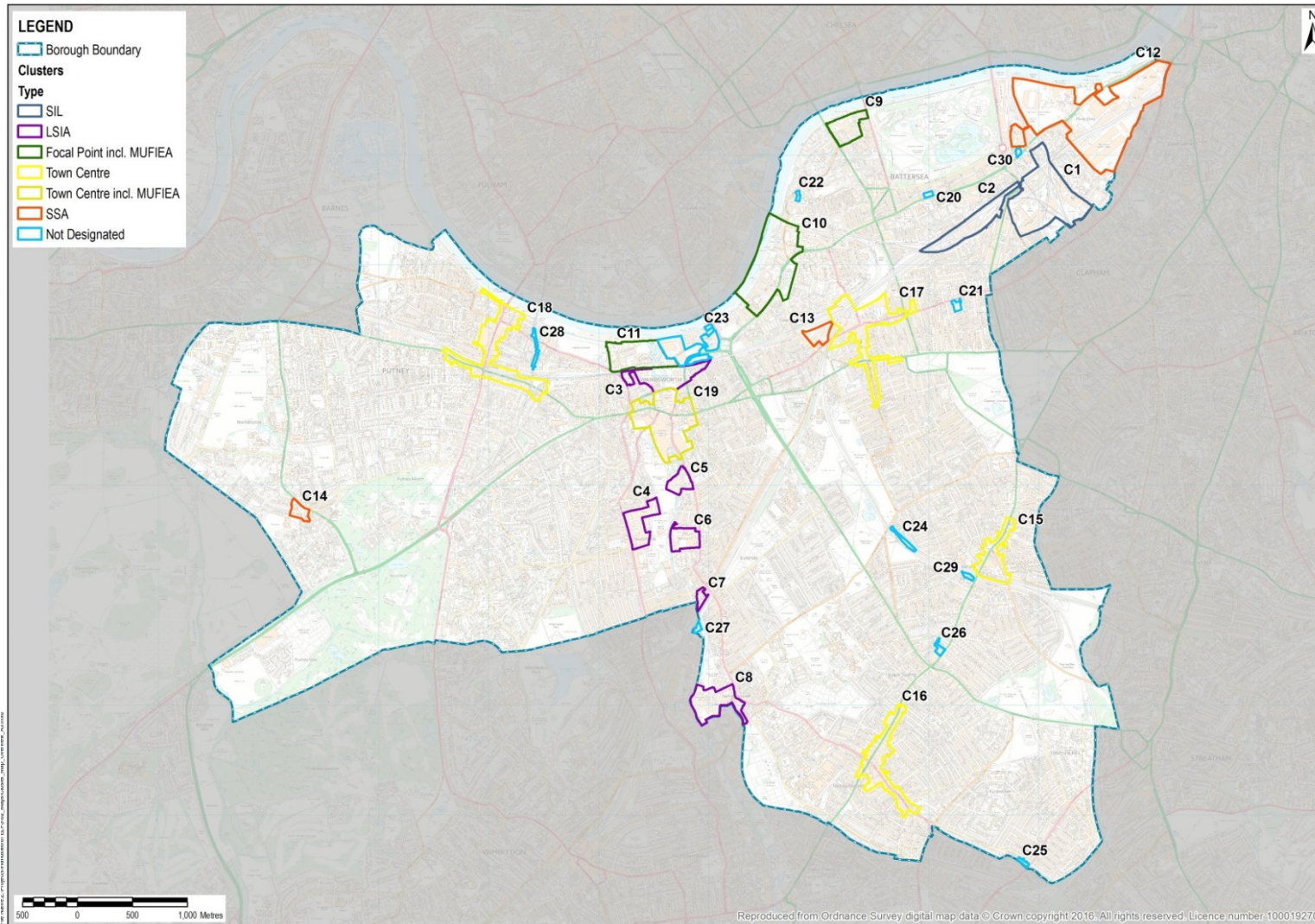
4.2.1 Based on the adopted LB Wandsworth Core Strategy (2016), Site Allocations Plan (2016) Industrial Land Supply and Economy Study (2015) report mapping, and the Council's and consultancy team's knowledge of the area, 30 employment clusters were identified for survey in the Borough.

4.2.2 Figure 4-1 shows and Table 4.1 lists the clusters that were surveyed against the site appraisal criteria set by AECOM, drawn primarily from the Land for Industry and Transport SPG (2012), and subsequently agreed with the Council. Criteria were further tailored based on the consultancy team's experience and the specific context within LB Wandsworth.

4.2.3 The 30 clusters comprise a total area of 308.4 ha. Clusters comprising land within SIL accounted for 42.8ha, with LSIA accounting for 37.9ha, Focal Points including MUFIEAs accounting for 49.3ha, Town Centres for 92.6ha, 7.7 ha in Site Specific Allocations (SSAs), and 66.3 ha in the Nine Elms cluster (Cluster 12). Within these areas/clusters other non-employment uses exist such as retail, leisure, residential and community uses so not all of this land can be considered as being part of the Borough's employment land supply. The amount of land which is 'designated industrial land', i.e. the total amount of land within SIL and LSIA, is 93.7ha.³⁷

³⁷ This figure includes the approximately 13 ha retained within the reconfigured NCGM site.

Figure 4-1 Surveyed Employment Land Clusters



Source: AECOM (2016)

Industrial Employment Land Supply

- 4.2.4 A portion of the land found within the employment clusters surveyed is 'industrial employment land'. This is defined as being land falling within the industrial uses identified in the GLA Industrial Land Supply and Economy Study (2015), which includes both 'core' uses, e.g. general industry and warehousing, and 'wider' uses, such as land for transport functions, utilities, waste management and recycling, and also 'vacant' industrial land.
- 4.2.5 The baseline for identifying the supply of industrial employment land in the Borough is that figure identified for LB Wandsworth in the 2015 GLA study, i.e. 149.4ha. During the survey it was observed that approximately 7.5ha of this had been redeveloped for non-employment uses, with the result that there is 141.9 ha of industrial employment land in LB Wandsworth. Of note is that 5.6 ha of the 7.5 ha redeveloped for other uses since 2015 is located in the VNEB OA.
- 4.2.6 Whilst the majority of industrial employment land in the Borough lies within designated areas, namely SIL, LSIA, Focal Point and MUFIEA, there are a number of non-designated industrial employment sites in the Borough, which were mapped in the 2015 GLA study. Where greater than 0.25 ha, these sites have been surveyed as clusters (e.g. Cluster 25, 282 Mitcham Lane). However, there is a further 8.1 ha of industrial land on sites smaller than this, which whilst not surveyed, contributes to the supply position of industrial employment land recorded in LB Wandsworth.
- 4.2.7 In summary, the supply of industrial employment land in LB Wandsworth is that presented in the 2015 GLA study, amended to account for any recent redevelopment for other uses. The supply of land comprises land both within the clusters surveyed and on-sites smaller than 0.25 ha which is in industrial use, as defined by the 2015 GLA study. The supply of industrial employment land identified here (141.9ha) has been used to inform the forecasting of demand for these uses as presented in Sections 6 and 7.

Office Employment Land Supply

- 4.2.8 A portion of the land found within the employment clusters surveyed is in office use. Whilst the 2015 GLA study identifies land currently in office use within designated industrial land i.e. SIL, LSIA and MUFIEA, a comprehensive database identifying sites outside these areas which contain floorspace for office uses outside is not available. Where greater than 0.25 ha every effort has been made to include these sites as clusters for survey. However it is recognised that there is a supply of floorspace in office use of precisely unknown scale which lies dispersed outside the employment clusters identified.
- 4.2.9 This section of the report therefore provides commentary on the scale, distribution and quality of supply of office premises and floorspace both at a cluster level where office uses exist and, separately, at a more general level for floorspace of a smaller scale which lies outside clusters.
- 4.2.10 For the purpose of the forecasting of demand for office premises and floorspace set out in Section 6 the most recent Valuation Office Agency (VOA) data on the supply of floorspace in LB Wandsworth has been used. This dataset in effect comprises office floorspace both within clusters surveyed and those which is dispersed outside of these clusters, identifying that the total stock of office premises in LB Wandsworth is 400,600m².

Table 4.1: Surveyed Employment Clusters – May/June 2016

AECOM Cluster No	Employment Area/ Name of Cluster	LB Wandsworth Local Plan Designation	Area (ha)
C1	Stewarts Road	SIL	31.1
C2	Stewarts Road - Culvert Place & London Stone Business Estate	SIL	11.7
C3	Central Wandsworth	LSIA	11.1
C4	Kimber Road	LSIA	7.2
C5	Old Sergeant	LSIA	3.5
C6	Bendon Valley	LSIA	4.9
C7	Thornsett Road	LSIA	1.1
C8	Summerstown	LSIA	10.1
C9	Ransomes Dock Focal Point	Focal Point incl. MUFIEA	6.7
C10	Lombard Road/York Road Focal Point	Focal Point incl. MUFIEA	29.6
C11	Wandsworth Riverside Quarter and Wandle Delta Focal Point	Focal Point incl. MUFIEA	13.0
C12	Nine Elms	SSAs (part)	66.3
C13	Land at Clapham Junction station, SW11	SSA 4.1.4	3.1
C14	Roehampton, Danebury Avenue, SW15	SSA 8.1.1	2.1
C15	Balham Town Centre	Town Centre	9.5
C16	Tooting Town Centre	Town Centre	14.9
C17	Clapham Junction Town Centre	Town Centre	22.8
C18	Putney Town Centre	Town Centre	21.4
C19	Wandsworth Town Centre	Town Centre incl. MUFIEA	23.9
C20	71 Warriner Gardens – Old Imperial Laundry	Not designated	0.4
C21	99-109 Lavender Hill Road	Not designated	0.6
C22	Cotswold Mews	Not designated	0.3
C23	Smugglers Way, Marl Road and Jews Row	Not designated	8.9
C24	Industrial units at Jaggard Way	Not designated	0.8
C25	Industrial units adjacent to 282 Mitcham Lane	Not designated	0.4
C26	Wimbledon Sewing Machine Co, Balham Cars, and industrial units on Chetwode Road	Not designated	0.6
C27	NJB Recycling, Trewint Street	Not designated	0.4

AECOM Cluster No	Employment Area/ Name of Cluster	LB Wandsworth Local Plan Designation	Area (ha)
C28	Railway arches industrial area, Winthorpe Road	Not designated	0.9
C29	Irene House, 214 Balham Road and 25 Boundaries Road (Access Self-Storage)	Not designated	0.4
C30	Cloisters Business Centre	Not designated	0.3
Total			308.0

4.3 Sub-area Analysis

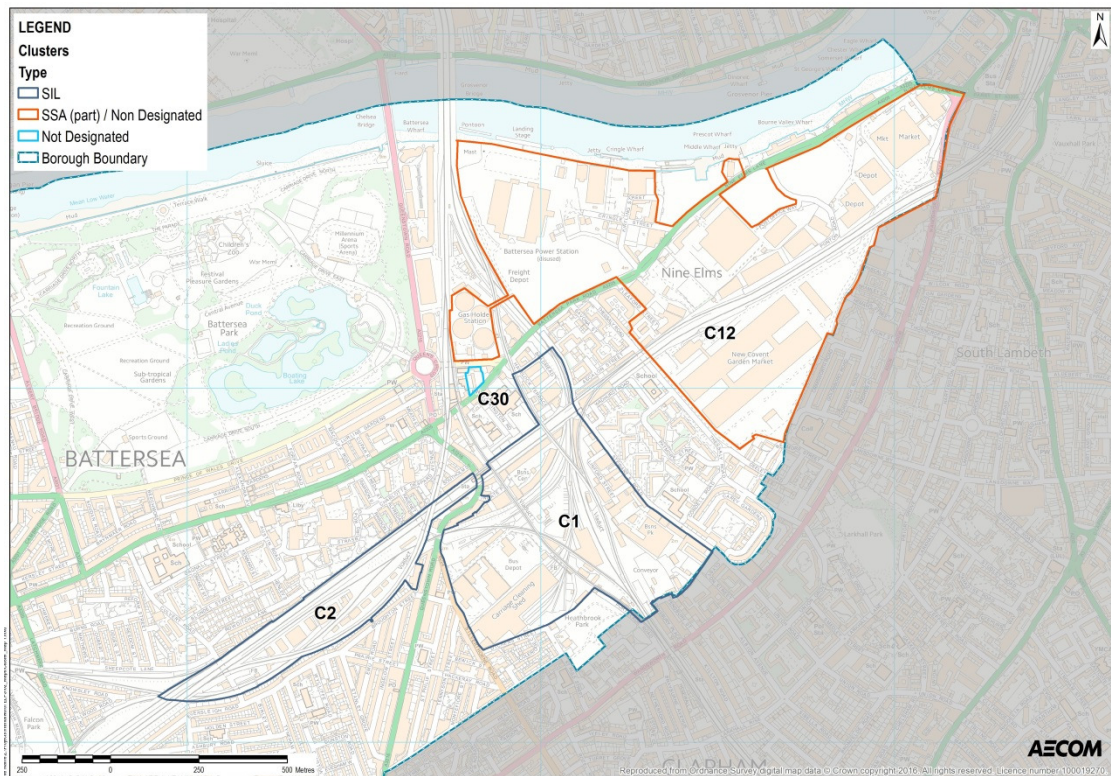
Nine Elms and Queenstown Road sub-area

4.3.1 The Nine Elms and Queenstown sub-area comprises employment clusters of predominantly warehouse, office, and workshop space, as well as railway lands within the northeast corner of the Borough, predominantly within the VNEB OA. Most of the clusters lie adjacent to, or have direct road access to Battersea Park Road (the A3205) or Queenstown Road (A3216), though Cluster 2 is accessed partly via the unclassified Culvert Road and Broughton Street. Table 4.2 lists the employment clusters in the sub-area, identified on Figure 4-2.

Table 4.2: Clusters in the Nine Elms and Queenstown sub-area

Cluster No.	Name	Designation	Employment/B-class Uses	Size (ha)
C1	Stewarts Road	SIL	B1a/b, B1c/B2, B8, A1, Sui Generis	31.1
C2	Stewarts Road - Culvert Place & London Stone Business Estate	SIL	B1c/B2, B8, A1	11.7
C12	Nine Elms	SSAs (part)	B1a/b, B2, B8	66.3
C30	Cloisters Business Centre	Not designated	B1a/b	0.3
Total				109.4

Figure 4-2 Clusters in the Nine Elms and Queenstown sub-area



Source: AECOM (2016)

4.3.2 The Stewarts Road area (C1) cluster borders the LB Lambeth to the southeast and is intersected by railway lines from Waterloo and Victoria Stations. There are a range of active employment uses within the cluster including large scale distribution / logistics, warehousing and manufacturing, and a few small and medium sized office buildings. Smaller warehouse and industrial units are situated in the northeast corner of the cluster on Havelock Terrace, including some premises within railway arches. The cluster has good levels of accessibility, adjoining the strategic road network via Battersea Park Road to the north and Wandsworth Road to the south, and with public transport connections via Queenstown Road Station. Parking and servicing is adequate though there are some issues with permeability and traffic flow restrictions. The buildings are generally in good condition (as is public realm) and appear to meet the needs of currently occupiers. While there is HGV traffic within the cluster and some odour in places, only properties at the northern end of Silverthorne Road appear to be affected by noise and dust associated with HGV movements to and from the Tarmac depot on the eastern side of Silverthorne Road. Vacancy is low, though there is some availability within smaller workspace units, and no vacant or developable sites were observed. There are opportunities for 24 hour working in parts of the cluster where road access abuts strategic roads. While there are no physical site constraints, the presence of HGVs and high volumes of traffic make the cluster somewhat difficult to navigate, particularly due to the incoherent layout of streets and business access in places. Additionally, the lack of safe pedestrian circulation routes and crossing areas in an area of high traffic movement may potentially constrain intensification within the locality. Overall however, the cluster is well occupied and vibrant, and is considered to function well as a key area of industrial, warehousing, and office employment land in the Borough.

4.3.3 To the west of Ccluster C1 is the Culvert Place and London Stone Business Estate cluster (C2) which includes predominantly B8 uses and trade counter premises. The cluster has

reasonable strategic road connections, with indirect access from Battersea Park Road and Queenstown Road (via Culvert Road and Broughton Street). Building quality and public realm is generally good throughout. Overall, while the cluster appears to be functioning well as a strategic industrial location and there were no vacancies observed during surveys, it is somewhat constrained by railway lines which intersect the site and a narrow tunnel access route for HGVs underneath the tracks to access Culvert Place..

- 4.3.4 Cluster C12, Nine Elms, is situated in the north-eastern corner of the Borough. Employment uses within the cluster are focused around medium and large warehousing, wholesale market activities, and some small offices, however the area is undergoing significant planned change and traditional B2/B8 uses are rapidly moving out. New Covent Garden Market dominates the south of the cluster and the Battersea Power Station site the west. Nine Elms Lane, a strategic road, bisects the cluster and there is good onward access north of the river (via nearby Vauxhall and Chelsea Bridges). Public transport access is very good within most areas of the cluster (however areas of the Battersea Power Station site are less accessible at present), and will improve when the Northern Line Extension to Battersea Power Station is completed in around 2020. The area is undergoing significant change and has experienced considerable redevelopment in some portions of the cluster over the past 10 years. With a number of vacant and developable sites remaining further opportunities for redevelopment and intensification exist, with a significant prominence of B1a/b uses featuring, for example, at Embassy Gardens and Battersea Power Station. Although the cluster still serves warehousing and wholesale market trade activity well, recent and further opportunities for development will bring about intensification of employment activity through a rebalance in favour of office uses as part of planned mixed-use regeneration within this area of significant change within the Borough.
- 4.3.5 To the north of west of C1, Cluster C30; the Cloisters Business Centre, fronts on to Battersea Park Road, with good strategic road access and public transport access via Queenstown Road and Battersea Park Stations nearby. The cluster contains small offices for SMEs, with a range of occupants (including retailers, charities, architects, and creative industries). The buildings are in good condition, with an attractive public realm and there is adequate off-street loading bays and parking. While several vacant units are currently advertised, the business centre appears to be well used and there is no requirement or opportunity for further intensification of the activities onsite. Overall, the cluster is considered to function well as a small office centre for SME employment which has been renovated to be fit for purpose for the needs of smaller businesses, with relatively few other similar offerings noted in the locality.

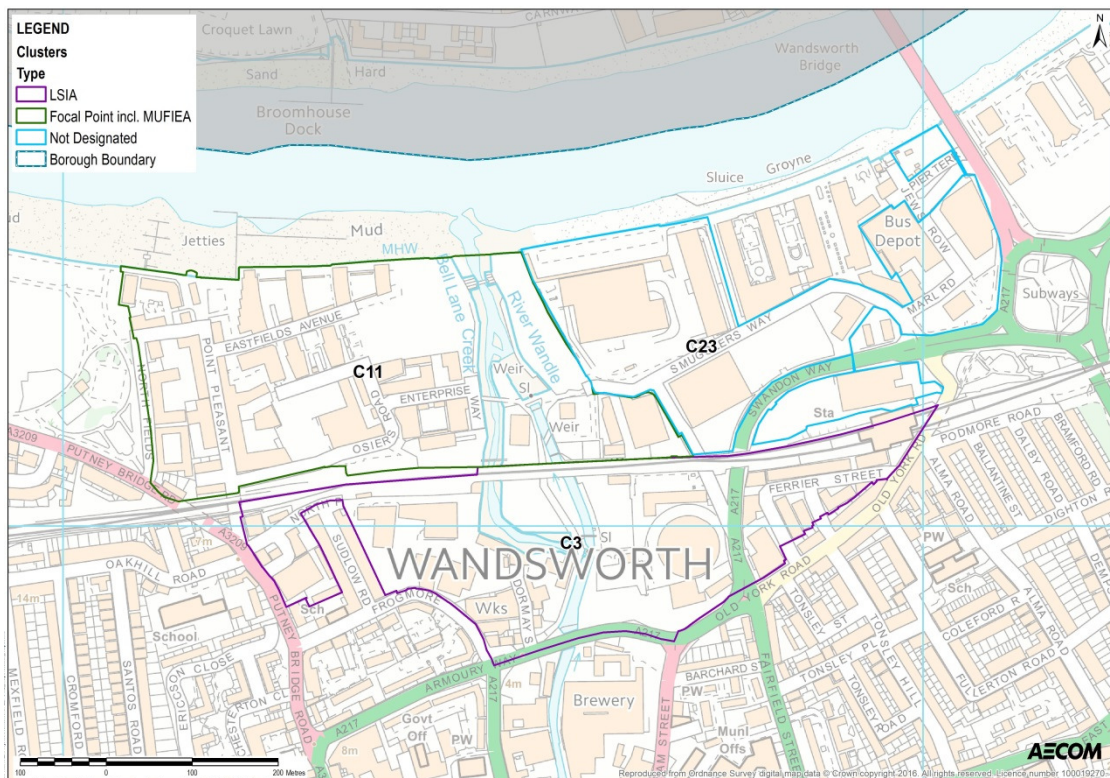
Central Wandsworth sub-area

- 4.3.6 The Central Wandsworth sub-area comprises employment clusters of predominantly warehouse, industrial and office space, intersected by the River Wandle which runs north-south through the cluster. Table 4.3 lists the employment clusters in the sub-area, identified on Figure 4-3.

Table 4.3: Clusters in the Central Wandsworth sub-area

Cluster No.	Name	Designation	Employment/B-class Uses	Size (ha)
C3	Central Wandsworth	LSIA	B1a/b, B1c/B2, B8, A1, Sui Generis	11.1
C11	Wandsworth Riverside Quarter and Wandle Delta Focal Point	Focal Point incl. MUFIEA	B1a/b, B1c/B2, B8	13.0
C23	Smugglers Way, Marl Road and Jews Row	Non designated	B8, A1, Sui Generis	8.9
Total				33.0

Figure 4-3 Clusters in the Central Wandsworth sub-area



Source: AECOM (2016)

4.3.7

Cluster C3 Central Wandsworth is an LSIA comprising mixed use predominantly industrial and workshop space and local offices. The cluster has direct strategic road access to Wandsworth High Street to the south, and the A312 and A217 lie within the cluster. The cluster has three distinct character areas: Ferrier Street within the east of the cluster (comprising smaller warehousing and office units); the larger industrial and warehousing units, a large Council depot at Frogmore and gasholder area within the central portion of the cluster; and mostly small offices and self-storage at the western fringe. Small warehouses, workshops and offices are found at Ferrier Street with occupiers being quite diverse, and including some managed workspace Public transport access is reasonable with Wandsworth Town Station situated on the eastern boundary of the cluster and a number of bus routes in the locality. The buildings

are generally in good condition, with some poor quality (mainly industrial) premises in places (for example around Frogmore) which appear to be less efficiently used than newer and purpose built premises. Local amenities are easily accessible and parking and servicing is adequate. Though well positioned between road, rail and river, the gasholder site is of notably poorer environmental and built quality at present, and occupies a large area within the centre of the cluster which is inefficiently used, with some temporary/low value occupiers. This site could offer a considerable opportunity for new development and intensification of activities within the cluster. The Council depot at Frogmore contains large areas of parking and servicing space which could potentially be better used. Overall, the cluster is considered to function relatively well; however has further potential for development to offer new employment premises at the central gasholder area, within this strategically located site within the Borough.

- 4.3.8 Cluster C11 is bounded by the River Thames to north and elevated railway lines to the south. A large area of the cluster is occupied by the Wandsworth Riverside Quarter; a new mixed use development area with ground floor retail, leisure and office space almost throughout. From an employment perspective, the cluster is predominantly a local office and business centre, with a few small light industrial premises remaining in the Osiers Road MUFIEA and a small fuel oil depot. The majority of buildings are of very good quality, as is the local environment. Access to local services and amenities is good; and there is adequate parking and loading, however public transport within the local area is limited (PTAL level 2) which may give rise to access issues for employees. There is no evidence of derelict or underused premises; however there are a number of unoccupied new flexible use units at ground floor level in the Riverside Quarter which are currently being marketed. Overall, the cluster is considered to function well as an area of office employment, and likely forthcoming redevelopment of the remaining industrial premises could present opportunities for further growth in office employment.
- 4.3.9 Cluster C23 comprises medium and large industrial and warehousing premises, a tour bus depot, retail and trade premises, and a large waste transfer and Household Waste Recycling Centre (HWRC) which has wharf access to the River Thames. Despite the traditional industrial nature of much of the cluster, premises are in good condition and the local environment is well kept. There are some residential dwellings within close proximity to the cluster boundary, and evidence of odour generated from the waste transfer facility which is likely to impact local residents or hotel guests. Redevelopment of older industrial premises and the Homebase and B&Q retail premises and their car parks are relatively low density and, from a supply-side, could present opportunities for intensification; however the cluster appears to be well occupied and functioning efficiently. The addition of a northern entrance to Wandsworth Town Station would also improve accessibility within the area, and could be achieved through the proposed redevelopment of the Homebase site.

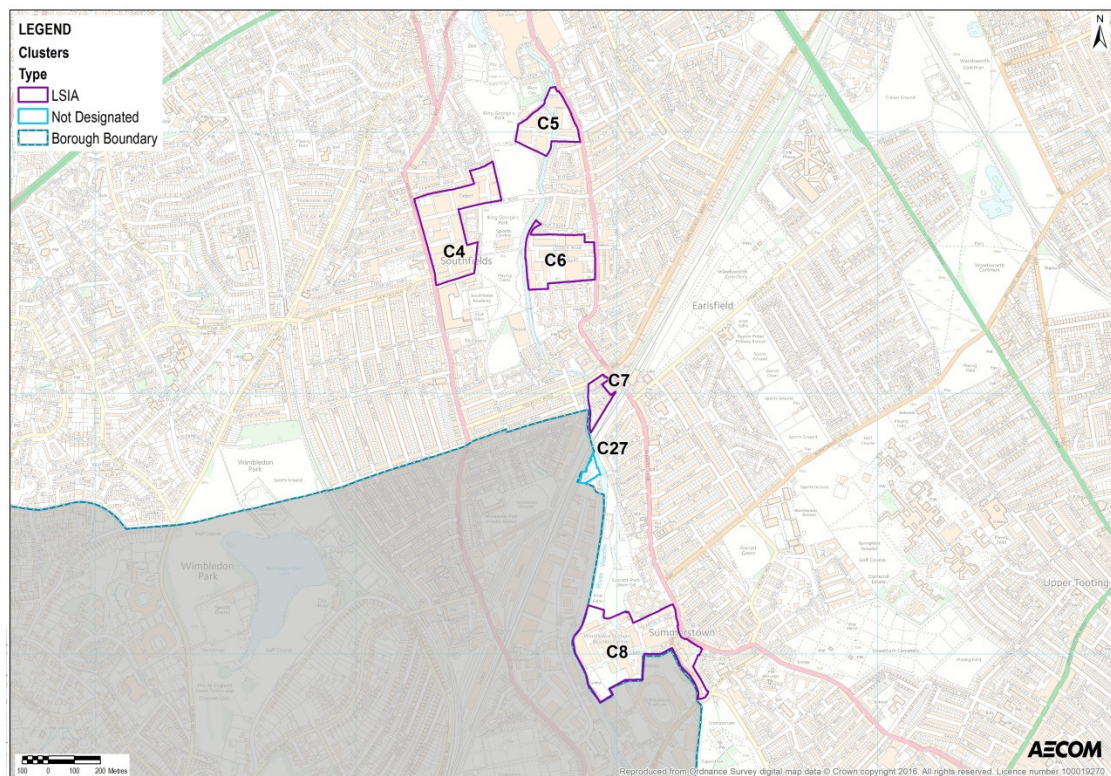
Wandle Valley sub-area

- 4.3.10 The Wandle Valley sub-area comprises employment clusters, mainly LSIA's, of predominantly light industrial, warehouse, workshop, and small office space within land in the centre of the Borough, in the Southfields, Earlsfield, and Summerstown areas. **Table 4.4** lists the employment clusters in the sub-area, identified on Figure 4-4.

Table 4.4: Clusters in the Wandle Valley sub-area

Cluster No.	Name	Designation	Employment/B-class Uses	Size (ha)
C4	Kimber Road	LSIA	B1c/B2, B8, A1	7.2
C5	Old Sergeant	LSIA	B1c/B2, B8, A1, Sui Generis	3.5
C6	Bendon Valley	LSIA	B1a/b, B1c/B2, B8, Sui Generis	4.9
C7	Thornsett Road	LSIA	B1c/B2, B8	1.1
C8	Summerstown	LSIA	B1a/b, B1c/B2, B8, A1	10.1
C27	NJB Recycling, Trewint Street	Not designated	B8, A1	0.4
Total				27.2

Figure 4-4 Clusters in the Wandle Valley sub-area



Source: AECOM (2016)

4.3.11 Clusters C4, C5 and C6 lie to the east (C4) and west (C5 and C6) of King George’s Park, within 200m of each other; however remain distinct and separate parcels of employment land. All three clusters have a similar character and types of occupiers. Cluster C4 is occupied by predominantly medium sized premises including warehousing, several car dealerships and

service centres, trade counter premises and a factory shop on Merton Road. Cluster C5 is also occupied by predominantly medium sized industrial/warehousing premises, a trade counter and retail area, and two large self-storage facilities within an industrial estate. Cluster C6 similarly comprises medium and large sized warehouses along Bendon Valley and Lydden Road, and small office units, studios, and some small light industrial space within the Riverside Business Centre. The condition of environment and buildings within all three clusters is generally good, with strategic road access, and adequate parking and servicing throughout (however high numbers of vehicles were observed to be parked on Lydden Road in Cluster 6 when the survey was undertaken). Public transport access is limited however, with Public Transport Accessibility Level (PTAL) 2 in clusters C4 and C5, and PTAL level 4 in cluster C6 (level 0 being the lowest level of accessibility and 6b the highest and best). Premises within all three clusters appear to be well used and have been adapted to be fit for purpose, with few vacancies. The 'Flip Out' trampoline park on Bendon Valley (formerly Mecca Bingo) could provide an opportunity for intensification and redevelopment, and includes a large car park. Otherwise, there are no obvious opportunities (or apparent requirement) for redevelopment and intensification. Overall therefore Clusters C4, C5, and C6 appear to function well as focal areas for small and medium sized warehousing and industrial stock, and are well used, strategically located and generally fit for purpose as LSIA, despite some presence of non-employment uses.

4.3.12 Clusters C7 and C27 are situated to the west of Earlsfield Station, within 150m of one another. The two clusters are separated by national rail lines which serve Earlsfield Station and provide direct access to Clapham Junction and London Waterloo. Cluster C7 comprises small, predominantly industrial premises for SMEs, including one new, medium sized light-industrial and warehouse building, with ancillary offices. Cluster C27 has restricted access via a small single lane bridge over the River Wandle, via Trewint Street. It is solely occupied by a storage area and vehicle auction business, situated next to a small Gypsy and Traveller site. Buildings within C7 are in mostly good condition, whilst in C27 they are of poorer quality, both having good access to local amenities. There is dedicated on-street parking within both clusters; however this is perhaps not sufficient within C7 to serve the number of businesses, and likely exacerbated by the number of vehicle repair and servicing businesses in this location. Overall, C7 appears to be a well-used focal point for SMEs with no evidence of vacancies. Whilst C27 appears to be inefficiently used, there is limited opportunity for intensification given access and site constraints, and the proximity to residential units.

4.3.13 Cluster C8, Summerstown LSIA, is situated to the north of Wimbledon Stadium and comprises a number of business estates with medium and large warehouses, industrial, trade, and retail accommodation, and several artists' studios. Building quality within the cluster is mixed, with adequate parking and servicing, and a poor surrounding environment, with high volumes of traffic and HGVs causing some access and movement issues. While there are places of worship on Summerstown within industrial premises, there do not appear to be obvious 'bad neighbour' issues³⁸, and there is the potential for intensification of uses within some areas of older warehousing and possibly 24-hour working in the Wimbledon Stadium Business Centre. Overall Cluster C8 appears to function well as an LSIA, is efficiently used, and is a key business and industrial area which supports and appears to be a hub for SMEs, creative industries and artists' studios.

³⁸ Negative impacts on a neighbourhood's environment as a result of production activities e.g. smells, noise, poor air quality, and/or congestion and safety issues due to lorry/van movements.

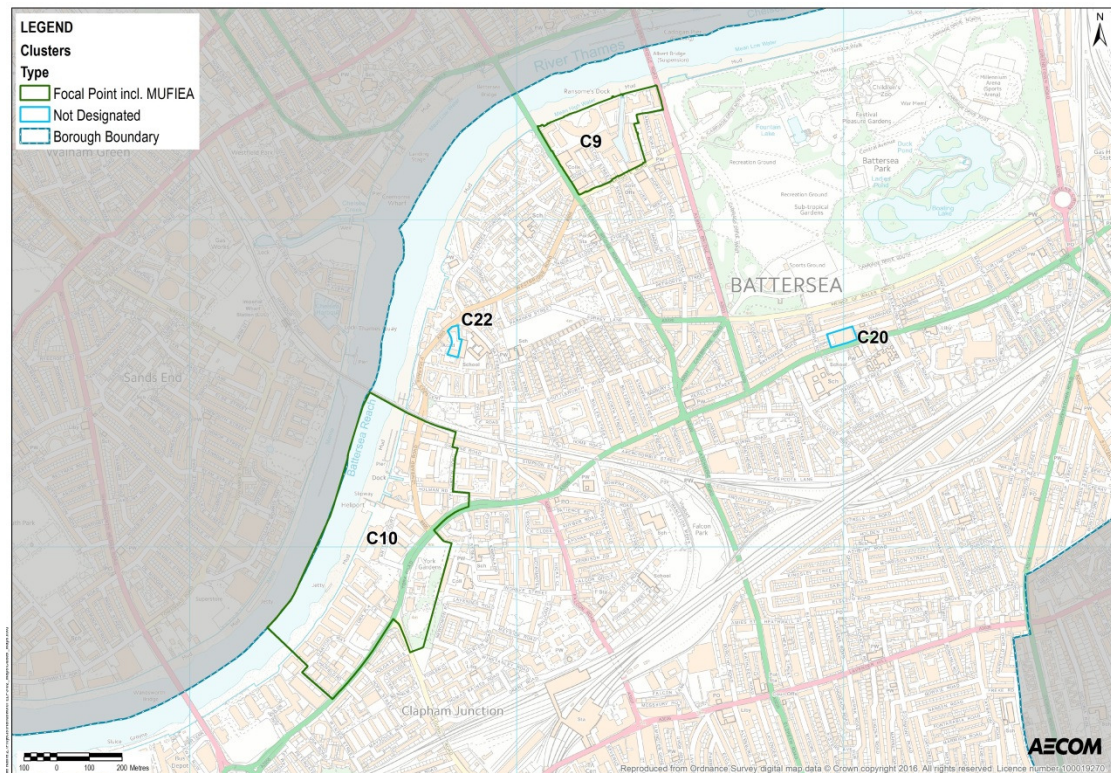
Battersea sub-area

4.3.14 The River Thames sub-area comprises four mixed use employment clusters of predominantly industrial, warehouse, office, and retail space within land in the north of the Borough, within the Nine Elms, Battersea Power Station and Stewarts Road areas. All of the clusters lie on or within 100m of the south bank of the River Thames. Table 4.5 lists the employment clusters in the sub-area, identified on Figure 4-5.

Table 4.5: Clusters in the Battersea sub-area

Cluster No.	Name	Designation	Employment/B-class Uses	Size (ha)
C9	Ransomes Dock Focal Point	Focal Point incl. MUFIEA	B1a/b, B1c/B2, D1	6.7
C10	Lombard Road/York Road Road Focal Point	Focal Point incl. MUFIEA	B1a/b, B1c/B2, B8, A1, C3, D1/2	29.6
C20	71 Warriner Gardens – Old Imperial Laundry	Not designated	B1a/b, B1c/B2	0.4
C22	Cotswold Mews	Non Designated	B1a/b	0.3
Total				37.0

Figure 4-5 Clusters in the Battersea sub-area



Source: AECOM (2016)

- 4.3.15 Cluster C9 is bounded to the east by Albert Bridge Road and to the west by Battersea Bridge Road. The majority of the cluster is occupied by medium-sized office premises, Royal College of Art buildings of high quality design, and smaller warehouses. Buildings are of good quality, and parking and servicing is adequate. Whilst there were no marketed vacancies at the time of survey, some vacant premises were noted on Elcho Street. These, in conjunction with relict older industrial premises of poorer quality on Howie Street, may present opportunities for redevelopment and intensification, as identified in the LB Wandsworth Site Specific Allocations Document (SSAD). Overall therefore, while some areas of the cluster are considered to function reasonably well in providing office and mixed business employment land in the Borough, there are further opportunities to intensify activity and SMEs could be supported through redevelopment to provide purpose-built premises.
- 4.3.16 Cluster C10 is situated off Lombard Road and York Road (including York Gardens), with indirect access to the River Thames via a slipway and dock. Part of the cluster has been recently redeveloped to include several large residential and hotel premises fronting on to the River. The cluster has a mixed character and includes warehousing, light industrial, office, the Sambrook's brewery and the London Heliport. There are a considerable number of premises for SMEs within two purpose built business estates off York Place, predominantly occupied by catering firms. Loading is sufficient however there appears to be a shortage of parking. Buildings are mostly of good quality, with average public realm. There are some opportunities for intensification of activities in the cluster's older industrial areas, as identified in the LB Wandsworth SSAD, and several vacant premises marketed which could be redeveloped to provide additional purpose built SME or small office premises.
- 4.3.17 Cluster C20, the Old Imperial Laundry, backs on to Nine Elms Lane at 71 Warriner Gardens, and is occupied by a number of SMEs, including workshops and showrooms for creative uses. It has indirect strategic road access (within 100m of the cluster's entrance via a residential street). Parking and loading is also somewhat limited, and does not appear sufficient for occupiers or visitors to the cluster, causing some access issues. Despite this the Old Imperial Laundry site appears busy and well used, with a good public realm, generally good building character and no obvious opportunities for intensification. Overall, therefore, while the cluster has some significant parking and accessibility issues, it is considered to function well overall as a focal area for SME and creative and cultural employment, which provides premises converted to meet the needs of this sector. Approximately half of the cluster has planning permission for the demolition of existing workshops and construction of nine residential units.
- 4.3.18 Cluster C22 is a small local office centre at Cotswold Mews, fronting on to Battersea Square. The cluster is situated within the courtyard of what was a former workshop and appears to have been recently redeveloped as predominantly residential dwellings; however it appears some small, good quality office units may remain. Parking is off-road and there are numerous local facilities within Battersea Square and along Westbridge Road. No evidence of vacancy though unclear which units remain occupied.

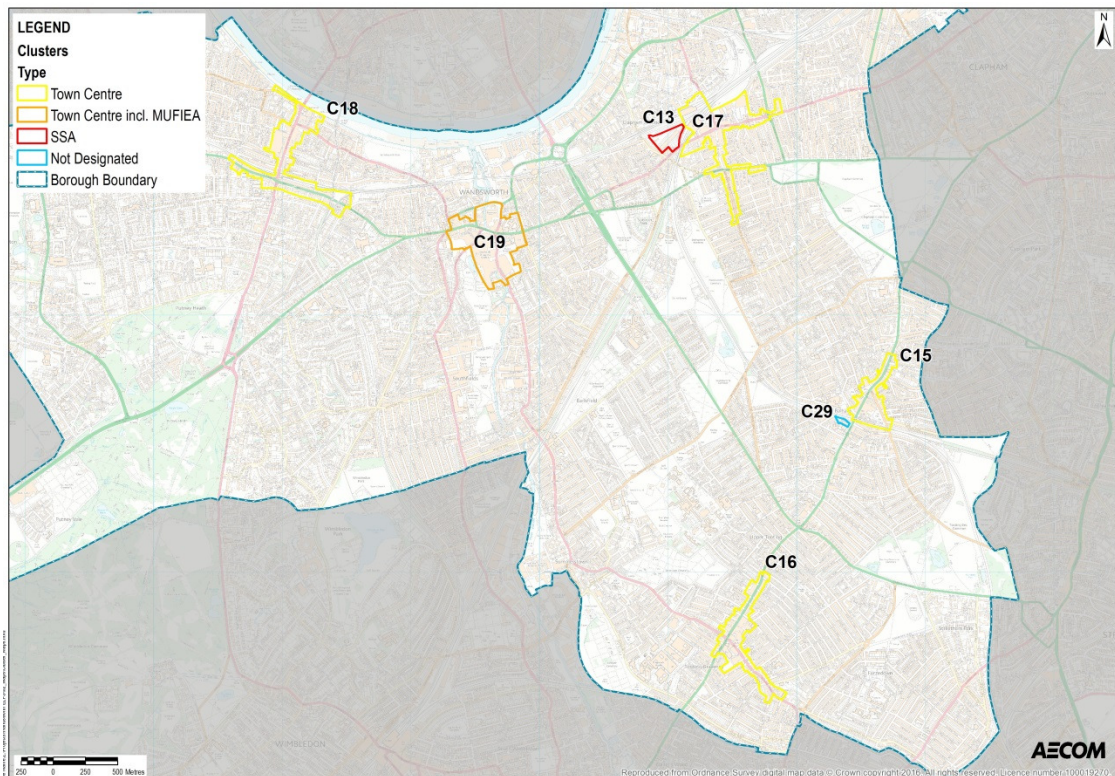
Town Centres sub-area

- 4.3.19 The Town Centres sub-area comprises five designated town centres, which are the main retail centres within the Borough. Clusters C13 and C29 have also been included as it is situated close to the Clapham Town Centre boundary.
- 4.3.20 Table 4.6 lists the clusters in the sub-area, identified on Figure 4-6.

Table 4.6: Clusters in the Town Centres sub-area

Cluster No.	Name	Designation	Employment/B-class Uses	Size (ha)
C15	Balham Town Centre	Town Centre	B1a/b	9.5
C29	Irene House, 214 Balham Road and 25 Boundaries Road (Access Self-Storage)	Not designated	B1 and B8 (self-storage)	0.4
C16	Tooting Town Centre	Town Centre	B1a/b	14.9
C17	Clapham Junction Town Centre	Town Centre	B1a/b	22.8
C13	Land at Clapham Junction station, SW11	SSA	B8	3.1
C18	Putney Town Centre	Town Centre	B1a/b	21.4
C19	Wandsworth Town Centre	Town Centre	B1a/b	23.9
Total				96.0

Figure 4-6 Clusters in the Town Centres sub-area



Source: AECOM (2016)

- 4.3.21 Cluster C15, Balham Town Centre, is situated in the southern part of the Borough, close to the boundary of the London Borough of Lambeth. It has predominantly retail based employment activity and several medium/large offices and benefits from underground and overground public transport links and direct strategic road access. Offices are situated above ground floor retail premises; however there are several larger more modern premises on the outskirts of the town centre area. The quality of buildings is good, and there is little evidence of vacancy. The Sainsbury's site and car park within the 'Balham triangle' could present an opportunity for redevelopment and intensification of land for a mix of uses in the town centre, particularly were a Crossrail 2 station to be realised here. Overall therefore, the cluster appears to function well as a retail focused town centre though B class employment land uses have a limited presence.
- 4.3.22 Cluster C29 is situated immediately to the south of Balham Town Centre, in close proximity to the station, with direct strategic road access on to the A24. While formerly all office buildings, the larger of the buildings (25 Boundaries Road) is used for self-storage and the level of use of the other two buildings is unclear. All are in average condition. The cluster lies close to Balham station and bus routes and as such is highly accessible. The quality of the office stock it not likely to have great appeal for modern occupiers, and as such alternative uses should be considered/permitted if viable.
- 4.3.23 Tooting Town Centre (C16) is southwest of Balham along the A23 and similarly is a predominantly retail focused town centre, with little evidence of office occupancy, except the Trident Business Centre. Offices are mostly above ground floor retail premises, and the quality of buildings is generally good with some new areas of infill on Tooting High Street. The town centre has direct strategic road access and public transport accessibility is very good. There are very few vacancies, and no evidence of current opportunities for redevelopment or intensification to offer additional B-class uses. Overall therefore, the cluster appears to function well as a retail focused town centre. In the future, should Crossrail 2 be constructed, some sites within the town centre (such as the South Thames College car park) may be brought forward/released to support works to provide station facilities, which would present future opportunities for redevelopment and intensification of several sites within the town centre.
- 4.3.24 Clapham Junction Town Centre (C17) is located in the north of the Borough, and incorporates Clapham Junction Station, with Cluster C13 situated immediately to the west beyond the town centre boundary. It is a large town centre with residential premises including a department store and large supermarkets. There is little evidence of office use – except medium sized buildings; PCS House and 7-11 St John's Hill – within the town centre and no obvious existing opportunities for redevelopment to offer B-class uses given the existing retail and leisure focus and character. Two SSA area in the town centre, 4.1.1 and 4.1.2, although being allocated for retail focused uses, may have potential to accommodate office uses, given the high levels of connectivity to the town centre, and should Crossrail 2 come forward.
- 4.3.25 Cluster C13 is situated next to Clapham Junction Station and is occupied by a carriage shed and bus logistics office, and solely used for transport related functions. It is constrained by railway lines on two sides, allowing only over-site development. Any redevelopment of the cluster to allow for intensification of use would likely have to be in conjunction with above station works at Clapham Junction. Overall Cluster C17 is well occupied and functioning efficiently as a town centre site which is a key area of retail employment.
- 4.3.26 Cluster C18, Putney Town Centre, is situated in the northwest of the Borough, centred around Putney High Street (A219) and Upper Richmond Road (South Circular). The town centre is easily accessible by public transport and functions well as a large retail centre, and compared with other town centres is a key location for B1 uses within the Borough. Office provision is

mostly found on Upper Richmond Road (though Jubilee House is located on Putney Bridge Road) and comprises purpose built premises offering space for small and medium sized businesses. Most premises typically date to around the 1980s era. There is evidence of significant regeneration along Upper Richmond Road, mostly office space being converted to residential, but with some new office space at Tileman House offering office space for small and medium sized businesses. Along Putney High Street there are a limited number of commercial premises providing small office space above ground floor retail, which are generally of lower quality.

- 4.3.27 Wandsworth Town Centre (C19) comprises predominantly retail premises, with several large, poor quality office blocks which appear to be undergoing renovation (and looked vacant at the time surveys were undertaken) and council offices off Wandsworth High Street. Several new small office and studio units have been developed within the Light Bulb; the commercial component within The Filament mixed use development on Buckhold Road. While functioning well as a retail centre, the vacant and poor quality office blocks require redevelopment (which appears to be ongoing) in order to ensure the cluster’s employment offer is competitive and fit for purpose.

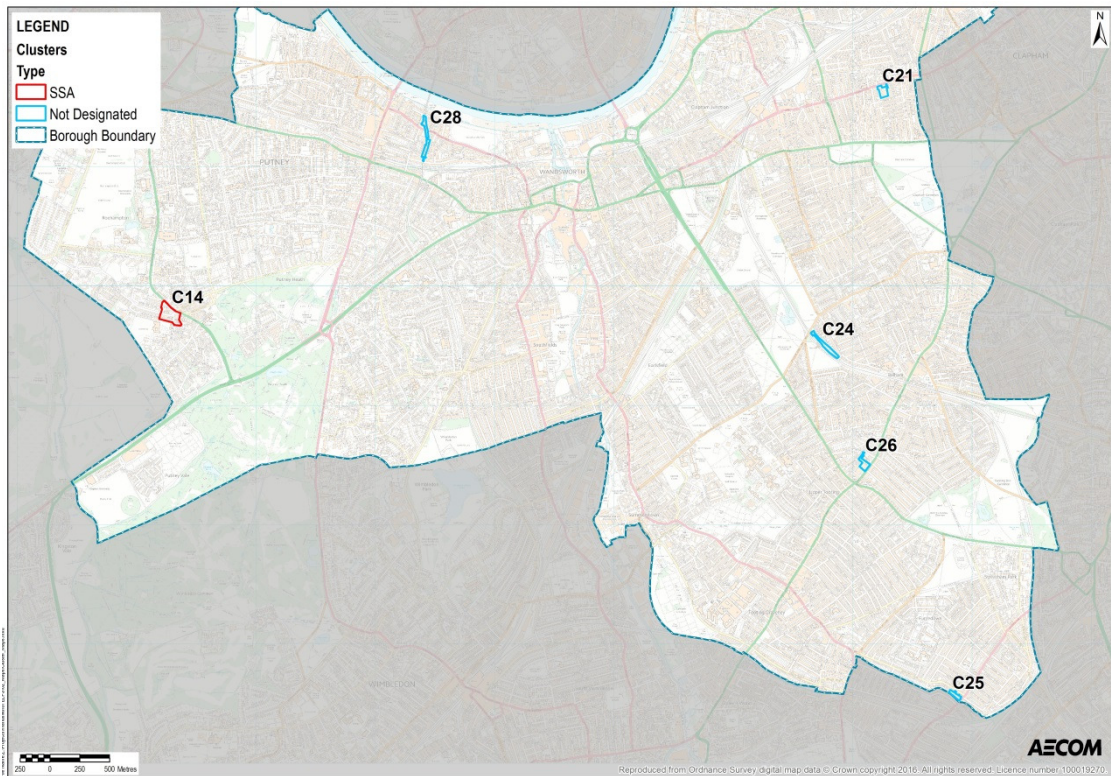
Other Employment Clusters sub-area

- 4.3.28 The Other Employment Clusters sub-area comprises areas which are either non-designated, do not belong with other clusters, or which have unique characteristics. Table 4.7 lists the employment clusters in the sub-area, identified on Figure 4-7 in red.

Table 4.7: Other Employment Clusters sub-area

Cluster No.	Name	Designation	Employment/B-class Uses	Size (ha)
C14	Roehampton, Danebury Avenue, SW15	SSA	A1, D1/2	2.1
C21	99-109 Lavender Hill Road	Not designated	B1a/b, B1c/B2	0.6
C24	Industrial units at Jaggard Way	Not designated	B1a/b, B8, D2	0.8
C25	Industrial units adjacent to 282 Mitcham Lane	Not designated	B1a/b, B8	0.4
C26	Wimbledon Sewing Machine Co, Balham Cars, and industrial units on Chetwode Road	Not designated	B1c/B2	0.6
C28	Railway arches industrial area, Winthorpe Road	Not designated	B1a/b, B8	0.3
Total				4.8

Figure 4-7 Clusters in the Other Employment Clusters sub-area



Source: AECOM (2016)

- 4.3.29 Cluster C14 is situated in Roehampton and comprises a local centre within a residential area. There was no evidence of B-use class uses being present at the time of survey. It is situated close to Roehampton University and has direct strategic road access to the A306. There appears to be limited potential to incorporate employment space within the cluster, except perhaps office uses as part of a comprehensive mixed-use development, subject to demand and development conditions.

- 4.3.30 Cluster C21 on Lavender Hill Road is a local office centre, which includes workshops and SME space. The cluster is bounded by residential properties, however there appear to be no 'bad neighbour' issues. The buildings are in poor condition, and have dedicated off-street parking via a narrow access point which appears to be adequate for the current activities onsite. The cluster appears to be well used with no evidence of vacancies, and there are no other SME spaces within the locality. Overall therefore, the cluster appears to be functioning well and is fit for purpose as a local SME and office centre and does not provide any further opportunity for intensification.

- 4.3.31 Cluster C24 on Jaggard Way is situated adjacent to Wandsworth Common Station and bounded by railway lines and residential dwellings. The cluster comprises a light industrial estate, with SME businesses, small office space, and a gym. All buildings are of good condition and the public realm is well kept, with dedicated parking which appears to be adequate for the current occupiers and controlled parking in operation. Overall, the cluster appears to be well used with no evidence of vacant units, and functions well as a local SME employment area. There are no apparent opportunities for redevelopment or intensification of use and land appears to be efficiently used.

- 4.3.32 Containing vacant/derelict industrial workshops Cluster 25 on Mitcham Lane is unused and in poor condition having not been maintained. The site sits within a residential area with

properties immediately to the east and west (beyond the River Graveney), and directly accesses the A216. Though vacant neither the premises nor land are marketed for occupancy. The cluster therefore presents a good opportunity for redevelopment for non-employment uses

- 4.3.33 Cluster C26 at Chetwode Road is a retail and trade counter area in good condition, with reasonable public realm and excellent access to local services. Parking and loading appear adequate for the current uses onsite, and dedicated customer parking is available. Residential premises situated to the rear of the cluster do not appear to be affected by any 'bad neighbour' issues and all premises appear to be well used by SMEs, with no evidence of vacancies. Despite the cluster's prime location, there is no opportunity or apparent requirement for further intensification of activities.
- 4.3.34 Cluster C28 is situated to the east of Putney Town Centre and comprises small business and workshop space within railway arches. The cluster lacks direct strategic road access and is situated within a residential area with narrow streets, creating a disjointed layout and limited parking. Buildings and public realm are of generally poor quality; however there is no evidence of vacant premises aside from yard space. The businesses contain a mix of uses including a car repair centre, guitar repair shop, gym, landscaping shop and recording studio. Overall, while the cluster is well used, given access restrictions and the residential nature of the surrounding area, there is little scope for redevelopment or intensification.

4.4 Quality of Existing Employment Clusters

- 4.4.1 Table 4.8 below provides an overview of the performance and characteristics of each cluster against some of the key survey criteria assessed in this ELPS, in order to help identify those clusters which are performing well or those which, justifiably based on PPG/SPG guidance, might provide opportunities for further redevelopment, intensification, or change of employment use as deemed appropriate.

Table 4.8: Existing Employment Clusters

Cluster No.	Name	Overall Quality of Environment (Good / Average / Poor)	Overall Condition of Buildings (Good / Poor)	Public Transport Access (Good / Poor)	Strategic Road Access (Direct / Indirect)	Vacant / derelict land suitable for development (Yes / No)	Parking (Adequate / Inadequate)	Clusters occupied by predominantly non-B-class uses (Yes / No)	Sites with a large SME or creative industry presence (Yes / No)
C1	Stewarts Road	Average	Good	Good	Indirect	No	Adequate	No	Yes
C2	Stewarts Road - Culvert Place	Average	Good	Good	Indirect	No	Adequate	No	No
C3	Central Wandsworth	Good	Good	Good	Direct	Yes	Adequate	No	No
C4	Kimber Road	Good	Good	Poor	Direct	No	Adequate	No	Yes
C5	Old Sergeant	Good	Good	Poor	Direct	No	Adequate	No	No
C6	Bendon Valley	Good	Good	Poor	Direct	No	Adequate	No	No
C7	Thornsett Road	Average	Good	Good	Direct	No	Inadequate	No	Yes
C8	Summerstown	Average	Good	Poor	Direct	No	Adequate	No	Yes
C9	Ransomes Dock Focal Point	Good	Good	Poor	Direct	No	Adequate	No	No
C10	Lombard Road/York Road Focal Point	Average	Good	Poor	Direct	No	Inadequate	No	Yes
C11	Wandsworth Riverside Quarter and Wandle Delta Focal Point	Good	Good	Poor	Indirect	No	Adequate	No	Yes
C12	Nine Elms	Good	Good	Good	Direct	Yes	Adequate	No	No
C13	Land at Clapham Junction station, SW11	Average	Good	Good	Direct	No	Adequate	Yes – transport uses	No
C14	Roehampton, Danebury Avenue, SW15	Good	Good	Poor	Direct	No	Adequate	Yes - retail	No

Cluster No.	Name	Overall Quality of Environment (Good / Average / Poor)	Overall Condition of Buildings (Good / Poor)	Public Transport Access (Good / Poor)	Strategic Road Access (Direct / Indirect)	Vacant / derelict land suitable for development (Yes / No)	Parking (Adequate / Inadequate)	Clusters occupied by predominantly non-B-class uses (Yes / No)	Sites with a large SME or creative industry presence (Yes / No)
C15	Balham Town Centre	Good	Good	Good	Direct	No	Adequate	Yes - retail	No
C16	Tooting Town Centre	Average	Good	Good	Direct	No	Adequate	Yes - retail	No
C17	Clapham Junction Town Centre	Good	Good	Good	Direct	No	Adequate	Yes - retail	No
C18	Putney Town Centre	Good	Good	Good	Direct	No	Adequate	Yes - retail	No
C19	Wandsworth Town Centre	Good	Poor	Good	Direct	No	Adequate	Yes – retail	No
C20	71 Warriner Gardens	Good	Good	Poor	Indirect	No	Inadequate	No	Yes
C21	99-109 Lavender Hill Road	Average	Poor	Poor	Direct	No	Adequate	No	No
C22	Cotswold Mews	Good	Good	Good	Indirect	No	Adequate	No	No
C23	Smugglers Way, Marl Road and Jews Row	Good	Good	Good	Direct	No	Adequate	No	No
C24	Industrial units at Jaggard Way	Good	Good	Good	Indirect	No	Adequate	No	Yes
C25	Industrial units adjacent to 282 Mitcham Lane	Poor	Poor	Poor	Indirect	Yes	Adequate	No	No
C26	Wimbledon Sewing Machine Co, Balham Cars, and ind. units on Chetwode Rd	Average	Good	Good	Direct	No	Adequate	Yes – retail	No
C27	NJB Recycling, Trewint Street	Poor	Poor	Good	Indirect	No	Adequate	Yes – auction / yard space	No
C28	Railway arches industrial area, Winthorpe Road	Poor	Poor	Good	Indirect	No	Inadequate	No	Yes
C29	Irene House, 214 Balham Road and 25 Boundaries Road (Access Self-Storage)	Good	Average	Good	Indirect	No	Adequate	No	No
C30	Cloisters Business Centre	Good	Good	Good	Direct	No	Adequate	No	Yes

- 4.4.2 Overall, the above table suggests that the majority of LB Wandsworth's employment land is either in good or average condition and is fit for purpose. Some clusters such as C27 and C28, have identified issues including poor quality environment and buildings, and access issues, which may present opportunities for redevelopment for different types of employment uses as they are currently not functioning effectively in their current state. Clusters such as C3 have underused land which may be developed further, and Clusters C10, while functioning relatively well, has considerable concentrations of SMEs and may present further opportunities for intensification of SME/creative uses. See Section 4.6 for further consideration of Prospects for Intensification.

4.5 Vacant Land and Vacant Floorspace in Clusters

Vacant Land

- 4.5.1 The 2010 GLA Industrial Land Baseline study identified that there was 4.5 ha of vacant industrial land in LB Wandsworth, however the 2015 London Industrial Land Supply and Economy Study calculated that this has reduced to 0.7ha, none of which is designated industrial employment land. Of this non-designated land, 0.3 ha is estimated to be vacant cleared sites and derelict industrial buildings, and 0.4 ha comprising Industrial land with vacant buildings. The Industrial Land Supply and Economy Study estimates that over twice as much industrial land was released between 2010 and 2015 as the SPG benchmark release five year equivalent, with the considerable drop in supply over the past five years emphasising the extent of commercial development which has been and continues to take place within the Borough.
- 4.5.2 The only area of land observed which is considered to be vacant was Cluster 25 (Industrial units adjacent to 282 Mitcham Lane) which, at the time of survey, contained land with vacant buildings. Although other areas of vacant land were observed, such as cleared sites awaiting development within Nine Elms, these are not considered to be vacant industrial land as they will be redeveloped in short order to provide non-industrial mixed use floorspace.
- 4.5.3 It is notable that no designated employment land is currently vacant, emphasising the considerable demand for employment sites within the Borough and the market's response to this. Overall, this points to an efficient commercial market with strong demand relative to supply.

4.6 Prospects for Intensification

- 4.6.1 Based on observations during site surveys and findings of the characteristics assessment above, we have identified clusters, or areas within clusters which have prospects for intensification. Table 4.9 provides further details:

Table 4.9: Prospects for Intensification

Cluster No.	Name	Area of Land with Development Opportunity (ha)	Overall Cluster Size (ha)	Description of Opportunity
C1	Stewart's Road	1.7	31.1	The Havelock Terrace/Southside Industrial Estate forms a protrusion of the SIL north of the railway line serving London Waterloo, with land and premises here are presently well-used. The opening of the Northern Line Extension station at Battersea Power Station will further increase the PTAL of the industrial area. The improved accessibility the new station offers and the provision of retail, leisure and social infrastructure through the redevelopment of VNEB OA is likely to attract demand from higher-value industrial or office uses to this location.
C3	Central Wandsworth	5.3	11.1	The gas works site in the centre of the cluster occupies a large area which is inefficiently used at present. Redevelopment of this site could offer a considerable opportunity for intensification of activities though any such redevelopment would need to account for the requirement to undertake decontamination works. The LB Wandsworth's Frogmore Complex depot contains large areas used for vehicle parking/storage and the site could be intensified, subject to any proposals by the occupier to reconfigure their wider operations. Causeway Island is similarly underused though part will be used for the Thames Tideway Tunnel project in the short-term.
C6	Bendon Valley	1.0	4.9	The former Mecca Bingo building, currently being used as a trampoline park, is of average quality and has a large footprint and large car park. Redevelopment of this unit could provide a large area of land for new B-class uses and, based on its existing characteristics, there is the potential to support offices, SMEs, and small warehousing and industrial units.
C10	Lombard Road/York Road Focal Point	0.8-2.0	29.6	The cluster has areas of poor and very poor environmental and build quality, predominantly in locations with older industrial premises, warehouses or workshops. Redevelopment of the remaining industrial premises within the cluster would allow for intensification of activities, possibly to provide additional purpose built SME workspace or office premises (near the existing SME estates within the cluster).

Cluster No.	Name	Area of Land with Development Opportunity (ha)	Overall Cluster Size (ha)	Description of Opportunity
C12	Nine Elms	Various sites including relict industrial and warehousing space and vacant cleared sites (with planning permission)	66.3	This area is undergoing significant change as part of the VNEB OA regeneration whereby traditional industrial and warehousing occupiers are moving out to be replaced by mixed-use development including a significant quantum of high-quality B1 office floorspace. This area includes New Covent Garden Market redevelopment plans, which are being implemented and which has planning permission for intensification and redevelopment. In addition to those development plans consented, some further opportunities for redevelopment and intensification remain.
C25	282 Mitcham Lane	0.4	0.4	The land is underused and comprises hardstanding and poor quality sheds which could be redeveloped to support SMEs. Given the residential location of this cluster, consideration should be given to re-designation as residential land.
C27	NJB Recycling, Trewint Street	0.4	0.4	The land is underused at present and comprises poor quality yard and vehicle auction space which could be redeveloped to support SMEs.
C28	Railway arches industrial area, Winthorpe Road	0.4	0.9	While premises within the cluster are generally well used at present, environmental quality and vehicle access is poor, and there is potential for redevelopment of warehousing and yard space for small office or SME purposes to reduce vehicle traffic and parking issues associated with current uses.
Total	-	15.4-16.6	154.3	-

4.7 Premises Types and Sectors Noted During Survey

4.7.1 This section comments on the types of business premises found in the borough and specific sectors.

Provision of Start-up and Small Business Space

4.7.2 Start up and small businesses provide an important source of economic growth and prosperity. Wandsworth's Core Strategy and Development Management Policies Document recognises this and states the importance of providing space to serve the needs of SMEs and allow them to grow and remain in the Borough.

4.7.3 The survey found start-ups and SMEs space distributed throughout the Borough, often within or alongside areas of industrial and warehousing, or small office space and with good access to public transport. There are also some dedicated areas of SME and small business premises.

4.7.4 There are good examples of successful SME provision within the Thornsett Road and Summerstown LSIA's (C7 and C8) and several small estates within the Lombard Road / York Road Focal Point (C10). These areas contain shared units for SMEs (particularly start-ups and micro-businesses) within old refurbished former industrial buildings providing large shared spaces and some small individual workspace units. The majority of spaces appear to be fairly recently modernised and converted to accommodate this type of occupier, and are examples of good and well-functioning SME space which has a good quality environment and buildings. In addition the former MUFIEA within Wandsworth Town Centre (C19) includes The Light Bulb run by Workspace providing new space orientated towards modern SMEs seeking high quality, well connected workspace.

4.7.5 Site surveys found workspace to be functioning well for their occupiers. Though sites typically offer relatively fewer parking and servicing spaces, provision is generally suitable. The areas and premises offering SME space appeared to well used and though some had vacancies advertised, vacancy was considered to be low. There was also evidence of some clustering of uses, particularly catering and food supply and delivery industries (which tended to be situated close to the CAZ or the town centres) and some web, communication or technological uses.

4.7.6 A considerable number of the Borough's SMEs are within the creative and cultural sector. Clustering was especially evident within these types of industries, with the survey observing that occupiers in related or complementary professions tended to occupy small units within converted warehouses or other premises which shared the same floorplate and access points. SMEs at 77 Warriner Gardens (C20) occupying the Old Imperial Laundry building were predominantly used by artists, as exhibition space and furniture builders, while Jaggard Way (C14) and Summerstown (C8) both contain several print and design focused occupiers. These locations as older building stock provide an authentic feel and image, which is attractive to creative and cultural occupiers and as such have become established hubs for SMEs to co-locate. Such sites comprising older stock in non-designated employment areas are however vulnerable to redevelopment to other uses such as residential, given their currently high levels of development viability. Approximately half of the Old Imperial Laundry site, for example, has permission for redevelopment as residential dwellings.

4.7.7 **Table 4.10** summarises the clusters of small business space identified in site surveys undertaken within the Borough.

Table 4.10: Small business space identified within the LB Wandsworth

Name	Cluster No.	Description
The Light Bulb	C19	Serviced offices and studios with communal space and an on-site café. Units range from 17 to 66 m ² .
Riverside Studios	C6	Serviced offices, studios, and light industrial units targeted at creative and manufacturing occupiers. Units range from 16 to 75 m ² .
Battersea Studios	C1	Serviced office and studio space for between 3-100 people, with meeting rooms and on-site dining.
Royal College of Art Innovation Centre	C9	Incubator space for arts related work, supported by the Dyson foundation.
Old Imperial Laundry	C20	Studio offices targeted at design and creative industries, with shared courtyard space. Units range from 28 to 280m ² .
Trident Business Centre	C16	Serviced flexible office, studio, and workshop space with meeting rooms. Units ranging from 18 to 93m ² .
Battersea Business Centre	C21	Serviced office, studio, and light industrial space with a shared car park and courtyard.
Ransomes Dock	C9	Serviced offices and studios with a café and shared meeting spaces.

Use of Railway Arches

- 4.7.8 Railway arches are one form of premises type within the Borough which provides space suitable for SMEs. Wandsworth contains a large number of railway arches that accommodate general industrial, storage, light-industrial and car-related sui-generis uses, principally concentrated along the Waterloo to Reading/the South West railway from Nine Elms through to Putney/Earlsfield, with some further examples on the London Overground railway in the Queenstown Road SIL and on the District Line Viaduct in Putney. Examples of such space are at Portslade Road (50 plus in C1) and Linford Street (17 arches in C1) and adjacent to Winthorpe Road (C28).³⁹
- 4.7.9 These premises are typically served by single lane cul-de-sacs, often with poorly surfaced roads, which can make servicing of businesses difficult and inappropriate for B2/B8 uses in some cases. For such reasons, as well as design limitations, vacancy rates amongst such premises are higher than is typical for small/medium industrial type premises in the Borough. Similarly in locations outside SIL/LSIA occupiers are drawn from non-B use class sectors particularly retail and leisure (a number of gyms having been observed).
- 4.7.10 Despite this, the typical inability to convert railway arch premises to residential uses means that they are likely to remain commercial by nature and continue to provide accommodation for B-use class SMEs, even within desirable locations such as the VNEB OA. This stock of

³⁹ As some railway arch areas comprise less than 0.25 hectares in size and so not all such areas in Wandsworth were surveyed.

premises is thus recognised as an important feature of employment land supply in Wandsworth.

Presence of Creative and Cultural Industries

- 4.7.11 The creative and cultural industries sector includes a wide range of business activities from traditional arts, craft and design, to music, media, fashion and web-based new technologies such as app design. As a disparate sector its businesses and organisations have a variety of different land and premises requirements (contrast for example a theatre production company seeking workspace or storage space for the creation of scenes/props and a digital media company which will typically need high specification office space). Whereas some aspects of the sector may be run as a not-for-profit or charitable organisation and so less able to afford space or be selective over locations, other aspects of the sector may produce high value outputs such as the digital and tech sub-sectors and be able to afford better quality space or be selective over where to locate.
- 4.7.12 The site survey identified that within the borough many of these types of businesses are located within small units, often self-contained but within larger premises, particularly arts, design and studio space.
- 4.7.13 There are broadly two types of provision forms where creative and cultural uses were found in the Borough: within light industrial and warehousing land and generally less accessible by public transport; and within accessible locations in town centres and areas providing office space.
- 4.7.14 The former locations are more suitable for businesses/organisations involved in physical design and production who require industrial space/sheds to work within, or lower rental levels (aside from quality and type of floorspace a key determinant of rental values being access to public transport). The latter form of provision includes space such as The Light Bulb, off Wandsworth High Street, which supports higher value added industries. The Light Bulb is focused on meeting the needs of SMEs involved in digital technology, which require high quality, modern, small office and studio space. For these businesses location the quality and location of premises is considerably more important as this can determine the right labour and client base. There is however potentially a need for a third kind of space: affordable space (office and industrial based) located within accessible locations to support the growth of businesses which are yet to become financially proven but which require good access to labour, supply chains, markets and clients. Premises with co-working spaces go some way to supporting this type of provision.
- 4.7.15 Clustering of creative and cultural occupiers is evident, suggesting that these types of industries are continuing to be drawn to (and retained within) the Borough due to the presence of already established occupiers. Units such as the Old Imperial Laundry at Warriner Gardens, offer premises which are likely to offer benefits such as collaboration and co-location of a young and entrepreneurial workforce, in high quality surroundings.

Businesses Supporting CAZ Functions

- 4.7.16 The survey identified a number of small business units within the Borough with industries that directly support CAZ functions. These range from catering suppliers, event planners, and printers, to aggregate and building supply merchants. SMEs tend to occupy small business units which offer flexible building stock with good access to amenities; however the needs of businesses within SME workspaces vary widely in terms of the layout of the work environment. Given the nature of many of the services which support CAZ functions (such as

linen services, event companies, and food suppliers) good strategic road access is also an important factor for these types of SMEs.

- 4.7.17 Many of these businesses are situated within the CAZ itself, within proximity of the types of end users they serve (e.g. large offices) or development sites. They are not likely to need to locate within town centres, given that these businesses do not require 'shopfront' style premises, and are unlikely to have a high level of walk in trade. There are a considerable number of SMEs within the Stewarts Road area for example, on Ingate Place and Havelock Terrace, including businesses offering: catering equipment hire; commercial cleaning services; event floristry; and signage and laminating. All these businesses are likely to provide services locally, and within the Central London area, and are situated in industrial premises which have been adapted to suit their requirements. Parking and loading is generally good, enabling these businesses to transport goods easily to end destinations within the CAZ and wider London area.
- 4.7.18 While there is evidence that clustering occurs in the Borough for SMEs within some sectors (for example, the creative and cultural sector – particularly arts and design) this does not appear to occur for SMEs within those sectors which support CAZ functions, aside from some evidence of catering and food preparation businesses locating together within warehouse/trading estate areas (e.g. C10 and C3). This may however be due to the types of premises being particularly suited to these uses, rather than deliberate clustering of catering businesses. There is limited development of new SME space to support these types of uses. The majority of SME and small business premises coming forward is of high specification flexible space, which are not suited to businesses involved in servicing the CAZ. As such there could be a case to support the site and accommodation needs of SMEs seeking small industrial / shed space to service the CAZ.
- 4.7.19 With continued development of large office premises and considerable levels of construction within the CAZ and Central London, there is likely to be a growing demand for businesses providing services to the CAZ. As the role of digital technology in businesses grows however, particularly for small organisations (who may not currently or previously have relied on internet trade or had an online presence) the advent of online ordering and digital marketing and communications is likely to impact these sorts of businesses. This may result in these businesses requiring larger size premises as demand grows, improved supporting and utilities infrastructure such as internet connections, or more parking and loading space to allow for more deliveries. Therefore, to continue to support these types of businesses, the retention and development of flexible space for small businesses which can be adapted to accommodate expansion (for example, extension or operations into a neighbouring unit within the same floorplate) is key, especially on land within or near to the CAZ and River Thames policy area.

Vehicle Servicing and Showrooms

- 4.7.20 During site surveys it was noted that the Borough has a considerable number of vehicle showrooms and servicing facilities. These are predominantly car showrooms, including a number of luxury vehicle specialists on Kimber Road and Burr Road (C4). The majority of vehicle showrooms, particularly dealerships, occupy large premises with 'storefronts' for displaying vehicles. Many showrooms or dealerships have servicing facilities specific to that manufacturer attached, and there are also a number of smaller servicing and MOT facilities throughout the Borough.
- 4.7.21 Vehicle showrooms require either high street / strategic road locations which appeal to passing trade, or premises within retail or industrial areas which are easily accessible for

customers. There is a notable incidence of clustering of vehicle showrooms and servicing facilities throughout the Borough, particularly in areas with good strategic transport links.

- 4.7.22 Vehicle servicing businesses which are not attached to dealerships tend to locate in lower quality, lower cost industrial and warehousing areas with good strategic road access. Vehicle servicing facilities can operate from smaller premises (with some evidence of premises situated in close proximity to residential dwellings, in C24 and C28).
- 4.7.23 Clusters C3, C4, C10, and C23 all have several vehicle showrooms and repair / servicing facilities, demonstrating that deliberate clustering of vehicle related services commonly occurs. All these locations appear to have reasonable levels of passing trade and good strategic road access allowing for deliveries, with customer parking and large areas of off-road servicing.
- 4.7.24 There were no observed vacancies within these types of premises, with all appearing to be fit for purpose and well used.

4.8 Summary

- 4.8.1 AECOM's qualitative survey of employment land within LB Wandsworth comprised a site visit to 30 clusters, combined with elements of desk research. The clusters comprised: two SILs; six LSIAAs; three Focal Points (including MUFIEAs); three areas which include SSAs; five town centres; and 11 non-designated areas of employment land >0.25 ha in size.
- 4.8.2 The assessment was conducted based on a set of site appraisal criteria (which were agreed with the Borough in advance) from which detailed analysis was carried out to identify the typologies of employment land within the Borough. Our survey identifies that employment land within LB Wandsworth consists of a number of larger, established business locations (such as Stewarts Road and Central Wandsworth), contrasted by a smaller number of business and office centres (such as the Cloisters Business Centre and Imperial Laundry) and a number of disparate employment sites (including Lavender Hill Road and Jaggard Way). Typically however, there is a mix of different typologies present, particularly small offices and warehousing and industrial premises, within the majority of employment clusters. As a consequence traditional 'clustering' of employment uses was not observed in most locations, however there was clear evidence of clustering of particular uses, notably SMEs, catering, and creative and cultural industries.
- 4.8.3 Our assessment concludes that the majority of clusters surveyed are functioning well, have high occupancy rates and support a diverse range of business types. There is also little evidence of loss of employment sites to other uses, and limited conversion of office premises to residential accommodation (in line with guidance outlined in the PPG). There is some new mixed use development incorporating office and flexible (e.g. studio or SME) space however, most notably within the Wandsworth Riverside Quarter, and The Light Bulb development off Wandsworth High Street, both of which provide space for small businesses and start-ups and are likely to function as new clusters for these types of employment. The more comprehensive redevelopment being undertaken in the Stewarts Road and Nine Elms area of the CAZ will ensure that there is a good supply of new, high grade office provision continuing to come forward within the Borough and provide suitable space for larger companies, and may be attractive to company headquarters. There is a recognised demand for smaller office premises within town centres however, and this should also been seen as a priority, with current supply within town centres being reasonably constrained.
- 4.8.4 The survey found reasonably limited opportunities for intensifying sites for industrial uses, with the main opportunities being to redevelop older and poor quality premises to improve efficiency (if appropriate), intensity of use (i.e. office/workshop space) or very small isolated

sites, which may be more suited to release for redevelopment for alternative uses. An example is the gas holder site off Smugglers Way, which presents a key opportunity for redevelopment of a site of a larger size which may become vacant in the future if decommissioned. Many of the sites surveyed within the Borough serve a strategic role, and our demand assessment in Section 6 helps to clarify the extent to which land could be released or should be protected within LB Wandsworth.

5 PROPERTY MARKET ASSESSMENT

5.1 Introduction and Approach

5.1.1 This section examines Wandsworth's commercial property market within the context of its wider functional economic market area (FEMA).

5.1.2 We structure our analysis as follows:

- We define the Functional Economic Market Areas (FEMAs) for office and industrial space, and present some contextual data on floorspace and employment
- To assess the characteristics of the office market we consider two levels of provision:
 - the office market within the CAZ, being representative of the type of office stock that is being proposed and built at VNEB OA; and
 - the local / sub-regional demand for the office market, excluding VNEB OA.
- We assess the local and sub-regional industrial space by analysing key property market indicators.

5.1.3 Findings are based on desk-based research, analysis of the property market using CoStar and VOA data, and qualitative information from consultation with key business stakeholders and local property market agents, working within the office and industrial property market.

5.1.4 Wherever possible we have sought a view on how the market could perform in the future were constraints to development removed.⁴⁰

Functional Economic Market Areas

5.1.5 A FEMA is defined by a range of characteristics which shape the local economy and decisions by business of where to locate. Proximity to a suitably skilled labour force, transport links, customers, client and markets, and sites and premises availability are all key factors which shape decisions of where a business may locate. As such locations within a FEMA may often share similar characteristics across indicators such as labour market structure; access to market areas; and land and premises.

5.1.6 More broadly, the PPG suggests that defining the FEMA should take account of factors including:

- Travel to work areas
- Transport networks
- The flow of goods, services and information within the local economy
- The service market for consumers
- The extent of any Local Enterprise Partnership within the area, and

⁴⁰ In line with the PPG, (2016); Paragraph: 005 Reference ID: 2a-005-20140306

- Administrative areas.

5.1.7 The flow of labour, goods and services is determined by connectivity and accessibility. Travel to work area data illustrates the integrated nature of London’s labour market, with Wandsworth’s residents working in other boroughs and supporting employment for other borough residents. However a large FEMA which captures London-wide trends may not be best representative of local Borough circumstances.

5.1.8 LB Wandsworth is predominantly linked with other Borough economies in South and South West London, as a consequence of proximity and transportation. Key transport nodes include strategic roads such as the A3 and A24, alongside London Underground and National Rail services. These routes facilitate the movement of workers and goods between the CAZ, south west London and from locations to the south of London. Similarly, transport routes enable the Borough to connect with other inner London boroughs such as Lambeth and Southwark.

5.1.9 The Northern Line Extension (NLE) (under construction) to VNEB OA will raise accessibility levels to the north eastern part of the Borough and support higher density development. Development of VNEB OA will also see significant improvements to social/community infrastructure and the public realm. These factors help make the case for the Central London office market to expand westward into VNEB OA.

5.1.10 Our assessment suggests there are three property market areas exist:⁴¹

1. A local and sub-regional office market with premises catering for small and medium sized businesses, which serve clients and customers within the Borough and across the London area, but particularly within the south, west and central London area. Aside from Wandsworth this FEMA comprises locations within the boroughs of Hammersmith & Fulham, Kensington & Chelsea, Lambeth, Merton and Richmond upon Thames. These boroughs together form a reasonably coherent wider area of potential local / sub-regional office market activity. The office market in this FEMA ranges from areas of relatively insubstantial activity and presence to some mature and dense markets.
2. A Central London facing office market which is currently emerging at VNEB OA. This office market competes with other locations within the CAZ and provides high quality, modern office space premises of more corporate fit out with larger floorplates and flexible space, designed to cater for larger businesses from which to run their regional, national or international office based activities.
3. A market for manufacturing and distribution which is primarily local and sub-regional in nature serving markets (end markets or points along the supply chain), within the Borough and across the sub-regions of South, West and Central London. As well as Wandsworth this comprises locations within the boroughs of Hammersmith & Fulham, Merton, Lambeth and Southwark. The industrial market in the area is varied in character and dispersed.

5.1.11 The performance of Wandsworth’s office and industrial markets are compared against these FEMAs below.

⁴¹ To validate our view on the appropriate FEMAs we reviewed employment land studies / local economic assessments for the boroughs of Richmond, Merton, Hammersmith and Fulham, Kensington and Chelsea, Lambeth, Southwark and Westminster.

5.2 LB Wandsworth's Office Markets

Supply/Distribution

Central London Office Market (CAZ)

- 5.2.1 According to CoStar data, the CAZ⁴² office market, contains approximately 20,096,500m² of office space. The provision of the office space in the CAZ has changed significantly over the past 10-15 years. Large schemes delivering high quality spec office space have come forward at London Bridge, More London, King's Cross and Paddington. Supply is expected to increase further with provision coming forward / proposed for Victoria, Waterloo and Euston.
- 5.2.2 The LB Wandsworth's Central London office market at VNEB OA is ready to emerge. The nature and scale of provision coming forward is significantly different to other office premises elsewhere in the Borough. The location of the VNEB OA within the boundary of the CAZ, the Northern Line Extension and significant investment in public realms makes the area highly suitable for large scale, quality office provision.
- 5.2.3 Presently within both the Wandsworth and Lambeth portion of the VNEB OA little to no floorspace of scale has been built-out. However by 2019, in the region of up to 85,000m² of high quality B1a office floorspace is planned to be built and operational within the Wandsworth portion of the area, with a further 120,000m² by 2024⁴³ (totalling 205,000m² by 2024). The majority of the floorspace (around 190,000m² or c.93%) will be within large floorplate premises individually providing more than 10,000m².^{44 45} This space will be built out at high quality and specification on a par with Central London offices. Key sites containing large high quality office space will be: Battersea Power Station (phases 1, 2 and 5 to 7); Embassy Gardens Phase 3; and Nine Elms Parkside. In addition, the US Embassy will comprise c.52,000m² of office-type floorspace delivered by 2019, albeit within sui-generis use class but considered to be evidence of the potential stature of office-type occupiers that could be attracted to the VNEB OA, and thus of relevance to supply identification. Smaller flexible offerings will be provided within predominantly residential schemes at a number of sites.
- 5.2.4 The provision of high quality office floorspace on this scale constitutes a step change in the Borough's office market offer. There are likely to be significant positive economic multiplier effects on the sub-regional economy. The provision of new high quality employment premises, retail and leisure space and improvements to the urban realm to support a new residential community are likely to generate catalytic effects and attract further investment to the surrounding area. The spatial distribution of planned land uses within the VNEB OA is shown in Figure 5-1.

⁴² Taken to be all postcode sectors where a majority of the area overlaps with the CAZ.

⁴³ A small proportion of this floorspace could be for retail uses. Floorspace anticipated to be delivered before 2019 include Embassy Gardens (Phase 3) and The Power Station.

⁴⁴ Much of this floorspace has planning permission.

⁴⁵ Nine Elms on the South Bank: The Schedule (2015)

Figure 5-1 Use Classes Planned for VNEB OA



Source: The Future of Business District, Nine Elms on the SouthBank – The Schedule.

Local Office Market

5.2.5 The local office market in Wandsworth is not large though could be considered typical of an inner London borough lying mostly outside the CAZ, accommodating 400,600m² of floorspace. The majority of premises, especially those of small floorplate, are found dispersed along the River Thames in Focal Areas and within SILs and LSIAs, with some medium-sized premises being located within Putney Town Centre. Further premises can be found dispersed throughout the Borough in the town centres, often in the form of small flexible workspace within business centres, or occasional medium-sized premises of average quality. Some high quality stock is to be found within purpose built floorspace in Putney Town Centre and within mixed-use developments in Focal Points and MUFIEAs, mostly small in scale. The southern parts of the Borough contain little floorspace, with most examples in these areas being within small developments or occasional examples of medium-sized purpose built stock.

5.2.6 In 2016 the FEMA contained 3,383,700m² of office floorspace⁴⁶. A breakdown of office floorspace across boroughs within the local/regional office FEMA is presented in Table 5.1.

⁴⁶ Including floorspace occupied by 'non-local' occupiers within Lambeth's 'South Bank' area and in Kensington & Chelsea.

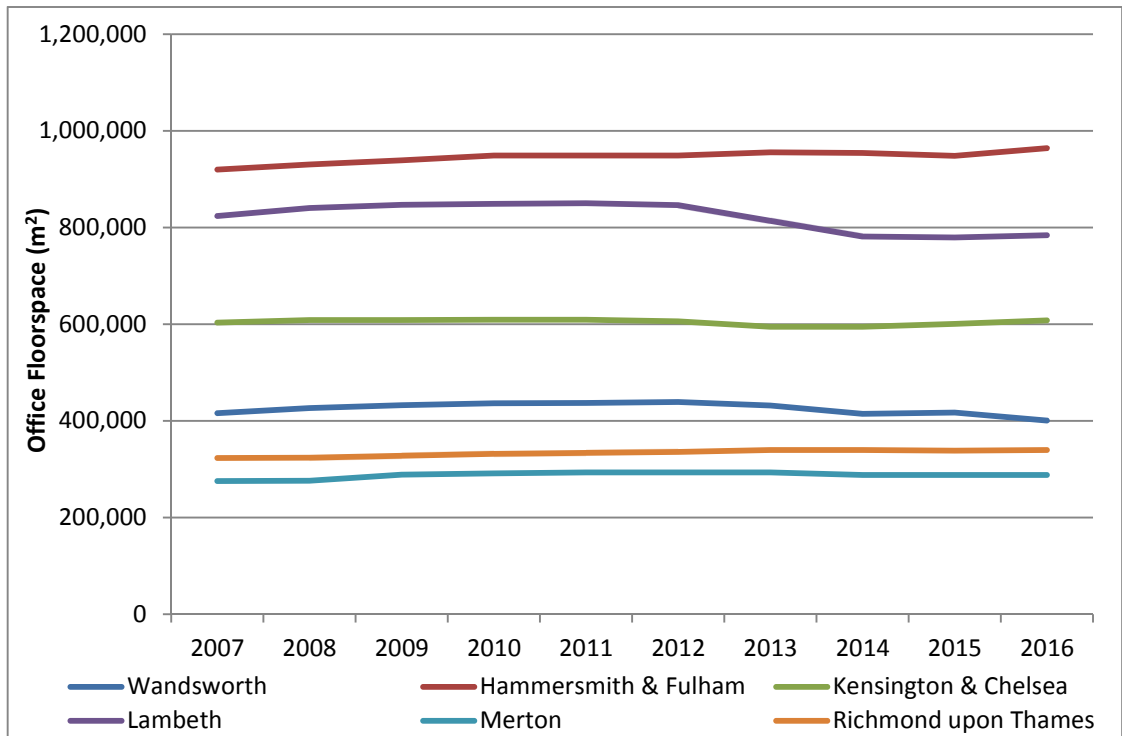
Table 5.1 Office Floorspace across the FEMA (2016)

Location	Office Floorspace (m ²)	% of overall stock
Wandsworth	400,600	12%
Richmond upon Thames	339,400	10%
Merton	288,100	9%
Hammersmith & Fulham	964,000	28%
Kensington & Chelsea	607,800	18%
Lambeth	783,900	23%
Local / sub-regional FEMA	3,383,700	-
Central London FEMA	20,096,500	-

Source: CoStar (2016). Figures may not sum due to rounding.

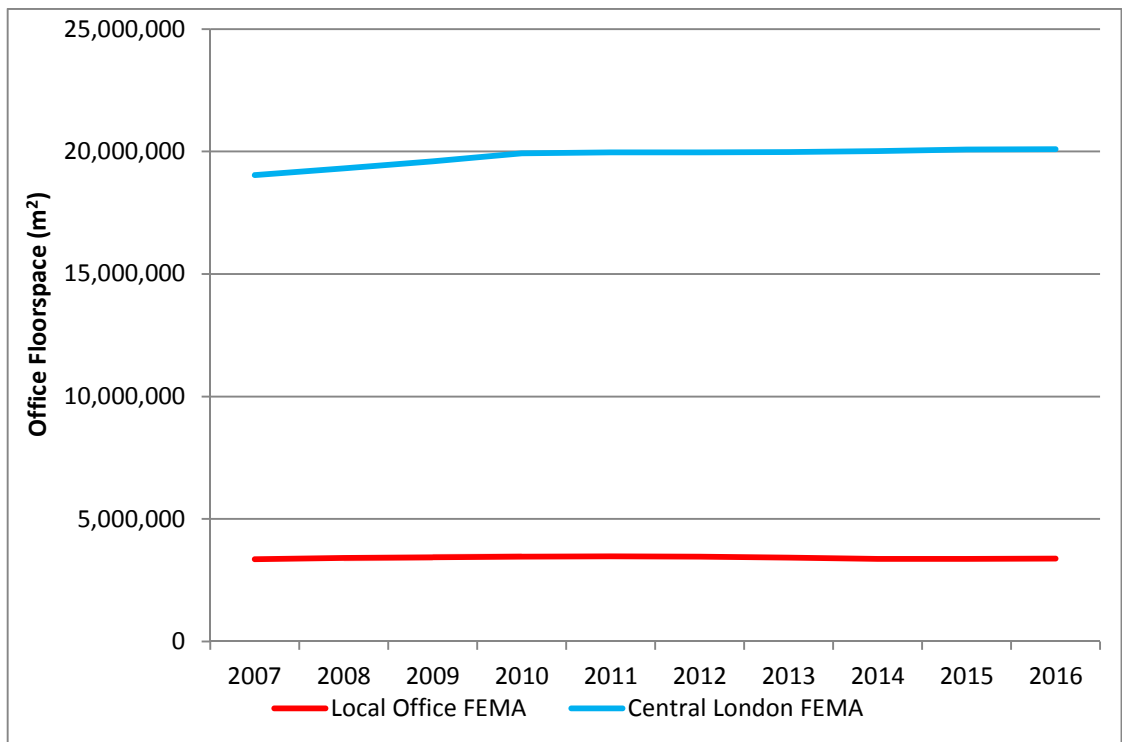
- 5.2.7 Table 5.1 shows that Wandsworth has the third smallest stock of office floorspace (400,600m²), representing 12% of all office floorspace in the local / sub-regional FEMA. It indicates a positive relationship between floorspace stock and proximity to central London, with boroughs such as Hammersmith & Fulham, Kensington & Chelsea and Lambeth collectively supporting the majority of stock.
- 5.2.8 Figure 5-2 below presents the change in office floorspace in the local / sub-regional FEMA boroughs from 2007-2016 based upon CoStar data, while Figure 5-3 presents the change in office floorspace over the same period across the local / sub-regional FEMA and the Central London FEMA.

Figure 5-2 Local / Sub-regional Office Floorspace across the FEMA (2007-2016)



Source: CoStar (2016).

Figure 5-3 Central London Office Floorspace (2007-2016)



Source: CoStar (2016).

5.2.9 Figure 5-2 shows that the stock of office floorspace has been historically stable across the FEMA. However, Wandsworth’s office stock has fallen by 15,200m² (3.6%) over the period shown (2007 to 2016). Within the FEMA LB Lambeth is the only other borough to experience a net loss of floorspace (-40,000m²), equivalent to 4.9% of office stock. The largest growth is observed in Hammersmith & Fulham where stock has increased by 44,500m² (4.8%) and as a consequence offset loss elsewhere.

Premises and Occupiers

Central London Office Market (CAZ)

5.2.10 As noted above, the delivery of around 205,000m² of floorspace within Wandsworth’s CAZ market at VNEB OA, is proceeding and will mostly be within buildings of large floorplate (93%) of space, and will be of high build quality and design (‘Grade A’ space), including within Battersea Power Station where space will benefit from the attraction provided by heritage features.

5.2.11 As office floorspace within the VNEB OA is mostly either under construction or in unimplemented planning permissions, occupiers within the Wandsworth CAZ market are not yet present. The ‘urban quarter’ created in the area will be underpinned by the presence of Battersea Power Station, the US Embassy and New Covent Garden Market and it is thus reasonable to expect that occupiers could be from buoyant sectors looking to associate themselves with these features.

Local / Sub-regional Office Market

5.2.12 Table 5.2 presents a breakdown of the office stock in Wandsworth by unit size.

Table 5.2 Office Stock by Unit Size (2016)

Unit Size (m ²)	Units	Floor-space (m ²)	% of overall floorspace stock	Vacancy: Wands-worth(%)	Vacancy: Local Office FEMA (%)	Vacancy: CAZ Office FEMA (%)
Under 250	299	33,500	8%	2.0%	1.3%	1.1%
250 to 500	99	36,100	9%	0.7%	0.1%	1.7%
500 to 1,000	88	62,000	15%	2.9%	2.1%	2.5%
1,000 to 2,000	60	86,600	22%	1.3%	1.6%	3.7%
2,000 to 10,000	42	149,600	37%	4.4%	5.5%	5.4%
Over 10,000	2	32,800	8%	0.0%	12.4%	5.9%
Total	590	400,600	-	2.6%	6.1%	5.1%

Source: CoStar (2016). Figures may not sum due to rounding.

5.2.13 Table 5.2 shows that over half (50.7%) of office units in Wandsworth are under 250m² in size, representing 8% of total stock. The highest proportion of Wandsworth office floorspace is made up of units ranging from 2,000m² to 10,000m², equating to 37% of the Borough’s total

stock. There are only two units larger than 10,000m² in the Borough, which total 32,800m² in size. Patterns of vacancy show no clear relationship with unit size. Together with the increasing stock associated with each size band, this suggests that the availability of move on space may not constrain the growth of businesses as they move up the accommodation ladder. Comparison with the local / sub-regional FEMA shows that Wandsworth has higher vacancy rates for smaller units (up to 1,000m² in size) and lower vacancy rates for larger units. Given the distribution of units by size band, this suggests that while Wandsworth has a lower proportion of vacant floorspace (2.6% compared to 6.1% across the FEMA), it is likely to have a greater proportion of vacant units.

- 5.2.14 Occupiers within Wandsworth's local / sub-regional office market have traditionally been SMEs, often sole traders, engaged in traditional office based activities such as accountancy, legal services, small-scale consultancy and business services firms servicing a mostly local market. In recent years, creative and cultural industries occupiers have taken-up space within small, serviced and flexible workspace and conversions which has changed the character of occupiers and locational preferences, with demand for space in town centres being less at the expense of areas close to the CAZ and within the River Thames Focal Points.
- 5.2.15 In the few examples of larger single/few occupancy premises remaining, occupiers include PCS Group at Clapham Junction, Contracts Consultancy Ltd at Upper Richmond, Henley Homes at Havelock Terrace and 1 Battersea Bridge Road. Whilst the latter two buildings are examples of newer good quality space, most medium-large office buildings in Wandsworth are fairly dated and thus of average quality, with vacant premises of this type being difficult to re-let, or subject to residential conversion through PDR. Some larger premises have been converted/marketed as smaller, flexible workspace attracting the traditional sole trader occupiers mentioned above as well as those from the creative and cultural industries, examples including at Wandsworth Business Centre, Battersea Business Centre, and Old Imperial Laundry, again being fairly dated and of average quality, with some exceptions in the case of refurbishments.
- 5.2.16 The majority of the newer high-quality stock which is being currently built within the local market is found within mixed-use schemes in the Focal Points and MUFIEAs, with examples within Wandsworth Riverside Quarter, Lombard Road/York Road Focal Point and Wandsworth Town Centre. Occupiers of such space include architectural practices, art studios/galleries and printing businesses or other creative and cultural occupiers.
- 5.2.17 Agents noted that most enquiries for premises come from SMEs and start-ups interested in either small and flexible workspace, both within new and older quality premises, or small units within new buildings. Space within medium-large premises is in less demand though this could be considered to be as a result of several factors; larger businesses are demanding space elsewhere being less locational driven; the lack of remaining stock in the Borough of a quality demanded by modern occupiers and; uncertainty of tenure (part caused by PDR policy)

Rents and Availability

Central London Office Market (CAZ)

- 5.2.18 No floorspace within the VNEB OA is currently available for occupancy, though it is expected by agents that rental values achieved will likely be similar to that recorded for the SE1 / South Bank market at around £600-700 per m².

Local / Sub-regional Office Market

5.2.19 CoStar records vacancy in terms of space which is unoccupied and marketed, presented in Table 5.3 below.

Table 5.3 Vacancy and Availability of Office Premises (2016)

Location	Vacancy (m ²)	Vacancy (%)	Availability (m ²)	Availability (%)
Wandsworth	10,400	2.6%	71,600	14.3%
Hammersmith & Fulham	110,000	11.4%	140,000	14.2%
Kensington & Chelsea	12,800	2.1%	18,300	3.0%
Lambeth	39,400	5.0%	69,600	8.3%
Merton	6,600	2.3%	10,000	3.4%
Richmond upon Thames	11,900	3.5%	17,200	5.1%
Local / sub-regional FEMA	191,000	5.6%	326,700	9.0%
Central London FEMA	1,018,500	5.1%	1,673,100	7.9%

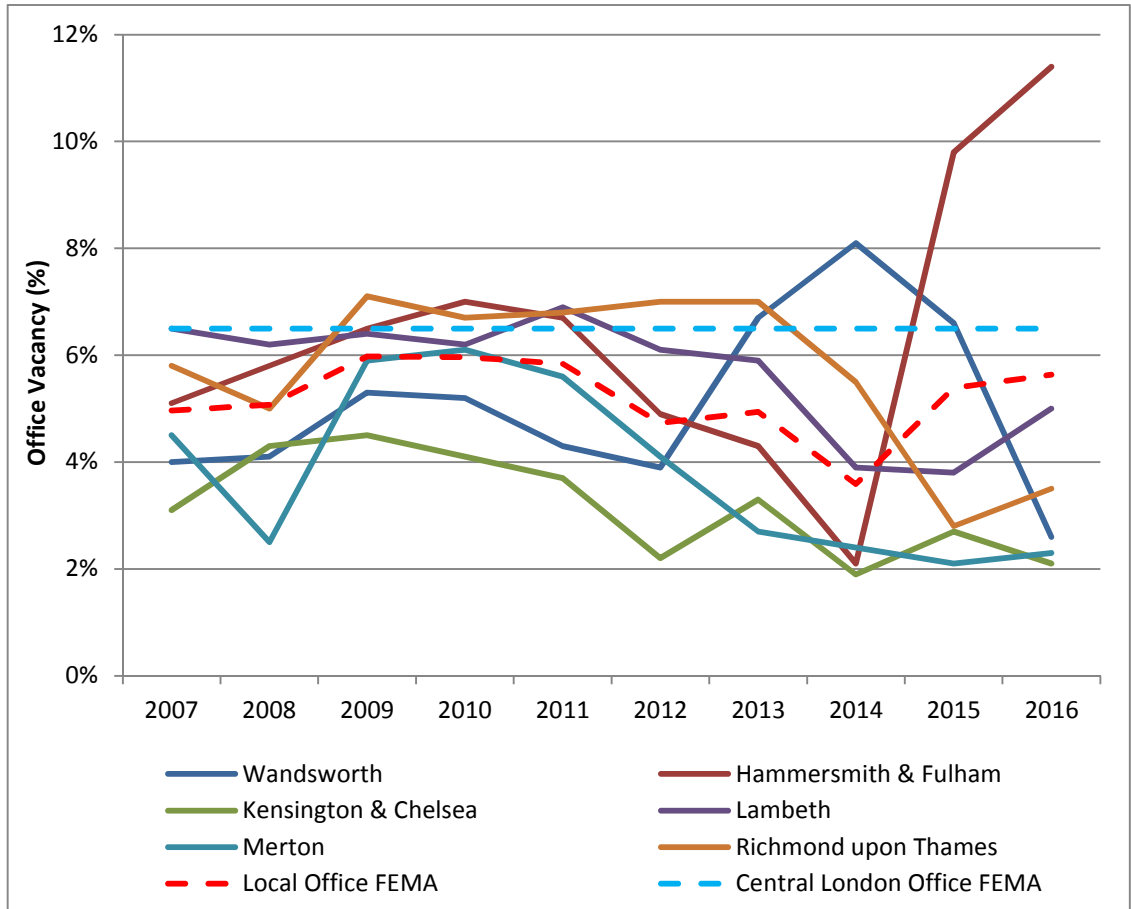
Source: CoStar (2016). Figures may not sum due to rounding.

5.2.20 Wandsworth has second lowest stock of vacancy (10,400m²) and third lowest vacancy rate (2.6%), which is 3 percentage points lower than across the FEMA. However, Wandsworth has highest availability rate (14.3%), 5.3 percentage points higher than across the FEMA. While it represents only 12% of stock, it contributes 19% of available floorspace.

5.2.21 Availability represents the floorspace that is either vacant or occupied and available for re-let. Available space gives an indication of future vacancy. In Wandsworth the availability rate is 14.3% which is significantly higher than the vacancy rate. The high availability rate captures the effect of new office stock coming forward at places such as Tileman House, Upper Richmond Road, Putney, which was we anticipate was built speculatively as marketing boards indicate space is available for take up.

5.2.22 Vacancy rates in the FEMA have however in general declined in the last decade. Figure 5-4 below shows the pattern of vacancy across all boroughs in the FEMA. All local authorities excluding Hammersmith and Fulham have lower vacancy rates in 2016 than they did in 2007. Hammersmith and Fulham between 2014 and 2016 has seen a rapid increase in its vacancy rate from 5.1% to 11.4%.

Figure 5-4 Historic Office Vacancy Rates across the FEMA (2007-2016)

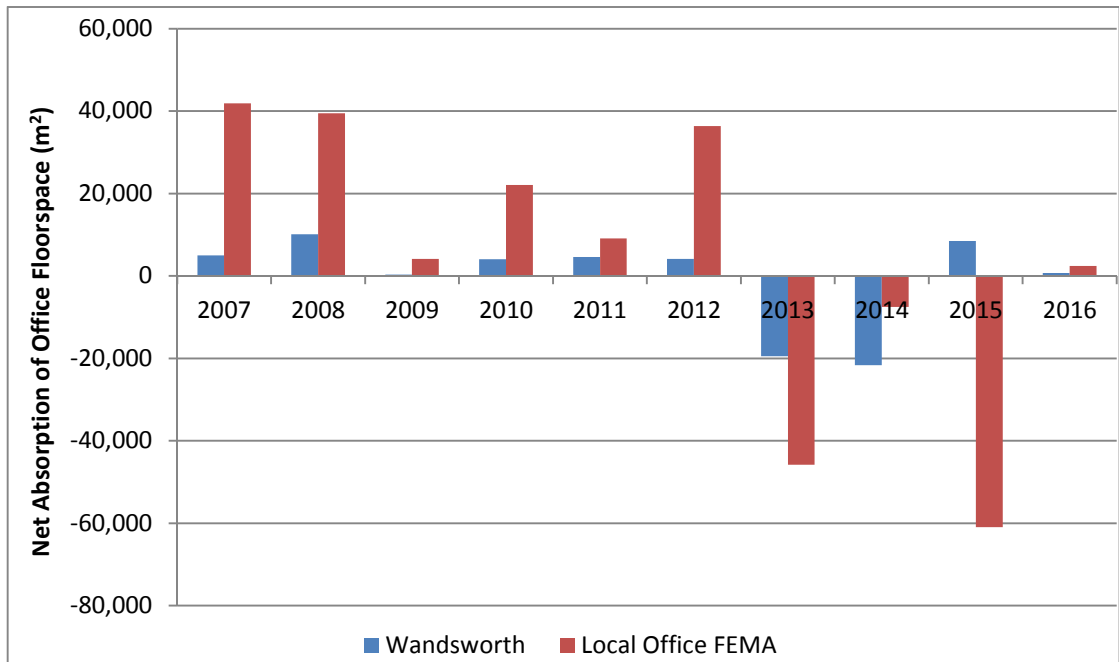


Source: CoStar (2016). Figures may not sum due to rounding.

5.2.23 Net absorption provides another angle on demand. The measure expresses is the change in the overall quantum of occupied floorspace, typically recorded year on year. Positive annual net absorption means that a greater amount of space has been occupied from a given year to the next. Net absorption is not the reverse of vacancy as vacancy is an expression of the level of non-occupancy against total stock. In office markets where stock may be in decline, due for example to conversion of offices to residential use, vacancy may reduce but net absorption would be negative.

5.2.24 Figure 5-5 below presents net absorption in the Borough and the FEMA.

Figure 5-5 Historic Net Absorption of Office Floorspace (2007-2016)



Source: CoStar (2016).

5.2.25 Net absorption across the Borough and the FEMA was positive between 2007 and 2012, which provides evidence of positive demand. However, from 2012 to 2015 net absorption in both areas was negative. The negative net absorption in the FEMA from 2013 to 2015 equated to -114,300m². This was largely driven by declining occupancy in Hammersmith & Fulham (-46,600m²) and Lambeth (-45,600m²), as well as Wandsworth (-32,700m²) and points to a period when PDR was introduced, which we expect to be the key driver of negative net absorption. The recent positive measure in 2016 is limited: 2,400m² in the FEMA and 700m² in Wandsworth.

5.2.26 Table 5.4 presents the average rental values for office floorspace across the FEMA as recorded in 2016.

Table 5.4 Average Rental Values for Office Floorspace in the FEMA (£ per m²) 2016

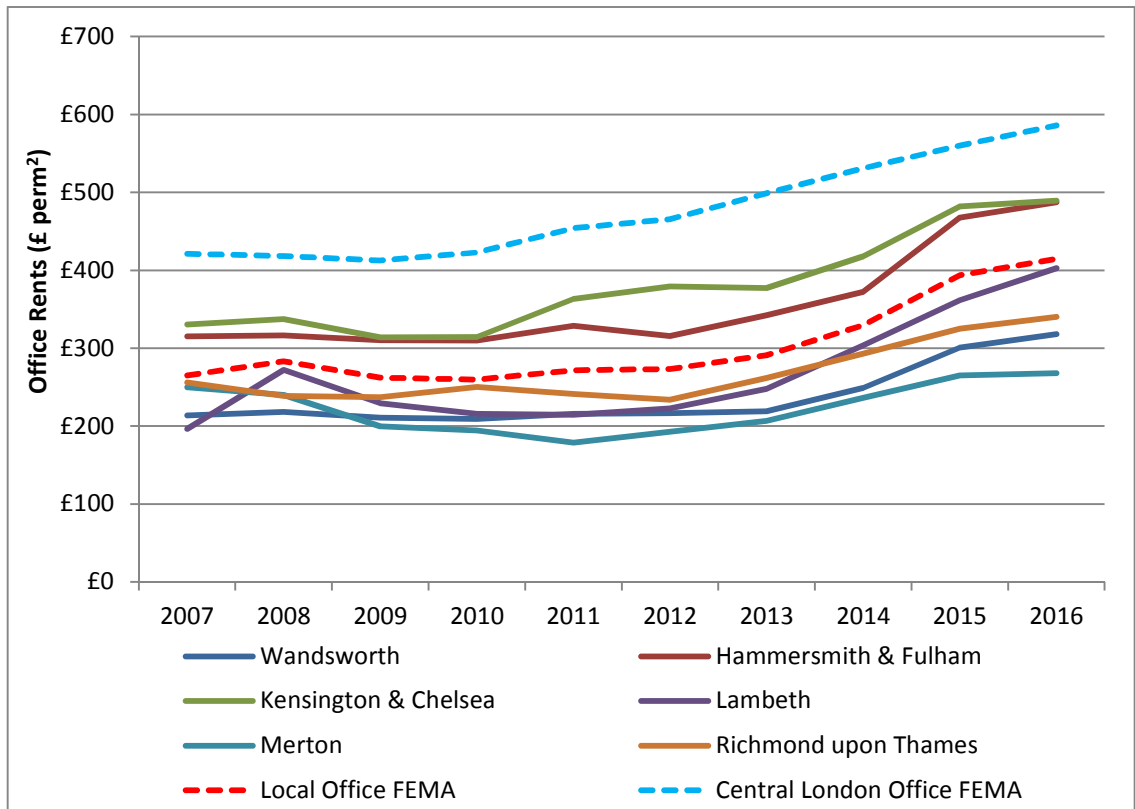
Location	Average Rental Values		Total Rent (£m) per annum
	(£ per m ²)	(£ per sq.ft)	
Wandsworth	£318	£30	£124
Hammersmith & Fulham	£487	£45	£416
Kensington & Chelsea	£489	£45	£291
Lambeth	£403	£37	£300
Merton	£268	£25	£76
Richmond upon Thames	£340	£32	£112
Local / sub-regional FEMA	£415	£39	£1,318
Central London FEMA	£586	£54	£11,181

Source: CoStar (2016). Figures may not sum due to rounding.

5.2.27 The table shows that Wandsworth has the second lowest average rental value (£318 per m²) across the FEMA, £96 (23%) lower than the FEMA average and £268 (46%) lower than the Central London FEMA. Wandsworth contributes the third lowest share of total rent (£124m), which equates to 9% of all rent across the FEMA. The majority of rent in absolute terms (76.4%) is generated by three boroughs; Hammersmith and Fulham, Lambeth, Kensington and Chelsea, the latter two containing areas of the Central London Office Market (CAZ), the ‘SE1 market’ and Knightsbridge/High Street Kensington for example, where floorspace commands higher average rents than elsewhere in these areas.

5.2.28 Figure 5-6 presents the changing rental values across the FEMA between 2007 and 2016.

Figure 5-6 Rental Values for Office Floorspace in the FEMA (£ per m²)



Source: CoStar (2016).

5.2.29

Figure 5-6 shows that rental values have grown at a steady increase across the period covered. Rental values remained fairly static during the recession (approximately 2007 to 2009/10), but stronger growth was achieved from around 2010 onwards. Growth in rents has been experienced by all local authorities in the FEMA over the time period. Rental values in Wandsworth increased by £104 over this period, equivalent to a 49% increase from 2007 levels. This rate of growth is third highest across the FEMA. Lambeth experienced the strongest growth in rental values, increasing by £206 (105%) over the period.

Conclusion

Central London Office Market (CAZ)

- 5.2.30 It is evident that the nature and scale of provision coming forward at Wandsworth's VNEB OA portion of the CAZ is significantly different to other office premises elsewhere in the Borough, such that the market and occupiers it attracts will stand apart from it and firmly face the CAZ/Central London Office market at VNEB OA. The majority of the estimated 205,000m² floorspace anticipated to be constructed by 2024 will be within buildings of large floorplate. Current indications are that rents achieved will be in the order of £600-700 per m².
- 5.2.31 This space being of high quality design and specification set within an 'urban quarter' containing the historic Battersea Power Station, US Embassy and a revamped New Covent Garden Market is expected to attract high quality occupiers from high-value/growth sectors such as technology and business services. It is considered that the creation of this 'urban quarter' is key to providing the fabric for Wandsworth's portion of the Central London Office Market (CAZ) to succeed, and market impressions are that this is well on the way to being realised. It remains important that LB Wandsworth, and other actors, be responsive to helping to attract the occupier levels and calibre of occupier necessary to bring about the step change in employment offer locally which the VNEB OA CAZ market presents the opportunity for.

Local / Sub-regional Office Market

- 5.2.32 The local / sub-regional office market in Wandsworth accommodates 400,600m² of floorspace and whilst not large has a presence within the FEMA defined for it which spans across the river. Premises are mostly small and found dispersed along the River Thames in Focal Areas, Wandsworth Town Centre and within SILs and LSIAs, with some medium-sized premises being located within Putney Town Centre. Occupiers are generally split between the more traditional SMEs and sole traders, such as legal, accountancy and small consultancy firms, and creative and cultural occupiers; the former often being found in older quality premises, and the latter in more modern workspace as general trends. Demand for older and average quality premises is low as expected as occupier requirements change, and through pressure from PDR policy, but appears to be better for smaller, flexible workspace which is often found in good quality refurbishments or new stock delivered as part of mixed-use development.
- 5.2.33 Amongst the six boroughs in its local office FEMA, Wandsworth has the second lowest stock of vacancy (10,400m²) and third lowest vacancy rate (2.6%). Availability is higher and while the Borough represents only 12% of stock, it contributes 19% of available floorspace. Net absorption rates, which are representative of demand, have been indicative of low levels of demand between 2012 and 2015, though increasing in 2016 suggesting that new occupiers are being attracted to the Borough by the space available. Average rents currently stand at £318 per m², a level significant lower than other inner London boroughs of the FEMA (Hammersmith & Fulham, Kensington & Chelsea and Lambeth) and more in line with the outer London boroughs of the FEMA (Richmond and Merton). Rental levels have however been rising since 2010, in line with the general trend across the FEMA.
- 5.2.34 In conclusion, the local / sub-regional office market is relatively small in absolute terms, and is continuing to undergo a structural change in its market such that the stock of medium-large sized premises/floorspace is decreasing so that supply is becoming increasingly concentrated within smaller premises. This is being driven by a lack of demand for medium/large premises borne from general occupier requirements trending towards small and flexible workspace, the poorer and dated quality of larger stock, and redevelopment for other uses proceeding due to

PDR. Demand levels for smaller premises appear to be fairly positive, particularly from creative and cultural sector occupiers and continuing demand from traditional occupiers. The market in Wandsworth, including when considered in terms of trends in rental values and availability, is not considered to be in a greatly different state from that of the local market in neighbouring boroughs/the FEMA and whilst not overwhelmingly buoyant, is not considered to be in bad health.

5.3 LB Wandsworth’s Industry and Warehousing Market

Supply/Distribution

5.3.1 Industrial activity in Wandsworth is focused along two main axes; one running east-west from remnant areas in Nine Elms and the Queenstown Road SIL through to the York Road Focal Point and along the River Thames as far west as the Osiers Road MUFIEA; with the second extending from north to south and dispersed along the Wandle Valley from its delta to the boundary with the LB Merton. Larger premises are to be found primarily within Queenstown Road SIL, including both medium-large storage and warehouse units and traditional industries such as cement/concrete works and light manufacturing. There are some examples of larger premises in and adjacent to the Central Wandsworth LSIA, such as the waste transfer station at Smuggler’s Way and Frogmore Council depot, though typical industrial premises in this area and down the LSIAs in the Wandle Valley are small to medium in size, though Summerstown LSIA contains some larger units.

5.3.2 A supply of mostly smaller premises are found within the Focal Point areas along the river with some activities found here being of higher-value, and small scale catering/food processing having a notable presence. Car-related uses are fairly common in SIL areas and some LSIAs, and are considered to form a large part of the Borough’s dispersed non-designated supply of industrial land and premises. Though not small, the market is broadly comparable in size to other inner London boroughs beyond the CAZ. In 2016 the FEMA contained 2,002,300m² of industrial floorspace. A breakdown of industrial floorspace across boroughs within the industrial office FEMA is presented in **Table 5.5**.

Table 5.5 Industrial Floorspace across the FEMA (2016)

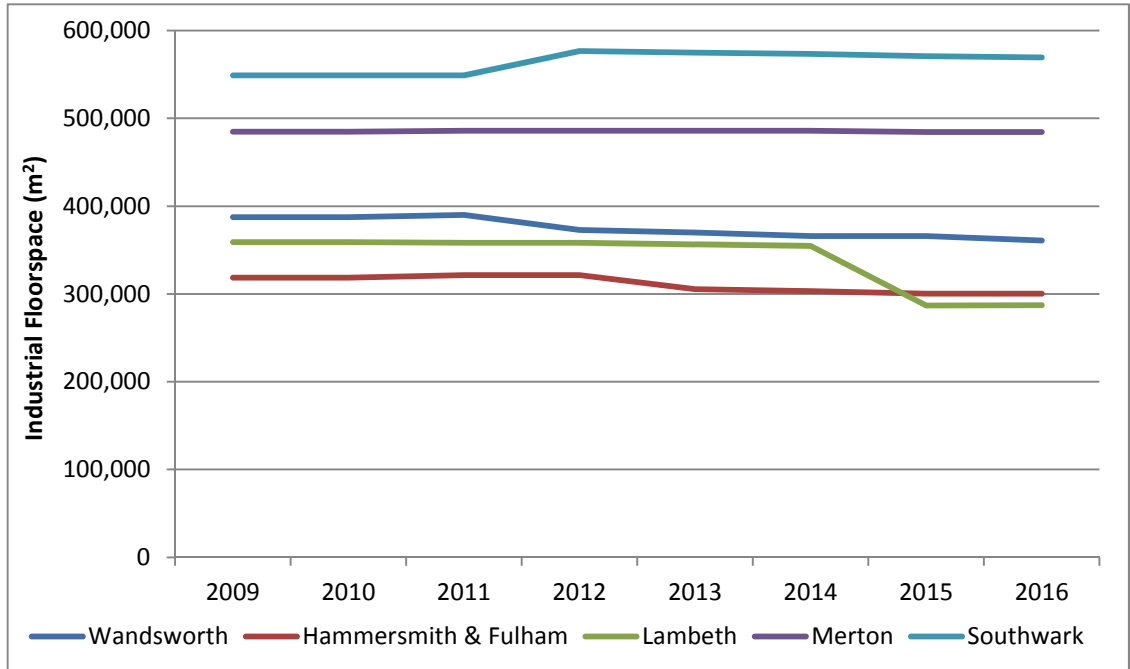
Location	Industrial Floorspace (m ²)	% of overall stock
Wandsworth	360,800	18%
Hammersmith & Fulham	300,400	15%
Lambeth	287,100	14%
Merton	484,500	24%
Southwark	569,500	28%
Local / sub-regional FEMA	2,002,300	-

Source: CoStar (2016). Figures may not sum due to rounding.

5.3.3 The table shows that Wandsworth has the third largest share of industrial floorspace across the FEMA, representing 18% of all industrial stock. The largest areas of floorspace are contained within Merton (24%) and Southwark (28%).

5.3.4 **Figure 5-7** presents the change in industrial floorspace in the FEMA boroughs from 2009-2016 based upon CoStar data.

Figure 5-7 Industrial Floorspace across the FEMA (2009-2016)



Source: CoStar (2016).

5.3.5 Figure 5-7 shows that the FEMA experienced a consistent loss of industrial floorspace across the period. Stock fell by 96,600m², equivalent to the loss of 4.6% of floorspace since 2009. Only Southwark saw an increase in industrial stock over the period of 20,500m² (3.7% of stock). Across all boroughs in the FEMA, industrial stock in Wandsworth was the second least resilient over this period. The Borough lost 26,700m² over this period, equivalent to a 6.9% change on 2007 levels, and contributing 28% of the net loss of floorspace across the FEMA. Only Lambeth lost more floorspace over this period (71,900m²).

Premises and Occupiers

5.3.6 Table 5.6 presents a breakdown of the industrial stock in Wandsworth by unit size.

Table 5.6 Industrial Stock by Unit Size (2016)

Unit Size (m ²)	Units	Floorspace (m ²)	% of overall floorspace stock	Vacancy: Wandsworth (%)	Vacancy: FEMA (%)
Under 250	61	8,200	2%	7.6%	1.6%
250 to 500	56	20,100	6%	3.5%	1.3%
500 to 1,000	69	50,800	14%	0.8%	2.4%
1,000 to 2,000	42	57,200	16%	0.0%	1.3%
2,000 to 10,000	60	197,600	55%	2.1%	2.5%
Over 10,000	2	26,900	7%	0.0%	0.2%
Total	290	360,800	-	1.6%	1.9%

Source: CoStar (2016). Figures may not sum due to rounding.

- 5.3.7 Table 5.6 shows a broadly consistent distribution of industrial units across the size bands up to 10,000m². Units between 500m² to 1,000m² are most commonly found, although they equate to only 14% of total floorspace. The majority of floorspace is found in units 2,000 m² to 10,000 m² in size, representing 55% of total floorspace stock. In terms of vacancy, a positive relationship is observed between unit size and vacancy rates. For instance, within the 1,000m² to 2,000m² unit size band, which represents 14% of units and 16% of floorspace, no vacancy is observed. This pattern suggests that industrial units may be under-provided within this size band, with businesses unable to expand locally up the accommodation ladder. Comparison with the FEMA shows that Wandsworth has higher vacancy rates for smaller units (up to 500m² in size) and lower vacancy rates for larger units.
- 5.3.8 Industrial occupiers (B1c/B2 uses) in the Borough are mostly SMEs located within small or medium-sized premises, with a range of sectors present many focused on providing supporting functions for the CAZ area. Small-scale food manufacturing, processing and distribution has a particular presence reflecting the proximity of the CAZ, including at New Covent Garden Market (C12), the Lombard Road/York Road Focal Point (C10) including at the Heliport Estate and at Summerstown LSIA (C8). There are several small breweries based in the Borough, including the medium-scale Sambrook’s Brewery (C10). Light industrial occupiers such as printers, studios and lighting manufacturers have a well dispersed and established presence in the Borough, including within Summerstown LSIA (C8), Ferrier Street (C3), Jaggard Way (C24) and at Battersea Studios (C1) to name a few locations. Traditional industrial and waste management businesses are notable and national in scale, and include Cemex (C12), London Concrete (C1), Hansons Aggregates (C23), Biffa (C1), and Cory Environmental, including its Smugglers Way (C23) and Cringle Dock (C12) transfer stations/wharves. There are several bus depots, including both for public transport use and private tour operation.
- 5.3.9 For warehousing (B8 uses) General distribution and logistics operators once proliferated within Nine Elms (C12), with the last of these sites (Royal Mail and DHL) being vacated in the near future; Bidvest at Stewarts Road (C1) are one of only a few other larger-scale distribution occupiers with a presence. In recent years, self-storage occupiers have expanded their presence, including within the SIL, LSIA’s and MUFIEA’s, and both in new premises and within

older industrial stock, such as Safestore at Ingate Place (C1). Small storage and warehousing units are a key feature of the industrial stock in Wandsworth, with a good distribution of such premises throughout. Industrial-type sui-generis occupiers, such as car repair and showrooms, also have a notable presence particularly in the LSIA and railway arch premises, with some larger showrooms at non-designated sites close to the River Thames, particularly at Lombard Road and Bridges Court (C10) and Marl Road (C23).

Rents and Availability

5.3.10 Table 5.7 presents information on the vacancy of industrial stock in terms of space which is unoccupied and marketed.

Table 5.7 Vacancy and Availability of Industrial Premises (2016)

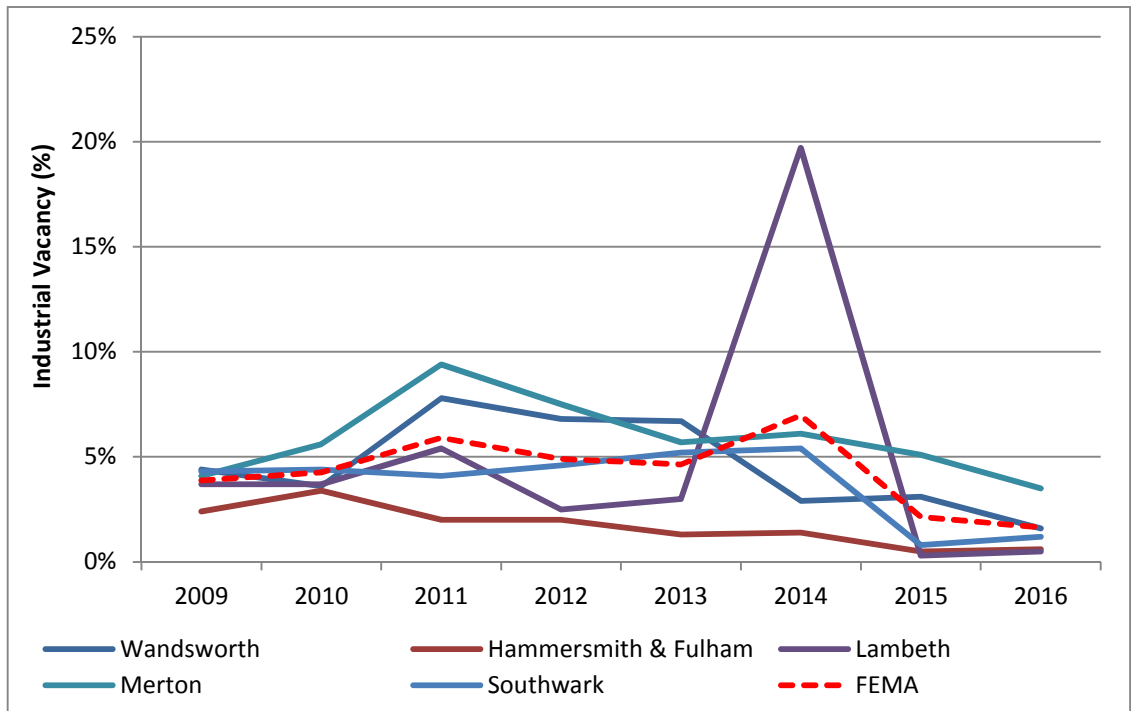
Location	Vacancy (%)	Vacancy (m ²)	Availability (%)	Availability (m ²)
Wandsworth	5,900	1.6%	6,500	1.8%
Hammersmith & Fulham	1,700	0.6%	2,800	0.9%
Lambeth	1,500	0.5%	1,800	0.6%
Merton	16,800	3.5%	28,200	5.8%
Southwark	6,900	1.2%	10,100	1.8%
Local / sub-regional FEMA	32,800	1.6%	49,300	2.5%

Source: CoStar (2016). Figures may not sum due to rounding.

5.3.11 Vacancy is observed to be relatively low across the FEMA, which is relative of the low supply relative to demand and competition from higher value land uses. Wandsworth is observed to have 5,900m² of vacant industrial floorspace. The vacancy rate (1.6%) is in line with the FEMA (1.6%). Wandsworth has a lower rate of availability (1.8%) than in the two larger market areas of Merton and Southwark, 0.7 percentage points lower than the FEMA average.

5.3.12 Figure 5-8 shows the pattern of vacancy across all boroughs in the FEMA.

Figure 5-8 Historic Industrial Vacancy Rates across the FEMA (2009-2016)

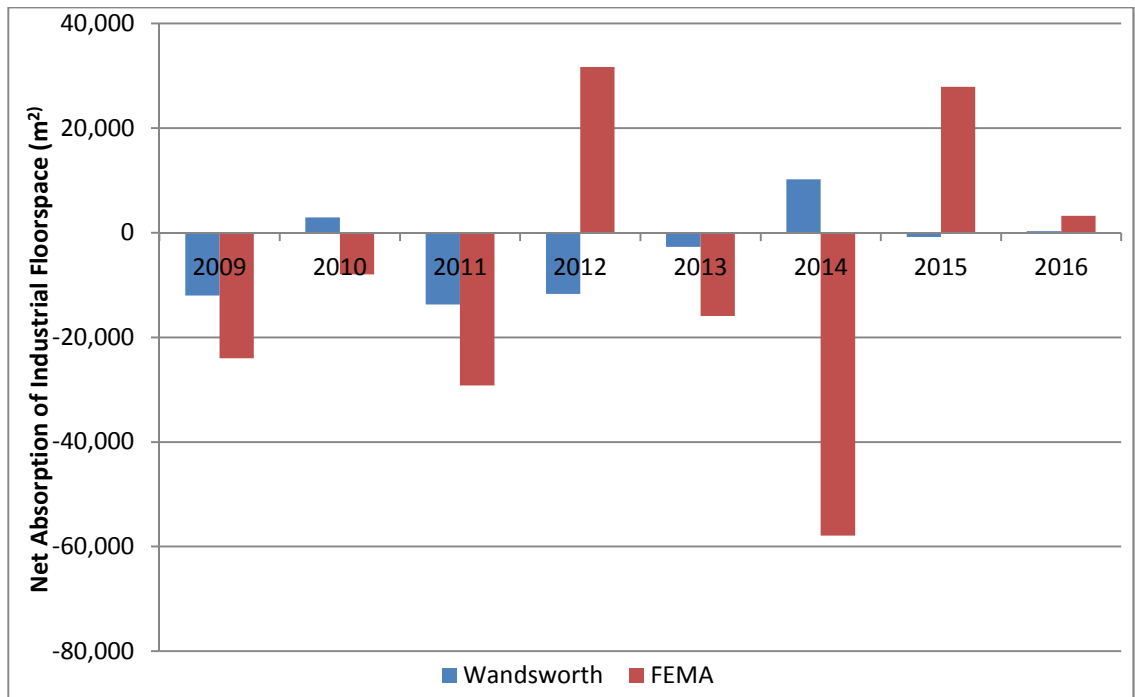


Source: CoStar (2016).

5.3.13 Figure 5-8 shows that vacancy has been broadly steady across the period. Over the preceding two years vacancy rates have declined across all boroughs. The trend is skewed by a large single-year increase in vacancy in Lambeth in 2014. This evidence supports the view of tight market conditions for industrial stock.

5.3.14 Figure 5-9 below presents a comparison of net absorption across Wandsworth and the FEMA.

Figure 5-9 Historic Net Absorption of Industrial Floorspace (2009-2016)



Source: CoStar (2016).

5.3.15 It shows that across the period net absorption has been negative across both Wandsworth and the FEMA, matching the fall in vacancy presented in **Figure 5-8** above. Given the currently low vacancy rate across the FEMA, positive net absorption has become increasingly constrained as suitable available space for new floorspace requirements has become increasingly limited.

5.3.16 Table 5.8 presents the average rental values for office floorspace across the FEMA.

Table 5.8 Rental Values for Industrial Floorspace in the FEMA (£ per m²)

Location	Average Rental Values		Total Rent (£m per annum)
	(£ per m²)	(£ per sq.ft)	
Wandsworth	£203	£19	£72
Hammersmith & Fulham	£121	£11	£36
Lambeth	£143	£13	£41
Merton	£103	£10	£48
Southwark	£137	£13	£77
Local / sub-regional FEMA	£139	£13	£274

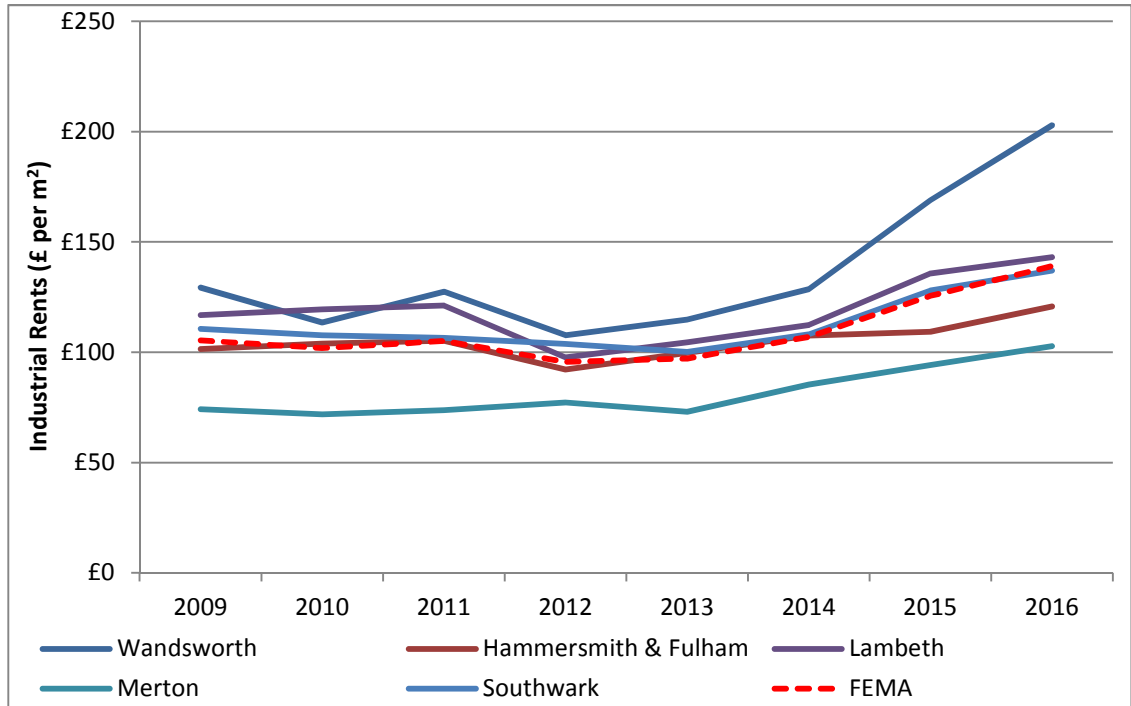
Source: CoStar (2016). Figures may not sum due to rounding.

5.3.17 Table 5.8 shows that Wandsworth has the highest average industrial rental values (£203 per m²) in the FEMA, equivalent to £64 (46%) higher compared to the FEMA overall. Factors in this are; the proximity of the Queenstown Road SIL to the CAZ, with industrial areas of

comparable size in the other boroughs mostly lacking such proximity, and; the comparative lack of low quality/grade space as a proportion of total stock. As a result, Wandsworth contributes a disproportionately high share of total rent across the FEMA (26%) than its floorspace contribution (18%).

5.3.18 Figure 5-10 presents the changing rental values across the FEMA between 2009 and 2016.

Figure 5-10 Rental Values for Industrial Floorspace in the FEMA (£ per m²)



Source: CoStar (2016).

5.3.19 Figure 5-10 shows that Wandsworth has seen the greatest increase in rental values across all boroughs in the FEMA. Average rents have increased by £74 over the period, equivalent to a 57% increase on 2009 levels. All of the net growth in rental values in Wandsworth has been achieved since 2012.

Conclusion

5.3.20 The industry and warehousing market in Wandsworth accommodates 360,800m² of floorspace being of around average in size for the five-borough FEMA defined for it (accounting for 18% of the space), which is led by Southwark with 28% of the floorspace. Activity is focused along two main axes; one running east-west from remnant areas in Nine Elms and the Queenstown Road SIL through to as far west as the Osiers Road MUFIEA; with the second extending from north to south along the Wandle Valley.

5.3.21 In terms of offer, there are few examples of large units, with medium-sized units of good to average condition being notable and small units being well distributed within designated and non-designated areas. Occupiers are varied though with particular concentrations of food processing and distribution, drinks manufacturing, printing and lighting. Traditional activities such as cement and concrete production and waste management remain important. Warehousing and distribution is mostly small to medium scale and there are a number of self-storage occupiers present.

- 5.3.22 Amongst the five boroughs in its industrial and warehousing FEMA, Wandsworth's floorspace vacancy rate (1.6%) is in line with the rest of the FEMA which is considered to be low generally. Net absorption rates, which are representative of demand, are negative in the Borough and are thought to be a consequence of a lack of new premises coming onto the market to meet demand and erosion of the industrial base through large-scale redevelopment of space for other uses particularly in Nine Elms. Average industrial rents currently stand at £203 per m², which is notably the highest in the FEMA, having risen sharply since 2014 at a rate outstripping the other boroughs.
- 5.3.23 In conclusion, the industrial and warehousing market in Wandsworth is average in size within its FEMA, being characterised by containing mostly small to medium sized premises and with a range of occupiers, many engaged in supporting CAZ functions or meeting local need for goods and services. Key occupiers within the market are New Covent Garden Market and other food and drinks-related enterprises, aggregates processors and medium-sized storage and distribution businesses. Vacancy and availability is low though and though the market meets an evidenced demand for small units and premises, overall indicators of demand are negative due to decreasing stock of larger premises and a lack of modern medium-sized premises coming onto the market. Further loss of industrial and warehousing space is to occur through continued redevelopment of the VNEB OA, although this has been strategically planned. Rental values are high and rising The industrial market in Wandsworth, including when considered in terms of trends in rental values and availability, whilst fairly buoyant for smaller premises is ultimately still shrinking in size, including when considered against wider trends in the FEMA.

6 DEMAND

6.1 Introduction and Approach

- 6.1.1 This section forecasts the demand for office floorspace and manufacturing and warehousing land. The forecast is largely driven by quantitative analysis, though it is informed by qualitative findings from other sections of this review. The section concludes with a value of the net additional demand required to accommodate growth in businesses associated with B-use class premises and land over the Local Plan period.
- 6.1.2 Forecasting methodologies vary. One approach to forecasting employment floorspace or land requirements is to use projections based on macro-economic growth forecasts, which model the projected structural changes in the economy at large. As such they capture drivers and process such as economic agglomeration, specialisation and globalisation. Macro-economic forecasts provide a top down logic to forecasting based on nation or regional economic growth, which is apportioned at lower geographies. Typically these forecasts place less emphasis on local economic circumstances.
- 6.1.3 An alternative approach is to apply a locally specific projection by projecting forward the local historic rate of change. This approach ensures local circumstances of place are recognised. However, the long term future growth prospects of a place may differ from past growth as the structure and focus of the economy changes over time or as a consequence of large scale projects such as infrastructure investment.
- 6.1.4 Our approach looks at both the macro-economic forecast and historic trend based forecast and considers their suitability for forecasting future land and floorspace needs. Our approach involves the following steps:
- A review historic trends in floorspace and employment using ONS published data, and the relationship between these two variables
 - A review projections in office and manufacturing/warehousing employment using GLA Economics data⁴⁷ and consider how these compare against historic trends; and
 - Based on historic trends and future projections, or a combination of the two, forecast employment floorspace and land requirements for office, manufacturing and warehousing space.
- 6.1.5 At each step the analysis considers trends for office and industry across LB Wandsworth and their representative FEMAs (see Section 5.1) so that local and wider economic and property markets can be compared.⁴⁸ As per the PPG guidance⁴⁹ our demand forecast presents an unconstrained assessment of future need. The assessment is undertaken independently of any assessment of whether there is a sufficient supply of land available to meet future need. Similarly, the results do not constrain demand by the potential viability or deliverability of specific existing/potential employment sites.

⁴⁷ Autumn 2015

⁴⁸ As suggested by Planning Practice Guidance (PPG), (2016); Paragraph: 012 Reference ID: 2a-012-20140306.

⁴⁹ PPG, (2016); Paragraph: 005 Reference ID: 2a-005-20140306.

6.1.6 The forecast method uses data which, for certain sources (such as GLA Economics) is available only at a borough level. The Central London office market is a unique market which lies within a particular geography of London that does not correspond to borough boundaries (framed mainly by the CAZ, though within that geography there is variation in the type of office provision found). For this reason our forecast methodology, based on borough level data, is not appropriate to use to forecast Central London office market growth. We know though that the Central London office market has been growing strongly over the past few decades and is projected to grow strongly over the future long term, based on information from the London Office Policy Review (LOPR) (2012 and 2014). We therefore draw on information from the LOPR and reflect on those characteristics which VNEB OA has which makes the location favourable and attractive for occupiers seeking high quality office space, such as national and international head quarter companies. We produce a high level comparative assessment of the characteristics of VNEB OA relative to other new locations, with office provision in the development pipeline, to illustrate that VNEB OA is well placed to capture a critical mass of the wider Central London office market (see Section 6.5).

6.2 Local / Sub-regional Office and Industrial Sector Historic Trends

Trends in Historic Floorspace

6.2.1 The Valuation Office Agency (VOA) records the amount of floorspace in an area for tax purposes (the assessment of business rates), by building type. The VOA provides information on the stock of commercial floorspace by office (B1a/b), manufacturing (B1c/B2) and warehousing (B8) use classes⁵⁰. VOA data is available for the period 2000 to 2012 for LB Wandsworth and the wider FEMA, but not post 2012. By comparison, data on employees provided from ONS is available for the period 2000 to 2014 and to enable a direct comparison of the trend over the same time period we use the observed year on year rate of change in floorspace from CoStar for years 2012 to 2014 and apply this to VOA 2012 data to estimate a likely floorspace value for 2014. The estimated change in floorspace over the period 2000 to 2014 is presented in Table 6.1 below in terms a compound annual growth rate (CAGR)⁵¹.

⁵⁰ The period 2000 to 2012 provides an indication of recent change stock over one full business cycle capturing periods of growth and slowdown in the economy. However it is a few years out of date. We compare the change in floorspace stock against the change in employees which is available 2000 to 2014. To align the period of comparison we estimate the stock in 2014 by applying the annual rate of change observed by CoStar between 2012 and 2014 to the VOA 2012 stock figure.

⁵¹ A CAGR estimates the growth of a variable over time assuming a constant rate of return. It provides a useful tool for comparing changes across different variables and data sets as the magnitude of growth is considered relative to the initial level, and thus is not contingent on the absolute estimate of stock at any given point.

Table 6.1 Floorspace by B Use Class 2000 to 2014

Geography	Use Class	2000 m ²	2014 m ²	Change (%)	CAGR (%)
LB Wandsworth	Office (B1a/b)	344,000	293,000	-14.8%	-1.1%
	Industry (B1c/B2 + B8)	672,000	602,000	-10.4%	-0.8%
Local / sub- regional FEMA	Office (B1a/b)	2,619,000	2,681,000	2.4%	0.2%
	Industry (B1c/B2 + B8)	3,822,000	2,850,000	-25.4%	-2.1%

Source: VOA (2012); CoStar (2016); AECOM calculations.

Historic Trends in Office Floorspace

6.2.2 In 2014 the estimated office floorspace stock in LB Wandsworth represented 11% of all stock in the FEMA (293,000m² of 2,681,000m²). Between 2000 and 2014 office floorspace in LB Wandsworth contracted by around 51,000m² (14.8%). This equates to a CAGR of -1.1%. This change in office provision for the Borough runs contrary to the trend for the FEMA, which grew during assessment period by 62,000m², equivalent to 0.2% CAGR.

6.2.3 The calculations of CAGR set out above reflect businesses with local or sub-regional market reach. The analysis on the change in office stock, drawn from VOA and CoStar up to 2014, does represent the market orientation of new office space being at VNEB OA, which is currently being constructed and will significantly add to the stock of prime, grade A office space. As discussed previously the development at VNEB OA is designed primarily to support businesses and organisations seeking office accommodation able to support regional and national plus headquarter (HQ) operations, which is a different form or provision than the office market across the rest of the Borough. This does not mean however that commercial space at VNEB OA would not be suitable for local/regional office uses or that businesses operating at a lower market level would not be able to take up space at VNEB OA.

6.2.4 We consider how the redevelopment of VNEB OA could impact on office demand separately and later in this section.

Historic Trends in Industrial Floorspace

6.2.5 Though VOA provides a suitable record for assessing the trend in floorspace stock there are questions over the absolute amount of floorspace recorded as manufacturing and warehousing use class as recorded in the 2012 VOA Experimental Statistics dataset. We are aware of this inaccuracy through previous studies.⁵² For this reason we report on the trend in the total floorspace value of manufacturing and warehousing space together, not separately.

⁵² VOA Experimental Statistics states that in 2012 LB Wandsworth's had 498,000m² of manufacturing floorspace and 115,000m² of warehousing floorspace. This split of uses is very different to our survey findings which identified significantly more warehousing than manufacturing space. Analysis of floorspace in our Industrial Land Baseline (2010) for the GLA, using previously published VOA data, indicates that warehousing floorspace in LB Wandsworth was double that of manufacturing floorspace in 2008.

- 6.2.6 The rate of change in manufacturing and warehousing floorspace between 2000 and 2014 suggests evidence of decline of the industrial sector.⁵³ Industrial floorspace in LB Wandsworth declined by 70,000m² between 2000 and 2014, a loss of 10.4%, equivalent to -0.8% CAGR. However the contraction across the FEMA was significantly stronger with a loss of 972,000m² or -25.4% or -2.1% CAGR. Within this collective floorspace figure there is expected to be a stronger decline in manufacturing than warehousing. Our recent work for the GLA - the Industrial Land Supply and Economy Study – provides some indication of this, which found that for the period 2001 to 2015 the loss of land supporting light and general industry was higher than the loss of land supporting warehousing. Between 2001 and 2015 the stock of land lost from general/light industry was -32% and -33% for LB Wandsworth and FEMA respectively, whereas and the proportion of land lost from the warehousing was more limited at -20% and -7% for LB Wandsworth and FEMA respectively.
- 6.2.7 Given the strong increase in residential values seen over the past decade and development pressures (particularly due to the close proximity of the Borough to Central London) there is a strong likelihood that the decline in industrial is at least in part driven by competing demands for land rather than underlying structural decline and locational requirements.
- 6.2.8 Indeed, it is anticipated that the loss of warehousing has been curtailed by the growth in demand from online retailing / click and collect, and businesses seeking efficiencies with their stock retention using just-in-time processes. The rate of contraction in supply of industrial land available in inner London, which has increased in the past five years, may have also led to a relative increase in the demand by businesses involved in distribution for sites located in reach of core market areas such as the Central Activities Zone (CAZ).⁵⁴

Historic Employment

- 6.2.9 Historic employment data is drawn from the Annual Business Inquiry (ABI) between 1998 and 2008 and the Business Register and Employment Survey (BRES) from 2008 and 2014. Both datasets are compiled by the Office for National Statistics (ONS). Employment is expressed at a Standard Industrial Classification (SIC) level, not by use class.
- 6.2.10 Our analysis converts SIC-level data into B use classes B1a/b, B1c/B2 and B8. To estimate employment by these use classes we identify the SIC levels which typically operate from offices (B1a/b), manufacturing premises (B1c/B2) and warehousing premises (B8). The linking of SIC levels to use class draws upon extensive prior work on employment land studies that AECOM have undertaken.
- 6.2.11 Table 6.2 below summarises historic growth in employees in each use class across LB Wandsworth and the FEMA.⁵⁵

⁵³ Post 2014 and a large proportion of the total loss of industrial and warehousing floorspace in LB Wandsworth can be attributed to the redevelopment of VNEB (and so not representative of a trend).

⁵⁴ In our work for the GLA we identified a seven percent drop in the quantity of industrial land supply in London between 2010 and 2015. This is significantly higher than the rate of land release set out in the Land for Industry and Transport SPG (2012).

⁵⁵ Note that we report on employees (in paid work, supported by a business) not employment (the number of people in work). Employment consists of employees, self-employed people, unpaid family workers and people on government supported training and employment programmes. For this analysis it is more suitable to consider trend in employee numbers as an expression of economic growth.

Table 6.2 Employees by Use Class 2000 to 2014

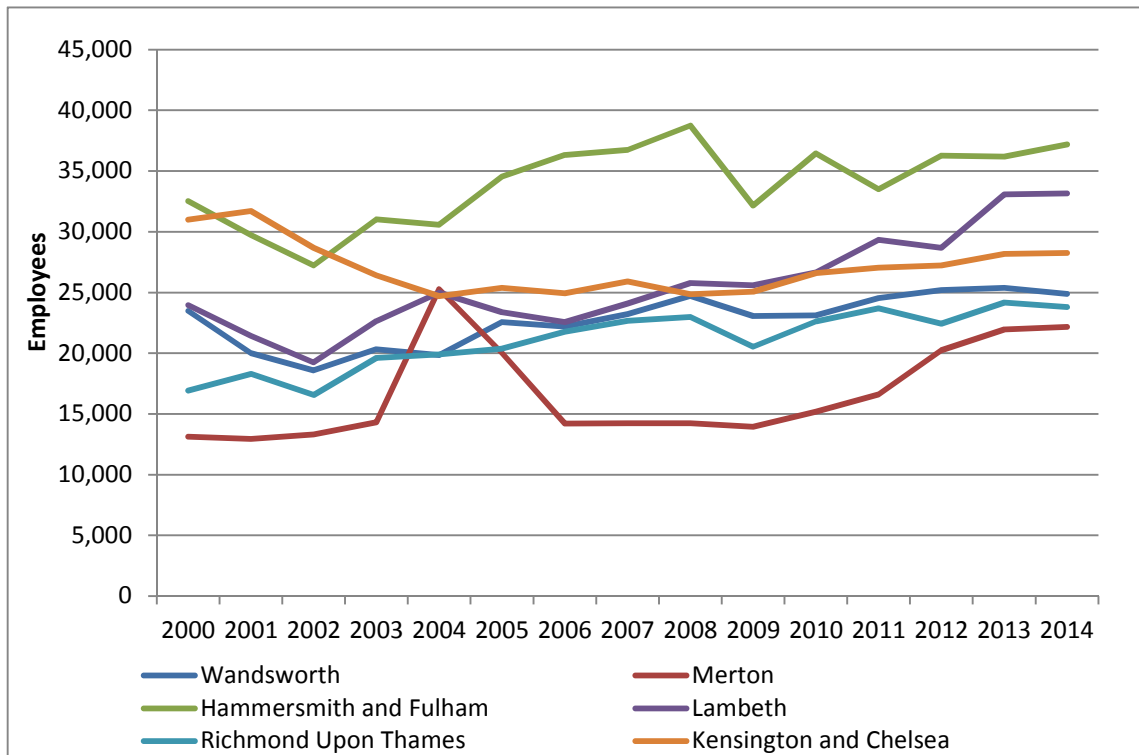
Geography	Use Class	2000	2014	Change (%)	CAGR
LB Wandsworth	Office (B1a/b)	23,500	24,900	6.0%	0.4%
	Industry (B1c/B2 + B8)	16,300	12,200	-25.2%	-2.1%
Local / sub-regional FEMA	Office (B1a/b)	141,000	169,500	20.2%	1.3%
	Industry (B1c/B2 + B8)	90,800	74,800	-17.6%	-1.4%

Source: ONS, (2015); AECOM calculations.

Office Employees (B1a/b Use Classes)

6.2.12 Figure 6-1 below illustrates the growth of employees in LB Wandsworth’s office market compared to other boroughs located within the FEMA.

Figure 6-1 Office Employees 2000 to 2014



Source: ONS, (2015); AECOM calculations.

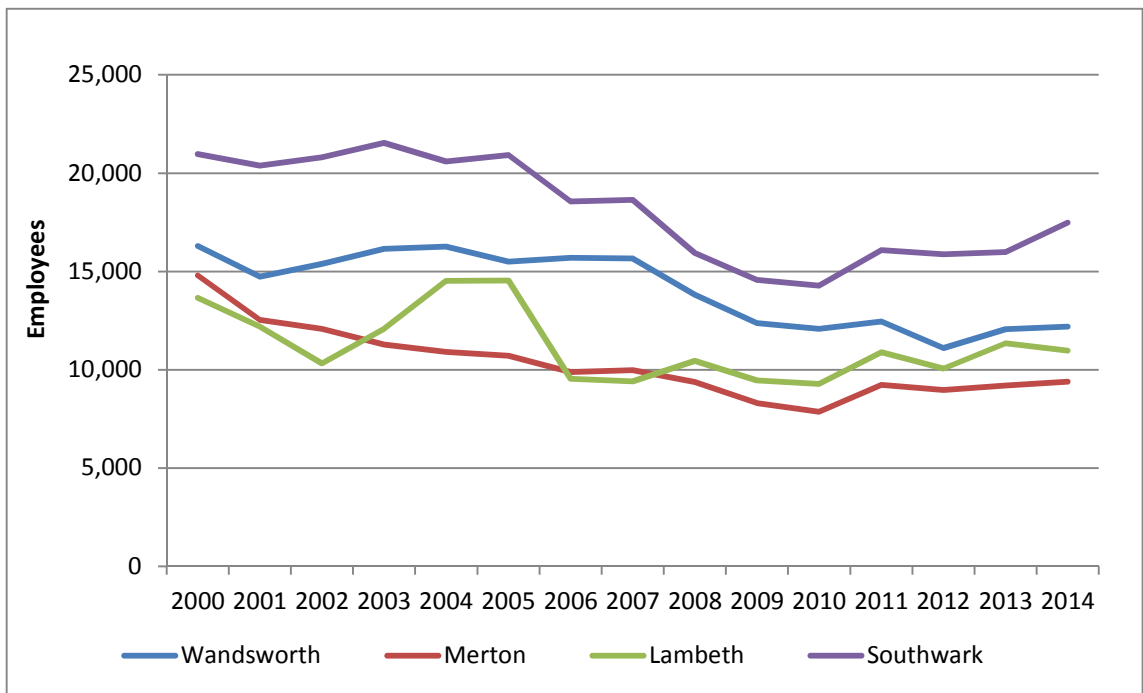
6.2.13 Across the FEMA the number of office-based employees has increased relatively steadily over the period 2000 to 2014, though some boroughs saw contractions in the absolute number of employees such as Merton and Kensington and Chelsea for certain years. The overall CAGR is 1.3% pa for the FEMA and 0.4% pa for Wandsworth indicating that on balance other parts of the FEMA has been able to attract and accommodate office-based employee growth more successfully than the Borough.

6.2.14 Over the period LB Wandsworth has seen a contraction in office stock but growth in the number of employees associated with businesses working out of office space, suggesting a reduction in the ratio of floorspace to employees. VOA and CoStar suggest this ratio has dropped from approximately 15m² to 12m² per employee. Comparatively, the increase in employee to space density has occurred across the FEMA too as the growth in employee numbers has out stripped the rate of office floorspace growth (from 19m² to 16m²).

Industrial Employment (Manufacturing B1c/B2b; Warehousing B8 Use Classes)

6.2.15 Figure 6-2 below shows the relative performance of employees in LB Wandsworth’s manufacturing and warehousing sectors compared to other boroughs located within the FEMA.

Figure 6-2 Industrial Employees 2000 to 2014



Source: ONS, (2015); AECOM calculations.

6.2.16 Between 2000 and 2014 the number of employees in industrial employees in the FEMA declined by 16,000 employees, equivalent to 17.6% (-1.4% CAGR). The general trend across the FEMA is one of loss though there was some limited growth around 2002 to 2005 and from in 2011. LB Wandsworth’s industrial base experienced a similar rate of decline in employees: over the period 2000 to 2014 the Borough lost 4,100 employees from industrial businesses, equivalent to 25.2% of the total in year 2000. This trend is reflective of the long term decline in London’s manufacturing base and growth in service industries.

Summary of Historic Trends

6.2.17 Table 6.3 below compares historic data on floorspace and employees by use class.

Table 6.3 Relationship between Floorspace and Employees based on Historic Trends

Geography	Use Class	Employees CAGR (%) (A)	Floorspace CAGR (%) (B)	Ratio (A:B)
LB Wandsworth	Office (B1a/b)	0.4%	-1.1%	-2.73
	Industry (B1c/B2 + B8)	-2.1%	-0.8%	0.38
Local / sub-regional FEMA	Office (B1a/b)	1.3%	0.2%	0.13
	Industry (B1c/B2 + B8)	-1.4%	-2.1%	0.66

Source: VOA, (2012); ONS, (2015); AECOM calculations.

- 6.2.18 The summary table shows that the number of employees in office occupations in LB Wandsworth increased between 2000-2014, whilst floorspace stock contracted. This relationship may be a result of increasing job densities as a consequence of more efficient use of space such as hot desking, increasing the ratio of employees to space. The ratio of employees to floorspace is -2.73: were growth in the number of employees to increase by 1%, floorspace would be expected to contract by 2.73%. This relationship is contrary to that of the FEMA where there is evidence of the ratio of employees to floorspace having increased somewhat and thus a positive relationship between office floorspace and employees was deemed to have occurred though again the ratio is low suggesting a process of increasing employee to space density. Though this relationship can be observed from the data, which covers a medium term time period, it would not be logical to assume it this is sustainable over the longer term.
- 6.2.19 The amount of floorspace and number of employees for businesses of industrial activity in LB Wandsworth and the FEMA indicate a process of stock contraction. For Wandsworth the contraction in employment is significantly higher than floorspace. The contraction is unlikely to continue indefinitely as there is likely to be a minimum requirement for manufacturing and warehousing floorspace required across inner London to support the economic function of the sub-regional, particularly the CAZ, and wider economy. A key question then is what is minimum size this use class could contract to still enable effective support of supply chains and end markets reliant on businesses involved in design, production, servicing and distribution? Across the FEMA the relationship between the change in number of employees and floorspace is approximately 0.66; that is for every 1% increase in employees there would be an expected 0.66% increase in floorspace.
- 6.2.20 Evidence presented above suggests that, for all bar the FEMA's industrial sector, the relationship between the historic change in employment and floorspace may not be an appropriate indicator of the future direction of demand, particularly when looking at LB Wandsworth data over the longer term. For the purposes of this assessment it would be more appropriate to assume that floorspace will grow at the same compound rate as employment. This assumption would mean that existing employment densities (the average floorspace per worker) remains constant across each B use class.

6.3 Employment Forecasts

- 6.3.1 Employment forecasts for London and by each local authority area are produced by GLA Economics (GLAE). The forecast is available at a borough level a forecast in employment can be estimated for the FEMA. The latest forecast is autumn 2015.
- 6.3.2 Table 6.4 below shows forecasted growth in LB Wandsworth and the FEMA over the plan period, 2016 to 2030. Employment in LB Wandsworth is forecast to grow for office based businesses but contract in businesses operating out of manufacturing and warehousing space (more significantly so in the former). Across the FEMA manufacturing and warehousing employment is forecast to grow for all use class groups. At a borough level office based employment is forecast to grow but contract strongly for industry.

Table 6.4 Employment Forecasts 2016 to 2030

	B use class	2016	2030	Diff 2016- 2030 (%)	CAGR
LB Wandsworth	Office/R&D (B1a/b)	13,000	14,900	13.7%	0.9%
	Industry (B1c/B2 + B8)	13,300	11,400	-14.3%	-1.1%
Local / sub- regional FEMA	Office/R&D (B1a/b)	167,800	174,900	5.6%	0.4%
	Industry (B1c/B2 + B8)	134,600	145,200	7.9%	0.5%

Source: AECOM; GLA Employment Projections

6.4 Alternative Methods for Forecasting Demand

- 6.4.1 The PPG⁵⁶ outlines the need for future trends to consider a range of approaches to forecasting including:
 - Demographically derived assessments of future employment needs (labour supply techniques); and
 - Analyses based on the past take-up of employment land and/or future property market requirements.
- 6.4.2 We outline below the scale of growth resulting from these alternatives and the suitability of these approaches to estimating future B use class floorspace requirements.

Labour Supply Approach

- 6.4.3 This approach assumes that future growth in the resident population will influence the demand for jobs and consequently employment space. It assumes an inherent equilibrium in the labour market where employment opportunities are created to satisfy the employment needs of the

⁵⁶ Paragraph: 033 Reference ID: 2a-033-20140306.

local population. The ONS Sub-National Population Projections (2012) provide an indication of the future demographic profile across local authorities in England.

6.4.4 Table 6.5 presents the labour supply-driven growth rates for LB Wandsworth and the FEMA across the plan period. It suggests a 0.74% and 0.73% CAGR increase in employment across the Borough and the FEMA respectively.

Table 6.5 Labour Supply Projection

Geography	Population (2016)	Population (2030)	Change	CAGR (%)
LB Wandsworth	320,300	355,000	34,700	0.74%
Local / sub-regional FEMA	1,394,200	1,544,300	150,100	0.73%

Source: ONS (2012); AECOM Calculations.

6.4.5 However, while providing a broad estimate of employment need across all sectors in the economy, the labour supply approach does not make any distinction between which sectors in the economy are expected to grow, and hence does not account for structural changes in the economy. A simple review of population growth does not capture the potential for residents to travel elsewhere to work (whether in or out of the Borough). Analysis based on the Census 2011 indicates that only 13% of LB Wandsworth’s employed residents are retained in the Borough as employees (see Section 3). Therefore, at a local level, it is unlikely that a proportional relationship will exist between new resident population and workforce jobs.

6.4.6 Historic data outlined above identified an increase in office employment but a contraction in the industrial sector over recent years. Assuming that employment densities are static over the plan period, the labour supply approach implies a steady growth in all sectors across the economy. This approach does not therefore provide appropriate estimate of future employment, and hence floorspace demand, across the plan period.

Property Trends Approach

6.4.7 This approach estimates a continuation of historic trends in the take-up of commercial floorspace. Over the long term take up can be considered tantamount to stock less vacancy. Table presents the growth rate implied by historic occupancy from 2000 to 2014 across both the Borough and the FEMA, which shows that growth in office floorspace ranges from -1.1% to 0.2% CAGR for the Borough and the FEMA respectively, and for industry floorspace between -0.8% and -1.9% CAGR for the Borough and the FEMA respectively.

6.4.8 The suitability of this approach is contingent on the extent to which we may reasonably expect past trends to continue into the future. This approach is also sensitive to short term fluctuations away from long term trends, which do not provide an accurate assessment of indicative long term growth. This therefore may not provide the most accurate indication of future expectations. For instance, based on past trends in occupancy rates in LB Wandsworth alone, this approach assumes that the office market would contract by approximately 15% and the industrial market would contract by 10%. This magnitude of change is not supported by the body of evidence gathered through analysing past and future economic data, which suggests a more positive outlook for the office market relative to the industrial property market. This is reinforced when looking at the historic and future employment projections. As a result, historic

take-up rates alone are not a suitable measure of future floorspace demand across the plan period.

6.5 Central London Office Market

- 6.5.1 As set out in Section 5 the Central London office market is only just set to emerge at LB Wandsworth through the development of a residential and office quarter at VNEB OA.
- 6.5.2 The supply of new high quality office space being currently built out or planned in the CAZ and competing areas, such as East London and Fringe London, is large. In the CAZ there are a number of individual developments proposed for the City and schemes with critical mass at King's Cross and Paddington (mostly built out), Victoria (under construction/yet to be implemented), Euston and Waterloo (yet to be implemented). Locations in West End and across East London in areas such as the Canary Wharf/Isle of Dogs, Stratford, Greenwich Peninsula and the Royal Docks, also other locations where large scale high quality office space is proposed and/or consented.
- 6.5.3 This pipeline is in response to projected demand. The LOPR (2014)⁵⁷ forecasts an additional requirement of 5,593,000m² of office floorspace across London's between 2001 and 2036. Boroughs which hold a large proportion of Central London's office stock, such as the City of London, Westminster, Camden, Islington and Southwark are forecast to grow by 2,750,000m² or approximately 50% of the London forecast total.
- 6.5.4 A key question then is whether VNEB OA as location has relatively more favourable characteristics able to capture a suitable portion of London's office demand which is orientated towards those companies seeking high quality office space.
- 6.5.5 There are a number of characteristics which can help distinguish between the attractiveness of places for large scale high quality office provision. These include factors such as the potential for expansion; public transport connectivity; proximity to Central London core market; availability of social and cultural infrastructure; and affordability.
- 6.5.6 Reflecting on these characteristics, VNEB OA competes well with other key locations across London, which are being built out for or propose large high quality spec office space in terms of
- Its potential for expansion: The size of VNEB OA is generous compared to some of other location (King's Cross OA) and the provision of uses across VNEB OA has been masterplanned allowing locational requirements to be considered carefully to maximise benefits for occupiers.
 - Public transport connectivity: Through the provision of new transport infrastructure (NLE) and non-vehicular linkages leading from /to the site, PTAL ratings will be significantly improved.
 - Proximity to Central London: VNEB OA is geographically much closer to core markets of London than some locations in the East London with good strategic links running directly into Westminster; and

⁵⁷ LOPR (2014); Mayor of London (GLA)

- Social infrastructure: VNEB OA will see real improvements to social and community uses as part of place making plans to support the new residential development. There are good links to other key locations of cultural significant such as Southwark Southbank.
- Affordability: It is expected that the location will be relatively reasonably priced compared to other competing locations such as the City or Canary Wharf/Isle of Dogs.

6.5.7 On balance, we consider that there is a reasonable chance that VNEB OA can capture a critical level of demand from the wider Central London office market to fulfil its development plans.

6.6 Impact of ‘Brexit’

6.6.1 ‘Brexit’ - the vote by the UK public to leave the EU - is likely to have a significant effect on the economic growth trajectory over the short to medium term. It is less clear what effect Brexit will have over the longer term.

6.6.2 The EU is the UK’s largest trading partner, receiving around half of its exports. Membership of the EU allows the UK to export within the EU with no tariffs and, with legislation agreements, fewer constraints to the movement of goods and services. Were the UK to leave the EU and free trade exporting would be impacted. EU legislation also enables the free movement of labour across member states. Cessation of free movement would impact on the capability of certain sectors, particularly IT, tech and digital, which require a highly skilled workforce, to compete in global markets. The financial sector in particular is highly mobile. The loss of the ‘passporting’ system, which currently allows banks to provide their services and products to the whole EU from a member state could see banks to move parts of their operations from the UK to other EU financial centres.

6.6.3 In the short term, with political and financial uncertainty and the knock-on effect this has on business confidence and investor demand, markets will move towards a new equilibrium. This has already translated as a fall in sterling. A fall in sterling has made the UK a more competitive area to manufacture which could drive demand, but ahead of new trade deals being negotiated international companies will be cautious of investing in the UK, and businesses may not look to expand.

6.6.4 The time taken to negotiate new forms of access to EU will impact on the nations export industries, which in London primarily includes services exports sectors such as finance, law and media, which have underpinned much of the London’s economic growth.

6.6.5 The London office property market is likely to be impacted as the demand from financial and multinational occupiers is likely to weaken as companies decide how the decision to leave will affect their businesses going forward. The rental growth, which is closely linked to economic growth, is expected to decline due to the period of economic uncertainty.

6.6.6 Over the long term the economic implications are less clear. A recent study by Open Europe ‘What if there were a Brexit?’ assumes Brexit on 1 January 2018 and models the impact on UK GDP in 2030:

- Under the best case scenario, assuming the UK strikes a free trade agreement with the EU, opens its borders to global trade and deregulates its economy, the UK GDP is estimated to be 1.6% higher than had it stayed within the EU; and

- Under the worst case scenario, assuming the UK fails to strike a trade deal with the EU and does not pursue a free trade agenda, the UK's GDP is estimated to be 2.2% lower.

6.6.7 The long term impact of 'Brexit' on economic growth and on the demand for office and industrial space will be unclear for some time. The suggestion would be to monitor the demand for land and premises against the long term strategic aspirations and respond, not to short term effects and consequences of Brexit, but to the long term strategic position and balance of supply and demand.

6.7 Summary of Forecast Growth Rates

Local / sub-regional Office and Industrial Forecast

- 6.7.1 Following the above, for the purposes of this assessment, we consider the employment projection-based approach the most suitable method of projecting future employment floorspace need. As discussed above (Historic Trends) we have assumed that floorspace will grow at the same rate as employment growth.
- 6.7.2 The four employment growth rates presented in Table 6.4 can be used to inform low and high end growth rates for local/sub-regional office and industry.
- 6.7.3 When considering the potential direction and strength of future economic growth it is useful to consider growth rates for the FEMA as well as the Borough. At a borough level the economy is comparatively small and trends in floorspace and employment could be more easily affected by single events such as a large business moving in or out of the Borough, a new site being brought forward for development or local infrastructure enhancements which can change the access, perception or viability of place. By comparison growth rates of the FEMA could be more representative of wider economic trends.
- 6.7.4 GLAE forecast the future office employment growth in LB Wandsworth to be higher than the FEMA: 0.9% CAGR compared with 0.4% CAGR. Given the significant place shaping impacts of VNEB OA redevelopment which is coming forward now it may be possible for local/sub-regional office space demand in the Borough to grow faster than the FEMA and in line with the higher rate of growth.
- 6.7.5 For industry, LB Wandsworth's and the FEMA's growth rates are quite different: -1.1% and 0.5% respectively. Historically, floorspace and number of employees for both the Borough and FEMA have contracted on over the period 2000 to 2014. However, it is unlikely that this loss will continue at such a strong rate of contraction, and it is questionable to what degree historic contraction has been due to economic activity following market signals or the result of actions running contrary to the market (e.g. market misinformation). Forecast suggest it is possible for the Borough to follow a path of continued industrial decline though the FEMA grow rate suggest potential to attract investment to the industrial sector and grow.
- 6.7.6 On this basis and following Table 6.4 above we assume the following rates of growth, as set out below in Table 6.6.

Table 6.6: Local / Sub-regional Office / Industrial Floorspace Forecast Growth Rates

B use class	Low	CAGR Mid	High
Local / sub-regional Office (B1a/b)	0.4%	0.7%	0.9%
	FEMA employment forecasted CAGR	Mid-point	Borough employment forecasted CAGR
Local / sub-regional Industry (B1c/B2 + B8)	-1.1%	-0.3%	0.5%
	Borough employment forecasted CAGR	Mid-point	FEMA employment forecasted CAGR

Source: AECOM

Central London Office Forecast

- 6.7.7 As presented above the office space provision planned at VNEB OA is primarily orientated towards the Central London office market, catering for businesses operating from offices which have a national or international reach. This is not to say that small office space, which could be used by smaller businesses operating at a local/sub-regional market level, will not be provided at VNEB OA.
- 6.7.8 The assessment of demand for a Central London facing office provision has been based on a broad review of demand and supply conditions, the former being based on an understanding of the wider projected demand for office provision in key boroughs which comprise the CAZ, and the latter considering whether the area has the right characteristics to attract demand arising across the CAZ.
- 6.7.9 On balance, we consider that it is more likely than not that VNEB OA will capture a critical level of demand from the wider Central London office market to fulfil its development plans.
- 6.7.10 As such we consider it reasonable to assume that the demand for VNEB OA would meet the planned supply of 205,000m² B1a/b use class floorspace over the long term.

7 COMPARISON BETWEEN SUPPLY AND DEMAND

7.1 Introduction

- 7.1.1 As concluded in Section 6 our view is that VNEB OA will capture a critical level of demand from the wider Central London office market to fulfil its development plans over the long term of 205,000m² B1a/b use class floorspace. As such demand and supply of office provision at VNEB OA, which will be orientated primarily towards businesses with a national/international reach, can be considered to be met.
- 7.1.2 This section therefore focusses on the supply and demand conditions of the local/sub-regional office market and local/sub-regional industrial market. It compares the projected future demand for the local/sub-regional office market floorspace and local/sub-regional industrial market land over the period 2016-2030 with existing supply conditions across the Borough, taking into account vacant floorspace and land which is vacant and developable or has derelict buildings, as set out in Section 4. Broadly, supply in excess of demand suggests a demand constrained position; and where demand is in excess of supply, a supply constrained position with the requirement to identify additional land for B-use employment activities and ensure growth is adequately supported.
- 7.1.3 Further consideration of the balance of supply and demand in terms of quantitative and quality requirements and is given in the conclusions and recommendations section.
- 7.1.4 At this point it is worth emphasising that our projection of demand is based on data representative of economic growth forecast at the Borough and FEMA levels. As the FEMAs are an approximation of the geography of property markets, our projection is also an approximation of the likely scale of change which could occur in the office and industrial markets.

7.2 Calculating Future Demand

- 7.2.1 Our forecast calculates net demand requirement by applying the growth rates presented in Table 6.6 to the existing stock of office floorspace and industrial land. Data on existing current stock is based on CoStar, which provides an up to date picture of floorspace, and our industrial land site survey work.⁵⁸

Net Additional Demand for Office Floorspace

- 7.2.2 The forecast the net additional floorspace for office floorspace is set out in Table 7.1.

⁵⁸ CoStar accessed June 2016; AECOM's employment site survey, as set out in Section 4 of this document.

Table 7.1: Future Local / Sub-regional Office Floorspace Demand 2016 to 2030

Demand for Office Floorspace (Local/sub-regional market)	Floorspace (m ²)		
A. Supply of occupied office floorspace (2016)	390,100		
B. Current vacant office floorspace (2.6%)	10,500		
C. Total stock of office floorspace (2016) [A+B]	400,600		
<i>Forecast</i>	Low	Mid	High
D. Floorspace demand to 2030	21,600	37,500	54,100
E. Optimum frictional vacancy at 2030 [5% of A+D] 59	20,600	21,400	22,200
F. Surplus/deficit of vacant floorspace in 2030 [E-B]	10,100	10,900	11,700
G. Gross requirement for office floorspace 2016-2030 [C+D+F]	432,300	449,000	466,400
H. Net requirement for office floorspace 2016-2030 [G-C]	31,700	48,400	65,800

Source: AECOM

Note. Point A: CoStar data, June 2016.

Note. Point B: 2.6% vacancy rate as estimated by CoStar data, June 2016.

Note. Point C: CoStar data, June 2016.

Note. Point D: Derived from Table 6.6 and Point A

7.2.3 The PPG advises that where possible employment floorspace should be converted to employment land using plot ratios. However, due to the wide range of densities of offices it is less meaningful to translate the floorspace demand figures into land requirements. The stock for offices is therefore presented in terms of floorspace (m²) not hectares.

Net Additional Demand for Industrial Land

7.2.4 Below we set out the net land demand for industry (manufacturing and warehousing).

7.2.5 Unlike office floorspace we have an up to date accurate figure for the amount of land which supports manufacturing and warehousing uses, which was recorded by our survey work. Combined with the latest estimates from CoStar we can estimate the amount of land which is occupied; a figure which we use as a basis from which to forecast the future land demand.

7.2.6 As part of this calculation of demand we take into account demand from other users of industrial land.

Other Users of Industrial or Office Land

7.2.7 **Waste Management and Recycling:** Based on the borough waste apportionment outputs in the London Plan and making allowance for re-use of surplus waste transfer capacity the SPG on Land for Industry and Transport estimates the likely future land requirement for new waste

⁵⁹ Frictional vacancy is the optimal level of surplus land or floorspace (as a % of overall land) required to allow for the efficient churn of occupiers. For LB Wandsworth a suitable frictional floorspace vacancy rate would be 5% according to the Mayor of London’s Land for Industry and Transport Supplementary Planning Guidance, as currently levels are lower than this rate.

facilities in each borough 2011-2031⁶⁰. Land requirements depend on a number of factors including, the number, type, scale and location of waste treatment and recycling facilities selected to manage the apportionment in collaboration with neighbouring boroughs where appropriate.

7.2.8 In LB Wandsworth's case, sites and their contribution towards meeting waste management requirements going forward were identified in its Site Specific Allocations Document (20166), which translated into a requirement for 3.9 ha of land based on a need to manage 80,000 tonnes per hectare. The requirement is met by these existing sites and as such there is no need to plan for the provision of additional land to meet London waste apportionment targets as part of the net demand forecast in this study.

7.2.9 *Utilities and Land for Public Transport:* The draft GLA London Industrial Land Baseline (2015) measured 37.2 ha of land for these uses, the largest single use being land for rail (26.9ha). No specific additional demand for land for these uses has been identified through planning policy.

Vacant Land

7.2.10 Information on vacant land and land with vacant buildings within employment areas was collected during the field survey. It was then measured using Geographic Information Systems (GIS) software. As discussed in Sections 5, vacant land is estimated to account for 0.7 ha (or 0.5%) and this is factored into the forecast for employment land requirement to 2030 as shown in Table 7.2.

Vacant Floorspace Land Equivalent

7.2.11 The calculation of net additional demand is made in land and as such vacant floorspace, which is netted off the occupied stock figure used as a forecasting base, needs to be calculated. CoStar measures vacant Industrial floorspace to be 1.6%. Based on a plot ratio of 0.45:1.0, to convert floorspace to land, the vacant floorspace equates to 1.3ha.⁶¹

⁶⁰ Land for Transport and Industry SPG Annex 2, (2012); GLA

⁶¹ A plot ratio of 0.45:1.0 assumes that one hectare of land one can typically expect the footprint of an industrial or warehouse building to take up 0.45 hectares.

Table 7.2: Future Local / Sub-regional Industrial Land Demand 2016 to 2030

Demand for Industrial Land (Local/sub-regional market)	Stock (ha)		
A. Total core and wider industrial land (2016)	141.9		
B. Occupied core industrial land (2016)	76.9		
C. Current vacant industrial land	0.7		
D. Land equivalent of vacant Industrial floorspace (1.6%)	1.3		
E. Total Industrial Land (2016)	78.9		
<i>Forecast</i>	<i>Low</i>	<i>Mid</i>	<i>High</i>
F. Land demand to 2030	-10.8	-2.8	6.0
G. Additional Demand for Utilities, Transport and Waste Management 2016-2030	0		
H. Optimum frictional vacant land at 2030 [5% of B+ F+G] ⁶²	3.3	3.7	4.1
I. Excess vacant land: optimal levels of frictional land minus existing vacant industrial land [H- C-D]	1.3	1.7	2.1
J. Gross requirement for industrial land 2016-2030 [E+F+G+I]	69.4	77.8	87.1
K. Net requirement for industrial land 2016-2030 [J-E]	-9.5	-1.1	8.2

Source: AECOM

Note.

Point A: Total industrial land including core, wider uses and vacant land, as per the site survey 2016.

Point B: Core uses include light and general industry, warehouses and storage. This figure does not include wider uses such as wholesale markets, waste management and recycling, utilities, land for transport, Nor does it include vacant land (Point C) or buildings with vacant floorspace (estimated in Point D), as this land and space is not occupied. The projected growth rate identified in Table 6.6 is for core industrial uses. We therefore apply growth rate to the core uses total stock figure, not the figure presented in row A which includes wider uses for which we do not forecast demand. The figure has been derived from the site survey 2016 and CoStar data (June 2016).

Point C: Vacant industrial land comprises sites which are vacant and cleared, land with derelict buildings and / or land with vacant buildings not suitable for occupation. The figure has been derived from the site survey 2016.

Point D: Land equivalent of vacancy rate based on CoStar data on marketed floorspace (June 2016), which records total industrial stock in the Borough to be 360,800m².

Point E: The figure has been derived from the site survey 2016.

Point F: Derived from Table 6.6 and Point B

7.2.12 Note that the net additional industrial land requirement does not include the planned loss of industrial land from VNEB OA, which is estimated at approximately 11ha. The lower end range of the demand projection is based on the forecast rate of growth in industrial employment in LB Wandsworth. The upper end forecast is representative of projected growth in industrial employment across the FEMA, which presents a more optimistic position of growth than the

⁶² A suitable frictional *land* vacancy rate would be 5% according to the Mayor of London's Land for Industry and Transport Supplementary Planning Guidance, as currently vacancy levels are lower than this rate. See previous footnote for definition of frictional vacancy.

Borough figures. It may be suitable to plan for a net requirement in line with lower end of the range, which is based on Borough data, but monitor how demand changes over time and be ready to respond to stronger rates of growth (or lower levels of contraction), which the FEMA employment growth data suggests could come forward. The same argument could be made for the net requirement for office floorspace presented in Table 7.1

7.3 Trends in Historic Industrial Land Supply

- 7.3.1 To inform a position of the net additional industrial land requirement it is worth reflecting on the change in the stock of industrial land within the Borough, the industrial FEMA and London in the period leading up to 2016. This is important as the forecast position on the net additional land requirement presented in Table 7.2 is forward looking and does not take into account the change in supply in past years. Analysis of the change in supply in past years relative to the GLA's Land for Industry and Transport SPG provides information on the scale of actual loss compared against an advised position of loss based on an understanding of Greater London's future industrial economic position.
- 7.3.2 Data from our recent work for the GLA, the Industrial Land Supply and Economy Study, informs an understanding of the extent to which industrial land is under pressure from competing uses. Table 7.3 below records the change in industrial land for each of the known baseline positions – 2001, 2006, 2010 and 2015 as recorded in work commissioned by the GLA.⁶³ Change is recorded for core industrial uses⁶⁴; wider uses including land for transport, waste management and recycling⁶⁵; and vacant land⁶⁶.
- 7.3.3 As set out in our policy review (Section 2), Annex 1 of the SPG provides an indication of the amount of industrial land release benchmarks for the period 2011-2031, which for the LB Wandsworth is -41 ha (a target of -2.1 ha per annum). A significant proportion of this loss is associated with the loss of industrial land from VNEB OA.

⁶³ All this data is captured and presented in the GLA's 2015 study London Industrial Land Supply and Economy Study.

⁶⁴ Core industrial uses comprise of general industry, light industry, warehouses, open storage and self-storage. Core uses cover most types of industrial business activity.

⁶⁵ Wider industrial uses comprise wholesale markets, waste management and recycling facilities, utilities, land for rail, land for buses, airport related land and other industrial land. Such uses are industrial in nature and support the functioning of London for instance by way of providing space for infrastructure.

⁶⁶ Vacant industrial land comprises sites which are vacant and cleared, land with derelict buildings and / or land with vacant buildings capable of occupation.

Table 7.3: Change in Industrial Land in Wandsworth, FEMA and London 2001 to 2015/2016

Geography	2001 (ha)	2006 (ha)	2010 (ha)	2015 (ha)	2016 (ha)	Change 2001-06 (%)	Change 2006-10 (%)	Change 2010-15 (%)
LB Wandsworth	187.8	176.8	178.8	149.4	141.9	-5.9%	1.1%	-16.4%
VNEB OA	na	na	86.2	77.3	74.2	na	na	-10.3%
Hammersmith & Fulham	186.3	172.6	172.3	139.3	na	-7.4%	-0.2%	-19.2%
Lambeth	100.1	96.5	95.8	75.9	na	-3.6%	-0.7%	-20.8%
Merton	188.0	177.6	176.7	167.5	na	-5.5%	-0.5%	-5.2%
Southwark	199.3	194.1	167.0	144.0	na	-2.6%	-14.0%	-13.8%
Local / sub-regional FEMA	861.5	817.6	790.6	676.1	na	-5.1%	-3.3%	-14.5%
London	8,281.5	7,841.4	7504.7	6976.3	na	-5.3%	-4.3%	-7.0%

Source: AECOM

Note.

The quantum of industrial land presented above include core and wider uses, as well as vacant land and land with derelict buildings or land with vacant buildings.

na = not available

- 7.3.4 The table shows that 38.4 ha of industrial land had changed to non-industrial use in LB Wandsworth between 2001 and 2015, with 29.4 ha, or 75%, of this change having occurred between 2010 and 2015. An additional 7.5 ha of industrial land which has changed to non-industrial use in the Borough between 2015 and 2016, so that the total change since 2010 has been approximately 36.9 ha. When viewed within the context of the GLA SPG benchmark release figure of 41 ha over the period 2011-2031, 90% of this has already taken place, within approximately 5 years. Of the 36.9 ha of industrial land changed to other uses, the VNEB OA accounts for approximately 12 ha. The loss of industrial land across the FEMA has been of a similar rate.
- 7.3.5 This contraction is, proportionately, well in excess of the release rates set out in the SPG endorsed by the GLA and has occurred in part because there has been insufficient protection of industrial land during a sustained period of strong demand for housing. The redevelopment of industrial land for other uses at locations such as VNEB OA and within the MUFIEAs has significantly added to this contraction in industrial stock. We observe that some of the planned redevelopment of industrial land at VNEB OA, to accommodate regeneration plans, has still yet to occur (see Section 7.4, Development Pipeline).
- 7.3.6 Although it is evident that the rate of redevelopment of industrial land for other uses in Wandsworth between 2011 and 2016 has exceeded the benchmark set out in Annex 1 of the SPG, the following considerations should be taken into account when deciding whether further redevelopment be permitted:

- The planning and economic context within which the benchmarks were set has changed, particularly with regard to the widening differential between industrial and non-industrial land values (particularly residential values). The majority of other boroughs have seen the rate of release between 2011 and 2015 exceed their benchmark. The benchmarks are currently being revised by the GLA and its consultants to reflect this changing context and to account for release which has already taken place.
- Some of the redevelopment will have occurred on sites which are non-designated and are thus not 'protected' from release. Whilst these sites contribute to the rate of release, the Council cannot readily prevent their redevelopment and thus plan for it through planning policy in the way that it can for designated land.
- The NPPF's presumption in favour of sustainable development and supporting guidance in the PPG are such that poor quality or underused sites should not be protected from redevelopment and can be recommended for release.

7.3.7 It is important that the Council recognises the scale of change which has occurred in LB Wandsworth's industrial land supply and reasons for this when identifying further industrial land as being appropriate for redevelopment to other uses.

7.4 Development Pipeline and PDR

7.4.1 Planning applications with consent yet to be implemented or under construction could meet the net additional demand arising over the Local Plan period. However, there is a possibility that some developments may not come forward at all, or be developed in different quantities by use class than has been consented, for example if amendments to the planning applications are made.

7.4.2 For office use classes (B1a/b), analysis of planning applications data indicates that 147,000m² is either unimplemented with full/outline planning permission or is under construction. A significant proportion of this is being built out at VNEB OA. The impact of prior approvals on office space is also significant. The number of unimplemented prior approvals currently stands at 134 and if implemented would account for 48,600m² of the total potential floorspace loss.

7.4.3 For industrial (B1c/B2), data indicates that if all unimplemented developments with full/outline planning permission and developments under construction are completed, the Borough will experience a net loss of 55,000m² of floorspace. In regard to warehousing (B8), planning applications data shows that if all un-implemented developments with full/outline planning permission or prior approval and developments under construction are completed, LB Wandsworth will see a net loss of 76,600m² of floorspace.

7.4.4 A large proportion of the net loss in industrial and warehousing is due to the redevelopment of the VNEB OA, where the supply of industrial land has decreased by 12 ha in the last six years. A further 11 ha (approximate) of industrial land is still to be redeveloped within the plan period to 2030. Within this 11 ha there are wider industrial uses such as wharves supporting waste management and recycling functions, as well as core industrial uses such as distribution operations (Royal Mail and DHL). Here redevelopment is not necessarily a market response to a contracting industrial economy but instead a decision to support a strategic vision of regeneration and economic growth (orientated toward higher value added sectors) within this area of London. Though the Council and partners would already have given consideration to how this redevelopment would displace existing businesses, further discussions will need to be had with other Councils within the industrial FEMA to understand how sites and premises

could retain and support the displacement of those remaining businesses from the VNEB OA which do not have relocation plans in place.⁶⁷

- 7.4.5 There is a possibility that some pipeline developments may not come forward at all, or be developed in different quantities by use class than has been consented. If it does come forward then the loss of B-use class space would impact on the net additional floorspace/land projections set out in Table 7.2. In the case of office floorspace, loss would drive the net additional floorspace higher. In the case of industrial land, loss could account for some of the projected contraction in land requirements. As such we would recommend the Council monitor the development pipeline as this could affect the long term planning for employment land space.

7.5 Summary

- 7.5.1 As concluded in Section 6 our view is that VNEB OA will capture a critical level of demand from the wider Central London office market to fulfil its development plans over the long term of 205,000m² B1a/b use class floorspace. As such demand and supply of office provision at VNEB OA, which will be orientated primarily towards businesses with a national/international reach, can be considered to be met. This is not to say that businesses operating within local/sub-regional markets cannot or will not move to office premises at VNEB OA. Indeed a provision of commercial space at VNEB OA is expected to include flexible office space, some of which would be suitable for SMEs particularly from higher value added sectors.
- 7.5.2 In terms of forecasting the scale of demand for local/sub-regional office (B1a/b), the evidence presented in this section indicates a positive net requirement over the plan period. The net requirement for local/sub-regional office floorspace is anticipated to increase by between 31,700m² and 65,800m² over the plan period depending on whether the Borough follows a more limited growth path or strengthens its position as an office location and attracts a larger share of growth. As indicated, some of the net additional demand for local/sub-regional office floorspace, particularly from higher value added sectors, is expected to be met at VNEB OA. The projection does not include provision which could arise through the planning pipeline.
- 7.5.3 The requirement for industrial land is estimated to be between -9.5 ha and 8.2 ha, which indicate two quite different positions: one of contraction and one of expansion. These two positions are representative of the wider employment growth trajectories of the Borough and the FEMA respectively. Contraction in industrial employment has historically occurred throughout the Borough and FEMA but positive employment forecasts from across the FEMA suggest there could be opportunities to stem this trend and limit further losses over the long term were LB Wandsworth to attract users from the FEMA. The balance of land to accommodate this forecast position is made more complicated when considering the pipeline, in particular the estimated around 11 ha of industrial land planned for redevelopment at VNEB OA and which is not accounted for in this net demand figure. This 11 ha is in excess of the low end range of the net additional industrial land forecast to 2030, which would suggest that to balance supply and demand the Borough should look to retain and intensify industrial provision where possible.

⁶⁷ We understand that a number of businesses within the VNEB OA area to be redeveloped have already made plans for relocation or consolidation and rationalisation of operations to other sites, for example Royal Mail and Cemex.

- 7.5.4 However, on balance against other strategic objectives the Council may have, release of industrial land should still be supported when in line with the fundamental principles of the NPPF (particularly the presumption in favour of sustainable development) and PPG.

8 CONCLUSIONS AND RECOMMENDATIONS

8.1 Introduction

- 8.1.1 This section sets out conclusions and recommendations for the employment land study building upon findings from previous sections of the report.

8.2 Conclusions

- 8.2.1 Conclusions are set out for office B1(B1a/b) and industrial (B1c/B2/B8) land uses, including separate conclusions for the local and Central London office (CAZ) markets

Office (B1a/b) – Local/Sub-regional

- 8.2.2 There is approximately 400,600m² of office floorspace in LB Wandsworth. Provision is dispersed fairly widely within the Borough and located within Focal Points, town and local centres, within SILs and LSIA, and in single premises scattered outside these areas. The Borough's office stock represents 18% of all office stock found in the local/sub-regional FEMA. Our forecasting exercise estimates that there is net additional demand for between approximately +31,700m² and +65,800m² of local/sub-regional office floorspace in the planning period to 2030 (see Table 7.1).
- 8.2.3 The positive projected growth in local/sub-regional office floorspace is based on the forecast growth in office based employment and the Borough's potential to attract demand due to its perceived attractiveness as a destination for businesses with access to Central London. There is also clear potential for positive economic multiplier effects from the presence of the CAZ market in VNEB OA.
- 8.2.4 The survey of employment land and the property market analysis presented in Sections 4 and 5 indicates that the local office supply in LB Wandsworth mostly contains small to medium sized companies. As such the commercial property market caters to and reflects the requirements of such occupiers. Most of these companies are linked to the local market, for example solicitors firms, local financial advisors/accountancies, small-scale consultancies and public and voluntary sector organisations, though increasingly creative and cultural industries are expanding their presence. Floorspace vacancy, at 2.6%, is particularly low (lower than the optimal rate of 5%) and is indicative of a tight market with little flexibility to support the natural churn of businesses within the Borough who look to downsize or grow and relocate within their market area in order to retain client/customer and supply chain relationships.
- 8.2.5 This picture of future supply is complicated by the influence of PDR with the potential loss of local/sub-regional office space in the Borough measuring around 48,600m². The Council should continue to monitor the impact of PDR, as clearly this scale of potential loss could impact significantly on the provision of space to support local businesses. Permitted Development Rights have to date contributed to the redevelopment of a number of medium-large office premises in Wandsworth, thus resulting in an overall contraction in the stock of floorspace which is continuing. The former preferred office location at Upper Richmond Road in Putney accommodates many of these premises, though here, as in other locations, most premises affected have been older stock or those occupied by one tenant which might prove difficult to re-let if required. Conversions of smaller buildings have been fewer in number.
- 8.2.6 With the disappearance of medium-large buildings catering to the local/sub-regional office market expected to continue, opportunities for the provision of new office floorspace will need to be met through redevelopment of former industrial or lower value uses in the MUFIEAs or

Focal Points to provide small and flexible workspace for modern SMEs, such as recent examples at The Light Bulb (SME space on Wandsworth High Street). The development of the VNEB OA will also provide some new opportunities for provision of the local/sub-regional market, though given the aspirations and market orientation of the scheme this is expected to be limited.

- 8.2.7 Though not factored into our considerations or calculations of future economic growth, Crossrail 2, were the scheme to be delivered, could be a significant driver of demand and provision and may attract high-profile occupiers to station locations.

Office – Central London Office Market (CAZ)

- 8.2.8 As of 2016, the CAZ⁶⁸ contains 20,096,500m² of office space – approximately 50 times larger than the stock of floorspace in the local/sub-regional office FEMA. The area attracts businesses with a national and international market / client/customer base, which require access to a highly skilled and diverse labour market, and those seeking visibility and market presence.
- 8.2.9 The provision of office space in the CAZ has changed significantly over the past 10-15 years. The market (the development community and ultimately occupiers) has shown appetite for large schemes of high quality spec office space within new mixed use business locations with complementary retail and leisure provision. Examples include London Bridge, More London, King's Cross and Paddington. The LOPR forecasts strong demand for office space across boroughs which lie within or intersect the CAZ. In reflection of this there is a strong planning pipeline for schemes in the CAZ and well connected areas of inner London suggesting supply is expected to increase further.
- 8.2.10 The commercial floorspace planned at VNEB OA is a response to this. The nature and scale of office provision coming forward is significantly different to other office premises elsewhere in the Borough. Together the flagship Battersea Power Station development, revamped New Covent Garden Market, the Northern Line Extension and US Embassy, represent a significant investment in/endorsement of a sense of place making the area highly suitable for large scale, quality office provision. The scheme provides a significant opportunity to drive wider regeneration and economic growth in the Borough, and attract higher value added businesses.
- 8.2.11 Presently within both the Wandsworth and Lambeth portion of the VNEB OA little to no floorspace of scale has been built-out. However, by 2024 in the region of up to 205,000m²⁶⁹ of high quality B1a office floorspace is planned to be operational within the Wandsworth portion of the area, the majority of the floorspace will be within large floorplate premises individually providing more than 10,000m².⁷⁰ We understand from the Council that there are also plans for provision of flexible floorspace which would be suitable for SME provision. As no office space of large scale (10,000m² plus) has been built-out in Wandsworth portion of VNEB OA as yet, take-up levels, occupier type, rents achieved and availability should be monitored by the Council.

⁶⁸ Taken to be all postcode sectors where a majority of the area overlaps with the CAZ.

⁶⁹ In addition, the US Embassy will comprise c.52,000m² of office-type floorspace delivered by 2019, albeit within sui-generis use class but considered to be evidence of the potential stature of office occupiers that could be attracted to the VNEB, and thus of relevance to supply identification.

⁷⁰ Nine Elms on the South Bank: The Schedule (2015)

8.2.12 Our view is that new infrastructure provision and place making at VNEB OA will position the area well to capture demand from the Central London office market. On balance, we consider that it is more likely than not that VNEB OA will capture a critical level of demand from the wider Central London office market to fulfil its development plans. As such we consider it reasonable to assume that the demand for VNEB OA would meet the planned supply of around 205,000m² of B1a/b use class floorspace over the long term.

Industry and Warehousing (B1c/B2/B8)

8.2.13 There are a total of 141.9 ha of land currently in industrial use in Wandsworth, of which 78.9 ha of land is occupied by core industrial and warehousing uses or vacant (see Vacant Floorspace Land Equivalent).

8.2.14 The calculation of net additional demand is made in land and as such vacant floorspace, which is netted off the occupied stock figure used as a forecasting base, needs to be calculated. CoStar measures vacant Industrial floorspace to be 1.6%. Based on a plot ratio of 0.45:1.0, to convert floorspace to land, the vacant floorspace equates to 1.3ha.).

8.2.15 The current provision of industrial floorspace is estimated to be in the region of 602,000m². Industrial uses lie within designated as SIL, LSIAs, MUFIEAs, SSA and non-designated employment land.

8.2.16 Industrial businesses operating within the Borough are mostly SMEs with a local/sub-regional market reach, and their land and premises requirements reflect their scale and operations. The format/provision of land and space is not anticipated to change significantly in the future, though there are perhaps two types of industrial activities for which demand is expected to strengthen against the broader trend of contraction in industrial activities. The first is distribution activities which service CAZ functions. Demand is expected to grow as the CAZ employment (and population) grows. Increasingly the demand for just in time provision means that these businesses require distribution space on sites located with good strategic road access to the CAZ and away from sensitive uses (e.g. residential or retail). The second is higher value added industrial activities including creative activities (such as design and production). These activities require higher specification units. In some instances, by the nature of their activities provision can be cited in proximity to sensitive uses.

8.2.17 The forecast shows that there is projected to be demand for industrial land in the period 2016 to 2030 of between approximately -9.5 ha and +8.2 ha once vacant land and floorspace has been accounted for. The forecast range indicates two quite different positions: one of contraction and one of expansion. These two positions are representative of the wider employment growth trajectories of the borough and the FEMA respectively. Contraction in industrial employment has historically occurred throughout the Borough and FEMA but positive employment forecasts from across the FEMA suggest there could be opportunities to stem this trend and limit further losses over the long term were LB Wandsworth to attract users from the FEMA.

8.2.18 The majority of employment land within existing SIL and LSIAs remain the most suitable locations in Wandsworth for accommodating this industrial and warehousing demand. This corresponds to the principles set out in London Plan Policy 2.17. The Queenstown Road SIL (Clusters 1 and 2), contains a range of small and medium sized industrial and warehousing occupiers. Premises vacancy is low and although there are some access issues these are not untypical of industrial areas close to central London. As Wandsworth's strategic area of industrial employment, this SIL should be protected and, where possible, intensified to provide increased offer and employment opportunities.

- 8.2.19 Wandsworth's LSIA's are arranged along the Wandle Valley from its delta to the boundary with Merton. For the most part well-functioning employment areas with low levels of vacancy and few areas with poor building quality. Though close to both new and established residential areas, occupiers have little to no impact on neighbouring sensitive uses where these are present.
- 8.2.20 Although the LSIA's do contain some office (B1a/b) employment space and non-B sector occupiers, such as car showrooms, these do not in the majority of instances conflict with the mostly industrial nature of the clusters, and instead bolster the employment generating potential of these areas, provide more varied local job opportunities and could revert back to employment land if required/demanded. It is noted also that Council monitoring of applications for non B-use class development has led to few developments for sui generis or other use since around 2010.
- 8.2.21 By comparison the Borough's MUFIEAs and non-designated industrial areas generally either contain average/poor quality sites (albeit with some good examples of small estates/light industrial workspace in MUFIEAs) or are considered appropriate for redevelopment for other uses where there is demand for this.
- 8.2.22 It is notable that approximately 63 hectares of land in LB Wandsworth is in wider industrial use, i.e. waste management and recycling, utilities, land for transport and indeed in the form of wholesale markets (NCGM). Demand for utilities and land for transport, together accounting for 36 hectares, is considered to be largely static (with exceptions such as the surplus gasholder site in C3), and thus no additional provision needs to be made. For waste management and recycling, though the use of the key Borough's sites is unlikely to change in the near-term, some sites strategic value and role may change with demand and perhaps represent prospects for future redevelopment, which could take the form of intensification for the same or other industrial uses. Equally, though classified as warehousing, the Council's Frogmore Complex Depot has a utility role and the prospect of intensifying this land is recognised in this study. Overall, though demand trends within wider industrial uses in Wandsworth are mostly static overall, the scope for future change should be kept in mind, particularly given the ongoing reconfiguration of NCGM serves as an example of this.

8.3 Recommendations

- 8.3.1 The employment land use strategy recommendations below are presented in the format of a recommendation and then a supporting justification and rationale. The specific recommendations build upon our conclusions presented above. Although these in some instances provide the Council with an indication of what could be done at certain locations, any decisions regarding retention and release need to be made with regard to the strategic regeneration aspirations, the past rates of industrial land and office floorspace loss and how this may have impacted on the economy, and the balance between supply and demand of employment land going forward. The challenges regarding this is discussed further in our summary section following.
- 8.3.2 This ELPS is one of a number of evidence base documents the Council will be considering that will feed into and inform its Local Plan evidence base. These are AECOM's independent recommendations and the Council will subsequently consider these before drafting its own Local Plan policies.

Office (B1a/b uses) – Businesses Operating in Local/Sub-regional Markets

R1 The forecasting exercise suggests that there is a net additional floorspace demand for between 31,700m² and 65,800m² of local/sub-regional office (B1a/b) up to 2030 once vacant floorspace and frictional vacancy have been factored in.

Justification

- 8.3.3 The demand forecasting exercise estimated that there was demand for an additional approximately 31,700m² and 65,800m² of office development to 2030. It would be advisable to look to support the provision of upwards of 31,700m² and monitor the strength of demand over and above this level, in the course of time.
- 8.3.4 The positive projected growth in local/sub-regional office floorspace is driven by a projected growth in office based employment in the Borough and its potential to attract demand due to its perceived attractiveness as a destination for businesses with access to Central London. Contributing to this positive perception is the potential for spin-off growth from the presence of the CAZ market in VNEB OA. Additionally, market agents are reasonably positive about future office demand in Wandsworth, though it should be remembered that these views primarily focus on short term demand trends.
- 8.3.5 This study has identified that vacancy rates for office floorspace in Wandsworth are low and though availability rates are somewhat higher figures indicate the market is generally in good health and prospects of re-letting stock suitable to support modern occupier needs are good. The recent contraction in stock should be viewed as a reaction to PDR, rather than evidence of general contraction, particularly as PDR is affecting predominantly larger floorplate buildings mostly dated in design and character which do not match modern local market occupiers and present more viable redevelopment prospects than smaller office stock.
- 8.3.6 Spatially, the near-term opportunities for provision of new office floorspace are manifested mostly in the form of remaining industrial premises in the MUFIEAs, where mixed-use redevelopment presents the opportunity for new, modern space demanded by local market occupiers to be delivered. Similarly, where PTAL is high, developments could be encouraged in designated industrial areas as part of employment-led redevelopment – see R6 below. Further, it is possible that significant new space meeting occupier need could readily be delivered at the clusters set out in R5 and R6 below as part of any redevelopment for non B1c/B2/B8 use. It is anticipated that there will be some prospects to accommodate flexible office space for SMEs at VNEB OA, though it is recognised the majority of floorspace planned will be designed for larger occupiers with a different market reach / orientation and set of space requirements than that of a typical local/sub-regional business.
- 8.3.7 Although the Borough's town centre office offer is presently constrained by lack of development opportunity it is recommended that the Council work with site owners and town centre managers to investigate town centre and edge of centre site potential, where public transport infrastructure is sufficient and appropriate at any locations identified. Similar engagement should be undertaken in due course should Crossrail 2 proposals proceed sufficiently during the planning period.
- 8.3.8 The provision of new office space should complement existing new provision and help to support and encourage a range of businesses to grow and invest in Wandsworth from start-up, micro, small to medium sizes businesses, and large businesses too, should interest be received. A good recent blueprint for such provision is the Lightbulb development within Wandsworth Town Centre/MUFIEA.

8.3.9 Though not factored into our considerations or calculations of future economic growth, Crossrail 2, were the scheme to be delivered, would be expected to be a significant driver of demand and provision and attract high-profile occupiers to station locations.

R2 The Council should continue to monitor changes of use/redevelopment proposals concerning office space to ensure that sufficient land/floorspace is available for economic growth over the planning period, 2016 to 2030.

Justification

8.3.10 Given the positive forecast for office floorspace demand to 2030, it will be important for LB Wandsworth not only to promote and nurture the provision of new space, but to ensure that existing fit for purpose space is retained and redevelopment of such space resisted unless where replacement provision is proposed.

8.3.11 As noted above, PDR for office to residential development has generally resulted in older medium-large buildings being redeveloped, with notable examples being seen along Upper Richmond Road in Putney. Over time, as such opportunities become scarcer, smaller office workspace may become subject to prior approvals being sought, where viable. To ensure sufficient supply is retained to meet forecast demand, the council should seek to scrutinise these proposals, through whatever means available, to avoid harming local economic growth.

8.3.12 Means by which proposals could be scrutinised is through an article 4 direction whereby the scope of PDR can be restricted with respect to certain sites or areas, or for particular types of development such that these require planning permission to be sought rather than prior approval. Examples of areas typically subject to article 4 directions are particular town centres, key development sites, or designated industrial areas. In the latter, this study considers it particularly important that redevelopment of offices in SIL and LSIA's via PDR be resisted given the potential for the introduction of residential given rise to conflict between established businesses and new residents, resulting in the loss of integrity of these key reservoirs of land as employment areas.

Office (B1a/b uses) – CAZ/VNEB OA

R3 To ensure the realisation of its vision for the VNEB Opportunity Area as a strategic employment hub at the gateway to the Borough, the Council should continue to promote the economic development and regeneration of the area and to monitor the take-up of premises and types of occupier to maximise its success.

Justification

8.3.13 This study has identified that in the order of 205,000m² of office floorspace is either being developed or in the pipeline for development in LB Wandsworth's portion of the VNEB OA. The majority of which is large floorplate and of proposed high-design quality such that it can attract occupiers of national and international significance, and the study's review of literature and consultations with agents point to there being evidence of demand likely to allow the area to become a functioning part of the Central London Office Market.

8.3.14 Where there is potential to provide office provision orientated toward SMEs and businesses operating across local/regional markets, the Council should look to encourage and support the provision of SME space offering high quality specification units and flexible working space at and around the VNEB OA. This provision should be suitable for creative and cultural businesses, particularly those higher value added sectors such as digital media and technology, which could afford the rental levels anticipated at VNEB OA.

- 8.3.15 Key in attracting the requisite occupiers to VNEB OA and achieve a step change in the employment offer is the creation of a sense of place and improved infrastructure and public realm. Various, this process is well under way physically through the key features of the regenerated Battersea Power Station, the imminent revamping of New Covent Garden Market, the construction of the Northern Line Extension and the already part-constructed US Embassy. As floorspace is completed and become occupied in the next few years, the Council should take note of the types of occupier demanding space to see if there might be specific interventions it can make that might support particular sectors or occupiers such that their long term retention in the Borough is secured. This could take place through actions such as fostering supply chain links between the incoming businesses and those already in the Borough or provision of business support.
- 8.3.16 Similarly, as floorspace becomes occupied it is recommended that the Council monitor levels of take-up to ensure that the offer is meeting demand and, given the phasing of development spans several years, identify any issues faced by incoming occupiers that might be proactively dealt with in the case of future occupiers.

Industry and Warehousing (B1c/B2/B8)

R4 To help ensure there is sufficient capacity to meet projected demand levels for industrial/warehousing land and floorspace in LB Wandsworth to 2030 the following existing designated employment land should continue to be protected for industrial/warehousing employment uses:

- Queenstown Road SIL (C1 and C2)
- Central Wandsworth LSIA (C3) (parts – see R6 below)
- Kimber Road LSIA (C4)
- Old Sergeant LSIA (C5)
- Bendon Valley LSIA (C6) (parts – see R5 below)
- Thornsett Road LSIA (C7)
- Summerstown LSIA (C8)

Justification

There is currently approximately 141.9 ha of industrial land in the Borough, including core and wider uses, of which 76.9 ha are estimated to be occupied by core activities such as light industry, general industry, distribution and storage. Over the Local Plan period to 2030 the requirement for industrial land is estimated to be between -9.5 ha and +8.2 ha (see *Vacant Floorspace Land Equivalent*)

- 8.3.17 The calculation of net additional demand is made in land and as such vacant floorspace, which is netted off the occupied stock figure used as a forecasting base, needs to be calculated. CoStar measures vacant Industrial floorspace to be 1.6%. Based on a plot ratio of 0.45:1.0, to convert floorspace to land, the vacant floorspace equates to 1.3ha.

- 8.3.18 Table 7.2). This range indicates two quite different positions: one of contraction and one of expansion. These two positions are representative of the wider employment growth trajectories of the Borough and the FEMA respectively. Contraction in industrial employment has historically occurred throughout the Borough and FEMA but positive employment forecasts from across the FEMA suggest there could be opportunities to stem this trend and limit further losses over the long term or even grow. The Borough specific employment forecast would suggest the low end range and contraction of -9.5 ha across the Local Plan period.
- 8.3.19 The balance of available industrial land to accommodate this forecast position is made more complicated when considering the pipeline, in particular the estimated 11 ha of industrial land planned to be released from VNEB OA and which is not accounted for in this net demand figure. This 11 ha is in excess of the low end range of the net additional industrial land forecast to 2030, which would suggest that to balance supply and demand the Borough should look to retain and intensify industrial provision where possible.
- 8.3.20 In line with the principles of the NPPF it is considered that this demand should be accommodated at the most appropriate locations for these uses within the Borough. The PPG states that Councils should identify a future supply of land which is suitable, available and achievable for economic development uses over the plan period⁷¹. The majority of employment land within existing SIL and LSIA's remain the most suitable locations in Wandsworth for accommodating this industrial and warehousing demand. This corresponds to the principles set out in London Plan Policy 2.17.

Retention as SIL

- 8.3.21 The Queenstown Road SIL (Clusters 1 and 2), contains a range of small and medium sized industrial and warehousing occupiers, ranging from the traditional (aggregates processing) to modern and creative (printers and micro-brewers) as well as strategically important wider industrial uses such as waste management (Biffa), railway depot and servicing areas. In addition there is a notable presence of other businesses providing CAZ supporting functions such as food and drink distribution. There is a supply of small workshops and office space too, including a few examples of new/refurbished premises. Though there are few new units of size, and some longstanding access and permeability issues, premises vacancy is low. Railway land provides separation from residential areas and there is good strategic road access overall and public transport nearby, with high PTAL around Havelock Terrace – see R5 regarding a specific recommendation for the latter.

Retention as LSIA

- 8.3.22 Locally Significant Industrial Areas account for around 16% of the industrial employment land in Wandsworth. However, the diversity of occupiers, focused within the B use classes, demonstrates the broad base of the Borough's small business community and provides a range of job opportunities for local residents, including those with low skills requirements. None are deemed, as a whole, to be in poor condition though some interventions around specific sites may be warranted. Poorer examples of clusters of industrial activity can be found in MUFIEAs and at non-designated employment clusters. There is thus good justification for retaining the designation of the LSIA's through the planning period, with the exception of parts

⁷¹ PPG paragraph 001 Reference ID: 3-001-20140306

of the Central Wandsworth LSIA and the Bendon Valley LSIA where specific recommendations are made – see R6 below.

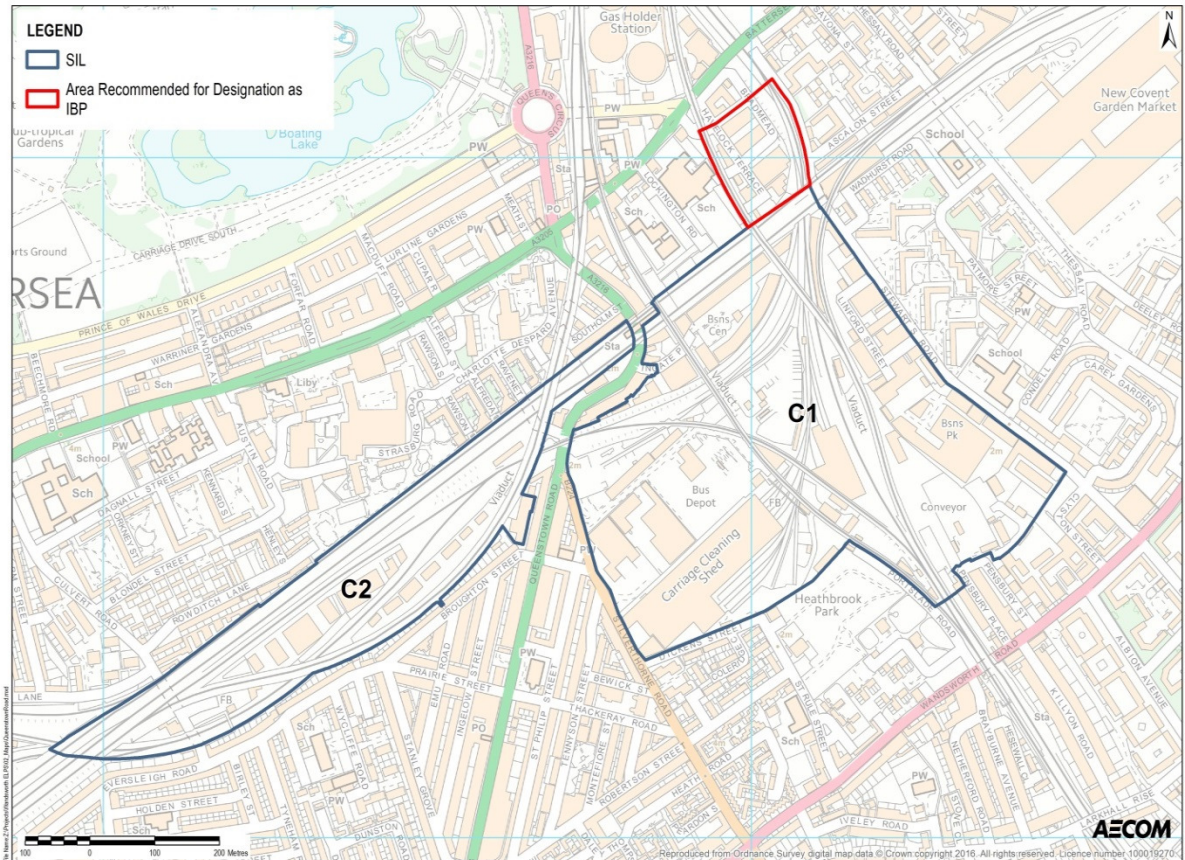
- 8.3.23 Although it is recommended that the Council's Frogmore Complex Depot in the Central Wandsworth LSIA (Cluster 3) should be retained as a well-used industrial site serving an essential function, large areas of hardstanding and parking mean that the area is not intensely used, which could perhaps be achieved through redevelopment (for employment) of parts of the site or consolidation to maximise the employment offer associated with this site.

R5 To help meet wider strategic objectives and promote higher density development at accessible locations the Council should consider promoting intensification of a portion of the Queenstown Road SIL (Cluster 1) at Havelock Terrace to include higher density employment uses (e.g. B1a/b) through designation as Industrial Business Park

Justification

- 8.3.24 The supply of industrial land in LB Wandsworth has contracted over the past 15 years and in particular over the past five years (as set out in Table 7.3), and planned release of industrial land at VNEB OA, will see this provision fall further. Contraction means that there are fewer sites which can accommodate industrial activities so where demand exists – as a consequence of employment growth, displacement or relocation - the Council should look to intensify industrial provision on existing sites, where suitable.
- 8.3.25 The Havelock Terrace area of the Queenstown Road (SIL) is a well-used area of the SIL containing a mix of traditional occupiers in good/average quality premises, measuring approximately 1.7 ha and shown in Figure 8.1.
- 8.3.26 Though the area is considered typical of the character found elsewhere in the SIL, it juts out from the core area of the SIL being the only portion located north of the railway lines into Vauxhall/London Waterloo, and thus is to some degree separated from it. Having its own access road, it experiences less of the access and permeability issues encountered in other parts of the SIL.
- 8.3.27 Notably, the area lies in close proximity to Battersea Park Station to its west along the A3205, with Queenstown Road station a short distance beyond this. The construction of the Northern Line Extension with its terminus station at Battersea Power Station will result in another link to central London being installed a short distance to the north-west, thus improving further the good public transport access that this portion of the SIL currently benefits from. The provision of high quality office floorspace nearby at Battersea Power Station and further east within Nine Elms (Cluster 12) is resulting in the employment make-up of the area local to Havelock Terrace changing significantly from its mostly departed industrial focus.

Figure 8-1 Queenstown Road SIL (C1) – Havelock Terrace



Source: AECOM (2016)

8.3.28

Whilst this study forecasts a requirement for either broad retention with some loss of industrial land in LB Wandsworth to 2030, there are sites of poorer quality and greater redevelopment potential than Havelock Terrace to meet this requirement. However, given the site’s context set out above, it is recommended that intensification which might include other employment uses be explored at this location, to ensure an appropriate level of development at this strategically important location. To achieve this it is recommended, given the above justification, that the Council explore further the possibility of changing the designation of Havelock Terrace within the SIL framework from Preferred Industrial Location to Industrial Business Park, which would allow for and help facilitate the location of higher density employment uses at this location.

R6 To help meet wider strategic objectives the Council could consider a change of use away from industrial employment uses at the following SIL/LSIAs industrial/warehousing clusters, through release from these designations by redesignating for a mix of uses including employment:

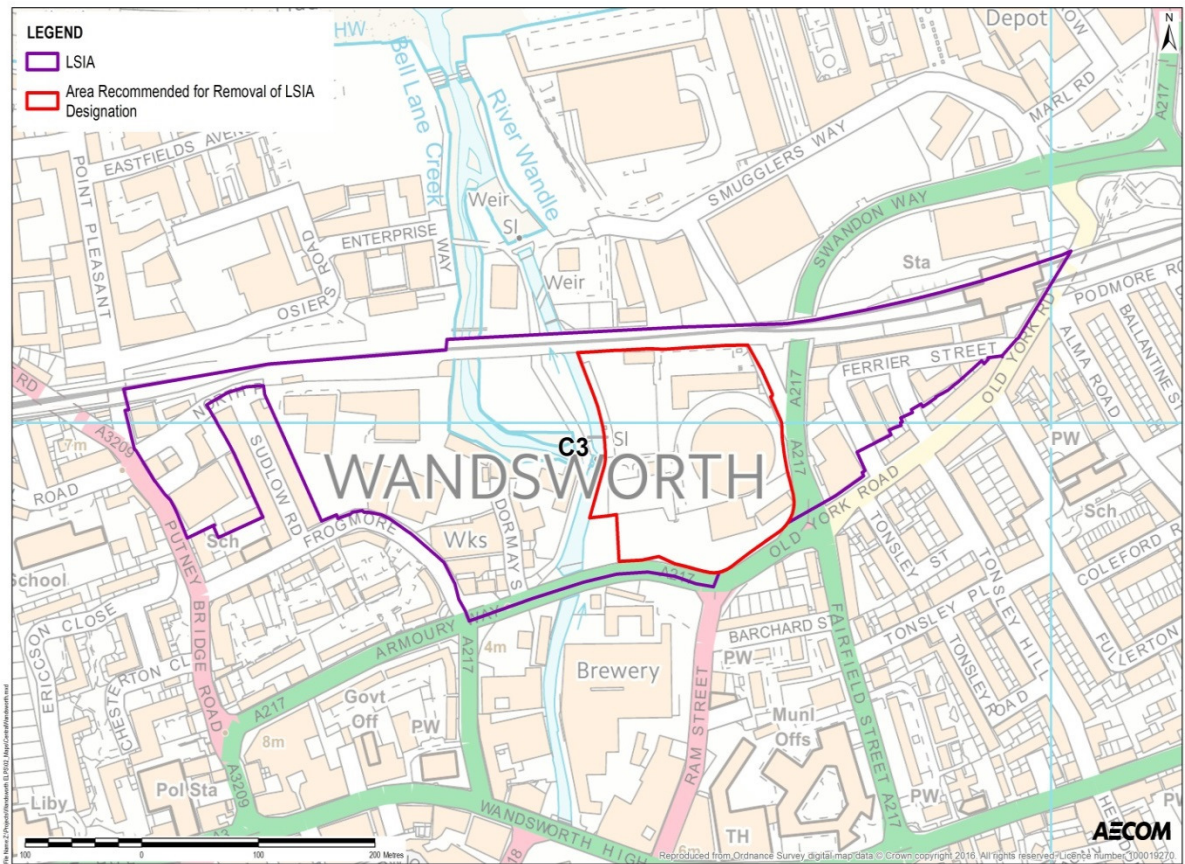
- Central Wandsworth LSIA (C3) – Hunts Trucks and adjoining Gasholder only (2.8 ha)
- Bendon Valley LSIA (C6) - (0 ha as not currently in employment use)

Justifications

Central Wandsworth LSIA (C3) – Hunts Trucks and adjoining Gasholder site

- 8.3.29 Situated within the central portion of the Central Wandsworth LSIA, the Hunts Trucks and adjoining gasholder site forms an 'island' of industrial land bounded by railway lines, the river Wandle and roads – see Figure 8-2.
- 8.3.30 The majority of the site is presently in low intensity use, primarily owing to the no longer used gasholder at its core. Some car servicing uses are present along Armoury Way on the site and the general environment and building quality within the site is poor. Realignment of Armoury Way as part of the works to reconfigure the Wandsworth gyratory system would require some land take from the southern end of the site.

Figure 8-2 Central Wandsworth LSIA (C3) – Hunts Trucks and adjoining Gasholder site



Source: AECOM (2016)

- 8.3.31 Being well located both for strategic road access and proximity to Wandsworth Town Centre, the site readily suits redevelopment opportunity including those related to its characteristics identified above. Whilst consultations indicate that there would be demand for new industrial units and indeed there is a lack of such units in Wandsworth, it is understood that redevelopment here would include the need to undertake substantial remediation measures which would be costly and, given the prevailing land values for employment land, it is unlikely that a viable solution to redevelop the site and retain its purely employment land focus would come forward.

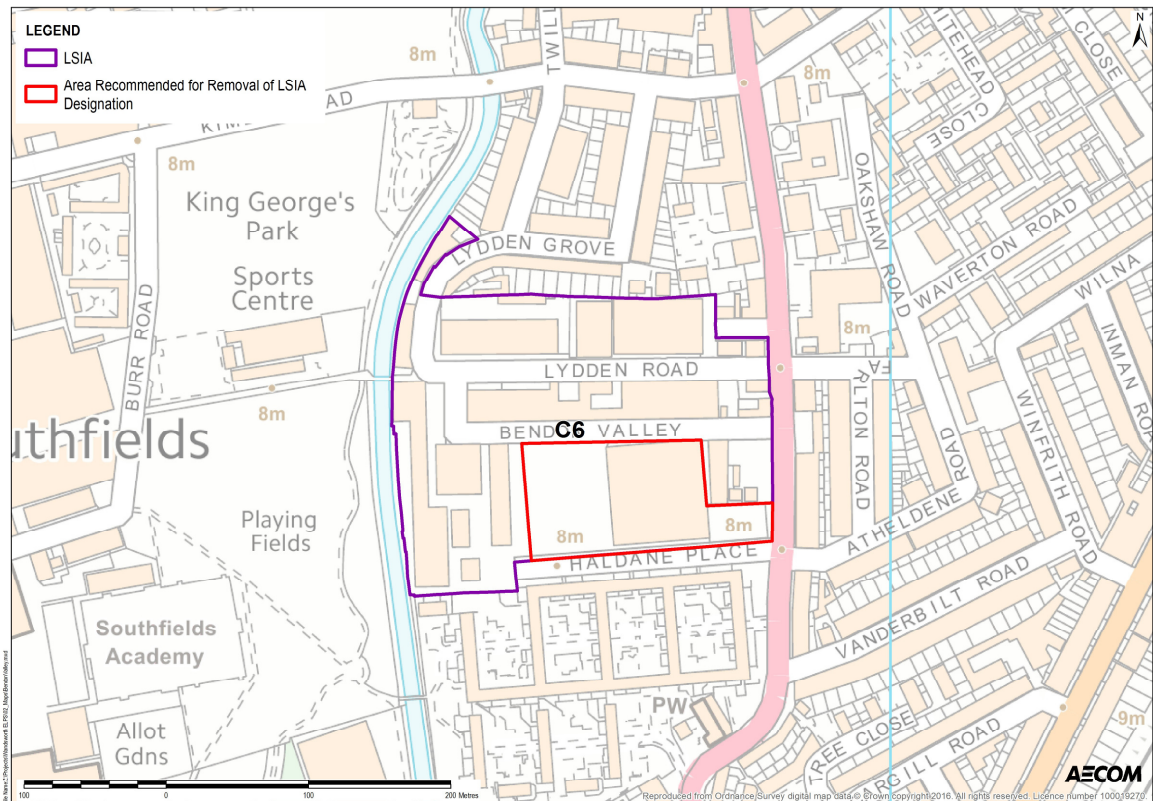
Given this consideration and the fact that the study has concluded that there is a forecast modest negative demand for industrial land in the Borough over the plan period, it is recommended that the designation of this portion of land as LSIA, as shown in Figure 8-2

8.3.32 be removed and instead be re-designated for a mix of uses, including employment in use classes B1a/b and potentially B1c. Given the evidenced demand for small industrial workspace in the Borough and positive demand for local office market floorspace, it is recommended that new light industrial and office employment space for SMEs be sought at the site as part of any redevelopment, in line with London Plan policy 4.4d. Such provision of new space would represent an increase in the intensity of employment uses compared to that at present on the site.

Bendon Valley LSIA (C6) – Former Bingo Hall Site

8.3.33 The Bendon Valley LSIA (Cluster 6) was surveyed and observed to be generally well-functioning providing a mix of workspace and premises mostly with good quality of environment. Lying south of Bendon Valley and north of Haldane Place, is a large warehouse-type building, formerly a bingo hall presently accommodating a trampoline hall – see Figure 8-3 – with a similarly large customer car park lying adjacent to the west.

Figure 8-3 Bendon Valley LSIA (C6) – Former Bingo Hall site



Source: AECOM (2016)

8.3.34 Despite the current non-employment use of the site, a future return to industrial use at the site is not obviously precluded based on its present condition. The fact that the last two occupiers have been non-employment does however suggest that if ever remarketed, demand for the site for non-employment uses may outweigh that for re-use for employment purposes. This should also be viewed in the context of there being a forecast negative demand for industrial employment land to 2030.

8.3.35 Removing the site from the LSIA designation boundary would be such that it would not likely jeopardise the integrity of the remaining LSIA owing to its position at the boundary of the area, particularly when considered that other parts of the LSIA directly abut sensitive non-employment uses, i.e. residential properties at Lydden Grove.

R7 To help meet housing and wider regeneration objectives, including specific place-making aims, in Wandsworth over the plan period the Council should continue to permit a change of use away from industrial employment at the following clusters, currently either designated as within MUFIEA or Focal Points:

- Ransomes Dock Focal Point (C9) including Howie Road MUFIEAs (0.3 ha)
- Lombard Road/York Road Focal Point (C10) including Chatfield/Mendip Roads and Gwynne Road MUFIEAs (3 ha)
- Wandsworth Riverside Quarter and Wandle Delta Focal Point (C11) including Osiers Road MUFIEAs (0.4 ha)

Justification

8.3.36 Remaining traditional industrial uses within Cluster 9 are limited to a car repair business on Howie Street, in fairly poor condition with little to no public realm within its curtilages. One further industrial building on Elcho Street is in use as an arts event hire space.

8.3.37 Within Lombard Road/York Road Focal Point (Cluster 10) are two MUFIEAs; Gwynne Road and Chatfield Road/Mendip Road. Gwynne Road contains mainly trade counter and self-storage premises, with the notable exception of Sambrook’s Brewery on Yelverton Road. There is also a small, mostly well used estate (two vacant units) at nearby Heliport House accommodating SMEs, in addition to the House itself – an office building. At Chatfield Road/Mendip Road, remaining B-use class premises are mostly to be found at 1-10 River Reach, containing office and light industrial units, with premises observed to be in fairly good condition with no vacant units.

8.3.38 The Osiers Road MUFIEA located within the Wandsworth Riverside Quarter Focal Point (Cluster 11) contains a small collection of workshops and a fuel oils depot, with premises appearing to be fairly well used but mostly older in character.

8.3.39 Whilst the above has identified some decent quality employment sites, particularly in Gwynne Road and Chatfield Road/Mendip Road MUFIEAs, and all small in size, the Council’s policy regarding MUFIEAs has resulted in the delivery of good replacement employment space from redevelopments. As such it is considered that policy allowing the redevelopment of industrial uses at these locations remain in place in order to achieve specific and established place-making objectives though care should be taken that where sites are re-used that businesses are supported in finding alternative premises in the Borough, if not within the replacement floorspace itself which should be tailored to meet SME needs in the form of flexible office workspace or potentially light industrial workshops.

R8 To help retain an appropriate balance of supply and demand of industrial land over the planning period, the Council could adopt a criteria based policy requirement with regard to proposals for changes of use away from industrial uses at a limited amount of industrial employment land not designated as SIL or LSIA or within MUFIEA.

The decision on which land to permit for redevelopment should be based on certain criteria listed below being met. The loss of employment use in non SIL, LSIA or MUFIEA

sites should not lower the overall industrial capacity of the Borough significantly below that estimated by this study to be necessary to meet anticipated need over the planning period.

To help ensure that not too much industrial land changes use the Council could introduce a policy in the updated Local Plan that states that industrial land will ideally only move to alternative uses if all of the following criteria are met:

- There is no evidence of current or future market demand for the site as evidenced through a period of at least 24 months of active marketing for industrial employment uses at realistic market rates;
- poor access from the strategic road network i.e. they can be accessed only via local roads;
- a lack of on-site servicing such as loading/unloading bays and/or inadequate parking provision; and
- The overall total quantum of industrial employment land release within the Borough for the plan period has not been exceeded.

Justification

- 8.3.40 There is industrial employment land in LB Wandsworth which is not SIL and not LSIA that was surveyed in this study or is identified in the 2015 Industrial Land Baseline. The majority of these sites surveyed and assessed in Section 5 perform adequately as employment areas, or provide functions. They are generally meeting a local business need. These non-designated sites are currently protected by planning policy only in the Thames Policy Area. To avoid a potential over release of industrial land it is therefore recommended that the Council agree on appropriate action in the updated Local Plan that protects existing employment land that is predominantly industrial but not designated as SIL or LSIA in the rest of the Borough. This land could be released to non-industrial uses only if all of the criteria listed above are met.
- 8.3.41 The monitoring and managed release of industrial land corresponds to the principles of the NPPF. Paragraph 21 of the NPPF outlines the requirement for local planning authorities in their Local Plan to; *'meet the anticipated needs of businesses over the planning period'*. 'Anticipated needs' can be assumed to be the range of demand scenarios as described in the demand forecasting exercise of this study. If too much land is released the Council might be unable to meet these anticipated needs. The NPPF also states that *'planning policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances'*. This provides justification for monitoring the release of industrial land and ensuring that not too much is released during the planning period. This is because the lack of developable land in London and the high price differential between industrial land and residential land means it is likely that *'once industrial land has gone, it has gone forever'*. To ensure that employment land is not protected unnecessarily as required by paragraph 22 of the NPPF, the demand forecasting exercise should be updated regularly. This could be performed every three to five years.
- 8.3.42 To demonstrate a lack of market demand the applicant should submit evidence that the site is vacant and a thorough marketing exercise at realistic prices for the area has been sustained over a 24 month period. Marketing must be through a commercial agent at a price that genuinely reflects the market value in relation to use, condition, quality and location of floorspace. It must be demonstrated that consideration has been given to alternative layouts

and business uses, including smaller premises with short term flexible leases appropriate for SMEs.

R9 The Council should seek to protect and encourage the provision of growth sectors at the following locations particularly:

- Focal Points including MUFIEAs (C9, C10, and C11)
- Summerstown LSIA (C8)
- Wandsworth LSIA (C3), and
- Nine Elms (C12).

Justification

- 8.3.43 Growth sectors include knowledge based businesses, creative and cultural businesses and organisations, tourism and green sectors and all are identified in this study as being either well represented and growing or contributing to a significant proportion of employment across LB Wandsworth (see Table 3.7). In particular clustering of creative and cultural activities which were identified in the survey.
- 8.3.44 These businesses and organisations have a variety of different land and premises requirements. Whereas some aspects of the sector may be run as a not-for-profit or charitable organisation and so less able to afford space or be selective over locations, other aspects of the sector may produce high value outputs such as the digital and tech sub-sectors and be able to afford better quality space or be selective over where to locate.
- 8.3.45 There were broadly two types of provision forms found in the Borough: within light industrial and warehousing land and generally less accessible by public transport; and office premises within accessible locations such as the River Thames sub-area.
- 8.3.46 As an Inner London borough with good transport links to the CAZ Wandsworth is considered to continue to be well placed to accommodate these sectors, which could provide a welcome stimulus to the markets for small office and workspace units and light industrial premises in the Borough, and an increasingly important source of employment.
- 8.3.47 It is recommended that the Council consider means by which clusters of businesses within growth sectors can grow and the space they need, and protect existing premises. The protection of premises is especially important given the evidence of good occupancy levels in clusters where employment space is not afforded the same level of protection as, say, designated industrial land (SILs and LSIAs). One means by which this could be achieved would be to 'protect' existing clusters at the locations listed above through a planning policy designation. Equally a more informal, engagement led approach in conjunction with the economic development functions within the Council could be implemented.

8.4 Summary Recommendation

- 8.4.1 The above recommendations provide guidance on how LB Wandsworth could plan to meet the needs of businesses in the Borough over the period 2016 to 2030, taking into account the findings of the research undertaken and analysis set out within this study.
- 8.4.2 It is worth reflecting on how the recommendations could impact on the balance of employment land provision and demand as this will highlight the challenges the Council has in meeting the net change in demand whilst planning positively for balanced growth across other sectors and

achieving regeneration aspirations. Table 8.1 sets out how recommendations suggesting release / change of use at a cluster level would impact on supply, which shows in total were all recommendations to be applied the potential release of industrial land would be around 6.6 ha.

- 8.4.3 To recap, our assessment of potential employment floorspace and land needs in LB Wandsworth to 2030 shows that there is likely to be a positive demand for office space in the region of at least 31,700m² for office space orientated towards local/sub-regional markets; a reasonable likelihood of demand to meet the planned provision of circa 205,000m² office space at VNEB OA orientated towards occupiers seeking high quality space from which to operate businesses with a national/international reach; and a contraction in manufacturing and warehousing space of -9.5 ha, though were LB Wandsworth able to attract demand arising across the wider FEMA the project contraction in demand, the figure of net loss could be lower.
- 8.4.4 First considering office space: the floorspace requirement for local/sub-regional office provision is not significantly large and the view is that this level of demand could be met comfortably within Focal points including MUFIEAs, town centres (where sites can be identified), the VNEB OA should limited space be available and at locations where release or re-designation of industrial land is recommended, i.e. Havelock Terrace, Central Wandsworth and the Bendon Valley site. The national/international office demand-supply balance being planned for and being built out VNEB OA is wholly self-contained and therefore met.
- 8.4.5 The question then is whether the industrial land forecast net requirement can be met. There are a combination of factors which have to date and will continue to impact on the provision of land, which now provide challenges for the Council in deciding how to proceed with any land release, the potential for which is suggested in our recommendations:
- the ongoing strong contraction in industrial demand, in particular in the past five years, over and above the GLA's SPG benchmarks guidance for the Borough, which has led to the loss of poorer quality sites and so reduces options for balanced release to accommodate other competing use classes
 - a relatively small absolute stock of industrial land remaining within the Borough
 - the limited amount of vacant and developable land within existing employment clusters
 - planned release from VNEB OA which has yet to be accounted for and which will see the displacement and relocation of businesses located on approximately 11 ha of industrial land
 - a forecast contraction in industrial land over the Local Plan period which is not significantly large (low end being -9.5 ha).
- 8.4.6 The potential revised supply position, were all recommendations to be followed, suggests a potential release figure of up to -6.5 ha of employment land. Not all this land supports core industrial uses but by definition could potentially accommodate it. This figure of release falls within the net demand forecast of -9.5 ha. However this demand figure does not take into account the planned redevelopment of industrial land from VNEB OA for other uses. Our understanding is that a number of businesses located on the 11 ha of industrial land have plans, which include consolidation and rationalisation of operations and relocation outside of the Borough, though others may still needs to be accommodated within the Borough/FEMA. If this is correct then a straight comparison of the supply release and net demand land requirements would suggest that it is not possible to release/allow redevelopment of all other existing industrial sites listed in our the recommendations for other uses and meet the

projected net additional demand arising. However as release of industrial land enables redevelopment for other uses, without such release other regeneration objectives are likely to be hampered, though planning legislation, such as the NPPF presumption in favour of sustainable development, may determine matters independently.

8.4.7 Intensification of existing sites, including sites with wider industrial activities for example utilities, may play a role in helping to alleviate this imbalance but not all of it. For those existing sites which have the potential to accommodate higher levels of industrial activity, as stated in R5, the Council should look to maximise the job potential and intensify land use.

R10 On the basis of the above it is recommended that, in considering how to draft its planning policy, the Council should:

1) explore with other Councils in the FEMA as part of its consultations relating to its Local Plan’s evolution and Duty to Cooperate, whether and how other local authorities could support the release of industrial land as a consequence of regeneration schemes which provide wider economic and community benefits from LB Wandsworth and accommodate businesses who are displaced and unable to find suitable land/premises within the Borough

2) consult with businesses in the Borough and in particular those businesses within the approximately 11 ha of planned release at VNEB OA to determine their growth plans, premises needs and locational requirements, and

3) consider how a selection of recommendations of industrial land release could be pursued which maximises wider economic and community benefits and minimise loss of industrial land to ensure the net industrial land demand is best accommodated.

Table 8.1: Summary of Potential Managed Release of Industrial Land*

AECOM Cluster No	Employment Area/ Name of Cluster	LB Wandsworth Local Plan Designation	Size of Cluster (ha)	Total industrial/w arehousing employment land for release / change of use (ha) (Approx.)
C3	Central Wandsworth	LSIA	11.1	-2.8
C6	Bendon Valley	LSIA	4.9	0
C9	Ransomes Dock Focal Point	Focal Point incl. MUFIEA	6.7	-0.3
C10	Lombard Road/York Road Focal Point	Focal Point incl. MUFIEA	29.6	-3.0
C11	Wandsworth Riverside Quarter and Wandle Delta Focal Point	Focal Point incl. MUFIEA	13.0	-0.4
C12	Nine Elms	SSA (parts)	66.3	-11.0
Total				-17.5

