

Wandsworth Employment Land and Premises Study 2020

London Borough of Wandsworth

October 2020

Quality information

Prepared by	Checked by	Verified by	Approved by
Rouslan Halil Graduate Consultant	Jake Billington Senior Consultant	Ilias Drivylas Associate Director	Jon Howells Associate Director
Jake Billington Senior Consultant			

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Prepared for:
London Borough of Wandsworth

Prepared by:

AECOM Limited
Aldgate Tower
2 Lemn Street
London E1 8FA
United Kingdom
aecom.com

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Executive Summary

Study context

AECOM was commissioned by the London Borough of Wandsworth (LB Wandsworth) in October 2019 to undertake an update to the Borough's Employment Land and Premises Study (ELPS). The study provides a detailed evidence base from which an appropriate supply of employment land and premises can be planned for, and provides a comprehensive strategy for balancing supply and demand. This study forms an evidence base to support the review of LB Wandsworth's Local Plan and therefore 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 is regularly updated, with the 'Housing and Economic Needs assessment' last being updated on July 22, 2019. 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 industrial employment land management in London. The approach to the study reflects the requirements and directions of these guidance documents.

Employment land is defined as land with business activities falling under the B1, B2, and B8 use classes. These include:

- B1a - offices;
- B1b - research and development;
- B1c - light industrial;
- B2 - general industrial; and
- B8 - storage and distribution.

Within LB Wandsworth (hereby referred to as 'Wandsworth'), employment land falls within the following areas as used by regional and local planning policy:

- Strategic Industrial Locations (SILs);
- Locally Significant Industrial Areas (LSIAs);
- Economic Use Intensification Areas (EUIAs);
- Employment Protection Areas (EPAs);
- Focal Points;
- Town Centres; and
- Non-designated employment land.

Policy and literature review

The NPPF¹ was updated in February 2019. The NPPF provides overarching guidance on the Government's development aims, with the intention of making the planning system less complex and more accessible. It describes the Government's vision for building a strong, competitive economy. It emphasises that Local Plans and Employment Land Studies should present robust evidence to support clearly defined designations and allocations of land for employment, and sets out a series of recommendations which policymakers should follow to help create conditions in which businesses can

¹ NPPF, (2019); Ministry of Housing, Communities and Local Government (MHCLG)

invest. The need for an evidence base in understanding existing business needs, local circumstances and market conditions was also emphasised in the national PPG². The PPG is a web-based resource in support of the NPPF which undergoes regular updates. Guidance includes '*Housing and Economic Needs Assessments*' and '*Housing and Economic Land Availability Assessments*', both of which have been updated in July 2019.

The London Plan 2019 – Intend to Publish³ was submitted to Ministry of Housing, Communities and Local Government (MHCLG) in December 2019. As the overall strategic plan for London, it sets out an integrated economic, environmental, transport and social framework for the development of London over the next 20-25 years. The current 2016 Plan (The London Plan consolidated with alterations since 2011) is still the adopted Development Plan, but the Draft London Plan is of material consideration in planning decisions. Once approved by the Mayor of London, the document will supersede the current London Plan. The Plan outlines policies which promote the retention of land for employment use where appropriate; recognising that there has been a considerable loss in employment land across London as it has been converted to residential uses.

The Wandsworth Employment and Industry Document 2018⁴ (LPEID) was adopted in December 2018 and sets out the policies relating to planning for employment and industry in the Wandsworth. The policies set out in the document supersede policies related to employment land in the Wandsworth Core Strategy (2016). It also provides an update to the Site-Specific Allocations Document for sites related to employment land. The document sets out policies which encourage sustainable economic growth in the Borough. It sets out the different designations of employment land which apply in Wandsworth, and the policies which should be followed in each designation. It emphasises the importance of the role employment land in the Borough and its policies strive to retain employment land in Wandsworth and ensure that there is sufficient economic growth which ensures that the Borough remains competitive.

Socio-economic profile

GLA population statistics⁵ show that Wandsworth's population increased by 5.9% between 2011 and 2018 (from 308,000 in 2011 to 326,000 in 2018). This is lower than the 7.4% growth rate for London (from 8,203,000 to 8,811,000). The GLA's population projections show that the population in Wandsworth is expected to increase by 14% (to 373,000) between 2018 and 2031. During the same time period, the population in London is expected to increase by 16% (to 10,254,000). If realised this will mean a growth in demand for land for housing, community facilities, infrastructure and employment land and floorspace over the Local Plan period in Wandsworth and the wider London area.

Wandsworth has, on average, a highly skilled residential population which is well educated with higher income earnings compared to London as a whole. The median gross weekly earning of Wandsworth residents is approximately £690, which is £115 higher than the median earnings of London residents. The English Indices of Deprivation 2019⁶ states that Wandsworth is the 173rd most deprived out of 317 local authorities (where 1 is the most deprived), and the 23rd most deprived of all 33 London Boroughs. None of Wandsworth's 179 Lower Super Output Areas (LSOA) are within the top 10% most deprived parts of the country. Wandsworth's residents generally hold higher qualification levels in comparison to the rest of London. Most of the Borough's working age residents hold GCSEs and 70.4% are educated to degree level and above, which is significantly higher than the average across London as a whole (53.1%).

There is a socio-economic disparity between the Borough's residents and its workforce. SOC analysis indicates that more than two thirds (68.9%) of all residents work in managerial or professional occupations, while the employment data shows that the office sector is proportionally quite small in the Borough. Travel-to-work data shows that there is a net commuting outflow in the Borough, with 25.7% of residents travelling to Westminster and the City of London to work, where there is a large office market with many highly skilled jobs available.

² PPG, (2019); MHCLG

³ GLA, (2019): Intend to Publish London Plan.

⁴ London Borough of Wandsworth, (LB Wandsworth), (2018); Wandsworth Local Plan: Employment and Industry Document 2018.

⁵ GLA (2018), GLA 2018-based housing-led population projections.

⁶ DCLG (2019), English Indices of Deprivation 2019.

The proportion of total employment in sectors using B-class (Business) land is significantly lower in Wandsworth (41.5%) than in London (54%). This is primarily due to the Borough having comparatively small office-based sectors. The Information & Communication; Financial & Insurance; Property; Professional, Scientific and Technical and Business Administration & Support Services sectors in Wandsworth account for a significantly smaller percentage of total employment in Wandsworth than in London. The proportion of employees in industrial sectors is also slightly lower than the London average. The wholesale sector is the only sector using industrial land which has a greater proportion of total employment in Wandsworth than in London.

Supply

Types of employment supply

There are two types of employment land considered in this study: land and floorspace in industrial use (B1b, B1c, B2, B8) and office (B1a) floorspace. Industrial employment land is defined as being land falling within the industrial uses identified in the GLA Industrial Land Supply and Economy Study (2015). This 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. Based on the figure identified in the 2016 study and recent net completion data, the study has identified that there is 133.6ha of industrial land in Wandsworth. Whilst most of the industrial land in the Borough lies within designated areas, namely SIL, LSIA, Focal Points and EPAs, there are also several non-designated industrial employment sites.

Office floorspace is present across Wandsworth albeit with a very high and increasing concentration of floorspace within the Nine Elms area of the Central Activities Zone (CAZ) with mostly smaller scale provision in town centres and EPAs. Based on recent available data there is approximately 460,700m² of office floorspace in Wandsworth.

Employment clusters surveyed

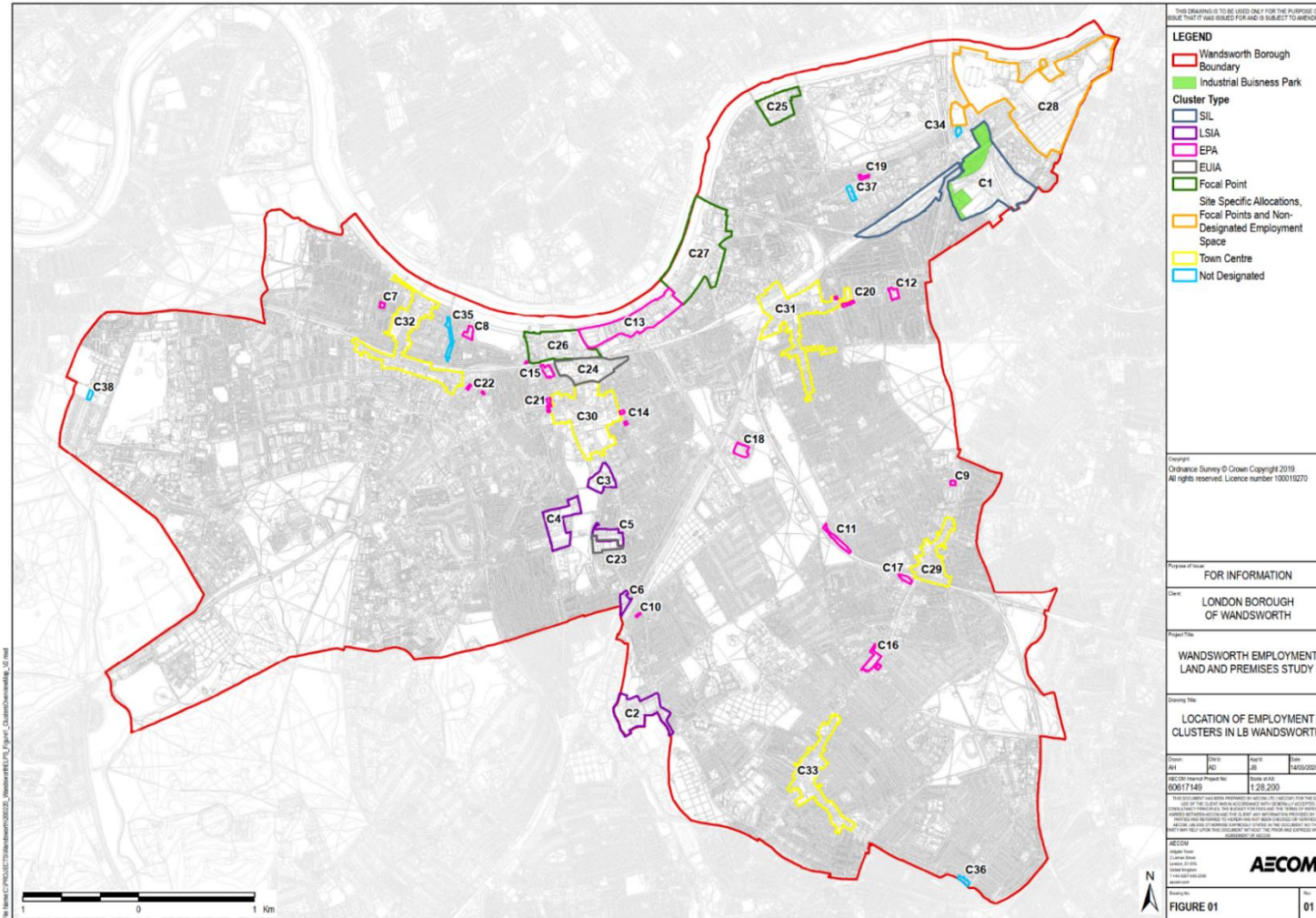
There were 38 employment clusters identified as part of this study. These clusters are defined as parcels of employment land within the Borough and can represent both designated and non-designated land. The total area of land within the 38 clusters is 312.6ha with some clusters containing substantial amounts of land and floorspace in other use, including but not limited to retail, community, leisure and residential floorspace within town centres and Focal Points. The employment clusters are identified in Table E1 and mapped in Figure E1. The study recognises that there is a supply of additional office and industrial floorspace which lies dispersed in land parcels smaller than 0.25ha outside of the identified employment clusters, which is accounted for in the overall supply identified in the preceding paragraphs.

Table E1 - Surveyed Employment Clusters

Identifier	Name	Designation	Employment/B-class Uses	Area (ha)
Cluster ('C1')	Queenstown Road	SIL	B1a/b, B1c/B2, B8, A1, Sui Generis	42.9
C2	Summerstown	LSIA	B1a/b, B1c/B2, B8, A1, D1, Sui Generis	10.1
C3	Old Sergeant	LSIA	B1c/B2, B8, A1, Sui Generis	3.5
C4	Kimber Road	LSIA	B1a/b, B1c/B2, B8	7.2
C5	Lydden Road	LSIA	B1a/b, B1c/B2, B8	2.7
C6	Thornsett Road	LSIA	B1a/b, B1c/B2, B8	1.1
C7	Princeton Court and Felsham Road	EPA	B1a/b	0.2
C8	116 -118 Putney Bridge Road	EPA	B1a/b	0.6
C9	Hillgate Place, Balham Hill	EPA	B1a/b	0.2

Identifier	Name	Designation	Employment/B-class Uses	Area (ha)
C10	Smith's Yard	EPA	B1a, A1	0
C11	Jaggard Way/Bellevue Road	EPA	B1a/b	0.9
C12	Battersea Business Centre	EPA	B1a/b, B1c/B2	0.6
C13	Smuggler's Way, Jews Row and Battersea Reach	EPA	B2	14.6
C14	190-194 St Ann's Hill and College Mews	EPA	B1(a)	0.2
C15	57, 88-92 Putney Bridge Road and 2 Adelaide Road	EPA	B1(a), B8	0.8
C16	Wimbledon Sewing Centre, Balham High Road	EPA	B1c/B2, A1	1.4
C17	Irene House, 218 Balham High Road and 25 Boundaries Road	EPA	B8, D1	0.4
C18	Royal Victoria Patriotic Building, John Archer Way	EPA	B1a/b, A3, A4, C3, D1	1.1
C19	The Old Imperial Laundry, 71-73 Warriner Gardens	EPA	B1a/b, B1c/B2, B8, A1, Sui Generis	0.4
C20	124 Latchmere Road and 187-207 Lavender Hill	EPA	B1a/b	0.2
C21	2 Broom Court, 140-142 Wandsworth High Street and 7A Putney Bridge Road	EPA	B1(a)	0.3
C22	70 Upper Richmond Road and 5 Manfred Road	EPA	B1a/b	0.1
C23	Bendon Valley EUIA	EUIA	B1a/b, B1c/B2	2.2
C24	Central Wandsworth	EUIA	B1(a), B2	9.4
C25	Ransomes Dock	Focal Point	B1a/b, B8	6.7
C26	Wandle Delta	Focal Point	B1 (a/c), B2, B8	13
C27	Lombard Road/York Road	Focal Point	B1a/b	29.6
C28	Nine Elms	Site Specific Allocations, Focal Points and non-designated employment space	B1a/b, B8	67.6
C29	Balham Town Centre	Town Centre	B1a/b, A1-A5, C3, D1/D2	9.5
C30	Wandsworth Town Centre	Town Centre	B1(a)	23.9
C31	Clapham Junction Town Centre	Town Centre	B1/a/b	22.8
C32	Putney Town Centre	Town Centre	B1a/b	21.4
C33	Tooting Town Centre	Town Centre	B1a/b, A1-5, C3, D1/D2	14.9
C34	Cloisters Business Centre	Not Designated	B1a/b	0.3
C35	Industrial units off Winthorpe Road	Not Designated	B1c, B8	0.9
C36	Industrial units adjacent to 282 Mitcham Lane	Not Designated	B1c, B8	0.4
C37	Culvert House, Culvert Road and The View, Battersea Park Road	Not Designated	B1a/b	0.5
C38	The Grange, Bank Lane	Not Designated	B1a/b	0.2

Figure E1 – Location of Employment Clusters



Source: AECOM (2020).

Cluster analysis

The assessment was conducted based on a set of site appraisal criteria (drawing on PPG and other guidance 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 in Wandsworth consists of a number of larger, established business locations (such as the Queenstown Road SIL and the Central Wandsworth EUIA), contrasted by a smaller number of business and office centres (such as the Cloisters Business Centre in Nine Elms and Hillgate Place in Balham) and a number of disparate employment sites (including the Battersea Business Centre on Lavender Hill Road and the Grange in Roehampton). Typically, there is a mix of different typologies present, particularly small offices and warehousing and industrial premises, within most employment clusters. Traditional 'clustering' of employment uses was therefore not observed in most locations, however there was clear evidence of clustering of particular uses, notably SMEs, catering, and creative and cultural industries.

Our assessment concludes that most clusters surveyed are functioning well, have high occupancy rates and support a diverse range of business types. There is evidence of loss of employment sites to other uses, particularly conversion of office premises to residential accommodation due to the impact of PDR prior to the Article Four direction to prohibit this type of development in certain areas in the borough. However, the survey did find some new mixed-use development incorporating office and flexible (e.g. studio or SME) space, 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. Development in the EUIAs is scheduled to deliver such space in addition. The more comprehensive redevelopment being undertaken in the 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 also needs addressing in planning policy given that current supply within town centres being reasonably constrained.

Prospects for development

An assessment of the prospects for intensification and/or redevelopment for each cluster to provide either intensified floorspace and/or space more suitable for the needs of modern occupiers has been carried out. This assessment is intended to provide the Council a view on potential for intensification and/or redevelopment based solely on the supply side indicators listed above. The assessment is qualitative based on analysis of a set of supply characteristics and does not include any analysis of viability or deliverability, two site-specific factors which are important in determining when and where such change comes forward.

Based on the above analysis 9 of the 38 clusters in the Borough have been assessed as having land which is suitable for development. This translates to approximately 21.4ha of land, and comprises:

- approximately 8.3ha of land in the Queenstown Road SIL (Cluster C1) suitable for high value office and industrial uses in the area identified as the BDTQ, due to its proximity to the CAZ and the upcoming Northern Line extension;
- approximately 5.3ha of land in the Central Wandsworth EUIA (C24) which could be redeveloped to accommodate industrial and office floorspace due to the presence of vacant land, poor quality buildings and excellent links to public transport and strategic road access;
- approximately 1.5ha of land in the Bendon Valley EUIA (C23) which could be intensified to provide additional office and industrial floorspace primarily due to poor quality buildings and certain parcels of land which are low density;
- approximately 2.2ha of land in Focal Points along the River Thames (C26 and C27). These large clusters both contain pockets of land with older industrial premises in poor condition which could be redeveloped to provide warehousing or office floorspace for SMEs.
- approximately 2.7ha of land in the Lydden Road LSIA (C5) which could be intensified to provide additional industrial floorspace primarily due to poor quality buildings and certain parcels of land which are low density;

- approximately 0.9ha in small EPAs located close to town centres (C16 and C17) which have buildings which could be intensified or redeveloped to provide additional office floorspace due to excellent transport links and the poor quality of stock currently on site; and
- approximately 0.3ha in Wandsworth Town Centre (C30) which could be redeveloped to offer additional office floorspace due to poor quality buildings and excellent public transport accessibility.

Of the remaining 29 clusters, 11 were assessed to have land which has 'some potential' to be developed. The other 18 clusters were assessed to have land which has 'no potential' to be developed.

Property market analysis

Property market areas

The property market assessment examines Wandsworth's commercial property markets within the context of its wider functional economic market area (FEMA). A FEMA is defined by a range of characteristics which shape the local economy and decisions by businesses of where to locate.

Our assessment suggests that there are three property market areas which exist in Wandsworth. These property markets are listed below, as well as the functional economic market areas which Wandsworth is considered within contextually:

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 market, 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. An office market emerging at the VNEB OA which can be considered part of the CAZ. This office market competes with other locations within the CAZ and provides high quality, modern offices 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 Hammersmith & Fulham, Merton, Lambeth, and Southwark.

Local/sub-regional office market

The local office market in Wandsworth accommodates approximately 382,000m² of the 3,544,000m² of floorspace in its FEMA. This is typical for an inner London Borough which lies mostly outside the CAZ. Office premises are primarily located in the north of the Borough, along the River Thames and in and around many of the Borough's town centres, Focal Points and EPAs. Office premises are also located in SIL, LSIA's and in undesignated sites. Most office premises in the local market comprise of small flexible workspace within business centres in and around town centres. There are some medium-sized office premises, notably in Putney Town Centre, in new developments in Focal Points along the River Thames. The southern parts of the Borough contain little floorspace, with most examples in these areas being within small, often purpose-built, buildings and above shops within town centres. In the local office market, just over half (50.2%) of office premises in buildings in Wandsworth are under 250m² in size, however, floorspace within these premises' accounts for only 9% of the Borough's total stock. Over 42% of total office stock is within premises which is between 2,000m² and 10,000m². There are only two premises larger than 10,000m² in the Borough which together total 25,100m² in size. This shows that Wandsworth's office premises are mostly small, although there are some larger premises remain.

Wandsworth has the second lowest vacancy rate (2.8%) in the FEMA, considerably lower than the FEMA average of 5.1%. The availability rate of office stock in Wandsworth is the third highest of all Boroughs within the FEMA, but is still 2.3% less than the FEMA average. This is due to the greater

size of stock in the Boroughs with higher availability rates (Hammersmith & Fulham and Merton). Wandsworth has the lowest average rental value for office floorspace (£359 per m²) in the FEMA. This is 21% (£100) below the FEMA average. The highest rents are found in Hammersmith & Fulham and Kensington & Chelsea, which are the closest to central London and have the highest amount of total stock of office floorspace of all Boroughs.

The analysis shows that demand for office premises in Wandsworth is generally positive. The Borough has a low vacancy rate in its office premises, particularly of smaller unit sizes (suggesting that demand for smaller premises is greater). Net absorption rates within the Borough has been mostly positive since 2016. There is some evidence that the market has experienced a recent stagnation in demand. Wandsworth has the lowest average rental value for office floorspace (£358 per m²) out of the six Boroughs making up the FEMA. This has stabilised in recent years after increasing steadily between 2010 and 2016. Overall, therefore, whilst demand in the market should be considered to be relatively strong, it is not overwhelmingly buoyant.

Central London office market (CAZ)

The CAZ market consists of approximately 20,622,000m² of office floorspace spanning a number of Boroughs in-part. The provision of office floorspace in the CAZ has changed significantly over the past two decades. Large schemes delivering high quality office floorspace have come forward at London Bridge, King's Cross, Waterloo and Paddington. Supply is expected to increase further with provision coming forward / proposed for Victoria and Euston.

As of 2019, there is 84,500m² of office floorspace within the Wandsworth portion of the VNEB OA. This is expected to increase to 205,000m² of office floorspace by 2024⁷, including 58,000m² which is currently being constructed. Office floorspace in the VNEB will mostly be within buildings with large floorplates and of high build quality and design ('Grade A' space). The development will primarily cater for larger business headquarters. The 'urban quarter' created in the area is underpinned by the presence of Battersea Power Station, the US Embassy and the reinvigorated New Covent Garden Market and it is likely that occupiers will be from buoyant sectors looking to associate themselves with these features.

In line with the development of large-scale, high quality office floorspace, rental values have increased in the VNEB OA in recent years. CoStar data shows that some new office floorspace in the VNEB OA, such as that in One Embassy Gardens, is being marketed at up to £700 per m². This is in line with rental values for the nearby SE1/South Bank office location which are at around £600 to £700 per m². Other new office floorspace in less desirable areas of the VNEB OA is being marketed for less than this, though still considerably more than the office floorspace still existing from prior to redevelopment. The vacancy rate within the VNEB OA is currently high (at 18.3%), which is considerably higher than the CAZ market's vacancy rate of 4%. However, as noted above, only 84,500m² of office floorspace has been delivered to date of approximately 205,000m² expected to be built as part of plans to promote Nine Elms as a key area within the CAZ market. Average rental values, as well as vacancy rates, are therefore not yet fully reflective of all development within the VNEB OA. These are likely to change as more office floorspace gets built out, more businesses move to the area and the dynamics of the area change and become more attractive.

Wandsworth's industrial and warehousing market

Industrial activity in Wandsworth is focused along two main axes. The first runs east-west from remnant areas in Nine Elms and the Queenstown Road SIL through to the Lombard Road/York Road Focal Point and along the River Thames as far west as the Wandle Delta Focal Point. The second extends north to south along the Wandle Valley from the River Wandle delta to Wandsworth's boundary with Merton.

The 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 though the market meets an evidenced demand for small premises and premises, overall indicators of demand

⁷ A small proportion of this floorspace could be for retail uses.

are negative due to decreasing stock of larger premises and a lack of modern medium-sized premises coming onto the market. Rental values are high and rising. While the industrial market in Wandsworth is buoyant for smaller premises, it is shrinking in size overall.

Demand

The approach to assessing future employment floorspace and land requirements is in line with Planning Practice Guidance on economic needs assessments. The assessment of future need has been informed by analysis of market signals, the findings of engagement with local stakeholders and discussions with officers from Wandsworth Council and the GLA.

Job numbers for each use class have been calculated, and these have then been converted to floorspace and land requirements by applying appropriate employment density and plot ratio assumptions. The employment densities used draw on the HCA Employment Densities Guide 3rd Edition (2015) and the GLA London Employment Sites Database (LESD, 2016). The plot ratios used are in line with the LESD (2016).

Employment sectors have been mapped to the core B use classes:

- B1a – offices
- B1b – research and development
- B1c – light industrial
- B2 – general industrial
- B8 – storage and distribution

For the purposes of this assessment, the floorspace and land requirement projections for the B1b and the B1c use classes have been combined. This is on the basis that a considerable proportion of the floorspace which is categorised as B1b space requires industrial floorspace similar to that of B1c space. This approach is consistent with the draft New London Plan, which states, in Policy E4, that industrial land should be provided to accommodate for research and development of industrial and related products or processes (B1b uses).

The analysis of demand in this study considers a range of future employment growth scenarios, including one based on the latest employment forecasts from Experian, a trend-based scenario, and a scenario aligned to GLA Economics' employment projections for Wandsworth. These scenarios are identified in Table E2, along with commentary explaining what each scenario shows.

Table E2: Analysis of different scenarios used to forecast demand

Scenario	Name	Commentary
1	Experian-based	<ul style="list-style-type: none"> According to Experian data extracted in 2019, employment in B use class sectors is forecast to increase by 2,170 FTEs over the period 2019-2034, an increase of approximately 4.6%. The greatest increase in absolute terms is forecast to take place in B1a sectors (+1,820 FTEs), followed by B1b (+390 FTEs) and B8 (+300 FTEs). Employment in the general industrial sector is forecast to decline by approximately 140 FTEs in total. This scenario therefore forecasts that Wandsworth is projected to need an additional 20,600m² of office floorspace over the period to 2034, 15,600m² of R&D/light industrial floorspace and 21,000m² of B8 floorspace. B2 floorspace need is forecast to decrease by 8,600m² over the same period. This results in a total of 47,800m² of B-use class floorspace.
2	GLA-aligned	<ul style="list-style-type: none"> The GLA employment forecasts were published in 2017. The projections are higher than the Experian forecasts but follow a similar pattern of change by use class, with employment within B1a, B1b and B8 uses projected to grow, and B2 and B1c jobs expected to decline. The GLA-aligned scenario suggests that Wandsworth will need an additional 34,400m² of office floorspace over the period to 2034, 14,000m² of B1b/c floorspace and 40,000m² of B8 floorspace. B2 floorspace need is projected to decline by a total of 4,700m². These projections are higher than the Experian scenario as the GLA Economics employment projections are higher than the Experian employment forecasts.
3	Trend-based	<ul style="list-style-type: none"> The trend-based scenario is based on Wandsworth's historical job levels between 2000 and 2019. This can be considered an appropriate period for using as the basis for the trend-based scenario, as it represents a full cycle of the economy that encompasses the period of growth before the 2008-2009 recession, the economic downturn that followed, and the eventual economic recovery in recent years. The historical trends were then used to forecast employment numbers for the period to 2034. The projection of historical trends suggests that total FTE employment across all sectors will increase by 5% (approximately 5,000 additional FTEs) over the period 2019-2034. However, FTE employment in B use classes is projected to decline (-1,210 FTEs). Specifically, employment (FTE) in B1c, B2 and B8 uses are all expected to decline, whilst B1a and B1b uses are expected to grow. The declining employment projections across B2 and B8 sectors suggest no additional floorspace requirements over the period to 2034 for these use classes. Floorspace need for B1a use is projected to increase by 27,800m². Floorspace need for B1b/B1c space is predicted to reduce by 1,300m². Although employment projections identify a larger growth in B1b use employment between 2019 and 2034 than there is a reduction in B1c use employment, the combined floorspace projection is negative because businesses occupying B1c use land generally have slightly higher floorspace requirements than businesses occupying B1b land.
4	Hybrid	<ul style="list-style-type: none"> The Experian and GLA-aligned scenarios project different levels of employment growth, and therefore additional employment floorspace and land need. It is difficult to predict which of these two scenarios provides a more accurate projection of future need. Academic research has demonstrated that combining forecasts improves accuracy relative to individual forecasts. It is less risky in practice to combine forecasts than to select an individual forecasting method. This is particularly the case when it is difficult to choose a best scenario. For that reason, and taking into consideration the limitations of trying to forecast long-term need by use class at a local level, we have also considered a hybrid scenario that combines the Experian and GLA-aligned scenarios. The hybrid approach uses employment figures which are an average of the FTE employment projections in the GLA and Experian scenarios. Under the hybrid scenario, Wandsworth would need an additional 27,500m² of B1a floorspace by 2034, 10,100m² of B1b/c floorspace, and 30,500m² of B8 floorspace. The above would generate an indicative additional need for 7ha of employment land. The land requirement for B2 space is projected to decrease by -0.7ha.

Conclusions

The Experian employment forecasts are lower than the GLA employment projections but any comparisons between the two should be treated with caution as they were prepared at different points in time and the datasets are presented in different forms. The GLA projections for Wandsworth are not broken down by sector and are not provided as FTEs, meaning further data manipulation is required in order to convert them to employment floorspace and land requirements. However, the GLA projections take a more bespoke approach to growth in London than the Experian projections.

The Experian forecasts are lower than the GLA projections, while the trend-based projections suggest a significant decrease in industrial floorspace and land requirements that reflects the declining trend in industrial employment over the past two decades. While the trend-based projections provide useful context, they are not considered to fully reflect current and future need.

Academic research has demonstrated that combining forecasts improves the accuracy relative to individual forecasts, and so we have developed a hybrid scenario that combines the GLA and the Experian forecasts. The hybrid scenario suggests realistic increases in B1a, B1b/c and B8 employment and a very small decline in B2 employment. These projections are aligned to market signals and suggest the need to provide additional capacity (e.g. through intensification) while safeguarding existing, fit-for-purpose sites. This hybrid scenario is the demand forecast which will be taken forward to the net requirement assessment.

Comparison between supply and demand

Net requirement for office floorspace

The forecast net requirement for office floorspace is set out in Table E3. The table identifies all the parameters which are used to inform the supply/demand balance. The existing supply position is informed by CoStar data. The floorspace demand to 2034 uses the figure provided for B1a use class in the hybrid scenario detailed in the demand section. PPG advises that where possible employment floorspace should be converted to employment land using plot ratios. However, as the stock of office floorspace in the Borough and FEMA is concentrated in multi-storey buildings 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) rather than hectares.

Between 2019 and 2034, the analysis predicts a net requirement of 22,500m² of office floorspace. Though there is demand for an additional 27,500m² of floorspace, the Borough has vacant floorspace which is higher than the optimal level of surplus land required to enable the efficient churn of occupiers. Approximately 5,000m² of forecast demand can therefore be accommodated by land which is currently vacant.

Table E3: Supply/demand balance for office floorspace 2019 to 2034

Parameter	Floorspace (m ²)
A. Supply of occupied office floorspace (2019)	432,700
B. Current vacant office floorspace (6%)	28,000
C. Total stock of office floorspace (2019) [A+B]	460,700
<i>Forecast</i>	
D. Floorspace demand to 2034	27,500
E. Optimum frictional vacancy at 2034 [5% of A+D] ⁸	23,000

⁸ 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 between 5% and 8%.

F. Surplus/deficit of vacant floorspace in 2034 [E-B]	-5,000
<hr/>	
G. Gross requirement for office floorspace 2019-2034 [C+D+F]	483,200
<hr/>	
H. Net requirement for office floorspace 2019-2034 [G-C]	22,500

Future pipeline concerning office floorspace

If all approved and potential planning applications concerning office floorspace were to come forward for development, supply of office floorspace in the Borough would increase by 163,000m² to 624,000m².

The planning application data shows a marked contrast between the pipeline of office development in the VNEB OA and in other areas of the Borough. If all planning applications came forward in the VNEB OA, office floorspace in the area would increase by 175,300m². In contrast, if all planning applications were to come forward in areas outside of the VNEB OA area, the size of the local office market would reduce by 12,200m² due to many of the applications comprising of conversion from office to other uses.

Therefore, though the pipeline predicts an increase in the supply of office floorspace in the Borough, the majority of this will occur within the VNEB OA.

Net requirement for industrial land

Between 2019 and 2034, the analysis predicts a net requirement for 8.6 ha of industrial land. This is due to forecast demand being positive and the vacancy rate for industrial land which is currently very low in the Borough. To meet forecast demand of core industrial uses, supply would need to increase by 5.5 ha. As discussed in Chapter 6, this is due to increases in demand for B1b/c and B8 space. The Borough also requires 2.1ha of land to meet its waste requirements and 1ha of land to meet the additional surplus land required (5% of the Borough's stock) to enable the efficient churn of occupiers in the industrial land market.

The analysis predicts a small decrease in demand for B2 space (0.7ha). There is therefore some potential for existing space currently providing for these uses in the Borough to be re-provided for B8 use. However, given that the reduction in demand is small, the Council will be required to find other opportunities to increase its supply of B8 land.

The forecast net requirement for industrial land is set out in Table E4. The table identifies all the parameters which are used to inform the supply/demand balance.

Table E4: Supply/demand balance for industrial land 2019 to 2034

Supply and Demand for Industrial Land	Land (ha)
A. Total core and wider industrial land (2019)	133.6
B. Occupied core industrial land (2019)	68.9
C. Current vacant industrial land	1.4
D. Land equivalent of vacant Industrial floorspace (2%)	1.4
E. Total Industrial Land (2019)	71.7
<hr/>	
<i>Forecast</i>	
F. Land demand to 2034	5.5

Supply and Demand for Industrial Land	Land (ha)
G. Additional Demand for Utilities, Transport and Waste Management to 2034	2.1
H. Optimum frictional vacant land at 2034 [5% of B+F+G] ⁹	3.8
I. Excess vacant land: optimal levels of frictional land minus existing vacant industrial land [H - C - D]	1
J. Gross requirement for industrial land 2019-2034 [E+F+G+I]	80.3
K. Net requirement for industrial land 2019-2034 [J-E]	8.6

Future pipeline concerning industrial land

If all approved planning applications concerning industrial land were to come forward for development, supply of industrial land in the Borough would reduce by 7.6ha from 133.6ha to 126ha. This is comprised of a 4.7ha loss in B8 space, a 2.5ha loss in B1b/c space, and a 0.4ha loss in B2 space. Contrastingly, developments with planning applications yet to be approved account for a positive change in industrial floorspace by 1.3ha if they were to be carried out. This is primarily B1b/c space with some B8 space. However, if all development in the approved and the potential pipeline were to be realised, there would still be a reduction in total industrial land of 6.3 ha. The forecast reduction in employment land due to planning applications in the pipeline therefore extenuates the need to provide additional industrial land.

Most industrial floorspace which is forecast to be redeveloped for other uses due to approved planning applications is currently in the VNEB OA. If all approved planning applications come forward, 5ha of the 8ha of total industrial land lost will be in the VNEB OA. Within this 5ha there are wider industrial uses such as wharves supporting waste management and recycling functions where space is being consolidated, as well as core industrial uses such as distribution operations. 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 considered 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 place¹⁰.

Conclusions and recommendations

Office floorspace

There are two separate property markets for office floorspace in the Borough which cater for different users. There is a local/sub-regional office market with premises catering for small and medium-sized businesses serving customers within the Borough as well as in areas across south, west and central London. There is approximately 380,000m² of office stock in Wandsworth within this property market. The other market for offices in the Borough is the emerging VNEB OA which is considered to be part of the CAZ. This property market comprises modern office floorspace for larger businesses to run their regional, national or international office-based activities. There is currently approximately 80,000m² of office floorspace in the VNEB OA.

The supply/demand balance assessment presented in this study predicts that there will be a net requirement of 22,500m² of office floorspace in the Borough between 2019 and 2034. The main driver of this net requirement is an increase in demand for an additional 27,500m² of office floorspace over

⁹ 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.

¹⁰ It is understood that some 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 Cemex.

this period. This projected growth in Wandsworth 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.

Due to the nature of the employment forecasts used to derive the demand figures, employment growth arising from large-scale development such as the type currently occurring in the VNEB OA is not likely to have been identified. Our view is that new infrastructure provision and place making at the VNEB OA will position the area well to capture demand from the central London office market. The CAZ market has shown appetite for large schemes of high-quality specification office floorspace in new mixed-use business locations with complementary retail and leisure provision.

In contrast to the development occurring in the VNEB OA, projections of the supply pipeline show that, if all approved and potential planning applications concerning office floorspace in areas outside of the VNEB OA come forward for development, the size of the local office market would reduce by 12,200m². The property market assessment indicates that demand for office premises in this market is generally strong. The Borough has a very low vacancy rate (2.8%) in its office premises and net absorption rates have been mostly positive since 2016. However, there are some signs of stagnation in demand in recent years with rental values stabilising after years of growth. Our demand forecasts show positive net land requirement for office floorspace across both property markets in the Borough. Based on the findings of the property market assessment, our view is that a considerable proportion of this demand is due to growth in employment in the local office market. The projected loss in supply will place considerable strain on the ability of the local office market to meet demand.

Therefore, it is recommended that office floorspace in the local office market should continue to be protected, and opportunities to intensify/redevelop office floorspace should continue to be explored. Our supply analysis provides a high-level assessment of suitable locations for these opportunities to be encouraged. The analysis identifies approximately 126,000m² of land, located in the Central Wandsworth EUJA, Focal Points along the River Thames, LSIA in Wandle Valley, the Queenstown Road SIL and in small EPAs close to town centres, which in part could offer potential for additional office floorspace.

Industrial land

There is a total of 133.6ha of land currently in industrial use in Wandsworth, of which 68.9ha of land is occupied by core industrial and warehousing uses and 1.4ha is vacant. Industrial activity in Wandsworth is focused along two main axes. The first runs east-west from remnant areas in Nine Elms and the Queenstown Road SIL through to the Lombard Road/York Road Focal Point and along the River Thames as far west as the Wandle Delta Focal Point. The second extends north to south along the Wandle Valley from the River Wandle delta to Wandsworth's boundary with Merton.

The supply/demand balance indicates a net requirement for 8.6 hectares of industrial land between 2019 and 2034. Approximately 5.5 ha of this net requirement is to capture additional demand for core industrial land uses and approximately 2.1ha of it is to capture additional demand for waste uses. The additional demand for core industrial land is for B8 space (4.7ha) and B1b/c space (1.6ha). Demand for B2 space is projected to slightly decline (by 0.7ha) over the plan period. This increase in demand for B8 space coincides with a recent decline in stock of B8 space which has been substantial. This has largely been due to high land values encouraging the conversion of B8 space to other uses. This has been accelerated by the large-scale redevelopment of the VNEB OA to CAZ uses.

The increase in demand for industrial land contrasts with a projected loss in supply, as per planning applications in the Council's annual monitoring reports on non-residential development. If all approved planning applications were to come forward, supply would reduce by 7.6ha. This is primarily due to loss in B8, which follows recent trends as stated above, though there is also a loss in B1b/c space with little impact on B2 space. Nearly 5ha of the 7.6ha of land lost is within the VNEB OA which has been pre-planned and the Council is not expected to replace. However, the loss of this space reduces intensification and redevelopment opportunity which will be key in ensuring that the Borough can meet its increased demand.

Employment land within existing SIL and LSIA remain the most suitable locations in Wandsworth to accommodate the additional demand identified for both core industry/warehousing uses and waste uses.

Recommendations

The recommendations presented below are based on the findings of this study. This ELPS is one of several evidence base documents the Council will be considering that will feed into and inform its Local Plan update evidence base. These are AECOM's independent recommendations and the Council will subsequently consider these before drafting its own Local Plan policies.

R1 The Council should encourage the intensification and/or redevelopment of poor-quality existing space in the local office market and encourage development of office floorspace in the emerging Battersea Design and Technology Quarter (BDTQ).

R2 The Council should continue to monitor changes of use/redevelopment proposals concerning office floorspace in the local office market to ensure that enough floorspace is available for economic growth over the planning period, 2019 to 2034. This includes continuing to enforce its Article Four direction excluding conversion of office floorspace to residential use in certain parts of the Borough.

R3 The Council should consider protecting non-designated office floorspace in the local office market by designating them as EPAs where appropriate.

R4 The Council should continue to promote the economic development and regeneration of the VNEB Opportunity Area to ensure it becomes a strategic employment hub providing large-scale office floorspace for high-value occupiers.

R5 The Council should, through appropriate Local Plan policies, set out a clear plan to ensure the retention of existing industrial land and floorspace including maintaining the protection of SIL and LSIAs in the Borough against conversion to other uses.

R6 The Council should consider re-designating the Summerstown LSIA as Strategic Industrial Land.

R7 The Council should continue to encourage industrial intensification and the redevelopment of poor-quality industrial land and premises in SIL, LSIAs, Focal Points of Activity, EPAs and Economic Use Intensification Areas to meet the demand for industrial land in the planning period 2019 to 2034.

R8 To ensure that non-designated industrial is retained where appropriate, the Council could adopt a criteria-based policy requirement to assess proposals for conversion of non-designated industrial land. The criteria should be based on what is stated in the draft New London Plan and should therefore include the following:

R9 The Council should provide a range of affordable workspace options across the Borough to cater for the different types of businesses which require it. The discounts which the space is provided at should be reflective of the area of the Borough which the workspace is in and the type of tenant which the workspace is provided for.

1. Introduction

Study context

- 1.1 AECOM was commissioned by the London Borough of Wandsworth (LB Wandsworth) in October 2019 to undertake an update to the Borough's Employment Land and Premises Study (ELPS). This study will be an important part of the Council's evidence base for forthcoming revisions of the Council's Local Plan documents and will inform decisions on planning applications and related work.
- 1.2 The study will provide a detailed evidence base from which an appropriate supply of employment land and premises can be planned for. It will also provide a comprehensive strategy for balancing supply and demand. This will enable future economic growth through meeting the needs of local businesses.
- 1.3 Employment land is defined as land with business activities falling under the B1, B2, and B8 use classes. These include:
 - B1a - offices;
 - B1b - research and development;
 - B1c - light industrial;
 - B2 - general industrial; and
 - B8 - storage and distribution.
- 1.4 Within LB Wandsworth (hereby referred to as 'Wandsworth'), employment land falls within the following areas as used by regional and local planning policy:
 - Strategic Industrial Locations (SILs);
 - Locally Significant Industrial Areas (LSIAs);
 - Economic Use Intensification Areas (EUIAs);
 - Employment Protection Areas (EPAs);
 - Focal Points;
 - Town Centres; and
 - Non-designated employment land.
- 1.5 All B-use class employment land measuring 0.25ha or over was assessed in this study.

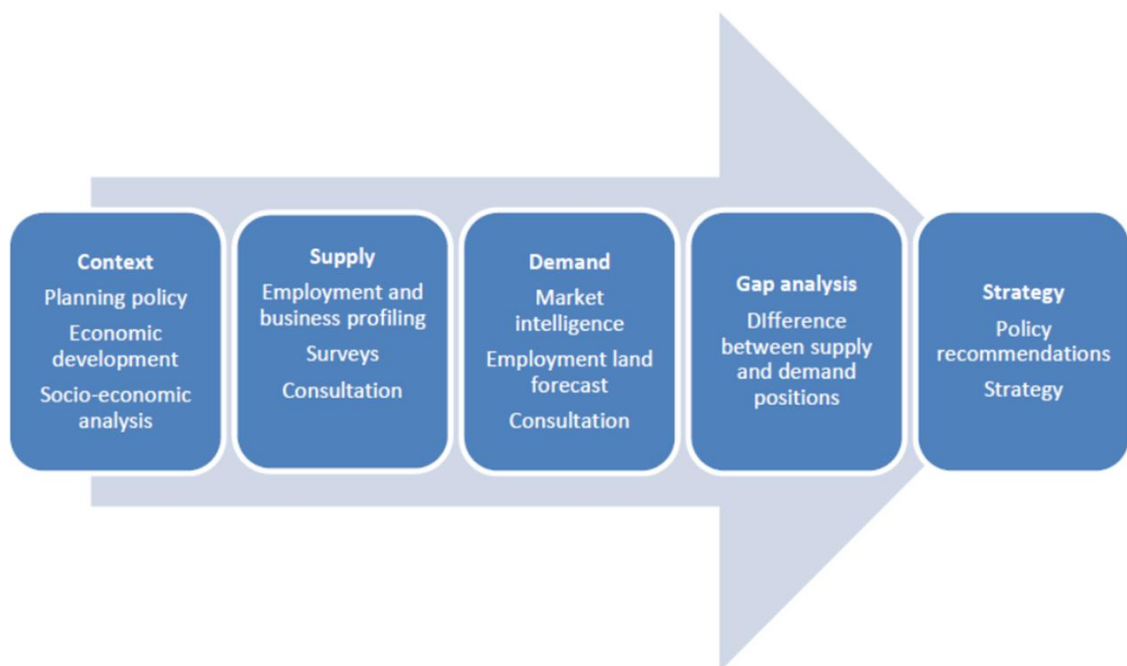
Objectives

- 1.6 The main objectives of the ELPS are to:
 - assess the quantity and quality of the Borough's current employment land 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 evidence-based recommendations about the Borough's employment land policies.
- 1.7 Within these broad objectives are several specific points of consideration, including:
 - an assessment of the Borough's ability to increase the supply of industrial land under its 'provide capacity' designation in the London Plan (Intend to Publish version, December 2019);
 - identification of the floorspace and land requirements of growth sectors including creative industries and new technologies sectors, and
 - assessment of the needs of start-up businesses and small and medium-sized enterprises (SMEs).

Approach

- 1.8 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.
- 1.9 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 is regularly updated, with the 'Housing and Economic Needs assessment' last being updated on July 22, 2019. 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.
- 1.10 The main research elements of this employment land and premises study are illustrated in Figure 1.1 below. The methodology and tasks at each stage conform to the PPG and, in respect of industrial uses, the GLA's Land for Industry and Transport SPG.

Figure 1.1: Approach to the Employment Land and Premises Study



Source: AECOM (2020)

Report structure

- 1.11 The ELPS is structured as follows:
 - Section 2 presents a review of the relevant policy and strategic context.
 - Section 3 provides a comprehensive analysis of socio-economic baseline conditions within the Borough.
 - Section 4 presents 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 based on research and the views of local stakeholders, and provides analysis of the affordable workspace market.
 - Section 6 projects the demand for office and industrial uses over the Local Plan period.
 - Section 7 contains the quantitative comparison of projected supply and demand for employment floorspace; and
 - Section 8 presents our overall conclusions and our employment land policy recommendations.

2. Planning and policy literature review

Introduction

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

National planning policy

National Planning Policy Framework 2019

- 2.2 The National Planning Policy Framework (NPPF)¹¹ was updated in February 2019. The NPPF provides overarching guidance on the Government's development aims, with the intention of making the planning system less complex and more accessible.
- 2.3 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 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.
- 2.4 In relation to the economy and employment land, the NPPF states that:

"Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Planning policies should:

- *Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
- *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- *Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
- *Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances."* (NPPF, page 23).

Planning Practice Guidance

- 2.5 In March 2014 the Government published the national Planning Practice Guidance (PPG)¹², a web-based resource in support of the NPPF which undergoes regular updates. Guidance includes '*Housing and Economic Needs Assessments*' and '*Housing and Economic Land Availability Assessments*', both of which have been updated in July 2019.
- 2.6 '*Housing and Economic Needs Assessments*' states that authorities need to prepare an evidence base to understand existing business needs, which will have to reflect local circumstances and market conditions. This includes '*assessing*:'
- *the best fit functional economic market area (FEMA);*
 - *the existing stock of land for employment uses within the area;*
 - *the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);*

¹¹ NPPF, (2019); Ministry of Housing, Communities and Local Government (MHCLG)

¹² PPG, (2019); MHCLG

- *evidence of market demand (including the locational and premises requirements of particular types of businesses) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;*
- *wider market signals relating to economic growth, diversification and innovation; and*
- *any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.'*

- 2.7 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 it is possible to identify any 'gaps' in local employment land provision.
- 2.8 '*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 changed. 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.

Waste Management Plan for England and National Planning Policy for Waste 2014

- 2.9 The Waste Management Plan for England (2013)¹³ reflects the requirements of article 28 of the Revised European Waste Framework Directive (rWFD). It states that waste planning authorities are responsible for producing waste plans to support the objectives of the Waste Management Plan for England.
- 2.10 The National Planning Policy for Waste (NPPW)¹⁴, published in 2014, sets out the Government's waste planning policies which all local planning authorities must have regard to when developing local waste plans. The NPPW is supplemented by the Planning Practice Guidance (PPG) section on waste which provides further detail on how to implement the policies. NPPW and PPG require waste planning authorities to plan for seven waste streams and Local Plans should identify sufficient opportunities to meet the identified needs of their area for the management of each waste stream. The NPPW directs new waste facilities towards industrial locations.

The Town and Country Planning (General Permitted Development) (England) Order 2015

- 2.11 In 2015, the government introduced permitted development rights (hereby referred to as 'PDR') allowing certain building and development works to be carried out without the need of the normal planning process. These rights exist under the General Permitted Development (GDPO) order and were introduced to facilitate housing growth to meet targets across England. New types of permitted development have been introduced to make it easier for people to extend their home or create new homes in existing buildings such as offices, shops and warehouses. The most widely utilised of these is the change from office (B1a use) to residential (C3 use). The Mayor successfully submitted a bid to exempt London's key business districts, including the CAZ, from PDR. This was successful on the basis that these business districts were nationally important office locations. Nine Elms, forming an extension of the CAZ, is protected from PDR.
- 2.12 In 2017, the Council confirmed an article four direction to remove PDR from sites across the Borough, including in town centres, the Wandle Valley and the Vauxhall, Nine Elms and Battersea Opportunity Area

¹³ Department for Environment, Food & Rural Affairs (DEFRA), 2013: Waste Management Plan for England.

¹⁴ MHCLG (2014): National planning policy for waste.

(hereby referred to as the 'VNEB OA') The direction ensured that development consisting of a change of use from office floorspace to residential would require planning permission in these locations.

- 2.13 In the 2020 Budget, the government outlined new funding to encourage house building. Shortly after, MHCLG released a document titled 'Planning for the Future' which set out the mechanisms by which house building would be funded. The document stated that the government will consult on the detail of a new permitted development right to allow vacant commercial, industrial and residential buildings to be demolished and replaced with new residential development.

Regional planning policy

Draft New London Plan 2019

- 2.14 The current 2016 Plan (The London Plan consolidated with alterations since 2011) is still the adopted Development Plan, but the Draft London Plan is of material consideration in planning decisions. The significance given to it is a matter for the decision maker, but it gains more weight as it moves through the process to adoption. The London Plan 2019 – Intend to Publish¹⁵ was submitted to MHCLG in December 2019. Discussions are currently ongoing between MHCLG and the GLA regarding publication of the plan. Once approved by the Mayor of London, the document will supersede the current London Plan. As the overall strategic plan for London, it sets out an integrated economic, environmental, transport and social framework for the development of London over the next 20-25 years.
- 2.15 The London Plan 2019 – Intend to Publish outlines six policies central to the overall objective of ensuring that London's growth is 'Good Growth'. The policy most relevant to employment, the economy, and local development is Policy GG2 'Making the best use of land'. It indicates that a rounded approach to the way neighbourhoods operate must be taken, making them work not only more space-efficiently, but also better for the people who use them. Creating places of higher density in appropriate locations is encouraged. This not only addresses the need for more homes and jobs, but also supports the clustering effect of businesses to maximise job opportunities. Additionally, the following policy areas are of relevance to this study:
- 2.16 **Policy SD1 'Opportunity Areas'** identifies Opportunity Areas as "significant locations with development capacity to accommodate new housing, commercial development and infrastructure (of all types), linked to existing or potential improvements in public transport connectivity and capacity." They typically have the capacity to provide a minimum of 5,000 net additional jobs. It suggests that Boroughs, with the aid of Development Plans and decisions, should set out how they will encourage growth of Opportunity Areas, as well as support developments which generate employment and housing opportunities.
- 2.17 **Policy SD4 'The Central Activities Zone (CAZ)'** outlines the CAZ's unique London-wide, national, and international role in supporting a mix of local and strategic uses. It promotes support of the 'nationally and internationally significant' office functions of the CAZ, which includes intensification and provision of space to accommodate a range of occupiers.
- 2.18 Paragraph 2.4.20 acknowledges the limited industrial and logistics capacity within the CAZ due to its high-value land market. The significant differences between industrial and non-industrial land values in CAZ Boroughs encourages the conversion of sites from industrial to non-industrial uses. Therefore, there is a need for identification and protection of enough capacity for industry and logistics to support the needs of businesses and activities within or close to the CAZ. Wandsworth is an inner-London Borough which is close to and includes part of the CAZ in Nine Elms and around the Battersea Power Station. It subsequently has high land values and this pressure to convert to other land uses exists for much of the Borough's industrial land supply.
- 2.19 **Policy SD5 'Offices, other strategic functions and residential developments in the CAZ'** states that new residential developments should not hinder the strategic functions of the CAZ, which includes office provision. Offices and other strategic functions are given greater weight relative to new residential development in most areas of the CAZ, excluding however the Vauxhall, Nine Elms, Battersea Opportunity Area (VNEB OA), where an equal weight is given to strategic functions and residential development.
- 2.20 Paragraph 2.5.2 indicates that the CAZ and the Northern Isle of Dogs are projected to accommodate more than 367,000 additional office jobs and a net increase of 3.5 million square metres (m²) (Gross Internal

¹⁵GLA, 2019: Intend to Publish London Plan 2019.

Area) of office floorspace over the period 2016-2041¹⁶. This provision of a range of office floorspace in terms of size, quality and cost should be supported by a mix of intensification, redevelopment and refurbishment whilst simultaneously ensuring there is an adequate supply of secondary stock of relatively affordable lower-cost market provision of business space.

- 2.21 **Policy SD6 ‘Town centres and high streets’** indicates that the viability of town centres should be promoted and enhanced by ensuring they are the “*primary locations for commercial activity beyond the CAZ*”.
- 2.22 Paragraph 2.6.1B states the importance of high streets as one of the city’s most characteristic urban features and acknowledges their role in terms of local economic and social infrastructure, through their provision of employment opportunities and promotion of community and cultural exchange.
- 2.23 **Policy E1 ‘Offices’** identifies that, in the wider London area, improvements to the quality, flexibility and adaptability of office floorspace should be supported by new office provision, refurbishment and mixed-use development. It recognises that the agglomeration and clustering of firms in the central London office market should be developed and promoted. It also recognises that the office market is going through a period of restructuring with an increasing number of SMEs with changing workstyles and floorspace requirements. It states that, therefore, development proposals related to new office floorspace should consider the need for a range of suitable workspace including lower cost office and affordable workspace. The conversion of surplus office floorspace to other uses should also be considered where relevant.
- 2.24 **Policy E2 ‘Providing suitable business space’** states that Boroughs should include policies in planning document which supports the provision and protection of B-use class business space. It states that any development of B-use class space should ensure that space is fit for purpose having regard for the demand for space. Any proposals which involve the loss of B-use class space should demonstrate that there is no reasonable prospect of the site being used as employment land and that an equivalent amount of B-use class space is re-provided where appropriate.
- 2.25 **Policy E3 ‘Affordable workspace’** identifies that, in some circumstances, it will be appropriate to secure affordable workspace at rents maintained below the market rate for a space because of social, cultural and economic development objectives. The policy states criteria where this may be appropriate, including for disadvantaged groups starting up and for specific sectors including charities and voluntary and community organisations. Boroughs should set out affordable workspace policies considering local need and viability. This is because it is important that London continues to generate a wide range of economic and other opportunities to ensure that it is a fairer, more inclusive and more equal city.
- 2.26 **Policy E4 ‘Land for industry, logistics and services to support London’s economic function’** states that a sufficient supply of land and premises in different parts of London to meet current and future demands for industrial and related functions should be provided and maintained, taking into account evidence-based studies and policies including intensification, co-location and substitution. The policy identifies the types of employment land which should be considered under this policy and states that industrial land falls within three categories: Strategic Industrial Land (SIL), Locally Significant Industrial Sites (LSIS) and Non-Designated Industrial Sites.
- 2.27 The policy goes on to state that retention of industrial land and provision of new land should be prioritised in these locations. Any release of industrial land in order to manage issues of long-term vacancy and to achieve wider planning objectives, including the delivery of strategic infrastructure, should be facilitated through the processes of industrial intensification, co-location and substitution. This release of land should be focused in locations that are well connected to public transport and contribute to other planning objectives, such as housing. The policy includes a list of all the London Boroughs and whether they should ‘provide’ industrial capacity, ‘retain’ industrial capacity or whether they are able to allow ‘limited release’. The policy states that Wandsworth is a ‘provide’ capacity Borough.
- 2.28 **Policy E5 ‘Strategic Industrial Locations’** emphasises the importance of SIL in London’s industrial capacity. It states that Boroughs should refuse development proposals for uses in SIL other than industrial except in areas released through a strategically co-ordinated process of SIL consolidation. Development proposals within or adjacent to SILs should not compromise the integrity or effectiveness of these locations in accommodating industrial-type activities and their ability to operate on a 24-hour basis. Residential development adjacent to SILs should be designed to ensure that existing or potential industrial activities in

¹⁶ Ramidus Consulting on behalf of the GLA (2017): London Office Policy Review.

SIL are not compromised or curtailed. In Wandsworth, the policy identifies the North Wimbledon/Garrett Business Park (Summerstown) and Queenstown Road Battersea as Strategic Industrial Locations.

- 2.29 **Policy E6 ‘Locally Significant Industrial Sites’** states that Boroughs should designate LSIS in policies maps based on evidence provided in employment land reviews, taking account intensification and co-location policy. Local policy documentation should *“make clear the range of industrial and related uses that are acceptable in LSIS including, where appropriate, hybrid or flexible B1c/B2/B8 suitable for SMEs”*.
- 2.30 **Policy E7 ‘Industrial intensification, co-location and substitution’** states that Borough’s development proposals should be proactive and encourage the intensification of business uses in use classes B1c, B2 and B8. Boroughs should be proactive in considering where certain logistics, industrial and related functions in selected parts of SIL or LSIS could be intensified to provide additional industrial capacity. The policy states that intensification can also be used to facilitate the consolidation of an identified SIL or LSIS to support the delivery of residential and other uses, such as social infrastructure, or to contribute to town centre renewal. However, there should be no net loss of industrial land within SIL and LSIS.
- 2.31 The policy goes on to state that mixed-use residential development in non-designated industrial sites can be supported but only where there is no reasonable prospect of the site being used for the industrial and related purposes, or industrial, storage or distribution floorspace is re-provided as part of mixed-use intensification. All development in designated and non-designated industrial land should not compromise the industrial uses on site in terms of their continued efficient function, access and service arrangements.
- 2.32 **Policy E8 ‘Sector growth opportunities and clusters’** states that employment opportunities for Londoners across a diverse range of sectors should be promoted and supported along with support for the development of business growth and sector-specific opportunities. It states that London’s diverse sectors, including start-up space, flexible workspace, conventional space and affordable workspace should be supported. Research and development of industrial and related products or processes should be supported as well as higher and further education providers.
- 2.33 **Policy SI7 ‘Reducing waste and supporting the circular economy’**, which sets out the strategic waste reduction and recycling targets for London. The policy reiterates the Mayor’s objective to improve resource efficiency, increase material re-use and recycling and reduce waste going for disposal.
- 2.34 **Policy SI8 ‘Waste capacity and net waste self-sufficiency’** requires Boroughs to plan for identified waste needs and identify suitable sites/areas and waste management facilities to provide the capacity to manage the apportioned tonnages of waste. The policy directs new waste facilities towards Strategic Industrial Locations, Locally Significant Industrial Sites and safeguarded wharves with an existing or future potential for waste and secondary material management.
- 2.35 **Policy SI9 ‘Safeguarded waste sites’** states that existing waste sites should be safeguarded and retained in waste management use. The proposed loss of an existing waste site will only be supported where appropriate compensatory capacity is made within London that must be at or above the same level of the waste hierarchy and at least meet, and should exceed, the maximum achievable throughput of the site proposed to be lost. higher and further education providers.

Land for Industry and Transport Supplementary Planning Guidance 2012

- 2.36 The Land for Industry and Transport SPG was published in 2012¹⁷, as a supporting document to the 2011 London Plan, to provide guidance on the implementation of policies relating to industrial and transport land. While the 2011 London Plan has been superseded, the Land for Industry and Transport SPG still remains as the adopted guidance on industrial land in London.
- 2.37 The SPG acknowledges the structural change in the London economy and the change in employment away from the traditional manufacturing sector. It further notes the increase in land demand from 2011 to 2031 for other types of industrial functions, such as logistics, waste management, recycling, and environmental utilities. Wandsworth was recommended to remain in the ‘Restricted with exceptional planned releases’ category, in recognition of its need to protect its supply of land with the exception of the industrial land released/to be released in Nine Elms.

¹⁷ GLA (2012): Land for Industry and Transport Supplementary Planning Guidance 2012.

The Mayor's Economic Development Strategy for London 2018

- 2.38 In December 2018, the Mayor of London published a new Economic Development Strategy (EDS)¹⁸. 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 direction for achieving its ambitions; and to clarify roles and responsibilities with other partners whom contribute to developing London's economy.
- 2.39 The EDS outlines the Mayor's commitment to *"creating the most supportive, innovative environment for businesses and entrepreneurs in the world"*, by focusing on several specific policy areas. The ones of relevance to this study are:
- **Space for business and work**, which highlights the recent loss of office and industrial floorspaces to redevelopment/conversion for residential use. It recognises the need for a wide range of different types of workspaces to accommodate businesses of different sizes, sectors, and stages of development. As such, the Mayor will: *"ensure there is sufficient supply of office accommodation and investment in transport and infrastructure; support vibrant local economies outside of central London, including successful town centres, markets, high streets and industrial areas; ensure that London retains sufficient industrial land to keep the economy working sufficiently; and support the provision of affordable and flexible workspace."*
 - **Enterprise and entrepreneurship**, which identifies that London is a hub for some of the most creative people in the world. As such the Mayor will work with key stakeholders to help *"attract and retain investment in London"* and *"support start-ups and business growth."*

London Industrial Land Demand Study 2017

- 2.40 The final report of the London Industrial Land Demand Study¹⁹ was published in 2017. It assessed land demand for different types of industry and the amount of industrial land needed in London, including for Wandsworth. The report stated that Wandsworth should be a 'provide capacity' Borough for industrial land based on its lower than average floorspace vacancy rates, recording among the highest rental values in London and positive net demand translating into a net requirement of an additional 16.4 hectares (ha) of land to be provided to 2041.

London Industrial Land Supply and Economy Study 2015

- 2.41 The London Industrial Land Supply and Economy Study²⁰ was produced by AECOM and Cushman & Wakefield for the GLA to provide a comprehensive analysis of London's supply of land in industrial and related uses such as logistics, waste management, utilities, wholesale markets and vacant land. Supported by desk research, field surveys and Geographic Information System (GIS) mapping, the Study's aim was to provide valuable input into the evidence base for the review of the London Plan, and other reports relating to industrial land. The Study assisted the GLA, Transport for London (TfL), London Boroughs, and other partners in implementing 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.
- 2.42 The study found that Wandsworth in 2015 had 149.4 hectares (ha) of industrial land. Of this:
- 42.7 ha were occupied by industry and 43 ha were occupied by warehouses, totalling 85.7 ha of land in 'core' industrial use.
 - 63 ha were occupied by wider industrial land uses (such as utilities and waste management facilities), and
 - 0.7 ha was vacant industrial land.

¹⁸ GLA (2018) The Mayor's Economic Development Strategy for Greater London 2018.

¹⁹ CAG Consultants for the GLA (2017): London Industrial Land Demand Study.

²⁰ GLA (2016): London Industrial Land Supply & Economy Study 2016.

London Office Policy Review 2017

- 2.43 The London Office Policy Review was published in 2017²¹, to provide information on the supply and demand for offices in London, as well as analysis of the operation of the office market and its relationship with planning policy.
- 2.44 It projected an increase in office employment of 619,300 jobs, from 1.98 million in 2016 to 2.60 million in 2041, corresponding to a rise of 31%. In terms of supply, it forecasted an increase in office floorspace stock of 4.27 million m² over the same period. Ultimately, the study concluded that there was sufficient potential capacity identified in London to accommodate projected growth, by either increasing the density of existing sites or by developing previously non-office sites. However, the review also noted the low level of outstanding consents at the time.
- 2.45 In total, 117,600 m² (GIA) of net additional office floorspace was projected to be demanded in Wandsworth between 2016 and 2041.

Local planning policy

Wandsworth Local Plan Core Strategy 2016

- 2.46 The Wandsworth Core Strategy²² was adopted by the Council in March 2016. Together with the Wandsworth Site Specific Allocations Document (SSAD)²³ which “*identifies individual site allocations together with Area Spatial Strategies for the areas of greatest change in the Borough*”, and the Development Management Policies Document (DMPD)²⁴ the Core Strategy outlines the Council’s vision, guiding principles, and development objectives for the Borough up to 2030. Together they form Wandsworth’s Local Plan and provide the framework for the supporting documents such as the Supplementary Planning Documents (SPD).
- 2.47 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 the 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 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 in the study, 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 key focal points for shopping and employment, leisure and other community activities within the Borough.
- 2.48 The following policies are of relevance to the ELPS:
- **Policy SSAD 1** relates to the Borough’s SSAD, and states that for sites identified in the SSAD, 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

²¹ GLA (2017): London Office Policy Review 2017.

²² London Borough of Wandsworth (2016): Wandsworth Local Plan Core Strategy 2016.

²³ London Borough of Wandsworth (2016): Wandsworth Site Specific Allocations 2016.

²⁴ London Borough of Wandsworth (2016): Wandsworth Development Management Policies Document 2016.

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 8 ‘Town and local centres’** identifies the five existing designated centres of Balham, Clapham Junction, Putney, Tooting, and Wandsworth as 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*”, through the following practices:
 - 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 will be 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 floorspace 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 areas along the 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 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 Development Management Policies Document 2016

2.49 The Wandsworth Development Management Policies Document (DPMD)²⁴ 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*” to 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 Vauxhall Nine Elms Battersea Opportunity Area (VNEB OA).
- **Policy DMTS 2 ‘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.

Wandsworth Local Plan Site Specific Allocations Document 2016

- 2.50 Wandsworth adopted its updated SSAD in 2016²⁵. The SSAD identifies the key sites within the Borough where development or other change is anticipated and 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.
- 2.51 The SSAD document presented 116 Site Specific Allocations in the Borough, with significant clusters around the VNEB OA and Central Wandsworth areas. It also presented nine Spatial Strategy Areas which it stated as key or focal areas for development in the Borough. These were: Central Wandsworth; Land between Armoury Way and the railway; Putney Town Centre South (Upper Richmond Road); Putney Town Centre North; and Roehampton.
- 2.52 Two of the Spatial Strategy Areas (Land between Armoury Way and the Railway, and Wandle Delta, land north of the railway), and nineteen of the Site-Specific Allocation presented in the SSAD document have been superseded by alternatives in the Wandsworth Employment and Industry Document which is presented below.

Wandsworth Employment Land and Premises Study 2016

- 2.53 The Borough’s previous ELPS²⁶ was prepared by AECOM in 2016 and covered the period to 2030. The study estimated net additional demand for between approximately +31,700m² and +65,800m² of local/sub-regional office floorspace in the planning period to 2030. The study recommends that the Borough continue to monitor changes of use and redevelopment proposals concerning office floorspace to ensure that sufficient land/floorspace is available for economic growth over the planning period.
- 2.54 The study estimated that there was demand for the 205,000m² of office floorspace coming forward in the VNEB OA in Wandsworth, with potential tenants most likely to seek high quality spaces from which to operate businesses with a national/international reach. To ensure the realisation of the Council’s vision for the VNEB OA as a strategic employment hub at the gateway to the Borough, the study recommended that the Borough 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.
- 2.55 The study projected a net identified need for industrial land over the plan period. It identified contrasting demand positions, between -9.5ha and +8.2ha based on which method was chosen to determine demand. However, the study predicted a forecast reduction in supply of approximately 16.5ha, primarily due to the presence of industrial land in the VNEB earmarked for residential and/or office development. The study therefore recommended that industrial land within SIL and most LSIA’s should be protected from other uses to ensure that this demand for industrial land can be met. It recommended that two LSIA’s within the Borough and some Focal Points along the River Thames be re-designated to meet the wider strategic objectives of the Borough, including for housing and regeneration.
- 2.56 The study also recommended that the Borough adopt a criteria-based policy about proposals for changes of use away from industrial uses. Foremost, the policy should restrict changes of use from any employment land defined within a SIL or LSIA. This would help retain an appropriate balance of supply and demand of industrial land over the planning period.

Wandsworth Employment and Industry Document 2018

- 2.57 The Wandsworth Local Plan Employment and Industry Document²⁷ (LPEID) was adopted in December 2018. The LPEID sets out the policies relating to planning for employment and industry in the Wandsworth. A strategic approach is set out in Policy EI 1, ‘*Encouraging sustainable economic growth*’, which is supported by policies EI 2-EI 9. Whilst all policies are important and must be taken into careful consideration, the most immediate policies include:
- **Policy EI 2 ‘Locations for new employment floorspace’:** “*New office development will be supported in the following locations: Town centres; Within the CAZ, focusing on the emerging town centre at Battersea Power Station and the emerging CAZ local centre at Nine Elms near Vauxhall;*

²⁵ London Borough of Wandsworth (2016): Wandsworth Site Specific Allocations 2016.

²⁶ AECOM (2016): Wandsworth ELPS 2016.

²⁷ London Borough of Wandsworth (2018): Wandsworth Local Plan: Employment and Industry Document 2018.

Appropriate edge-of-centre near town centres, as identified in the SSAD or in the site allocations section of this document; Within the parts of the SIL identified for Industrial Business Park uses; Local centres; On sites allocated for office uses in the SSAD.”

In addition, the following areas are designated as Economic Use Intensification Areas, in order to help meet the need for business and industrial floorspace, as set out in the Policies Map²⁸:

- **Bendon Valley:** Riverside Business Centre and former Bingo Hall.
- **Central Wandsworth:** Panorama Antennas; Causeway Island including land to east; Keltbray Site, Wentworth House and adjacent land at Dormay Street; Ferrier Street; Frogmore Depot; Hunts Trucks, adjoining sites including the Gasholder.
- **Chelsea Cars and Kwik-Fit:** Chelsea Cars and Kwik-Fit.
- **Policy EI 3 ‘Protected employment land and premises’:** This policy identifies the areas and premises that are protected for employment uses. The following areas are covered under this policy:
 - **Strategic reservoir of industrial land:** A strategic reservoir of industrial land will be retained which will consist of the Queenstown Road, Battersea SIL and the following LSIA in the Wandle Valley as set out in the Policies Map: Old Sargeant; Kimber Road; Lydden Road; Thornsett Road; Summerstown. Appropriate uses for the SIL and LSIA are set in policy EI6.
 - **Protecting office floorspace:** Office (B1a) floorspace will be protected in the following locations: Town centres; Local centres; CAZ; Focal Points; Employment protection areas.
 - **Employment protection areas:** Premises that are in industrial use should continue to provide B1c, B2, and B8 uses unless it is demonstrated there is no demand for such use of the premises. If it has been demonstrated that there is no industrial use demand, the preferred alternative will be to redevelop and/or use the premises as office floorspace. Premises that are in office use will be protected unless it is demonstrated that there is no demand for such use. The above pertains to an exhaustive list of areas identified on the Policies Map.
 - **Focal Points of Activity:** In these identified areas, any redevelopment of sites which are currently or most recently in industrial use must replace all commercial floorspace on site.
 - **Railway arches:** Railway arches within town centres, local centres, and the CAZ for class B uses or town centre uses will be supported. Within the SIL only B1c, B2, B8 or unique industrial class uses will be supported. Elsewhere, the use of railway arches for B class uses will be supported.
 - **New Covent Garden:** The wholesale function of New Covent Garden Market will be protected. This includes the railway arches which are adjacent to the site.
- **Policy EI 4 ‘Affordable, flexible and managed workplaces’:** This pertains to the provision of, and the practices surrounding, all development for economic uses. As such, it includes the expectation that developments should be leased at “reasonable rents and under flexible leasing agreements”. It also provides guidelines surrounding the encouragement of affordable, flexible, and managed workspace to meet the unique needs of SMEs. Where developments provide less than 1,000 m² of economic floorspace, a range of unit sizes are expected to be provided. Those that provide more than 1,000 m² of economic floorspace will be expected to contribute directly to the provision of affordable, flexible, and managed workspaces.
- **Policy EI 6 ‘Managing land for industry and distribution’:** In the SIL and LSIA, the following uses are supported: Light industry (B1c); General industry (B2); Storage and distribution (B8); Appropriate *sui generis* uses related to industrial usage. As such, any redevelopment of sites within the SIL and LSIA are obligated to provide a full replacement of the existing B1c, B2 or B8 floorspace. Development proposals for other uses in these locations are not supported, except in the following circumstances:
 - For areas outside of the Queenstown Road, Battersea SIL that is designated for Industrial Business Park uses, office (B1a) and research and development (B1b) uses will only be

supported where they are ancillary to the use of a site of one of the industrial uses identified previously.

- Small-scale non-industrial uses are appropriate in the SIL and LSIA provided they cater to the local needs of people working in the area.
- The Silverthorne Road, Ingate Place and Havelock Terrace parts of the Queenstown Road, Battersea SIL are appropriate for Industrial Business Park uses. Alongside industrial uses, these parts of the SIL are appropriate for B1a and B1b use, if this does not constrain the effective operation of the industrial usage of the SIL.

2.58 The LPEID sets out an update to the Site-Specific Allocations Document for sites related to employment land. The LPEID presents 24 SSADs. It also provides an area spatial strategy for the Wandle Delta.

Vauxhall Nine Elms Battersea Opportunity Area Planning Framework (OAPF) 2012

2.59 In 2012, the Greater London Authority (GLA) prepared a planning framework for the VNEB OA in partnership with LB Wandsworth, LB Lambeth, the 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.”*

2.60 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”*. In regard to employment, the OAPF noted 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 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.

2.61 In relation to the broad land use strategy for Wandsworth and 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.

Neighbouring Boroughs’ employment land reviews and policies

2.62 An overview of the findings of the most recent employment land reviews prepared by Boroughs across Wandsworth’s industrial and office FEMAs are shown in Table 2.1. These Boroughs are London Borough (LB) of Lambeth, LB Southwark, LB Hammersmith and Fulham, Royal Borough of Kensington and Chelsea, LB Merton and LB Richmond upon Thames (hereby referred to as ‘Lambeth’, ‘Southwark’, ‘Hammersmith and Fulham’, ‘Kensington and Chelsea’, ‘Merton’ and ‘Richmond upon Thames’).

2.63 It shows that most Boroughs close to Wandsworth are or were at the time the information was prepared facing a future undersupply of office and industrial land space with regards to their respective demands.

2.64 LB Lambeth, based on analysis undertaken in 2013, is the only Borough in the FEMA to have a forecast surplus of office and industrial floorspace. Its surplus may seem enough to make up for the deficits in other Boroughs, however, comparisons between Boroughs are difficult due to the different forecast periods, the different dates of the preparation and publication of the evidence, and the methodologies used by the studies.

Table 2.1: Findings of other Boroughs' ELRs and policies

Borough	Document	Period	Key findings
Lambeth	Employment Land Review 2013 Update	2011-2026	<p>The study predicts that there will be an increase in demand for office floorspace of between 10% and 33%. The Borough has a potential supply pipeline of office development which is projected to exceed this demand. There is also a considerable amount of vacant office floorspace in the Borough.</p> <p>The Borough has a net surplus of industrial land over the plan period. This is primarily due to an expected decline in demand for B1c/B2 floorspace. The Borough has high forecast demand for B8 space, and there is potential opportunity for B1c/B2 space to be converted to B8 space to help meet this demand.</p>
Southwark	Employment Land Study 2016	2014-2036	<p>The study predicts that there will be an increase in demand for B1a space of approximately 460,00m² over the plan period. Approximately 80% of this demand is for office floorspace in the CAZ. This is very similar to demand in the CAZ during the previous plan period, which was largely accommodated by the More London development. The study suggests that a development similar in size is required to meet office demand in the CAZ over the plan period.</p> <p>In contrast, demand for industrial land is forecast to decline by 1ha per annum during the plan period. This is broadly similar to the forecast decline in supply. There is potential to provide additional supply by redeveloping and intensifying vacant industrial premises in the Old Kent Road industrial area.</p>
Hammersmith and Fulham	Employment Study 2016	2014-2036	<p>The study predicts that there will be an increase in demand for B1 space of approximately 383,000m² over the plan period. If all developments in the pipeline come forward, the study forecasts a future increase in supply of 349,000m². Supply of B1 stock is prone to conversion to residential in Hammersmith & Fulham due to high rent values, and this forecast supply is uncertain as it assumes that no further office stock will be lost.</p> <p>Employment in uses associated with B2 and B8 land is comparatively small in Hammersmith and Fulham and has been declining since 2012. There has also been a recent loss in B2 and B8 space primarily due to conversion to residential. The report does not provide forecasts for supply or demand for industrial floorspace.</p>
Kensington and Chelsea	Employment Land Review 2009 Update	2009-2026	<p>The study predicts positive demand of 69,000m² for office floorspace over the plan period. There is 49,000m² of floorspace currently being constructed which the study forecasts will meet demand up to 2019. The study does not provide information on the supply pipeline post-2019.</p> <p>The study predicts that demand is in line with the supply of industrial and warehousing space, with both remaining relatively constant throughout the plan period. It recommends that the council should safeguard industrial land sites to maintain supply in the Borough.</p>

Borough	Document	Period	Key findings
Merton	Employment and Economic Land Study 2010	2010-2021	<p>The study predicts that there will be demand for between 12,000m² and 76,000m² of office floorspace in the Borough to 2026. It indicates that, for planning purposes, the Borough should aim to provide 50,000m² of floorspace by 2021. The Borough had a potential future supply of 18,900m² of floorspace and there is therefore a gap between supply and demand.</p> <p>The study forecast a reduction in demand for industrial land of between 4,000m² and 37,000m². Supply was expected to reduce by between 15,000m² and 20,000m² during the same period. The study therefore predicted a surplus of industrial land which should be taken up by non-employment uses.</p>
Richmond upon Thames	Employment Sites & Premises Study 2017 Update	2017-2033	<p>The study predicts that there will be an increase in demand for office floorspace of 120,00m² to 2033. It states that the supply pipeline will struggle to meet this. Vacancy of office floorspace in the Borough is low and the sites which the Borough has allocated for office development are small. There is therefore a considerable gap between demand and supply.</p> <p>The study predicts that there will be demand for an additional 80,000m² of industrial floorspace in the Borough. The sites which the Borough has allocated for industrial land are not enough to meet this demand and there is a considerable gap between demand and supply.</p>

3. Socio-economic profile

Introduction

- 3.1 This section profiles 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.
- 3.2 To provide a comparative assessment, Wandsworth is benchmarked against London-wide averages.

Population

- 3.3 Demand for employment sites and premises will be driven in part by trends in the size of the resident population. GLA population statistics²⁹ show that Wandsworth's population increased by 5.9% between 2011 and 2018 (from 308,000 in 2011 to 326,000 in 2018). This is lower than the 7.4% growth rate for London (from 8,203,000 to 8,811,000). The GLA's population projections show that the population in Wandsworth is expected to increase by 14% (to 373,000) between 2018 and 2031. During the same time period, the population in London is expected to increase by 16% (to 10,254,000). This will mean a growth in demand for land for housing, community facilities, infrastructure and employment land and floorspace over the Local Plan period in Wandsworth and the wider London area.

Earnings

- 3.4 Table 3.1 shows the median gross weekly earnings recorded in the Annual Survey of Hours and Earnings (ASHE) (2018). It shows that the median earnings of Wandsworth residents is approximately £690, which is £115 higher than the median earnings of London residents. The median gross weekly earning of those working within Wandsworth is approximately £553. This considerable difference between residence-based and workplace-based earnings (£137 per week) suggests that a significant proportion of Wandsworth residents commute out of the Borough in order to access higher-paying jobs elsewhere.

Table 3.1: Resident and Workplace Median Earnings in Wandsworth and London

Earnings	Wandsworth (£)	London (£)
Residence-based	690	575
Workplace-based	553	617

Source: ONS Annual Survey of Hours and Earnings – Resident and Workplace Analysis (2018)

Deprivation

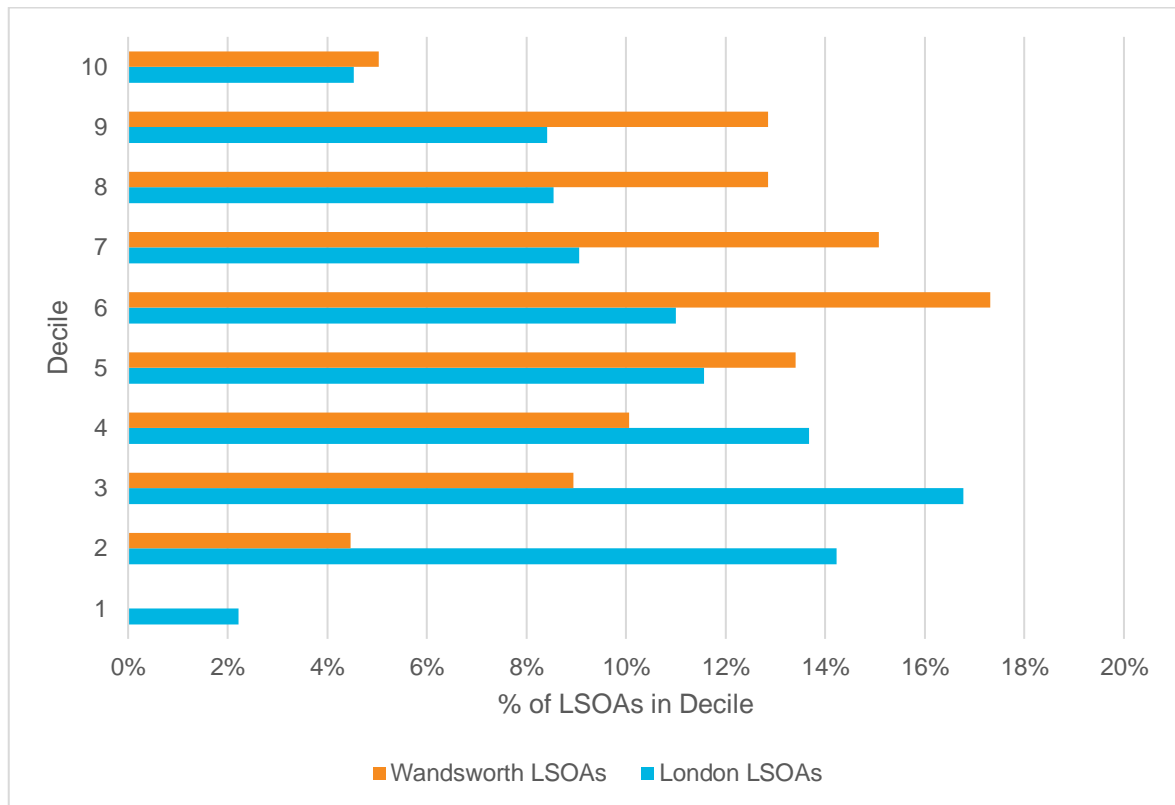
- 3.5 Based on the English indices of Deprivation 2019³⁰, Wandsworth is the 173rd most deprived out of 317 local authorities (where 1 is the most deprived), and 23rd most deprived of all 33 London Boroughs. None of Wandsworth's 179 Lower Super Output Areas (LSOA) are within the top 10% most deprived parts of the country. Figure 3.1 shows the breakdown of the LSOAs of Wandsworth and London as a whole, by decile of multiple deprivation index in England. It is evident that Wandsworth is significantly less deprived than

²⁹ GLA (2018): GLA 2018-based housing-led population projections.

³⁰ DCLG (2019): English Indices of Deprivation 2019.

London, with a smaller percentage of its LSOAs in the top half of the most deprived areas (41.6%) in England compared to London (63.1%).

Figure 3.1 Multiple Deprivation breakdown by LSOA



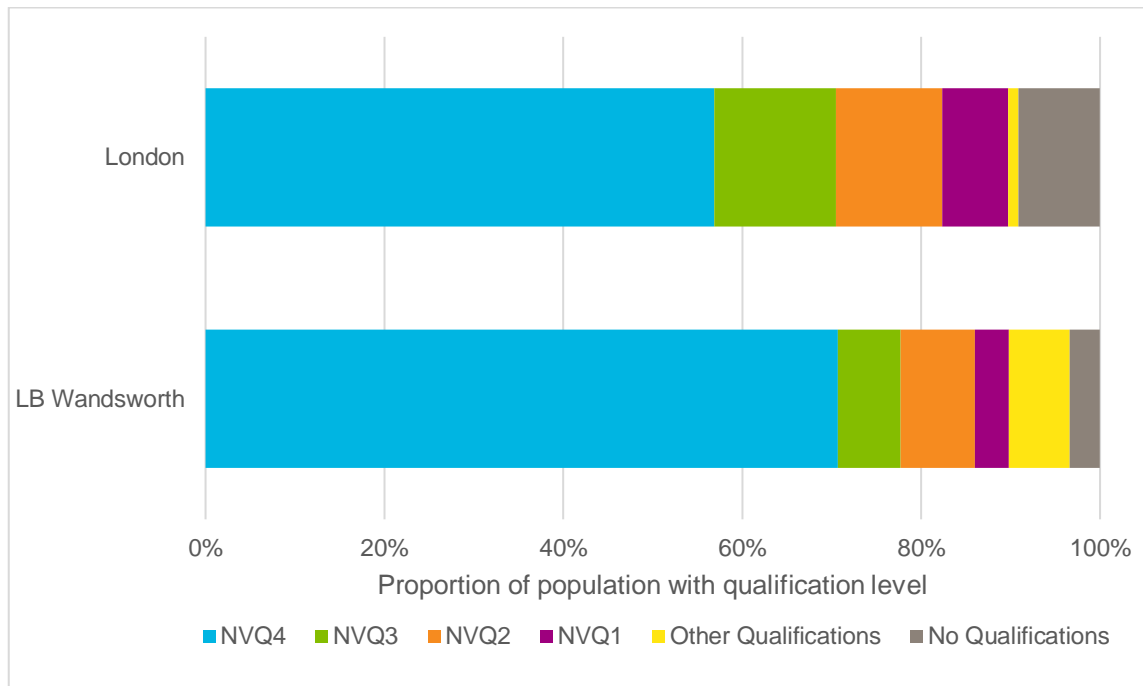
Source: DCLG - English Indices of Deprivation (2019)

- 3.6 Wandsworth is ranked 238th out of 317 local authorities in England in terms of employment deprivation, placing it in the 25% least deprived in the employment domain. In terms of education, skills, and training deprivation, Wandsworth is ranked 308th out of 317 local authorities, placing it in the 3% least deprived in England for that domain. However, Wandsworth is ranked 167th out of 317 local authorities in terms of income deprivation, which is just outside the top 50% most deprived in England.

Skills and training

- 3.7 Wandsworth’s residents generally hold higher qualification levels in comparison to the rest of London. Most of the Borough’s working age residents hold GCSEs and 70.4% are educated to degree level and above, which is significantly higher than the average across London as a whole (53.1%). The proportion of residents with no qualifications in Wandsworth (3.4%) is nearly half the London average (6.6%). The breakdown of the educational attainment of residents in Wandsworth and London is shown in Figure 3.2.

Figure 3.2 Qualification level by proportion of total population in Wandsworth and in London

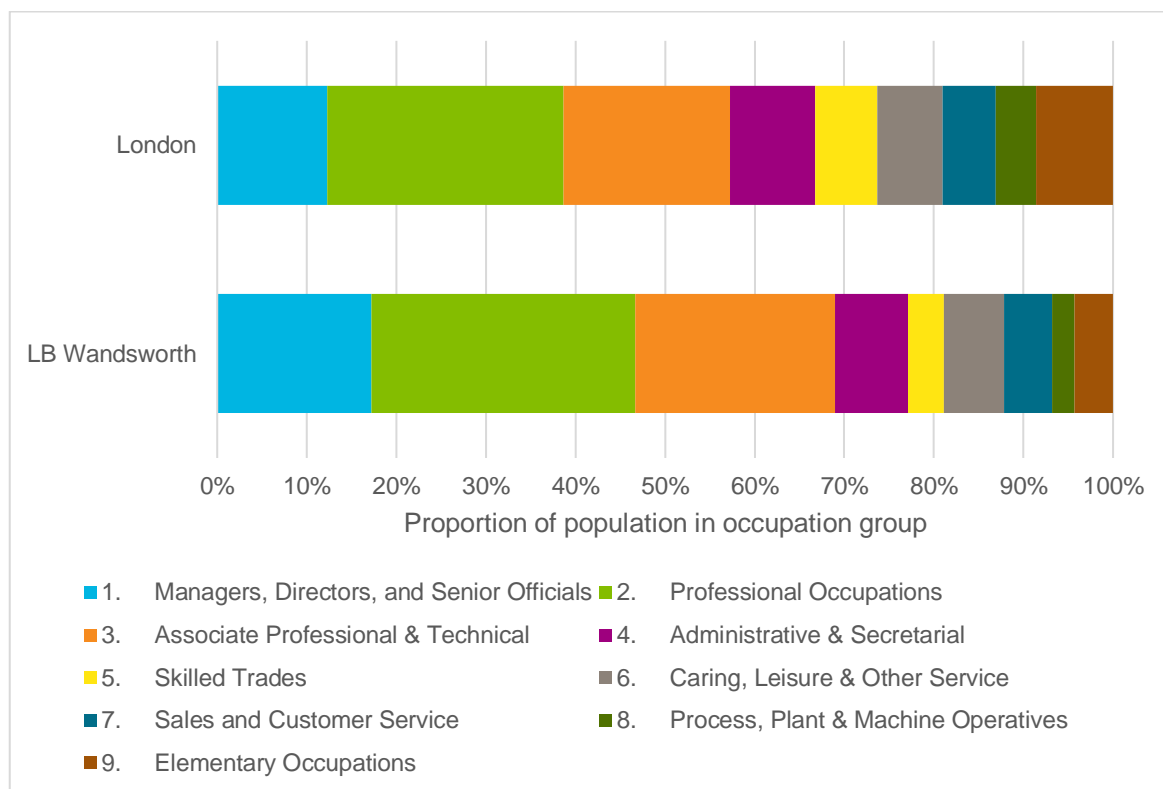


Source: ONS Annual Population Survey (Jan 2018 - Dec 2018), ONS, (2019)

Occupational profile

- 3.8 Figure 3.3 sets out the occupational profiles of Wandsworth’s and London’s residents. It shows that almost 70% of Wandsworth residents have managerial, professional and technical occupations (standard industrial classification groups 1-3) compared to approximately 57% across London as a whole.
- 3.9 It follows that Wandsworth’s proportion of residents within SOC groups 4-5 (which include skilled trades and administrative occupations) is lower than the London average (12.1% compared to 16.4%). The proportion of Wandsworth residents within SOC groups 6-9 (which primarily comprise of low skilled occupations) is lower in Wandsworth than the London average (18.9% compared to 26.3%). Only 4.3% of Wandsworth residents are identified as having an ‘elementary’ occupation, which is considerably lower than the London average (8.6%).

Figure 3.3 Occupational profiles of Wandsworth and London



Source: ONS Annual Population Survey (Jan 2018 – Dec 2018) ONS, (2019)

Note 1: SOC = Standard Classification of Occupation, 2000

Travel to work

3.10 The most recent travel to work data is provided through origin-destination statistics collated from the 2011 Census³¹. While the total figures for employment may be more than eight years old, the figures give a good indication of the pattern of movement of residents and workers into and out of Wandsworth.

3.11 There are more Wandsworth residents working in Westminster and the City of London (25.7%) than in Wandsworth (13.3%). The third most popular commuting destination is Camden (4.8%), followed by the neighbouring Boroughs of Hammersmith and Fulham (4.2%), Kensington and Chelsea (4.2%) and Lambeth (3.8%). In addition, 9.4% of Wandsworth residents mainly work at or from home, while (7.8%) have no fixed location of employment.

Table 3.2 Top 10 Employment destinations for Wandsworth residents

Borough	Number of Wandsworth residents working in Borough	Proportion of Wandsworth population working in Borough (%)
Westminster (incl. City of London)	46,100	25
Wandsworth	24,000	13.3
Camden	8,600	4.8
Hammersmith and Fulham	7,600	4.2

³¹ ONS (2011): Census 2011.

Borough	Number of Wandsworth residents working in Borough	Proportion of Wandsworth population working in Borough (%)
Kensington and Chelsea	7,500	4.2
Lambeth	6,800	3.8
Tower Hamlets	6,600	3.7
Southwark	6,000	3.3
Merton	4,700	2.7
Islington	4,200	2.3
Other Boroughs	57,400	32
Total	179,400	-

Source: ONS Census 2011

- 3.12 There is a strong out-commuting flow: of the 179,400 residents in employment, 107,200 leave the Borough to work elsewhere. This represents a net out-commuting flow of 36% (defined as the total number of daily workers in the Borough as a proportion of the total number of employed residents).
- 3.13 Merton and Lambeth, which both border Wandsworth, are the most common sources of in-commuting to the Borough. They represent 27% and 10% of the total number of in-commuters respectively. Boroughs to the south, including Croydon (where 6% of total in-commuters arrive from) and Sutton (4%), are also large sources of in-commuting.
- 3.14 Job density for Wandsworth, which is the number of jobs in an area divided by the resident population aged 16 to 64 in the area, is estimated at 0.64 compared to 1.02 for London³². This reflects the primarily residential nature of large parts of Wandsworth.

Business stock and scale

- 3.15 The latest ONS business registration data indicates that there were 17,110 Value Added Tax (VAT) or Pay-as-you-earn (PAYE) based enterprises in Wandsworth in 2017³³. Micro-businesses (defined as companies employing up to nine employees) represent 93.6% of all business in Wandsworth, which is slightly above the London average (90.7%). There are a total of 890 small-sized businesses (defined as companies employing between 10 to 49 employees), 155 medium-sized businesses (employing between 50 to 249 employees), and 40 large businesses (employing more than 250 employees). Further information is shown in Table 3.3.

³² ONS (2019): Job Density.

³³ Traders may be registered below the VAT threshold, which as of November 2019 was £85,000 per year. This estimate of business stock is therefore likely to be lower than the actual number of businesses located in the borough.

Table 3.3: VAT and PAYE by Size Band in Wandsworth and London

Employment Size	Wandsworth		London
	Number of Businesses	% of total	% of total
1 to 9 (Micro)	16,010	93.6	90.7
10 to 49 (Small)	890	5.2	7.4
50 to 249 (Medium)	155	0.9	1.5
250 + (Large)	40	0.2	0.4
Total	17,110	-	-

Source: UK Business Activity, Size, and Location – Enterprises (2019); ONS (2019). Note: Figures do not always sum due to source data rounding

Business registrations and de-registrations

- 3.16 VAT registration and de-registration rates for Wandsworth provides an indication of the entrepreneurial characteristics of the Borough. The data is sourced from the ONS' business demography publication³⁴ and available in Table 3.4. The data shows that, from 2009 to 2018, business registrations in Wandsworth increased from 2,000 to 2,945, an increase of 47.5%. During the same time period, London experienced a 92% increase in business registrations (from 50,575 to 97,300). Business de-registrations in Wandsworth rose by 11% between 2009 to 2018 (from 2,270 to 2,515), compared to 44% for London (from 54,310 to 78,005).

Table 3.4 Business registrations and de-registrations in Wandsworth (2009-2018)

Year	Registrations	De-registrations
2018	2,945	2,515
2015	3,600	2,180
2012	2,370	1,840
2009	2,000	2,270

Source: UK Business Demography 2018; ONS (2019)

Employment sectors

- 3.17 Employment by broad industry sector in Wandsworth and London is available in ONS Business Register and Employment Survey (BRES) data. Table 3.5 provides an analysis of employment for industry sectors using B-class land.
- 3.18 The table shows that employment in office-related service sectors in Wandsworth is lower than the London average. The Information & Communication; Financial & Insurance; Property; Professional, Scientific and Technical and Business Administration & Support Services sectors comprise 28.2% of the Borough's

³⁴ ONS (2019): Business Demography, (2018).

employment (33,900 total employees). In comparison, these sectors account for 43.5% of London's total employment.

- 3.19 The proportion of employees in industrial sectors is slightly lower than the London average. Together, Manufacturing, Transport & Storage and Motor Trades account for 6.2% of total employment in Wandsworth. Employment in these sectors accounts for 7% in London. The wholesale sector accounts for a greater proportion of Wandsworth's employment base (4%) than London's (3%).
- 3.20 Primarily due to the size of the office-based sectors in Wandsworth, the proportion of employment in sectors using B-class land is significantly lower in Wandsworth (41.5%) than London (54%). Non-B-use class employment sectors which are prominent in Wandsworth include Health, Education and Retail, which comprise 20%, 10% and 10.3% of total employment respectively.

Table 3.5: Employment by Broad Industry sector in Wandsworth and in London in 2018

Employment Size	Wandsworth		London
	Employment	% of total	% of total
Motor Trades	800	0.7	0.8
Financial & Insurance	1,200	1	7
Manufacturing	1,700	1.4	2.2
Transport & Storage	3,700	3.1	4
Public Administration & Defence	4,400	3.7	4.2
Wholesale	4,800	4	3
Information & Communication	5,100	4.3	7.8
Business Administration & Support Services	10,100	8.4	10.9
Professional, Scientific & Technical	14,200	11.8	14.1
Non-B-use class employment sectors	74,100	61.7	46
Total	120,100	-	-

Source: *Business Register and Employment Survey, (2018), ONS*

- 3.21 Table 3.6 shows the change in Wandsworth's employment between 2013 and 2018 by broad industry sector. The employment sectors using B-class land which have experienced the largest growth are office-based: The Business Administration & Support Services (25% increase) and Professional, Scientific & Technical (18% increase) sectors. However, Financial & Insurance and Information & Communication, also office-based sector, experienced large declines in employment (25% and 13% declines respectively) though they are smaller sectors.
- 3.22 Employment in industrial sectors experienced large declines between 2013 and 2018. Employment in the manufacturing sector declined by 19%, and employment in the motor trades sector declined by 11%. However there was a small (2%) increase in employment in the transport sector.

Table 3.6: Change in employment in Wandsworth by broad industry sector

Broad Industry Sector	Number of Jobs		% change between 2013 and 2018
	2013	2018	
Motor Trades	900	800	-11
Financial & Insurance	1,600	1,200	-25
Manufacturing	2,100	1,700	-19
Transport & Storage	3,600	3,700	3
Public Administration & Defence	5,000	4,400	-12
Wholesale	5,100	4,800	-6
Information & Communication	5,500	5,100	-7
Business Administration & Support Services	8,000	10,100	26
Professional, Scientific & Technical	11,800	14,200	20
Non-B-use class employment sectors	61,900	74,100	20

Source: Business Register and Employment Survey, ONS, 2018

Key non-B-use class employers

3.23 The health sector and the education sector account for a significant proportion of Wandsworth's employment market (20% and 10% respectively). Since these sectors are not accommodated by premises that constitute B-use class floorspace, it is not a requirement of this ELPS to consider their floorspace and employment land needs. However, it should be noted that there are several key employers within these industries situated in the Borough, such as St George's Hospital and Roehampton University. Another key non-B-use class employer in the Borough is Wandsworth Prison (HMP Wandsworth), which provides several hundred jobs.

Location quotient

3.24 Location quotients provide a comparison measure of the relative size of an employment sector. A location quotient greater than 1 means that the concentration of employment in the sector in Wandsworth is above the London average. High location quotients often suggest industry specialisation, through which the local economy often offers a comparative advantage.

3.25 Table 3.7 presents the location quotient by employment sector in Wandsworth relative to London. The table also includes data on the percentage change in employment over the period from 2013 to 2018 and the relative share of total employment each industrial group has. This is helpful in identifying which sectors in the Borough are well represented, growing, and important to the local economy.

Table 3.7: Employment in Wandsworth by broad industry group and sector

Broad Industry Sector	Location Quotient	Number in Employment	% of Employment Base	% change in Employment between 2013 and 2018
Wholesale	1.3	4,800	4	-6
Public Administration & Defence	0.9	4,400	4.7	-12
Motor Trades	0.8	800	0.7	-11
Transport & Storage	0.8	3,700	3.1	3
Business Administration & Support Services	0.8	10,100	8.4	26
Professional, Scientific & Technical	0.8	14,200	11.8	20
Manufacturing	0.6	1,700	1.4	-19
Information & Communication	0.5	5,100	4.3	-7
Financial & Insurance	0.1	1,200	1	-25
Non-B-use class employment sectors	n/a ³⁵	74,100	61.7	20

Source: Business Register and Employment Survey, ONS, 2018

- 3.26 The table shows that Wholesale is the only sector associated with B-class land use which has a location quotient above 1. All other B-use class sectors have a lower percentage of total employment in Wandsworth than in London. Sectors which typically use office floorspace, including Financial & Insurance (which has a 0.1 location quotient) and Information & Communication (0.5), have particularly low location quotients in Wandsworth.

Summary

- 3.27 This section has provided an analysis of the socio-economic profile of Wandsworth, drawing on the latest available data and benchmarking against London. This helps provide context when considering the changes to the supply and demand for employment land, analysed in the following sections.
- 3.28 Wandsworth has, on average, a highly skilled residential population which is well educated with higher income earnings compared to London as a whole. Over 70% of residents hold a degree (compared to 53% in London) and median weekly earnings for residents in Wandsworth are £690 (compared to £575 in London).
- 3.29 There is a socio-economic disparity between the Borough's residents and its workforce. The SOC analysis in Table 3.2 indicates that more than two thirds (68.9%) of all residents work in managerial or professional occupations, while the employment data shows that the office sector is proportionally quite small in the Borough. Travel-to-work data shows that there is a net commuting outflow in the Borough, with 25.7% of residents travelling to Westminster and the City of London to work, where there is a large office market with many highly skilled jobs available.
- 3.30 The proportion of employment in sectors using B-class land is significantly lower in Wandsworth (41.5%) than in London (54%). This is primarily due to the Borough having comparatively small office-based sectors. The Information & Communication; Financial & Insurance; Property; Professional, Scientific and Technical and Business Administration & Support Services sectors in Wandsworth account a significantly smaller

³⁵ Identifying a location quotient representing all non-B-use class employment sectors not deemed appropriate due to the location quotient being a measure of productivity of a sector

Official

percentage of total employment in Wandsworth than in London. The proportion of employees in industrial sectors is also slightly lower than the London average. The wholesale sector is the only sector using industrial land which has a greater proportion of total employment in Wandsworth than in London.

4. Supply

Introduction

- 4.1 This section provides a summary of the key findings and characteristics of the supply of employment land in Wandsworth. The analysis of employment land supply was done via a site survey and desk-based research. The site survey was undertaken for identified 'employment clusters' throughout the Borough which generally captured all designated and non-designated employment land in large employment areas.

Types of employment supply

- 4.2 Two types of employment land are considered in this analysis: industrial land and office floorspace. For each type of land, the following section identifies how they are defined in the study and how the total amount of land is derived, with reference to the surveyed clusters.
- 4.3 The supply of industrial land is measured in hectares, whereas the supply of offices is measured in square metres. This is due to the land uses generally having very different plot ratios. Industrial land generally has lower plot ratios with a low floorspace density. Hectares are therefore an appropriate unit for measuring size. Offices have higher plot ratios with much more floorspace in total than the footprint of the building on the land the buildings are located on. Square metres are therefore a more appropriate unit to measure office floorspace.

Supply of Industrial Land

- 4.4 Industrial employment land is defined as being land falling within the industrial uses identified in the GLA Industrial Land Supply and Economy Study (2015). This 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.
- 4.5 Data from CoStar has been used to identify the total supply of industrial employment land in the Borough.
- 4.6 The figure identified in the 2016 study has been updated based on net completions data of non-residential development identified in the Council's annual authority monitoring reports. In the 2016 study, the total supply of industrial land in the Borough was identified to be 141.9ha. Wandsworth's monitoring reports since 2016 suggest there has been a loss of 8.2ha of industrial land since 2016, and thus the supply position for industrial land for this study is estimated to be 133.6ha.
- 4.7 Whilst most of the industrial land in the Borough lies within designated areas, namely SIL, LSIA's, Focal Points and EPAs, there are also several non-designated industrial employment sites. Where greater than 0.25 ha, these sites have been surveyed as clusters (e.g. Cluster 34, Cloisters Business Centre). Industrial land on sites smaller than this is also present throughout the Borough, which, whilst not surveyed, contributes to the supply position of industrial employment land recorded in Wandsworth.
- 4.8 In summary, the supply of industrial land in Wandsworth is that presented in the 2016 study, amended to account for any recent redevelopment for other uses as per the Council's monitoring reports. The supply of land comprises land both within the clusters surveyed and on sites smaller than 0.25ha which are in industrial use, as defined by the 2016 GLA study. The supply of industrial land identified here (133.6ha) has been used to inform the supply/demand balance assessment in Section 7.

Supply of Office floorspace

- 4.9 Office floorspace is present across Wandsworth in both designated and non-designated land. For the purpose of the supply/demand balance assessment of office floorspace set out in Section 7, CoStar data (2019) on the supply of floorspace in Wandsworth has been used which calculates a total stock of office premises in Wandsworth of 460,700m².
- 4.10 The employment clusters identified below capture all office floorspace which is in designated land or is within an employment land parcel which is greater than 0.25ha. The study recognises that there is additional office floorspace of unknown quantity which lies dispersed in land parcels smaller than 0.25ha outside the identified employment clusters.

- 4.11 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 the main clusters.

Employment clusters surveyed

- 4.12 Based on the adopted Wandsworth Core Strategy (2018 update), the Local Plan Employment and Industry Document (2018), Site Specific Allocations Plan (2018 update), the GLA Industrial Land Supply and Economy Supply (2015) report mapping, and the Council's and consultancy team's knowledge of the area, 38 employment clusters were identified for survey in the Borough.
- 4.13 Clusters are defined as parcels of employment land within the Borough and can represent both designated and non-designated land. The clusters which comprise of designated land are defined by the boundaries of their designations and many of the employment clusters represent only one designated area. The only clusters comprising of designated land which do not represent one area are Clusters C24 (Central Wandsworth) and C28 (Nine Elms).
- 4.14 Cluster C24 (Central Wandsworth) comprises of multiple areas near to each other which all have the same designation and have therefore been grouped. Cluster C28 (Nine Elms) comprises of a mix of Site-Specific Allocations, Focal Points and non-designated land. Though there are areas with differing designations in this cluster, they are all subject to similar types of development and have therefore been grouped. Boundaries for clusters which comprise of only non-designated land are based on professional judgement on the extents of the employment land they represent. In line with MHCLG guidance on housing and economic land availability assessments³⁶, non-designated employment land parcels have been included in the assessment when they comprise of greater than 0.25ha of employment land.
- 4.15 The total area of land within the 38 clusters is 312.6ha with some clusters containing substantial amounts of land and floorspace in other use, including but not limited to retail, community, leisure and residential floorspace within town centres and Focal Points. Figure 4.1 shows and Table 4.1 lists the clusters that were surveyed against the site appraisal criteria set by AECOM. The site appraisal criteria were primarily based on the Land for Industry and Transport SPG (2012) and the more recent GLA Practice Note on Industrial Intensification and Co-location (2018)³⁷ and were subsequently agreed with the Council. The appraisal criteria were tailored based on the consultancy team's experience and the specific local context.

Table 4.1 Surveyed Employment Clusters

Identifier	Name	Designation	Employment/B-class Uses	Area (ha)
Cluster ('C1')	Queenstown Road	SIL	B1a/b, B1c/B2, B8, A1, Sui Generis	42.9
C2	Summerstown	LSIA	B1a/b, B1c/B2, B8, A1, D1, Sui Generis	10.1
C3	Old Sergeant	LSIA	B1c/B2, B8, A1, Sui Generis	3.5
C4	Kimber Road	LSIA	B1a/b, B1c/B2, B8	7.2
C5	Lydden Road	LSIA	B1a/b, B1c/B2, B8	2.7
C6	Thornsett Road	LSIA	B1a/b, B1c/B2, B8	1.1
C7	Princeton Court and Felsham Road	EPA	B1a/b	0.2
C8	116 -118 Putney Bridge Road	EPA	B1a/b	0.6
C9	Hillgate Place, Balham Hill	EPA	B1a/b	0.2
C10	Smith's Yard	EPA	B1a, A1	0
C11	Jaggard Way/Bellevue Road	EPA	B1a/b	0.9
C12	Battersea Business Centre	EPA	B1a/b, B1c/B2	0.6
C13	Smuggler's Way, Jews Row and Battersea Reach	EPA	B2	14.6

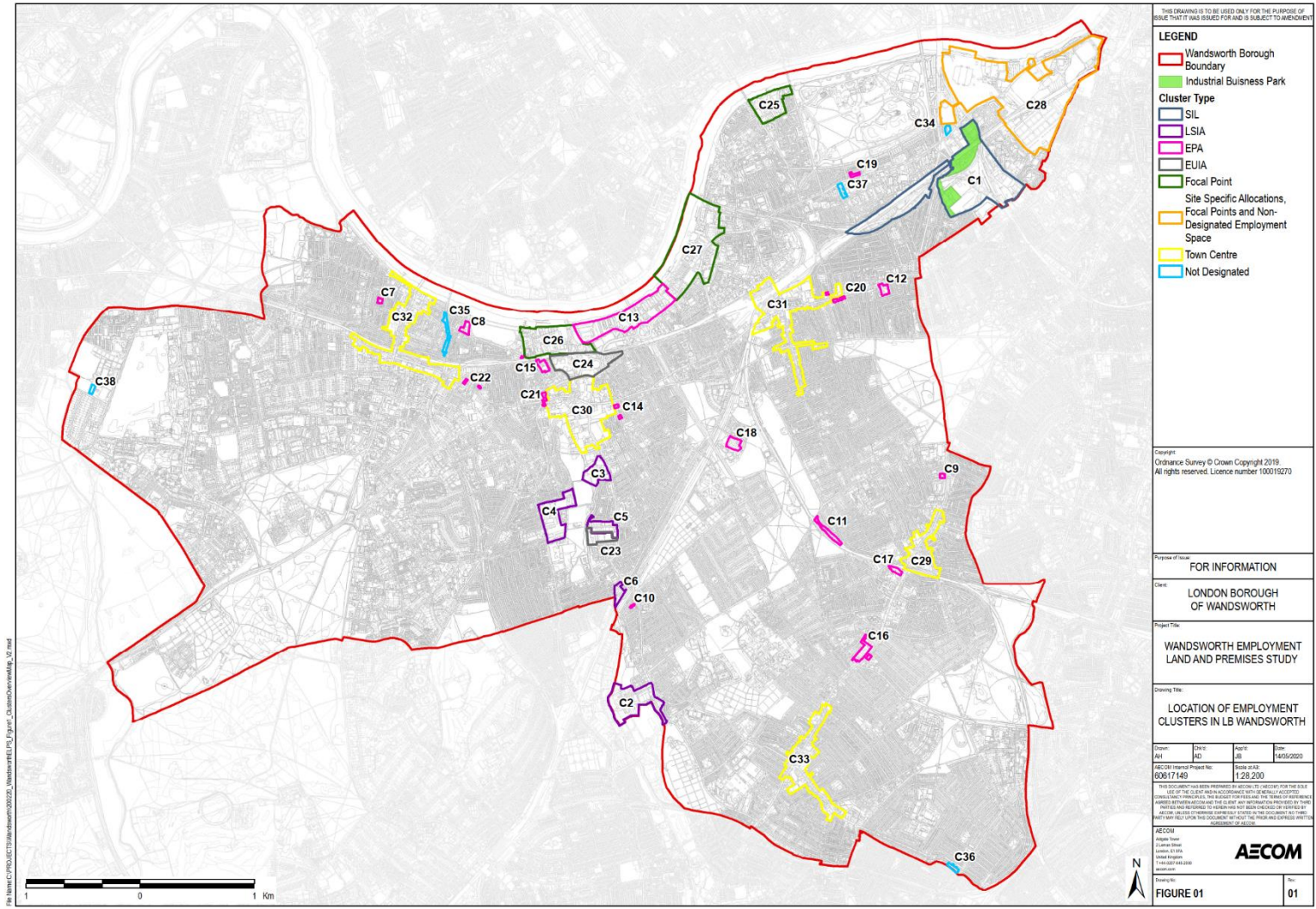
³⁶ Paragraph 009, Guidance on Housing and Economic Land Availability Assessments (HELAA), MHCLG (2019), accessed at: <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

³⁷ Practice Note on Industrial intensification and co-location through plan-led and masterplan approaches, GLA (2018)

Identifier	Name	Designation	Employment/B-class Uses	Area (ha)
C14	190-194 St Ann's Hill and College Mews	EPA	B1(a)	0.2
C15	57, 88-92 Putney Bridge Road and 2 Adelaide Road	EPA	B1(a), B8	0.8
C16	Wimbledon Sewing Centre, Balham High Road	EPA	B1c/B2, A1	1.4
C17	Irene House, 218 Balham High Road and 25 Boundaries Road	EPA	B8, D1	0.4
C18	Royal Victoria Patriotic Building, John Archer Way	EPA	B1a/b, A3, A4, C3, D1	1.1
C19	The Old Imperial Laundry, 71-73 Warriner Gardens	EPA	B1a/b, B1c/B2, B8, A1, Sui Generis	0.4
C20	124 Latchmere Road and 187-207 Lavender Hill	EPA	B1a/b	0.2
C21	2 Broom Court, 140-142 Wandsworth High Street and 7A Putney Bridge Road	EPA	B1(a)	0.3
C22	70 Upper Richmond Road and 5 Manfred Road	EPA	B1a/b	0.1
C23	Bendon Valley EUIA	EUIA	B1a/b, B1c/B2	2.2
C24	Central Wandsworth	EUIA	B1(a), B2	9.4
C25	Ransomes Dock	Focal Point	B1a/b, B8	6.7
C26	Wandle Delta	Focal Point	B1 (a/c), B2, B8	13
C27	Lombard Road/York Road	Focal Point	B1a/b	29.6
C28	Nine Elms	Site Specific Allocations, Focal Points and non-designated employment space	B1a/b, B8	67.6
C29	Balham Town Centre	Town Centre	B1a/b, A1-A5, C3, D1/D2	9.5
C30	Wandsworth Town Centre	Town Centre	B1(a)	23.9
C31	Clapham Junction Town Centre	Town Centre	B1/a/b	22.8
C32	Putney Town Centre	Town Centre	B1a/b	21.4
C33	Tooting Town Centre	Town Centre	B1a/b, A1-5, C3, D1/D2	14.9
C34	Cloisters Business Centre	Not Designated	B1a/b	0.3
C35	Industrial units off Winthorpe Road	Not Designated	B1c, B8	0.9
C36	Industrial units adjacent to 282 Mitcham Lane	Not Designated	B1c, B8	0.4
C37	Culvert House, Culvert Road and The View, Battersea Park Road	Not Designated	B1a/b	0.5
C38	The Grange, Bank Lane	Not Designated	B1a/b	0.2

Source: AECOM (2020).

Figure 4.1: Surveyed Employment Land Clusters



Source: AECOM (2020).

Sub-area cluster analysis

- 4.16 The following section provides a description of the employment clusters in each of the identified sub-areas within the Borough. These sub-areas represent groups of clusters which are located close to each other. There are clusters across the Borough not located close to other clusters, and where this is the case, they have been reported in the 'Other Clusters' sub-section.

Nine Elms and Queenstown Road sub-area

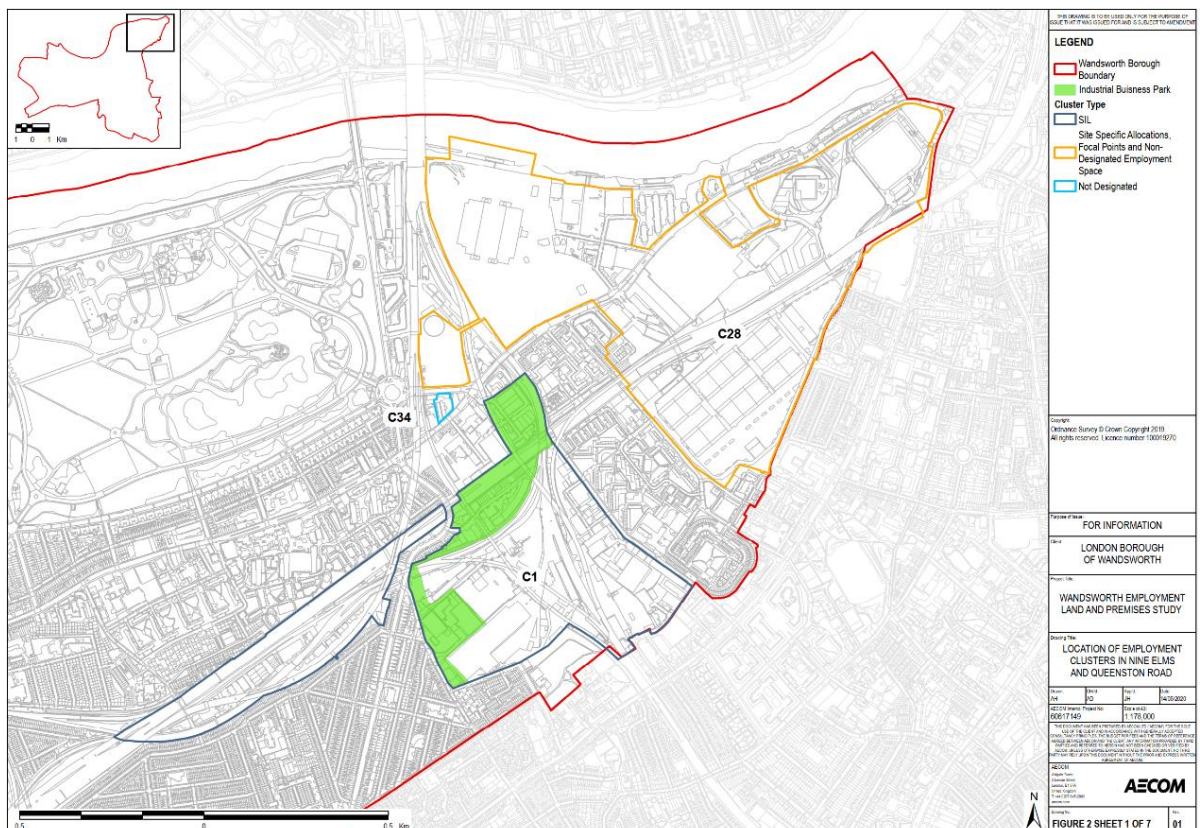
- 4.17 The Nine Elms and Queenstown Road sub-area is in the north-east of the Borough, bordering Lambeth, and comprises of three clusters. These clusters include the only SIL in the Borough (C1), the Nine Elms area which has a mix of uses and is currently undergoing extensive redevelopment (C28), and a business centre (C34) comprising of office floorspace.
- 4.18 Table 4.2 lists the employment clusters in the sub-area. Their locations are identified in Figure 4.2.

Table 4.2: List of clusters in the Nine Elms and Queenstown Road sub-area

Cluster No.	Name	Designation	Employment/B-class Use	Size (ha)
C1	Queenstown Road	SIL	B1a/b, B1c/B2, B8, Sui Generis	42.9
C28	Nine Elms	Site Specific Allocations, Focal Points and non-designated employment space	B1a/b, B8	67.6
C34	Cloisters Business Centre	Not Designated	B1a/b	0.3
Total				110.8

Source: AECOM (2020).

Figure 4.2: Location of clusters in the Nine Elms and Queenstown Road sub-area



Source: AECOM (2020).

- 4.19 Cluster C1, the Queenstown Road SIL, comprises of two areas either side of the A3216 Queenstown Road. The area of the cluster to the east of the A3216 is approximately 30.5ha and is bisected by two railway lines. The area to the west of the A3216 is 10.8ha. The SIL has a range of employment uses on site including heavy industry, large scale distribution / logistics, warehousing and manufacturing. The cluster's prime central Location ensures that it has excellent access to the CAZ market to supply its goods and services. Part of the SIL, in the area to the east of Queenstown Road, is subsequently designated as an Industrial Business Park (IBP) allowing office floorspace for SMEs to be located on site (see Figure 4.2 for location of IBP within the cluster).
- 4.20 The area to the east of the A3216 has good levels of accessibility, adjoining the strategic road network via Battersea Park Road to the north and Wandsworth Road to the south. Access to the public transport network is provided by Queenstown Road station, and access is set to improve due to the opening of the northern line extension to Battersea Power Station. Parking and servicing is adequate though there are some issues with permeability and traffic flow restrictions. The buildings are generally in good condition and appear to meet the needs of current occupiers.
- 4.21 It appears that residential properties at the northern end of Silverthorne Road are affected by the on-site employment uses: they are exposed to noise and dust from HGV movements. The area has generally low vacancy, though there is office and industrial floorspace being advertised, primarily at Ingate Place within the IBP section of the site. There are opportunities for 24-hour working in parts of the cluster where road access abuts strategic roads. The railway lines sever access within the site and different entrances are required to be used to access different parts of the site.
- 4.22 However, heavy industry and transportation depot uses (including London Concrete, Tarmac, the Abelio Bus Depot and Gatwick Express Depot) benefit from these railway lines since they physically cut off the sites from adjacent uses and reduce the noise and visual impacts of the uses. The presence of HGVs and high volumes of traffic also makes the site somewhat difficult to navigate. 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. The only evidence of vacancy is of some of the office units for SMEs within Ingate Place.
- 4.23 The area to the west of the A3216 is situated between two connecting railway lines. It predominantly comprises B8 uses as well as premises for trade counter occupiers. The public realm and building quality in the area seems adequate for use by its current occupiers. Unusually for a SIL, the cluster's only access to the strategic road network (the A3216 Queenstown Road) is via two residential streets: Culvert Road and Broughton Street. The subsequent HGV movements on these roads impact nearby residential properties due to dust and noise emissions. Regardless, the area does appear to be functioning well as an industrial location with very low vacancy (only one unit was advertised at the time of the study). It is somewhat constrained for intensification by railway lines which intersect the site and a narrow tunnel access route for HGVs underneath the tracks to access Culvert Place. Overall, 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.
- 4.24 Cluster C28, Nine Elms, is situated in the north-eastern corner of the Borough. This cluster is currently undergoing substantial redevelopment and traditional B2/B8 uses are moving out. The main employment uses within this cluster include medium to large warehousing and wholesale markets (including New Covent Garden Market). There is some presence of B1c and B2 employment uses, including the waste transfer station (Cringle Dock) and a cement plant on Cringle Street. Office floorspace within the Borough includes large-scale developments at Embassy Gardens and in the redevelopment of the Battersea Power Station. These developments are expected to attract high-profile tenants. Office floorspace is also present across the cluster in the first floors of several residential-led mixed use developments. This cluster enjoys good access to the strategic road network via Nine Elms Lane. There are two safeguarded wharves in the cluster (Kirtling Wharf and Middle Wharf) which can be used for industrial freight on the Thames. Public transport access is adequate and is expected to improve when the Northern Line Extension to Battersea Power Station is set in 2021.
- 4.25 Cluster C34, Cloisters Business Centre, is a non-designated land parcel located on Battersea Park Road. This cluster contains small offices, which are occupied by SMEs with occupiers primarily belonging to charities and business from the creative industries sectors. Building quality is generally good and the outdoor area is well-maintained, contributing to a pleasant public realm. There is one office unit currently vacant, though the cluster is an important centre local centre for SMEs and is well used with no other evidence of vacancy.

Battersea sub-area

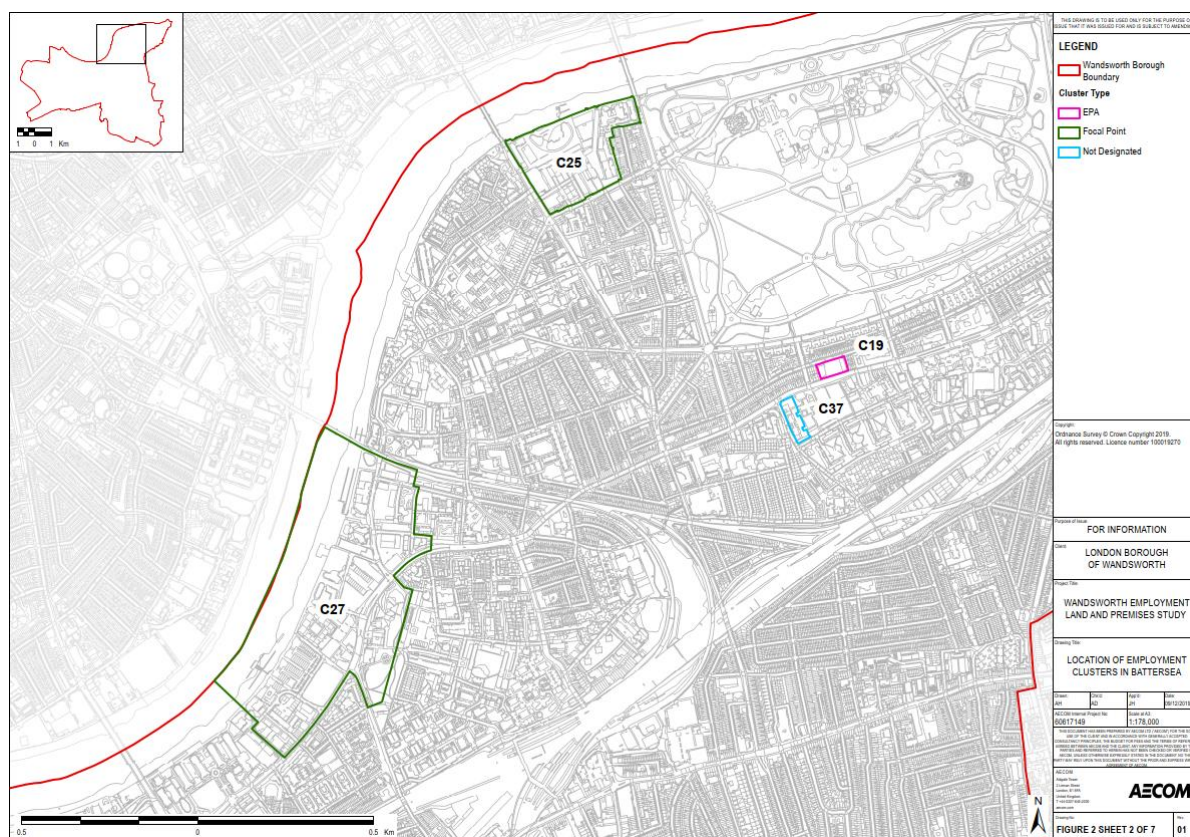
4.26 The Battersea sub-area comprises primarily of large clusters designated as 'Focal Points' on the banks of the River Thames (C25 and C27) and small clusters (C19 and C37) on the A3205 Battersea Park Road (which is part of the strategic road network in the Borough). There are a range of uses within focal points and employment space is often provided as part of large mixed-use commercial and residential schemes within these areas. Table 4.3 lists the employment clusters in the sub-area. Their locations are mapped in Figure 4.3.

Table 4.3: List of clusters in the Battersea sub-area

Cluster No.	Name	Designation	Employment/B-class Use	Size (ha)
C19	The Old Imperial Laundry, 71-73 Warriner Gardens	EPA	B1a/b, B1c/B2	0.4
C25	Ransomes Dock	Focal Point	B1a/b	6.7
C27	Lombard Road/York Road	Focal Point	B1a/b, B1c/B2, B8	29.6
C37	Culvert House, Culvert Road and The View, Battersea Park Road	Not Designated	B1a/b	0.5
Total				37.2

Source: AECOM (2020).

Figure 4.3: Location of clusters in the Battersea sub-area



Source: AECOM (2020).

4.27 Cluster C19, the Old Imperial Laundry, is located at 71 Warriner Gardens which is adjacent to Battersea Park Road. It is occupied by several SMEs, including workshops and showrooms for creative uses. Part of

the building has recently been converted to residential properties. The cluster has indirect strategic road access (within 100m of the cluster's entrance via a residential street) however parking and loading space do not appear to be enough for occupiers or visitors, causing some access issues. The cluster has an adequate quality of environment with some buildings in poor quality. Regardless, there is no evidence of vacancy within the cluster and it is considered to function well overall as a focal area for SMEs and creative and cultural employment.

- 4.28 Cluster C25 is a designated Focal Point bounded to the east by Albert Bridge Road and to the west by Battersea Bridge Road. There is a mix of uses in the cluster. Employment uses primarily comprise of medium-sized office premises, buildings occupied by the Royal College of Art, and smaller warehouses. The site is located directly adjacent to Battersea Bridge Road and subsequently has good access to the strategic road network. Office floorspace in the cluster is in large-scale residential-led mixed use developments adjacent to the river as well as in low-density employment space along Elcho Road and Parkgate Road. There is some vacancy of office floorspace though generally office premises are of good quality and appear to be well used. It seems that there is no requirement or opportunity for further intensification of the activities onsite. Industrial employment on-site is located primarily on Howie Street and Radstock Street and is in the form of small-scale light industrial units and warehousing. These buildings are of good quality which suit the needs of their occupiers. Residential-led mixed use development on former industrial land is currently being constructed on Elcho Street, as identified in the Wandsworth Site Specific Allocations Document (SSAD). Overall, the cluster is considered to function well in providing office and mixed business employment land in the Borough.
- 4.29 Cluster C27 is a designated Focal Point situated off Lombard Road and York Road (including York Gardens), with indirect access to the River Thames via a slipway and dock. The cluster contains many uses and building quality and the public realm varies across the cluster. Many sites within the cluster are allocated for mixed-use development incorporating residential use with replacement employment floorspace, and much of the former employment space within the cluster is currently in the process of being redeveloped.
- 4.30 Much of the northern part of the cluster is occupied by large residential and hotel premises. Employment space in this part of the cluster includes warehousing, light industrial, office, the Sambrook's brewery and the London Heliport. There is low-density warehousing and storage space which could be redeveloped or intensified to offer additional employment floorspace along with residential uses. An industrial estate next to the heliport offers small warehousing units for light industrial use. Building quality and the quality of the adjacent public realm is poor but the estate is well used and there is currently no vacancy. The proximity of large-scale residential development restricts intensification and redevelopment opportunity. The southern part of the cluster includes a considerable number of premises for SMEs occupying office floorspace within two purpose-built business estates off York Place. Buildings are of good quality and there is very low vacancy. In this part of the cluster, there is also 0.14ha of industrial land which is currently vacant on Chatfield Road.
- 4.31 Cluster C37 is a non-designated employment space located on Culvert Road, adjacent to Battersea Park Road. It comprises of two office buildings: Culvert House, an existing building shared with a school (the Harris Academy) which is home to several SMEs, and The View, which is under construction and will offer high quality, large-scale employment floorspace. There is access to the public transport network with Battersea Park and Queenstown Road railway stations nearby and bus services. The building specification of Culvert House appears to be adequate for its tenants and there is no advertised vacancy.

Central Wandsworth sub-area

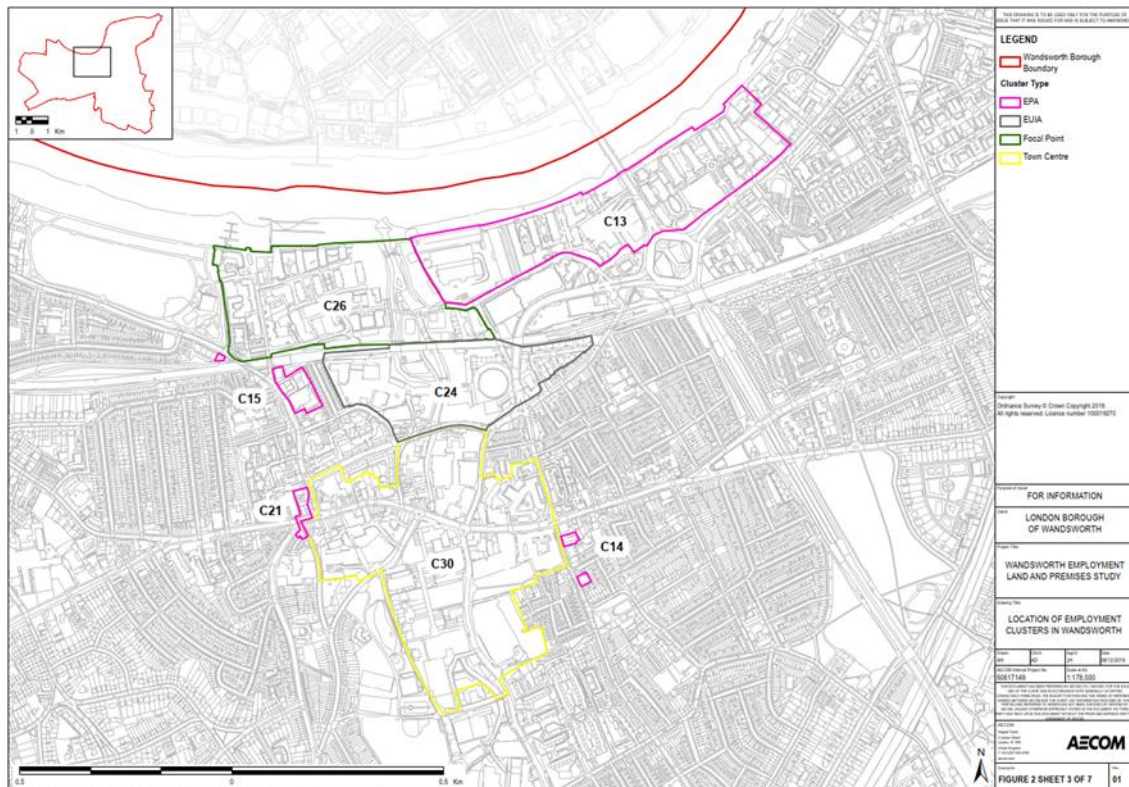
- 4.32 The Central Wandsworth sub-area comprises of Wandsworth Town Centre, the Central Wandsworth EUIA, a Focal Point comprising of a mix of uses, and several EPAs comprising of primarily office floorspace around the town centre and on the strategic road network. Table 4.4 lists the employment clusters in the sub-area. Their locations are identified in Figure 4.4.

Table 4.4: List of clusters in the Central Wandsworth sub-area

Cluster No.	Name	Designation	Employment / B-class use	Size (ha)
C13	Smuggler's Way, Jews Row, and Battersea Reach	EPA	B2	14.6
C14	190-194 St Ann's Hill and College Mews	EPA	B1a	0.2
C15	57, 82-92 Putney Bridge Road and 2 Adelaide Road	EPA	B1a, B8	0.8
C21	2 Broom Court, 140-142 Wandsworth High Street and 7A Putney Bridge road	EPA	B1a	0.3
C24	Central Wandsworth	EUIA	B1a/c, B2	9.4
C26	Windle Delta	Focal Point	B1a/c, B2, B8	13.0
C30	Wandsworth Town Centre	Town Centre	B1a	23.9
Total				62.2

Source: AECOM (2020).

Figure 4.4: Location of clusters in the Central Wandsworth sub-area



Source: AECOM (2020).

- 4.33 Cluster C13 is located to the immediate south of Wandsworth Bridge and north of the A217 Swandon Way. It is designated Focal Point split into two distinct areas: premises off Smuggler's Way and Jews Row, west of Wandsworth Bridge Road, and premises within Battersea Reach, east of Wandsworth Bridge Road. Premises off Smuggler's Way and Jew's Row comprise of a mix of light- and heavy- industrial floorspace. There is a Household Waste Recycling Centre (HWRC), and a cement plant on Jews Row. Both sites also have active safeguarded wharves, which is important considering emphasis has been placed on freight

transport via river in the Mayor's Transport Strategy³⁸. There is a limited amount of office floorspace located in residential development to the west of the recycling centre. On Jew's Row, there is a tour bus depot, warehousing space and several retail and trading spaces. Though the building quality and public realm is of poor quality, this part of the cluster is well-occupied and appears to be functioning efficiently.

- 4.34 Battersea Reach primarily comprises of recent residential-led mixed use development. There is some office floorspace on the lower floors of these developments, though it is limited in scale and there is no other employment floorspace. There is good road connectivity throughout the cluster though constraints do arise on Jew's Row and Pier Terrace due to narrow lane widths and turning HGVs. Access to the public transport network is good with Wandsworth Town station located to the south of the cluster. There is access to navigable waterways through wharf access via the waste and recycling centre. The public realm varies in character though it is generally suitable for the employment uses within the different sub-areas of the cluster. Vacancy is low in the cluster and the facilities available nearby largely suit the needs of its tenants. Overall, the cluster appears well occupied and functions efficiently.
- 4.35 Cluster C14 is a designated EPA split into two parts: College Mews and 190-194 St Ann's Hill. College Mews is an office complex with good building quality and an adequate public realm. The complex is well occupied with one unit currently being advertised. There is very little potential for redevelopment of the site. 190-194 St Ann's Hill is made up of a small office building, small-scale warehousing space and two residential properties. The office building and warehousing space are both in generally good condition and there is no vacancy within the office building. There is indirect access to the strategic road network via Wandsworth High Street however parking is limited.
- 4.36 Cluster C15 is a designated EPA split into two parts: 82-92 Putney Bridge Road/2 Adelaide Road and 57 Putney Bridge Road. 82-92 Putney Bridge Road and 2 Adelaide Road comprise of three- to four-storey office buildings and a large self-storage facility. 57 Putney Bridge Road is an office block currently occupied by a professional services firm. The building quality and the quality of the public realm are generally good in the cluster. Access to the public transport network is good with Wandsworth Town station located nearby. Vacant office floorspace is being advertised in 2 Adelaide Road however all other units in the cluster are occupied.
- 4.37 Cluster C21 is a designated EPA comprising of 2 Broom Court, 140-142 Wandsworth High Street and 7A Putney Bridge Road. The cluster consists of office blocks, freestanding retail warehousing space and a poor-quality retail unit. Office development is low density with blocks primarily of two- to three- floors and the buildings are in adequate condition. There is some space availability within the 140-142 Wandsworth High Street development with space currently being marketed. The public realm is dominated by the central location of the cluster on Wandsworth High Street – the adjacent buildings are predominantly retail and Wandsworth High Street has considerable vehicle traffic. Access to the public transport network is very good with Wandsworth Town station located nearby.
- 4.38 Cluster C24 is a designated EUIA with employment use comprising of office floorspace, warehousing and industrial floorspace. The cluster is bisected by the A217 Swandon Way and the River Wandle. To the east of the A217, there are small industrial and warehousing units as well as some low-density office buildings (such as the Morie Business Centre). These premises are in good condition and contain adequate parking and loading space. They are generally well-occupied, and tenants include SMEs and businesses in the creative industries. This area is subject to a planning application to demolish existing buildings and intensify industrial floorspace as part of a mixed-use development.
- 4.39 To the west of the A217, and east of the River Wandle, there are large storage and retail warehousing spaces, units for light manufacturing, and a site which was formally a gasworks and is now vacant. Though well positioned between road, rail and river, the gasholder site is of notably poorer environmental and build quality owing simply to the nature of its use. The site is subject to an SSAD to provide mixed use development and offers a considerable opportunity to provide employment space. To the east of the River Wandle, employment space includes various industrial premises and land. Industrial land to the east of Dormay Street is currently being used by engineering works to complete the Thames Tideway Tunnel. This site is allocated for mixed-use development, and there is potential to provide intensified employment space on-site. A council depot is based on Frogmore, to the east of Dormay Street. The council depot contains large areas of parking and servicing space and are thus not used intensively. This site is also subject to a site allocation for mixed-use development and there is opportunity for intensification of employment use here which the EUIA designation facilitates.

³⁸ GLA, 2018: The Mayor's Transport Strategy 2018.

- 4.40 Cluster C26 is a designated Focal Point 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 with ground floor retail, leisure and office floorspace almost throughout. Employment uses within the cluster area comprise predominantly of office floorspace for the local office market and some small light industrial premises. Most buildings are of 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 which may give rise to access issues for employees. There is no evidence of derelict premises in the cluster; however, there are a few unoccupied flexible use units in the Riverside Quarter currently being marketed. There are small to medium-sized industrial warehousing units on Osiers Road currently up for sale. The warehousing units are single-storey and of a poor quality.
- 4.41 Cluster C30, Wandsworth Town Centre, comprises predominantly retail premises, with employment space in large office blocks. There is evidence of recent provision of office floorspace, including at The Light Bulb (the commercial component within The Filament mixed-use development on Buckhold Road) and at Jessica House (a 930m² office development currently under construction). There are other office blocks in the town which appear to be of poor quality and certainly underutilised considering Wandsworth's position as a vibrant town centre with excellent public transport. The ongoing redevelopment of poor-quality office blocks is key in ensuring that the cluster's employment offer remains competitive.

Clapham Junction sub-area

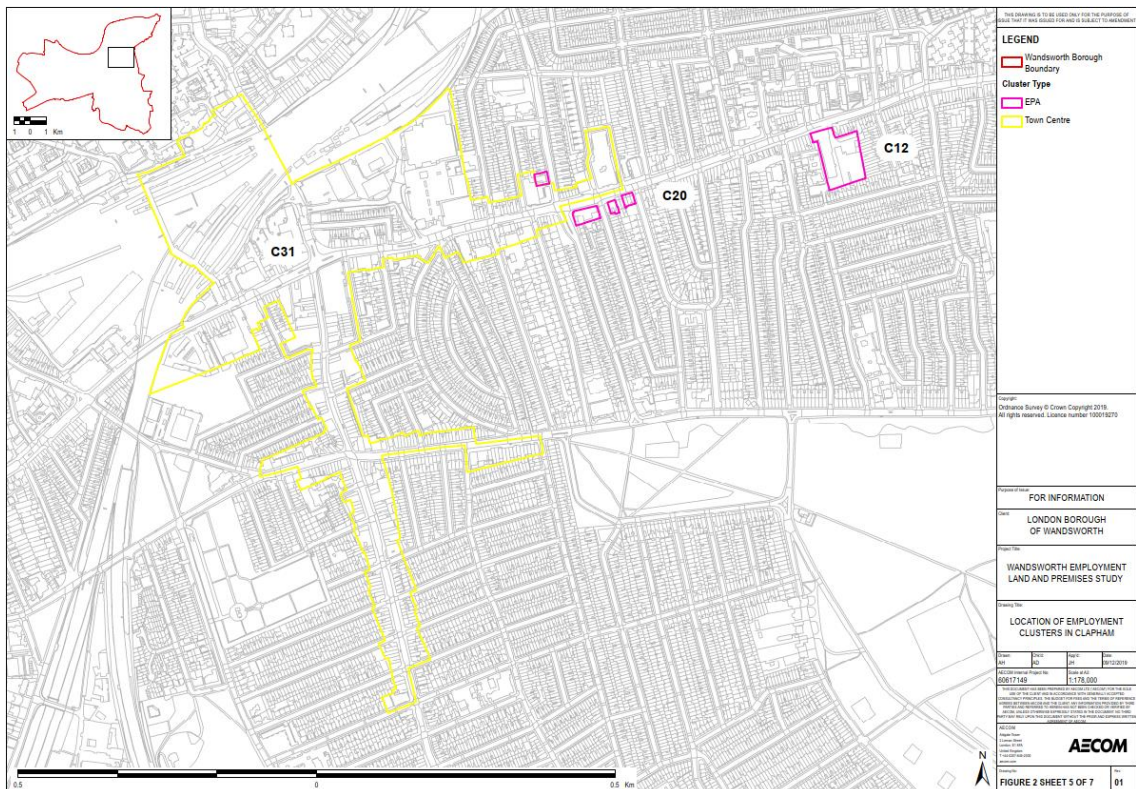
- 4.42 The Clapham Junction sub-area comprises of Clapham Junction Town Centre and two EPAs consisting of some office floorspace on A3036 Lavender Hill towards Battersea. Table 4.5 lists the employment clusters in the sub-area. Their locations are identified in Figure 4.5.

Table 4.5: List of clusters in the Clapham Junction sub-area

Cluster No.	Name	Designation	Employment/B-class Use	Size (ha)
C12	Battersea Business Centre	EPA	B1a/b, B1c/B2	0.4
C20	124 Latchmere Road and 187-207 Lavender Hill	EPA	B1a/b	6.7
C31	Clapham Junction Town Centre	Town Centre	B1/a/b	29.6
Total				36.7

Source: AECOM (2020).

Figure 4.5: Location of clusters in the Clapham Junction sub-area



Source: AECOM (2020).

- 4.43 Cluster C20 is a designated EPA which comprises of 124 Latchmere Road and 187-207 Lavender Hill, located east of Clapham Junction town centre. 124 Latchmere Road is an office building currently occupied by Metropolitan Police and is used as a probation office. The building is located adjacent to the Lavender Hill police station and a courthouse and is thus conveniently located for its current use. 187-207 Lavender Hill comprises of three buildings: a newly built development with residential and retail uses, a four-storey office block and a three-storey building with retail uses including tuition, adoption and a yoga studio. The office building (201-203 Lavender Hill) is considered to be of poor quality though is occupied, by a charity, and thus could be meeting a need in this respect
- 4.44 Cluster C31, Clapham Junction Town Centre, 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. There are two SSAs in the town centre, 4.1.1 (Asda, Lidl and Boots site, Falcon Lane, SW11) and 4.1.2 (Clapham Junction Station Approach, SW11). Although these sites are allocated for retail focused uses, they may have potential to accommodate office uses, given the high levels of connectivity to the town centre, should Crossrail 2 come forward.

Balham sub-area

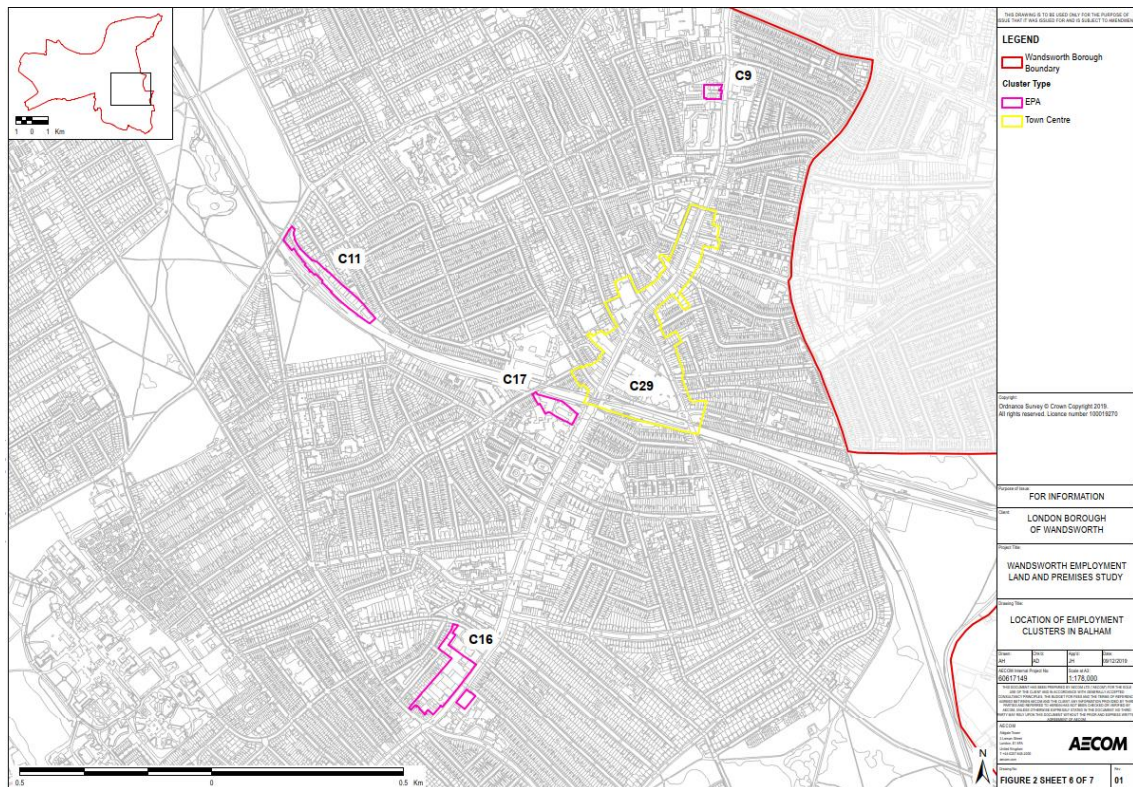
- 4.45 The Balham sub-area comprises of Balham Town Centre, several local office centres designated as EPAs on Balham High Road, and an industrial area designated as an EPA near to Wandsworth Common Railway station. Table 4.6 lists the employment clusters in the sub-area. Their locations are identified in Figure 4.6.

Table 4.6: List of clusters in the Balham sub-area

Cluster No.	Name	Designation	Employment/B-class Use	Size (ha)
C9	Hillgate Place, Balham Hill	EPA	B1a/b	0.2
C11	Jaggard Way/Bellevue Road	EPA	B1a/b	0.9
C16	Wimbledon Sewing Centre, Balham High Road	EPA	B1c/B2	1.4
C17	Irene House and 25 Boundaries Road	EPA	B8	0.4
C29	Balham Town Centre	Town Centre	B1a/b	9.5
Total				12.4

Source: AECOM (2020).

Figure 4.6: Location of clusters in the Balham sub-area



Source: AECOM (2020).

- 4.46 Cluster C9, Hillgate Place, is a local office centre on Balham Hill located north of the town centre. It is designated as an EPA. The cluster is in good condition, and there is no sign of vacancy with many of the units being occupied by SMEs. Residential units are located within Hillgate Place, though there is no evidence that the employment uses within Hillgate Place impact these residents. Parking is limited within the cluster though access to public transport is excellent with Clapham South station located close to the site. Overall, this cluster is well-occupied and provides suitable employment space for SMEs in the area.
- 4.47 Cluster C11, is a designated EPA located on Jaggard Way, adjacent to Wandsworth Common Station. The cluster comprises a light industrial estate, with SME businesses, small office floorspace, 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.

- 4.48 Cluster C16, is a designated EPA in Tooting. It is bisected by Balham High Road. The cluster on the northern side of Balham High Road is primarily a retail and trade counter area with some space used for light industrial and warehousing uses. To the south of the road, there is a gym, a supermarket and a car repair shop. The area is in a prime location. It has excellent public transport and is located close to Tooting Bec underground station. Though buildings are in poor condition, they appear fit for their current uses. The site has dedicated parking and Balham High Road offers excellent access to the strategic road network. There is potential for intensification and/or redevelopment to provide additional purpose-built SME light industrial floorspace or small office premises within this cluster. This is particularly the case in the northern side of the cluster with retail units and industrial floorspace located there currently of a low density.
- 4.49 Cluster C17 comprises two buildings situated immediately to the south of Balham Town Centre, in proximity to the station, with direct strategic road access on to the A24. Both buildings were previously large office buildings. Currently, the larger of the buildings (25 Boundaries Road) is used for self-storage and is in generally good condition. The other building, Irene House, is occupied by the government, serving as a health assessment advisory centre. The quality of stock within Irene House is average, serving the purpose of its current use but not of modern occupiers of office floorspace. It fits the needs of existing uses but not of modern occupiers of office floorspace. The cluster has excellent public transport accessibility with Balham railway station located only 50m away. There is dedicated parking serving 25 Boundaries Road but not Irene House, since Irene House faces onto Balham High Street.
- 4.50 Cluster C29, Balham Town Centre, is situated in the southern part of the Borough, close to the boundary of Lambeth. It benefits from Underground and rail 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.

Putney sub-area

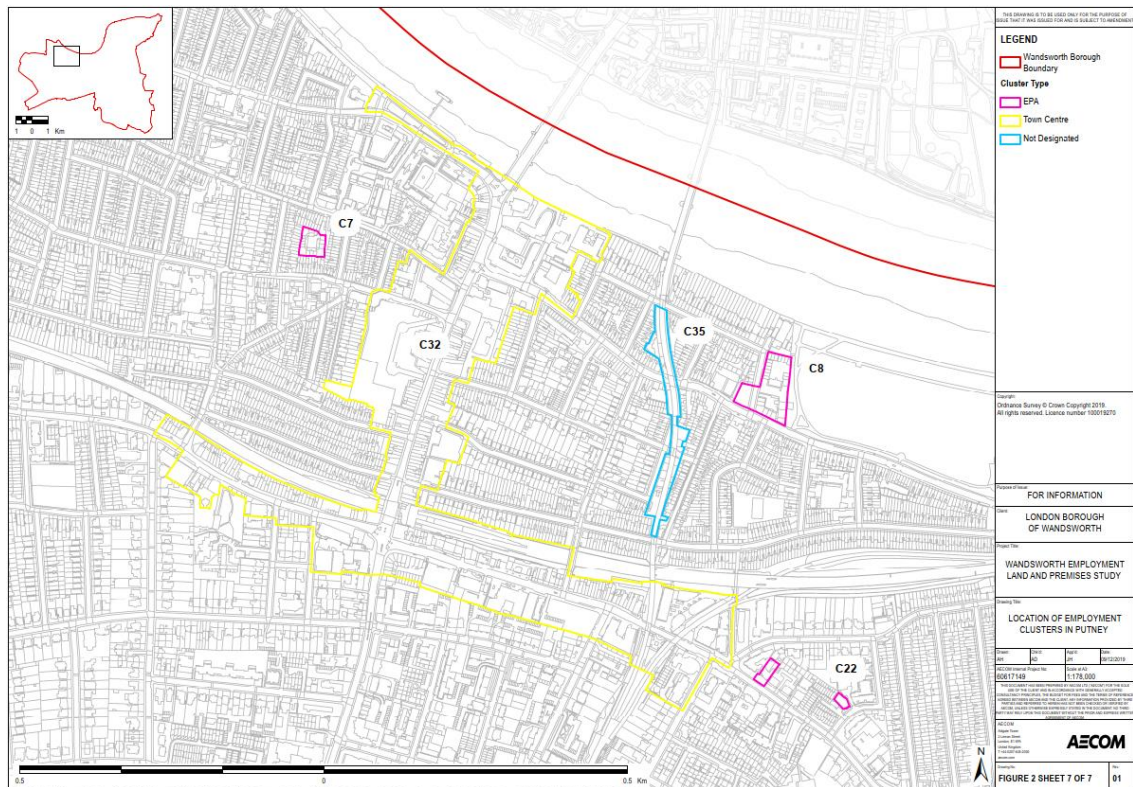
- 4.51 The Putney sub-area consists of Putney town centre, and EPAs and non-designated sites which comprise a mix of both industrial and office uses. Table 4.7 lists the employment clusters in the sub-area. Their locations are identified in Figure 4.7.

Table 4.7: List of clusters in the Putney sub-area

Cluster No.	Name	Designation	Employment / B-class use	Size (ha)
C7	Princeton Court and Felsham Road	EPA	B1a/b	0.2
C8	116-118 Putney Bridge Road and Blades Court	EPA	B1a/b	0.6
C22	70 Upper Richmond Road and 5 Manfred Road	EPA	B1a/b	0.1
C32	Putney Town Centre	Town Centre	B1a/b	21.4
C35	Industrial units off Winthorpe Road	Not designated	B1a/b, B8	0.9
Total				23.2

Source: AECOM (2020).

Figure 4.7: Location of clusters in the Putney sub-area



Source: AECOM (2020).

- 4.52 Cluster C7, Princeton Court, is a designated EPA in a primary residential area west of Putney Town Centre. The cluster comprises of two-to-three floor office floorspace in good condition. There is no evidence of vacancy with many of the units being occupied by SMEs. The centre is very close to housing, though there is no evidence that the employment uses within Princeton Court impact residents. There is limited parking space on-site and access to the public transport network is good (it has a PTAL score of 5).
- 4.53 Cluster C8 is a designated EPA comprising of 116-118 Putney Bridge Road and Blades Court. 116-118 Putney Bridge Road will be redeveloped into modern office floorspace comprising of between four and five floors. The site is currently in adequate condition and is vacant. Blades Court is a mixed-use complex which caters for residential and office uses. Office floorspace in the site is generally of good condition and is occupied by SMEs with little evidence of vacancy. The office floorspace is very close to the residential space within the courtyard, and residents and office workers share a car park (though there is little evidence that the employment use within the court impacts on residents). Construction of residential units and new office floorspace is currently ongoing in the site.
- 4.54 Cluster C22 is a designated EPA comprising of 70 Upper Richmond Road and 5 Manfred Road. The former is a two-storey office building and is of adequate condition, and 5 Manfred Road is a recently refurbished office building overlooking a church. Both properties accommodate SMEs and there is no evidence of vacancy within either property. The cluster has adequate links to the public transport network with East Putney station located approximately 150m away.
- 4.55 Cluster C32, 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. There is evidence of significant regeneration along Upper Richmond Road, mostly office floorspace being converted to residential, but with some new office floorspace at Tileman House offering office floorspace for small and medium sized businesses. Along Putney High Street there are a limited number of commercial premises providing small office floorspace above retail premises, which are generally of lower quality.
- 4.56 Cluster C35 is situated to the east of Putney Town Centre and comprises small business and workshop space within railway arches. The businesses contain a mix of uses including a car repair centre, guitar repair

shop, gym, landscaping shop and recording studio and there is no evidence of vacancy. The building quality within the cluster is mixed. Some buildings within the cluster are of poor quality though redevelopment within the cluster has improved the quality of some premises. The cluster lacks direct strategic road access and is situated within a residential area with narrow streets, creating a disjointed layout and limited parking.

Wandle Valley sub-area

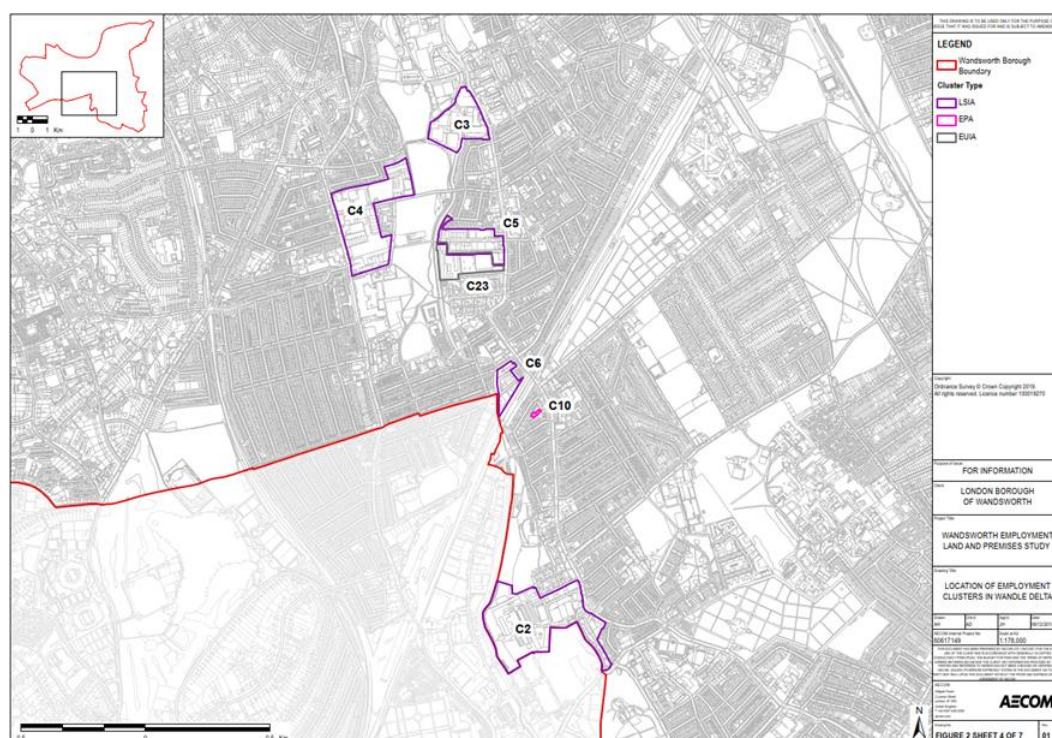
4.57 The Wandle Valley sub-area comprises employment clusters, mainly LSIA's, of predominantly light industrial, warehouse, workshop, and small office floorspace within land in the centre of the Borough, in the Southfields, Earlsfield, and Summerstown areas. Table 4.8 lists the employment clusters in the sub-area. Their locations are identified in Figure 4.8.

Table 4.8: List of clusters in the Wandle Valley sub-area

Cluster No.	Name	Designation	Employment/B-class Use	Size (ha)
C2	Garratt Business Park	LSIA	B1a/b, B1c/B2, B8, A1, Sui Generis	10.1
C3	Old Sergeant	LSIA	B1c/B2, B8, Sui Generis	3.5
C4	Kimber Road	LSIA	B1a/b, B1c/B2, B8	7.2
C5	Lydden Road	LSIA	B1a/b, B1c/B2, B8	2.7
C6	Thornsett Road	LSIA	B1a/b, B1c/B2, B8	1.1
C10	Smith's Yard	EPA	B1a	0
C23	Bendon Valley	EUIA	B1a/b, B1c/B2	2.2
Total				26.8

Source: AECOM (2020).

Figure 4.8: Location of clusters in the Wandle Valley sub-area



Source: AECOM (2020).

- 4.58 Cluster C2, Summerstown LSIA, is situated to the north of Wimbledon Stadium and comprises several business estates with medium and large warehouses, industrial, a trade counter, and some retail accommodation, and several artists' studios. Building quality within the cluster is mixed with some older, poor-quality warehousing space. There is adequate parking and servicing available on site, but the condition of the surrounding environment is generally poor. The cluster has excellent access to the strategic road network via Garratt Lane and is located close to Earlsfield rail station which provides access to the public transport network. While there are places of worship at the fringes of the cluster on Summerstown within industrial premises, there do not appear to be obvious 'bad neighbour' issues, and there is the possibility for 24-hour working particularly in the Wimbledon Stadium Business Centre.
- 4.59 Cluster C3 is a designated LSIA which is occupied by predominantly medium sized industrial/warehousing premises, a trade counter and retail area, and two large self-storage facilities within an industrial estate. Building quality is generally good though some buildings, particularly in the west of the cluster are of poor quality. The condition of the public realm and surrounding environment is deemed adequate for its current use. The cluster has good access to the strategic road network via Garratt Lane. Accessibility within the cluster is good and there is adequate parking space for the uses on site. The cluster appears to function well as a LSIA. It is efficiently used, with no advertised vacancy.
- 4.60 Cluster C4 is a designated LSIA occupied by predominantly medium sized premises including warehousing, several car dealerships and service centres, trade counter premises and a factory shop on Merton Road. Space for SMEs is primarily within the Glenville Mews estate towards the east of the cluster, which comprises of single storey warehousing units. This area is generally well-occupied with limited evidence of vacancy. The west of the cluster is predominantly occupied by self-storage units and retail along the A218 Merton Lane and Kimber Road. Building quality is generally adequate for the uses within the cluster. The cluster has good access to the strategic road network via Kimber Road and Garratt Lane. Overall, the cluster operates efficiently and is a hub for both employment and retail use.
- 4.61 Cluster C5 is a designated LSIA comprising of warehousing and office floorspace along Lydden Road and Lydden Grove. The east of the cluster comprises of medium and large size warehousing and office units. Building quality is generally good although there is limited parking space. These buildings are occupied by a mix of tenants, including recording and rehearsal studios, photographers and trade consultants. However, there is vacancy and advertised space within these buildings. Warehousing space within the CREW Clothing Site is currently vacant and office floorspace within the Earlsfield Business Centre is currently being advertised. The west of the cluster comprises of small to medium sized single storey warehousing units. Parking is adequate here though the building quality and quality of the surrounding environment is generally poor. There is no vacancy being advertised in this part of the cluster and good access to the strategic road network via Garratt Lane. This area of the cluster is located close to residential properties on Lydden Grove. However, there is no evidence that the uses on-site currently impact on residents of these properties.
- 4.62 Cluster C6 Thornsett Road is a designated LSIA located to the west of Earlsfield station. The cluster comprises small, predominantly industrial premises for SMEs, including one new, medium sized light-industrial and warehouse building, with ancillary offices. There is one large office building within the cluster. Building quality is generally good though there are some buildings of poorer quality towards the north of the cluster. The employment space is well occupied, primarily by SMEs, and there is no evidence of vacancy. There is good access to the strategic road network and public transport network with a PTAL score of 5, Garratt Lane and Earlsfield station respectively being located nearby. Parking is perhaps not enough to serve the number of businesses, and likely exacerbated by the number of vehicle repair and servicing businesses in this location.
- 4.63 Cluster C10, Smith's Yard, is a designated EPA located in Earlsfield towards the west of Garratt Lane. The cluster comprises of good quality two-to-three storey buildings with both office and retail uses. The buildings are well occupied with no evidence of vacancy. Access to the public transport network is good with the cluster having a PTAL score of 5. There is dedicated parking though this is very limited.
- 4.64 Cluster C23 is a designated EUIA adjacent to the LSIA at Lydden Road (Cluster C5). Employment space within this cluster is predominantly located within the Riverside Business Centre. The business centre comprises of office floorspace and workshops for SMEs and is a hub for the creative industries in the area. The buildings are in generally good condition within the business centre and there is limited evidence of vacancy. Aside from the business centre and a self-storage unit the rest of the space is occupied by a leisure centre with a large car park. The cluster has good access to the strategic road network via Garratt Lane. The EUIA designation permits redevelopment for a mix of uses including intensified space for employment uses which is progressing.

Other clusters

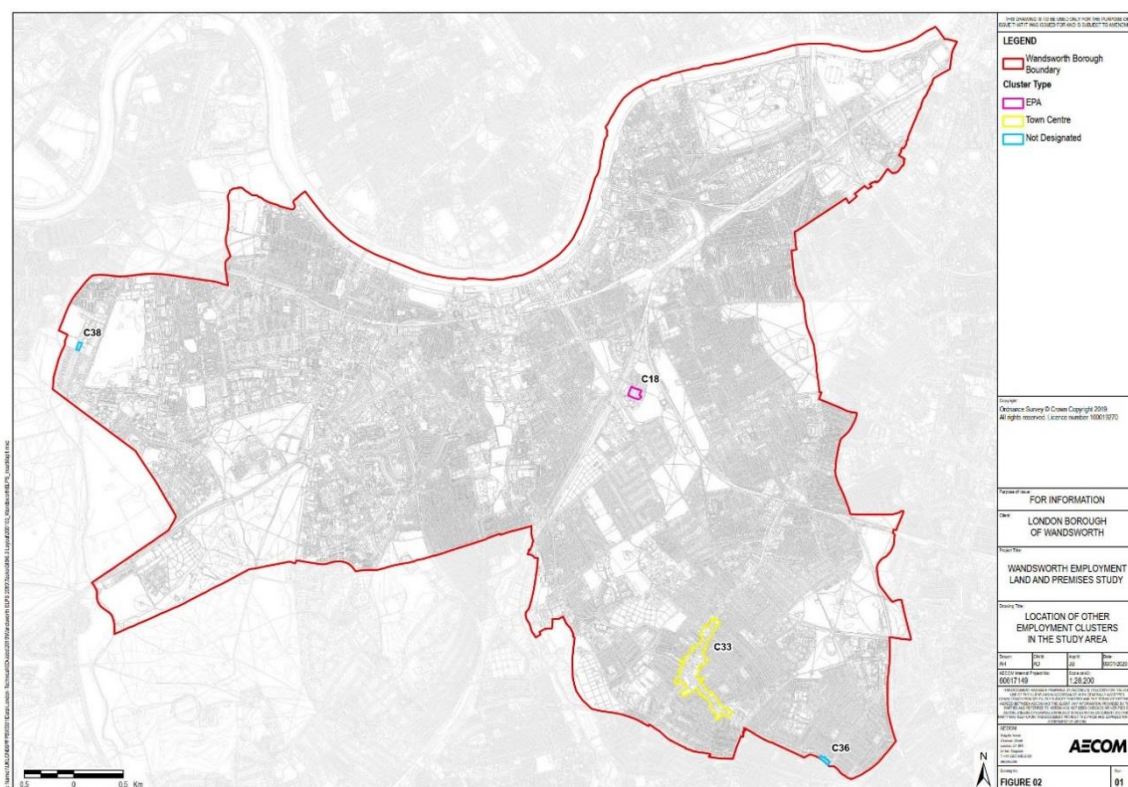
- 4.65 Other clusters in the Borough consist of Tooting Town Centre, an office centre designated as an EPA in Wandsworth Common, an undesignated vacant industrial floorspace at the Borough's southern border with Merton, and an undesignated office premises near to Roehampton in the east of the Borough.
- 4.66 Table 4.9 lists the clusters not located in a sub-area and considered within this section. Their locations are identified in Figure 4.9.

Table 4.9: List of other clusters

Cluster No.	Name	Designation	Employment / B-class use	Size (ha)
C18	Royal Victoria Patriotic Building, John Archer Way	EPA	B1a/b	1.1
C33	Tooting Town Centre	Town Centre	B1a/b	14.9
C36	Industrial units adjacent to 282 Mitcham Lane	Not Designated	B1a/b, B8	0.4
C38	The Grange, Bank Lane	Not Designated	B1a/b	0.2
Total				16.6

Source: AECOM (2020).

Figure 4.9: Location of other clusters



Source: AECOM (2020).

- 4.67 Cluster C33, Tooting Town Centre, is a retail focused town centre located to the southwest of Balham along the A23. There is little evidence of office occupancy except the Trident Business Centre on the A23. 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 few vacancies within the employment premises.

- 4.68 Cluster C18, the Royal Victoria Patriotic Building, is a designated EPA in Wandsworth Common. This cluster consists of a three-storey office building which is primarily occupied by SMEs. The building also contains residential properties and there is a theatre and restaurant on the site. The office floorspace within the cluster primarily consists of one-storey studio spaces which are generally of good quality. The cluster is not well served by public transport having a PTAL score of 1b. There is parking on-site but it is not enough to cater for all users of the building, particularly with public transport links being so poor.
- 4.69 Cluster C36, which is not designated, contains no current employment use. It consists of a plot of vacant and derelict industrial workshops located within a residential area. The cluster has direct access to the strategic road network via the A216. However, access to the public transport network is poor with the cluster having a PTAL rating of 2. Though vacant neither the premises nor land are marketed for occupancy and it is unclear given the long-term nature of the vacancy whether it could be brought back into employment use and whether there are constraints to it being redeveloped for this or other uses.
- 4.70 Cluster C38 is a large office building near to Wandsworth's border with Richmond upon Thames. It does not hold a designation. The building quality is good and the site caters for SMEs with no vacancy and very little space currently being marketed. There are excellent parking facilities available at the site. However, the site suffers from poor accessibility to the public transport networks (with a PTAL score of 0). The public realm is excellent and it is adjacent to a well-maintained sports ground and residential properties.

Vacant land and floorspace within the clusters

- 4.71 Analysis using CoStar estimates that there is approximately 28,000m² of vacant office floorspace within the Borough, which is equivalent to 6.3% of the total stock. At the time of the site survey, there was evidence of high levels of vacancy at Cluster C14 (190-194 St Ann's Hill and College Mews EPA) and Cluster C27 (Lombard Road/York Road SSADs). Other isolated instances of vacancy within office blocks within clusters was evident however in these instances vacant space was not considered to represent a considerable portion of the cluster. Many clusters of office floorspace in the Borough are performing well with low levels of vacancy. This is particularly the case for smaller clusters near to town centres which serve as local office centres and house SMEs.
- 4.72 There were three areas of industrial land identified to be entirely vacant during the study: the entirety of Cluster 36 (Industrial units adjacent to 282 Mitcham Lane) comprising 0.4ha, the gasholders site in Cluster C24 comprising 0.9ha and 0.14ha of vacant industrial land on Chatfield Road in the Lombard Road/York Road Focal Point. No other vacant industrial land was identified during the survey. The total vacant land in Wandsworth is therefore estimated to be 1.4ha. This broadly correlates with the findings in the 2016 London Industrial Land Supply and Economy Study. The study calculated that there was 0.7ha of vacant industrial land in the Borough which was all in non-designated sites. At the time of the study the gasholders site was not vacant.
- 4.73 Overall, the relatively low levels of vacancy for both office and industrial floorspace emphasise the considerable demand for employment space within the Borough and the market's response to this. It points to an efficient commercial market with strong demand relative to supply.

Prospects for development

- 4.74 Based on the above analysis, an assessment of the prospects for intensification and/or redevelopment for each cluster to provide either intensified floorspace and/or space more suitable for the needs of modern occupiers has been carried out.
- 4.75 the prospects for intensification and/or redevelopment for each cluster to provide either intensified floorspace and/or space more suitable for the needs of modern occupiers have been considered by way of a qualitative assessment guided using the following criteria:
- The density of employment use within the cluster;
 - Proximity to other uses;
 - Physical constraints;
 - Policy designations;
 - Accessibility to public transport;
 - Access to strategic road network;
 - Quality of stock; and
 - Presence of vacant land.
- 4.76 This assessment is intended to provide the Council a view on potential for intensification and/or redevelopment based solely on the supply side indicators listed above. The assessment does not include any analysis of viability or deliverability, two factors which are ultimately extremely important in determining when and where such change comes forward.
- 4.77 Table 4.10 summarises the prospects for intensification for each cluster in the survey. It provides the results for the assessment of the criteria identified above and identifies whether the site is either 'suitable', 'unsuitable' or has 'some potential' for intensification / redevelopment. For each site, text is provided which summarises the reasoning for the rating. Broadly, the ratings given to the sites in the table translate to the following:
- Suitable – There is clear opportunity to develop land parcels within the cluster due to a combination of supply factors encouraging intensification and/or redevelopment to increased employment use.
 - Some Potential – No obvious opportunity for development of any land parcels within these clusters were identified. However, certain supply conditions, including the presence of poor-quality buildings, vacancy or good access to the transport network, make the cluster, or parts of the cluster, attractive for intensification and/or redevelopment to increased employment use.
 - Unsuitable – Supply conditions make development unsuitable within these clusters. This may be because the cluster functions well in its current state, has recently been redeveloped or there are physical constraints which prevent development.

Table 4.10: Performance of employment clusters against criteria used to assess prospects for intensification

Cluster No.	Name	Designation	Overall quality of environment	Overall condition of buildings	Public transport accessibility	Strategic road accessibility	Densities and uses of building(s) on site	Occupancy / presence of vacant land	Potential issues of intensification / redevelopment due to proximity to other land uses	Any other physical constraints which may prevent redevelopment / intensification	Suitability for intensification/re-development (Suitable / Some Potential / Unsuitable)	If 'Suitable', area of land with development opportunity (ha)
Cluster ('C1')	Queenstown Road	SIL	Average	Good	Good, and will improve with opening of the Northern Line station at Battersea Power Station.	Indirect	There are many two-storey buildings comprising industrial floorspace and some four to five-storey buildings comprising office floorspace	The majority of cluster is well-occupied and fit for its current purposes. There is some evidence of vacancy of office floorspace within the IBP.	Residential properties are located on routes used by HGVs accessing the parts of the cluster, such as on the northern end of Silverthorne Road.	The presence of railway lines severs access in some parts of the cluster though may reduce some impacts from noise on the surrounding uses.	Suitable This cluster comprises of two areas either side of the A3216 Queenstown Road. The area to the west of the A3216 functions well as an industrial location and there is very low vacancy. However, this assessment considers this location unsuitable for intensification given the physical constraints caused by the presence of railway lines and the impact which HGV movements to and from the location have on residential properties on Culvert Road and Broughton Street. The area to the east of the A3216 also functions well as an industrial area. The area has low vacancy and the presence of railway lines shields heavy industry and transportation depots from non-industrial uses. The potential for intensification of general industrial uses is constrained by the amenity impact which HGVs have on residents of Silverthorne Road. Part of the site (Havelock Terrace, Ingate Place and the area to the south of the railway lines) has been earmarked by the Council as having potential to become a hub for SMEs in the creative and technology industries ('the Battersea Design and Technology Quarter'). Parts of this site, particularly in the IBP, are already subject to planning applications to provide mixed-use development including office and replacement industrial floorspace. However, the area to the south of Silverthorne Road has not yet been subject to any planning applications and currently primarily comprises of low-density warehousing space and transportation depots. There is potential that this part of the site could be intensified and/or redeveloped to provide light industrial floorspace for high value office and industrial uses such as that proposed in the technology quarter.	8.3
C2	Summerstown	LSIA	Average	Poor	Poor	Direct	Buildings are primarily one-to-two storey buildings comprising industrial floorspace	The cluster is well-occupied with little to no evidence of vacant land.	None evident	None evident	Some Potential The cluster appears to function well as a 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. The presence of older warehousing units within the site does present some intensification / redevelopment opportunity though this is limited.	n/a
C3	Old Sergeant	LSIA	Good	Average	Poor	Direct	Buildings are primarily between one and four storeys and comprise of industrial floorspace and non-employment uses (self-storage and retail)	The cluster is well-occupied with little to no evidence of vacant land.	None evident	None evident	Some Potential The cluster is well occupied and functions well as an LSIA. There is some potential to intensify some of the older, poorer quality buildings particularly in the western part of the cluster. Though these buildings meet the needs of the tenants which currently use them.	n/a

Cluster No.	Name	Designation	Overall quality of environment	Overall condition of buildings	Public transport accessibility	Strategic road accessibility	Densities and uses of building(s) on site	Occupancy / presence of vacant land	Potential issues of intensification / redevelopment due to proximity to other land uses	Any other physical constraints which may prevent redevelopment / intensification	Suitability for intensification/re-development (Suitable / Some Potential / Unsuitable)	If 'Suitable', area of land with development opportunity (ha)
C4	Kimber Road	LSIA	Good	Good	Poor	Direct	There are many buildings within the cluster. Sizes vary from one to two-storey buildings on the A218 comprising non-employment uses. There are also single-storey warehousing units on the Glenville Mews industrial estate.	The cluster is well-occupied with little to no evidence of vacant land.	None evident	None evident	Some Potential The cluster is well occupied and functions well as a LSIA. There is some potential to intensify the Glenville Mews estate to provide additional warehousing space for SMEs with buildings currently only single-storey. However, space in the estate is limited and additional parking space would need to be provided.	n/a
C5	Lydden Road LSIA	LSIA	Good	Poor	Good	Direct	Sizes vary between one to three-storey buildings comprising office and industrial floorspace.	The cluster is generally well-occupied though there is vacancy of industrial floorspace in the building currently occupied by CREW Clothing	None evident	None evident	Suitable The single-storey warehousing units to the west of the cluster currently have a poor building quality but are efficiently used with little vacancy. They could be intensified to offer additional employment space including purpose-built space for SMEs. Some of the buildings along Lydden Road which currently comprise of medium to large sized warehousing and office floorspaces are currently underutilised with some vacancy. There is potential for redevelopment of these units to provide uses which are more fit for purpose: including purpose-built SME workshops, warehousing space and/or smaller office units.	2.7
C6	Thornsett Road	LSIA	Average	Good	Good	Direct	Sizes vary between one to three-storey buildings comprising office and industrial floorspace.	No	The cluster is located close to residential properties.	Parking space is limited	Some Potential The cluster is well-occupied and there is no evidence of vacancy. A new industrial headquarters facility was built around 5 years ago. Towards the west of the cluster there are some buildings which are older in character. These could be intensified to provide additional industrial floorspace. However, this cluster is close to residential properties and community uses and there is currently limited parking space. There is also evidence that the existing space is particularly well-suited to certain tenants including car servicing businesses.	n/a
C7	Princeton Court and Felsham Road	EPA	Good	Good	Good	Direct	Two-to-three storey buildings comprising office floorspace	The cluster is well-occupied with little to no evidence of vacant land.	The cluster is within a primarily residential neighbourhood.	None evident	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, the cluster is well occupied and has buildings in excellent condition. It functions well in its current state and is close to residential properties which restricts potential for intensification.	n/a
C8	116 -118 Putney Bridge Road	EPA	Good	Good	Good	Direct	Four-to-five storey buildings containing office floorspace.	The cluster is well-occupied with little to no evidence of vacant land.	Residential units are located within the buildings currently providing employment space.	None evident	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, this cluster is currently undergoing change and redevelopment to employment space including residential. The office floorspace located on site is within buildings which	n/a

Cluster No.	Name	Designation	Overall quality of environment	Overall condition of buildings	Public transport accessibility	Strategic road accessibility	Densities and uses of building(s) on site	Occupancy / presence of vacant land	Potential issues of intensification / redevelopment due to proximity to other land uses	Any other physical constraints which may prevent redevelopment / intensification	Suitability for intensification/re-development (Suitable / Some Potential / Unsuitable)	If 'Suitable', area of land with development opportunity (ha)
											also contain residential units. There is very little potential for further intensification or redevelopment of employment use beyond what is ongoing.	
C9	Hillgate Place, Balham Hill	EPA	Good	Good	Good	Direct	Three-to-four storey buildings containing office floorspace.	The cluster is well-occupied with little to no evidence of vacant land.	Residential units are located within the buildings currently providing employment space.	None evident	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, this cluster is well occupied and has buildings in excellent condition. It functions well in its current state and is close to residential properties which restricts potential for intensification.	n/a
C10	Smith's Yard	EPA	Good	Good	Good	Indirect	Two-to-three storey buildings providing office floorspace.	The cluster is well-occupied with little to no evidence of vacant land.	The cluster is within a primarily residential area.	Parking space is limited	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, this cluster is well occupied and has buildings in excellent condition. It functions well in its current state, has limited parking space and is close to residential properties which restricts potential for intensification.	n/a
C11	Jaggard Way/Bellevue Road	EPA	Good	Good	Good	Indirect	One-to-two storey buildings comprising of light industrial and office floorspace	The cluster is well-occupied with little to no evidence of vacant land.	The cluster is close to a residential area	None evident	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, this cluster is well occupied, and buildings are generally in good condition. It currently functions well as an industrial area for SMEs and is located close to a residential area.	n/a
C12	Battersea Business Centre	EPA	Average	Poor	Good	Direct	Three-to-four storey buildings comprising of office and light industrial floorspace	The cluster is well-occupied with little to no evidence of vacant land.	None evident	None evident	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, the cluster is well occupied. It provides affordable workspace for SMEs in the creative industry which is not otherwise present in the locality.	n/a
C13	Smuggler's Way, Jews Row and Battersea Reach	EPA	Average	Average	Good	Direct	Sizes vary from single-storey buildings comprising industrial floorspace in Jew's Way to ten-storey buildings comprising office floorspace in Battersea Reach.	The cluster is well-occupied. There is some vacancy in office floorspace but no evidence of vacancy in industrial floorspace.	Residential units are located within and close to some of the buildings currently providing employment space.	None evident	Some Potential The cluster's current designation permits intensification and redevelopment to employment and other uses. There has been extensive recent redevelopment in the area of the cluster to the east of the A217 (Battersea Reach). Office floorspace is within buildings which are of a good quality and residential properties are located within the same buildings. There is no potential for intensification / redevelopment of this part of the cluster. Most of the employment space to the west of the A217 is industrial floorspace on Jew's Row. Some of the industrial floorspace is in single-storey units with the quality of the buildings and the quality of the surrounding area both being poor. There may be potential to intensify industrial use here. However, there is little to no evidence of vacancy and this space	n/a

Cluster No.	Name	Designation	Overall quality of environment	Overall condition of buildings	Public transport accessibility	Strategic road accessibility	Densities and uses of building(s) on site	Occupancy / presence of vacant land	Potential issues of intensification / redevelopment due to proximity to other land uses	Any other physical constraints which may prevent redevelopment / intensification	Suitability for intensification/re-development (Suitable / Some Potential / Unsuitable)	If 'Suitable', area of land with development opportunity (ha)
											seems to function well in its existing state. There are also residential properties located close by.	
C14	190-194 St Ann's Hill and College Mews	EPA	Average	Good	Good	Indirect	Two-to-three storey buildings comprising of office floorspace	The cluster is well-occupied. One unit was being advertised at the time of the study.	The cluster is within a primarily residential area.	Parking space is limited	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, the cluster is well occupied and functions well in its current state. It is small, has limited parking space and is close to residential properties making it unsuitable for intensification / redevelopment.	n/a
C15	57, 88-92 Putney Bridge Road and 2 Adelaide Road	EPA	Good	Good	Good	Direct	Three-to-four storey buildings comprising of office and self-storage space	The cluster is well-occupied. One unit was being advertised at the time of the study.	None evident	None evident	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, the cluster is well occupied and the buildings on site are in excellent condition. It functions well in its current state and there is little potential for intensification / redevelopment.	n/a
C16	Wimbledon Sewing Centre, Balham High Road	EPA	Average	Good	Good	Direct	Large two-storey buildings comprising of retail and trade units, office floorspace and other non-employment uses	No	None evident	None evident	Suitable The cluster's current designation permits intensification and redevelopment to employment and other uses. There is currently little evidence of traditional employment use on site, though the cluster is in a prime location near Tooting Bec and along Balham High Road. There is potential to redevelop the low-density retail units and industrial floorspace in the northern part of the cluster to provide additional purpose-built SME light industrial floorspace or office premises.	0.7
C17	Irene House, 218 Balham High Road and 25 Boundaries Road	EPA	Average	Poor	Good	Direct	A five-storey self-storage facility and a four-storey building providing office floorspace for government uses.	Both buildings are currently occupied	None evident	None evident	Suitable The cluster's current designation permits intensification and redevelopment to employment and other uses. 25 Boundaries Road (the self-storage facility) is fit for its purpose with generally good building quality. Irene House, however, offers opportunity for intensification/redevelopment. It is in an excellent location, located on Balham High Road close to Balham railway station and currently has an average building quality which is not fit for modern occupiers of office floorspace.	0.2
C18	Royal Victoria Patriotic Building, John Archer Way	EPA	Good	Good	Poor	Indirect	A three-storey building comprising of office floorspace and non-employment uses	No	Residential properties, a theatre and a restaurant are located within the buildings currently providing employment space.	None evident	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, the cluster functions well in its current state which provides a mix of uses including residential properties, leisure and employment space. There is also limited parking and the site has poor transport accessibility. There is little to no potential for intensification / redevelopment.	n/a

Cluster No.	Name	Designation	Overall quality of environment	Overall condition of buildings	Public transport accessibility	Strategic road accessibility	Densities and uses of building(s) on site	Occupancy / presence of vacant land	Potential issues of intensification / redevelopment due to proximity to other land uses	Any other physical constraints which may prevent redevelopment / intensification	Suitability for intensification/re-development (Suitable / Some Potential / Unsuitable)	If 'Suitable', area of land with development opportunity (ha)
C19	The Old Imperial Laundry, 71-73 Warriner Gardens	EPA	Average	Average	Good	Indirect	Two storey building comprising of office floorspace	The cluster is well-occupied with little to no evidence of vacancy	Residential units are located within the building which comprises the cluster	Parking space is limited	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, the employment space in the cluster is within a building which is generally poor quality. However, the cluster functions well in its current state with no evidence of vacancy. Residential properties are located within the building currently providing employment space and parking space is very limited. There is little potential for intensification / redevelopment.	n/a
C20	124 Latchmere Road and 187-207 Lavender Hill	EPA	Average	Average	Good	Direct	Three-to-four storey buildings comprising office floorspace and non-employment uses	No	124 Latchmere Road is used as a probation office and is located adjacent to the Lavender Hill police station and court house. It is therefore conveniently located for its current use. Residential properties are located within 207 Lavender Hill	None evident	Some Potential The cluster's current designation permits intensification and redevelopment to employment and other uses. There is a four-storey office block which is in poor condition and may provide potential for intensification / redevelopment to take advantage of the cluster's excellent public transport links and appeal to high-value tenants. However, the cluster is currently occupied by a charity and is fit for its current use. Other buildings in the cluster have either recently been redevelopment (including with residential properties) or are fit for their current uses (the probation office serving the nearby Lavender Hill Police Station). There is therefore no other potential opportunities for intensification / redevelopment.	n/a
C21	2 Broom Court, 140-142 Wandsworth High Street and 7A Putney Bridge Road	EPA	Average	Average	Good	Direct	Two-to-three storey buildings comprising office floorspace and non-employment uses	No	None evident	Parking space is very limited	Some Potential The cluster's current designation permits intensification and redevelopment to employment and other uses. Office floorspace, which is located on Wandsworth High Street and Broom Court, is in buildings in good condition and the cluster has excellent public transport accessibility. There is some evidence of vacancy of office floorspace however overall it appears to function well. Limited parking restricts the potential for the buildings to be intensified further. The retail unit on Putney Bridge Road is occupied though is in poor condition. There is potential for this building to be redeveloped to provide employment space. However, the site is located close to the town centre and is in a prime location for retail uses.	n/a
C22	70 Upper Richmond Road and 5 Manfred Road	EPA	Good	Good	Good	Direct	Two-to-three storey office buildings comprising office floorspace	The cluster is well occupied with little to no evidence of vacancy	The cluster is within a primarily residential neighbourhood.	None evident	Unsuitable The cluster's current designation permits intensification and redevelopment to employment and other uses. However, of the two buildings in the cluster, one has recently been redeveloped and the other is of excellent condition and in a primarily residential area which is not easily able to	n/a

Cluster No.	Name	Designation	Overall quality of environment	Overall condition of buildings	Public transport accessibility	Strategic road accessibility	Densities and uses of building(s) on site	Occupancy / presence of vacant land	Potential issues of intensification / redevelopment due to proximity to other land uses	Any other physical constraints which may prevent redevelopment / intensification	Suitability for intensification/re-development (Suitable / Some Potential / Unsuitable)	If 'Suitable', area of land with development opportunity (ha)
											accommodate additional employment use. There is no evidence of vacancy and the cluster appears to function well in its current state. There is limited to no potential for intensification / redevelopment.	
C23	Bendon Valley EUIA	EUIA	Average	Good	Good	Direct	Two-to-three storey buildings comprising office floorspace and a large one-storey building currently used for non-employment uses. Large car park also present.	The cluster is well-occupied with little to no evidence of vacancy	None evident	None evident	<p>Suitable</p> <p>The Riverside Business Centre is subject to a comprehensive redevelopment proposal to provide intensified employment floorspace.</p> <p>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. The cluster has direct strategic road access and the buildings with employment uses currently onsite function well with little to no vacancy.</p> <p>Redevelopment of the former Mecca Bingo building 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. The EUIA designation facilitates this.</p>	1.5
C24	Central Wandsworth	EUIA	Average	Average	Good	Direct	Sizes are typically one-to-two storeys comprising industrial floorspace	There is considerable vacancy within this site, including the former gasworks site and some units within the industrial floorspace to the east of the A217.	None evident	None evident	<p>Suitable</p> <p>The area to the east of the A217 is subject to a planning application to further intensify industrial floorspace and there is no further intensification / redevelopment opportunity.</p> <p>There is significant redevelopment potential to provide additional employment in the area of the cluster to the west of the A217. The former gas works site occupies a large area which is inefficiently used at present. Redevelopment of this, site which is planned, could offer a considerable opportunity for intensification of activities.</p> <p>The 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. Industrial land to the east of Dormay Street, which is currently being used temporarily to construct the Thames Tideway Tunnel, also has potential for significant redevelopment post construction works being completed.</p>	5.3
C25	Ransomes Dock	Focal Point	Good	Good	Poor	Direct	Sizes vary from single-storey buildings comprising industrial floorspace to eight-storey buildings comprising office floorspace and residential properties	The cluster is generally well-occupied. No industrial floorspace is currently available but office floorspace is being advertised within two buildings	None evident	None evident	<p>Unsuitable</p> <p>The cluster has undergone extensive redevelopment recently. Most of the office floorspace within the cluster is in buildings under 20 years old. Though there is evidence of some vacancy, office premises are of good quality and do appear to be well used.</p> <p>The industrial floorspace on site is of good quality and suits the needs of the occupiers with no vacancy. Office floorspace is currently being constructed on</p>	n/a

Cluster No.	Name	Designation	Overall quality of environment	Overall condition of buildings	Public transport accessibility	Strategic road accessibility	Densities and uses of building(s) on site	Occupancy / presence of vacant land	Potential issues of intensification / redevelopment due to proximity to other land uses	Any other physical constraints which may prevent redevelopment / intensification	Suitability for intensification/re-development (Suitable / Some Potential / Unsuitable)	If 'Suitable', area of land with development opportunity (ha)
											sites which were previously industrial land, as identified in the Wandsworth SSAD. There are no further opportunities for intensification / redevelopment within the cluster.	
C26	Wandle Delta	Focal Point	Good	Good	Poor	Indirect	There are many tall buildings (up to 21 floor) which have a mix of uses including office floorspace. There are also one to two storey buildings comprising industrial use	Most of the cluster is occupied. However, there are unoccupied office units within the Riverside Business Centre and industrial warehousing units on Osiers Road which are currently vacant and up for sale.	None evident	None evident	Suitable This cluster has seen substantial redevelopment as part of the Wandsworth Riverside Quarter development which ensures that there is no need for redevelopment within the cluster. However, there is potential to redevelop the small to medium-sized industrial warehousing units on Osiers Road which are currently up for sale. The warehousing units are currently single-storey and in poor condition. Purpose-built warehousing and office floorspace for SMEs could be provided in line with the recent redevelopment in other areas of the cluster.	0.6
C27	Lombard Road/York Road	Focal Point	Average	Good	Good	Direct	Sizes vary from single-storey buildings comprising industrial floorspace to three-to-four storey buildings comprising office and self-storage space.	There is some vacant industrial land in the southern part of the cluster. The rest of the cluster, including the office, industrial and self-storage units, are well-occupied with little evidence of vacancy.	None evident	None evident	Suitable The cluster is currently undergoing extensive redevelopment, particularly of the self-storage and industrial units in the northern part of the cluster. There is evidence that most of the cluster which is not currently being redeveloped functions well with limited evidence of vacancy. However, the cluster has areas of poor environmental and build quality, predominantly in locations with older industrial premises, warehouses or workshops, including the trading estate off Gwynne Road and industrial land south of Chatfield Road. These areas offer potential for redevelopment to provide additional purpose-built SME or small office premises.	1.6
C28	Nine Elms	Site Specific Allocations, Focal Points and non-designated employment space	Good	Good	Good	Direct	Sizes vary from single-storey buildings comprising industrial floorspace to office floorspace in buildings up to thirty-six floors.	The cluster is well-occupied and undergoing significant redevelopment with limited vacancies currently being advertised.	None evident	None evident	Unsuitable This cluster is currently undergoing substantial redevelopment and the area will form an extension to the CAZ in Wandsworth. This limits opportunity for any further redevelopment.	n/a
C29	Balham Town Centre	Town Centre	Good	Good	Good	Direct	Sizes vary from single-storey to four storey buildings comprising office floorspace and non-employment uses.	The office premises in the cluster are well-occupied with little to no evidence of vacancy.	The town centre is a prime area for retail uses due to the proximity to public transport, social infrastructure and the high footfall in the cluster. Many of the buildings with office floorspace have retail uses on the lower floors.	None evident	Some Potential The town centre contains a mix of uses and appears to function well. There is very low levels of vacancy in buildings comprising employment and non-employment uses. There is therefore little need for redevelopment / intensification of the majority of the cluster to employment uses. However, 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. This is because the	n/a

Cluster No.	Name	Designation	Overall quality of environment	Overall condition of buildings	Public transport accessibility	Strategic road accessibility	Densities and uses of building(s) on site	Occupancy / presence of vacant land	Potential issues of intensification / redevelopment due to proximity to other land uses	Any other physical constraints which may prevent redevelopment / intensification	Suitability for intensification/re-development (Suitable / Some Potential / Unsuitable)	If 'Suitable', area of land with development opportunity (ha)
											building currently is low density and is in a prime location with excellent public transport links.	
C30	Wandsworth Town Centre	Town Centre	Good	Average	Good	Direct	Sizes vary from single-storey to fifteen storey buildings comprising office floorspace and non-employment uses.	The office premises in the cluster are well-occupied with little to no evidence of vacancy.	The town centre is a prime area for retail uses due to the proximity to public transport, social infrastructure and the high footfall in the cluster. Many of the buildings with office floorspace have retail uses on the lower floors.	None evident	Suitable Parts of the town centre have undergone significant redevelopment recently with large commercial developments including the Light Bulb. However, there are still office buildings of poor quality in the town centre, including on the High Street and Ram Street. The town centre is vibrant and has excellent public transport network accessibility. The ongoing redevelopment of poor-quality office floorspace is key in ensuring that the cluster's employment offer stays competitive.	0.3
C31	Clapham Junction Town Centre	Town Centre	Good	Good	Good	Direct	Sizes vary from single-storey to four-storey buildings comprising primarily non-employment but some office floorspace.	The office premises in the cluster are well-occupied with little to no evidence of vacancy.	The town centre is a prime area for retail uses due to the proximity to public transport, social infrastructure and the high footfall in the cluster. Many of the buildings with office floorspace have retail uses on the lower floors.	None evident	Some Potential The town centre functions well as retail centre and there is limited employment space. The cluster has excellent transport accessibility and a high footfall numbers. There are no obvious existing opportunities for redevelopment to offer B-class uses given the existing retail and leisure focus and character. There are two SSAs in the town centre, 4.1.1 (Asda, Lidl and Boots site, Falcon Lane, SW11) and 4.1.2 (Clapham Junction Station Approach, SW11). Although these sites are allocated for retail focused uses, they may have potential to accommodate office uses, given the high levels of connectivity to the town centre, should Crossrail 2 come forward.	n/a
C32	Putney Town Centre	Town Centre	Good	Good	Good	Direct	Sizes vary from single-storey to ten-storey buildings comprising office floorspace and space for non-employment uses.	The office premises in the cluster are well-occupied with little to no evidence of vacancy.	The town centre is a prime area for retail uses due to the proximity to public transport, social infrastructure and the high footfall in the cluster. Many of the buildings with office floorspace have retail uses on the lower floors.	None evident	Some Potential The town centre is a key location for employment uses and office floorspace is located across the town centre. There is little to no evidence of vacancy of office floorspace and the buildings which they are in are generally of good quality. The cluster has excellent public transport accessibility and any schemes which further intensify employment use within the town centre should be encouraged.	n/a
C33	Tooting Town Centre	Town Centre	Average	Good	Good	Direct	Sizes vary from single-storey to four-storey buildings comprising primarily non-employment but some office floorspace.	The office premises in the cluster are well-occupied little to no evidence of vacancy.	The town centre is a prime area for retail uses due to the proximity to public transport, social infrastructure and the high footfall in the cluster. Many of the	None evident	Some Potential The town centre is retail focused and there is limited employment space. However, vacancy is low in the office premises which are available and buildings are of generally good quality. Should Crossrail 2 come forward, 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	n/a

Cluster No.	Name	Designation	Overall quality of environment	Overall condition of buildings	Public transport accessibility	Strategic road accessibility	Densities and uses of building(s) on site	Occupancy / presence of vacant land	Potential issues of intensification / redevelopment due to proximity to other land uses	Any other physical constraints which may prevent redevelopment / intensification	Suitability for intensification/re-development (Suitable / Some Potential / Unsuitable)	If 'Suitable', area of land with development opportunity (ha)
									buildings with office floorspace have retail uses on the lower floors.		redevelopment and intensification of several sites within the town centre.	
C34	Cloisters Business Centre	Not Designated	Good	Good	Good	Direct	Three-storey buildings comprising office floorspace	The cluster is well occupied. One unit was being advertised at the time of the study.	None evident	None evident	Unsuitable The cluster is well occupied and the buildings on site are in excellent condition. It functions well in its current state and is an important local centre for SMEs from the creative industries. There is little to no potential for intensification / redevelopment.	n/a
C35	Industrial units off Winthorpe Road	Not Designated	Average	Average	Good	Indirect	Single-storey units comprising industrial floorspace	The cluster is well-occupied with little to no evidence of vacancy	The cluster is located within a primarily residential area.	The industrial units are located underneath railway lines. The cluster is located on narrow streets creating a disjointed layout.	Unsuitable There has been recent redevelopment of units within the cluster and the cluster is currently well used with no evidence of vacancy. The units are located under railway lines which restricts the potential for intensification / redevelopment. The cluster also lacks direct strategic road access and is in a primarily residential area with narrow streets and a disjointed layout.	n/a
C36	Industrial units adjacent to 282 Mitcham Lane	Not Designated	Average	Poor	Poor	Direct	Single-storey units with no current employment use	The cluster is vacant with no current employment use.	The cluster is located within a primarily residential area.	None evident	Unsuitable The land is unused and comprises poor-quality sheds. Its location, size and layout makes it unsuitable for modern employment space development in accordance with NPPF principles.	0.4
C37	Culvert House, Culvert Road and The View, Battersea Park Road	Not Designated	Good	Good	Good	Direct	One four-storey building comprising office floorspace and one twelve-storey building comprising office floorspace and residential properties which is currently under construction	There is no vacancy within the existing buildings. Office floorspace in the building under construction is currently being advertised for let	There is a school located in the existing building. Residential units will be located within the building currently under construction.	None evident	Unsuitable One of the two buildings in the cluster is currently undergoing redevelopment to a mixed-use development with office floorspace. The other buildings functions well in its current state with no evidence of vacancy. Physical constraints, with a school located in the same building, restricts opportunity for intensification / redevelopment of this building.	n/a
C38	The Grange, Bank Lane	Not Designated	Good	Good	Poor	Indirect	A five-storey building comprising office floorspace	The cluster is well-occupied with little to no evidence of vacancy	The building is adjacent to residential properties and a well-maintained sports ground.	None evident	Unsuitable The quality of the building is excellent and the cluster is well-occupied with no evidence of vacancy. The site has poor connections to the public transport and strategic road networks and physical constraints including the presence of a sports ground limits the potential for any intensification / redevelopment.	n/a

4.78 Based on the above analysis 9 of the 38 clusters in the Borough have been assessed as having land which is suitable for development. This translates to approximately 21.4 hectares of land, and comprises:

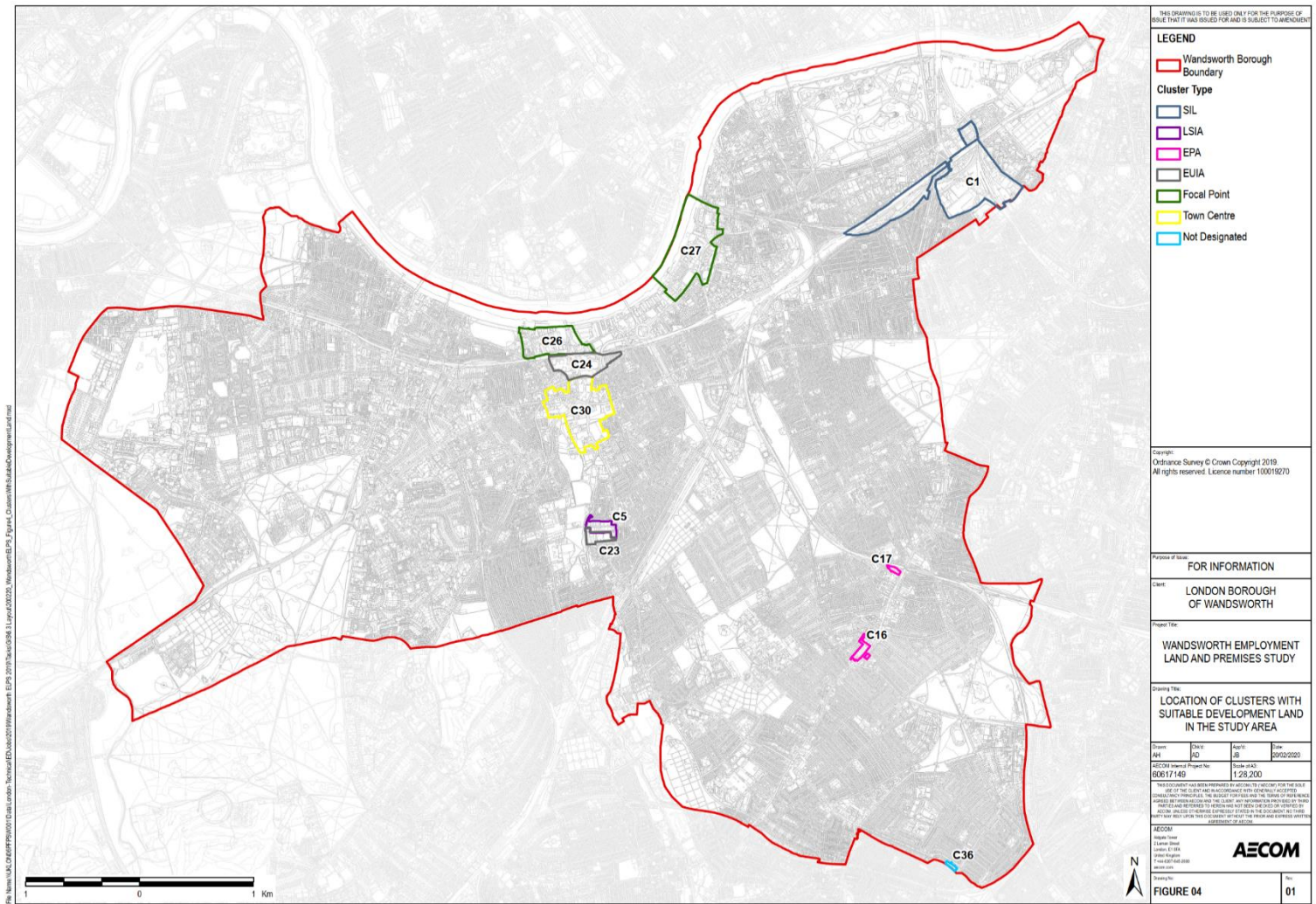
- approximately 8.3ha of land in the Queenstown Road SIL (Cluster C1) suitable for high value office and industrial uses in the area identified as the BDTQ, due to its proximity to the CAZ and the upcoming Northern Line extension;
- approximately 5.3ha of land in the Central Wandsworth EUIA (C24) which could be redeveloped to accommodate industrial and office floorspace due to the presence of vacant land, poor quality buildings and excellent links to public transport and strategic road access;
- approximately 1.5ha of land in the Bendon Valley EUIA (C23) which could be intensified to provide additional office and industrial floorspace primarily due to poor quality buildings and certain parcels of land which are low density;
- approximately 2.2ha of land in Focal Points along the River Thames (C26 and C27). These large clusters both have pockets of land with older industrial premises in poor condition which could be redeveloped to provide warehousing or office floorspace for SMEs.
- approximately 2.7ha of land in the Lydden Road LSIA (C5) which could be intensified to provide additional industrial floorspace primarily due to poor quality buildings and certain parcels of land which are low density;
- approximately 0.9ha in small EPAs located close to town centres (C16 and C17) which have buildings which could be intensified or redeveloped to provide additional office floorspace due to excellent transport links and the poor quality of stock currently on site; and
- approximately 0.3ha in Wandsworth Town Centre (C30) which could be redeveloped to offer additional office floorspace due to poor quality buildings and excellent public transport accessibility.

4.79 The clusters which were assessed as being suitable for intensification / redevelopment are listed in Table 4.11 and identified in Figure 4.10.

Table 4.11: Clusters identified as 'suitable' for development in Wandsworth

Cluster No.	Name	Designation	Overall cluster size (ha)	Area of land with 'suitable' development opportunity (ha)
C1	Queenstown Road	SIL	31.1	8.3
C5	Lydden Road LSIA	LSIA	2.7	2.7
C16	Wimbledon Sewing Centre, Balham High Road	EPA	1.4	0.7
C17	Irene House, 218 Balham High Road and 25 Boundaries Road	EPA	0.4	0.2
C23	Bendon Valley EUIA	EUIA	2.2	1.5
C24	Central Wandsworth	EUIA	9.4	5.3
C26	Wandle Delta	Focal Point	13.0	0.6
C27	Lombard Road/York Road	Focal Point	29.6	1.6
C30	Wandsworth Town Centre	Town Centre	23.9	0.3
Total	-		113.7	21.2

Figure 4.10: Location of clusters with development potential in Wandsworth



- 4.80 Of the remaining 29 clusters, 11 were assessed to have land which has ‘some potential’ to be developed. These sites don’t have any obvious opportunities for growth but have certain supply conditions which may favour intensification or redevelopment if demand for it is there. They are identified in Table 4.12.

Table 4.12: Clusters identified as having ‘some potential’ for development in Wandsworth

Cluster No.	Name	Designation	Overall cluster size (ha)
C2	Summerstown	LSIA	10.1
C3	Old Sargeant	LSIA	3.5
C4	Kimber Road	LSIA	7.2
C6	Thornsett Road	LSIA	1.1
C13	Smuggler’s Way, Jews Row and Battersea Reach	EPA	14.6
C20	124 Latchmere Road and 187-207 Lavender Hill	EPA	0.2
C21	2 Broom Court, 140-142 Wandsworth High Street and 7A Putney Bridge Road	EPA	0.3
C29	Balham Town Centre	Town Centre	9.5
C31	Clapham Junction Town Centre	Town Centre	22.8
C32	Putney Town Centre	Town Centre	21.4
C33	Tooting Town Centre	Town Centre	14.9
Total	-	-	105.6

- 4.81 18 clusters are assessed to be wholly unsuitable for development with no potential for intensification/redevelopment regardless of the level of demand.

Premises types and sectors prominent in the Borough

- 4.82 This section comments on the types of business premises and specific sectors noted to be prominent in the Borough. This is based on the findings of the site surveys and the stakeholder engagement workshops.

Provision of start-up and small business space

- 4.83 Business start-ups and small businesses provide an important source of economic growth and prosperity. Wandsworth’s Core Strategy, Development Management Policies Document and Local Plan Employment & Industry Document recognise this and state the importance of providing space to serve the needs of SMEs, to support their growth and retain them in the Borough.
- 4.84 The survey found business start-ups and SMEs distributed throughout the Borough, often within or alongside areas of industrial and warehousing, or small office floorspace and with good access to public transport. There are also some dedicated areas of SME and small business premises.
- 4.85 There are good examples of successful SME provision within the Summerstown and Thornsett Road LSIA (C2 and C6) and several small estates within the Lombard Road/York Road Focal Point (C27). 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. Most spaces appear to be modernised and converted to accommodate these types of occupiers and are examples of good and well-functioning SME space which have good quality environments and buildings. In addition, Wandsworth Town Centre (C19) includes The Light Bulb run by Workspace providing new space orientated towards modern SMEs seeking high quality, well connected workspace.
- 4.86 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 be used and though some had vacancies advertised, vacancy was 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.

- 4.87 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 occupying the Old Imperial Laundry building (C19) were predominantly used by artists, as exhibition space and furniture builders, while Jaggard Way/Bellevue Road (C11) and Summerstown LSIA (C2) both contain several print and design focused occupiers. These locations provide an authentic feel and image due to their older building stock, which makes them attractive to creative and cultural occupiers. As such, they 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.
- 4.88 Table 4.13 summarises the clusters of small business space identified in site surveys undertaken within the Borough.

Table 4.13: Clusters with small business space in Wandsworth

Cluster No.	Name	Designation
C30	The Light Bulb	Serviced offices and studios with communal space and an on-site café. Units range from 17 to 66 m ² .
C26	Riverside Studios	Serviced offices, studios, and light industrial units targeted at creative and manufacturing occupiers. Units range from 16 to 75 m ² .
C1	Battersea Studios	Serviced office and studio space for between 3-100 people, with meeting rooms and on-site dining.
C25	Royal College of Art Innovation Centre	Incubator space for arts related work, supported by the Dyson foundation.
C19	Old Imperial Laundry	Studio offices targeted at design and creative industries, with shared courtyard space. Units range from 28 to 280m ² .
C33	Trident Business Centre	Serviced flexible office, studio, and workshop space with meeting rooms. Units ranging from 18 to 93m ² .
C12	Battersea Business Centre	Serviced office, studio, and light industrial floorspace with a shared car park and courtyard.
C25	Ransomes Dock	Serviced offices and studios with a café and shared meeting spaces.

Use of railway arches

- 4.89 Railway arches provide space suitable for SMEs. Wandsworth contains many 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 (C35)³⁹.
- 4.90 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

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

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 (several gyms having been observed).

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

Presence of creative and cultural Industries

- 4.92 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 floorspace). 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. 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.
- 4.93 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 floorspace.
- 4.94 The former locations are more suitable for businesses/organisations involved in physical design and production who require industrial floorspace/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. Further analysis of affordable space is provided in Chapter 5.
- 4.95 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

- 4.96 The survey identified several small business units within the Borough in 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.
- 4.97 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.

- 4.98 While there is evidence that clustering occurs in the Borough for SMEs within some sectors (for example, the creative and cultural sector), the only evidence of this occurring within sectors which support CAZ functions is of catering and food businesses located in warehousing/trading estate areas. 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. There could therefore be a case to support the needs of SMEs seeking small industrial / shed space to service the CAZ. However, this space would need to be provided without compromising the high specification flexible space for offices and the creative industries which are coming forward in and around the CAZ.
- 4.99 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

- 4.100 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 several luxury vehicle specialists on Kimber Road and Burr Road in (in Cluster C4). Most 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 several smaller servicing and MOT facilities throughout the Borough.
- 4.101 Vehicle showrooms require either 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.
- 4.102 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 near residential dwellings, in C11 and C35).
- 4.103 Clusters C24, C4, C27, and C13 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.
- 4.104 There were no observed vacancies within these types of premises, with all appearing to be fit for purpose and well used.

Summary

- 4.105 AECOM's qualitative survey of employment land within Wandsworth comprised a site visit to 38 clusters, combined with elements of desk research. The clusters comprised one SIL, five LSIAs, seventeen EPAs, two EUJAs, three Focal Points, five town centres, five non-designated sites and Nine Elms (which includes Site Specific Allocations, Focal Points and non-designated employment space).
- 4.106 The assessment was conducted based on a set of site appraisal criteria (which were agreed with Wandsworth Council 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 in Wandsworth consists of a number of larger, established business locations (such as the Queenstown Road SIL and the Central Wandsworth EUJA), contrasted by a smaller number of business and office centres (such as the Cloisters Business Centre in Nine Elms and Hillgate Place in Balham) and a number of disparate employment sites (including the Battersea Business Centre on Lavender Hill Road and the Grange in Roehampton). Typically, there is a mix of different typologies present, particularly small offices and warehousing and industrial

premises, within most employment clusters. Traditional 'clustering' of employment uses were therefore not observed in most locations, however there was clear evidence of clustering of particular uses, notably SMEs, catering, and creative and cultural industries.

- 4.107 Our assessment concludes that most clusters surveyed are functioning well, have high occupancy rates and support a diverse range of business types. There is evidence of loss of employment sites to other uses, particularly conversion of office premises to residential accommodation due to the impact of PDR prior to the Article Four direction to prohibit this type of development in certain areas in the borough. However, the survey did find some new mixed-use development incorporating office and flexible (e.g. studio or SME) space, 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 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 a priority, with current supply within town centres being reasonably constrained.
- 4.108 The survey identified some opportunities for intensification and redevelopment to provide further employment use. However, such opportunities are often limited by many of the clusters currently performing well. Most opportunities to intensify employment activity in the Borough are by redeveloping older and poorer quality premises which are not currently efficiently used. Of the 38 clusters, 9 clusters had land which was deemed to be suitable for intensification and/or redevelopment and 11 had land which had some potential. The remaining eighteen clusters were deemed unsuitable for intensification or redevelopment based on their supply conditions.

5. Property market analysis

Introduction

- 5.1 This chapter presents analysis of the commercial property markets in Wandsworth. It identifies the health of the property markets in Wandsworth by comparing performance between the Borough and other Boroughs in the property markets using key indicators (the 'Property Market Assessment'). It also presents the findings of an assessment of the potential for affordable workspace within the Borough. The assessment includes analysis of which areas within the Borough have the greatest potential to accommodate affordable workspace, and at what rents it could be introduced at.

Property Market Assessment

Approach

- 5.2 This property market assessment examines Wandsworth's commercial property market within the context of its wider functional economic market area. We structure our analysis as follows:
- We define the FEMAs for office and industrial floorspace 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 office market, excluding VNEB OA.
 - We assess the local and sub-regional industrial floorspace by analysing key property market indicators.
- 5.3 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.
- 5.4 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

- 5.5 A FEMA is defined by a range of characteristics which shape the local economy and decisions by businesses of where to locate. Proximity to a suitably skilled labour force, transport links, customers, client and markets, and availability of sites and premises are all key factors which shape businesses' location decisions. 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.
- 5.6 The PPG suggests that defining the FEMA should take account of the following factors:
- 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
 - Administrative areas.
- 5.7 The flow of labour, goods and services is influenced by connectivity and accessibility. Travel to work area data illustrates the integrated nature of London's labour market. Wandsworth residents work in other

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

Boroughs while Wandsworth provides employment for people living elsewhere. However, a large FEMA which captures London-wide trends may not be best representative of local circumstances.

- 5.8 Wandsworth is predominantly linked with other Borough economies in south and south-west London, because 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.
- 5.9 Our assessment suggests that three property market areas exist in the context of Wandsworth:
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 market, 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. An office market emerging at the VNEB OA which can be considered part of the CAZ. This office market competes with other locations within the CAZ and provides high quality, modern offices 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 Hammersmith & Fulham, Merton, Lambeth, and Southwark.
- 5.10 The above FEMAs form the basis for assessing Wandsworth's office and industrial markets.

Wandsworth's office markets

Supply

Central London Office Market

- 5.11 The CAZ market consists of approximately 20,622,000m² of office floorspace. The provision of the office floorspace in the CAZ has changed significantly over the past two decades. Large schemes delivering high quality office floorspace have come forward at London Bridge, King's Cross, Waterloo and Paddington. Supply is expected to increase further with provision coming forward / proposed for Victoria and Euston.
- 5.12 Construction of developments in the VNEB OA is ongoing and is comprising of a range of uses including large-scale office floorspace. As of 2019, there are 84,500m² of office floorspace within the VNEB OA. This is expected to increase to 205,000m² of office floorspace by 2024⁴¹, including 58,000m² which is currently being constructed. The nature and scale of provision coming forward is significantly different to the stock of office premises found elsewhere in the Borough. This space is being built out at high quality and specification on a par with other office developments in the CAZ. 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.
- 5.13 The provision of high-quality office floorspace on this scale constitutes a step change in the Borough's office market offer. This is expected to provide significant 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.

Local office market

- 5.14 The local office market in Wandsworth accommodates approximately 382,000m² of floor space. This is typical for an inner London Borough which lies mostly outside the CAZ. Office premises are primarily located in the north of the Borough, along the River Thames and in and around many of the Borough's town centres,

⁴¹ A small proportion of this floorspace could be for retail uses.

Focal Points and EPAs. Office premises are also located in SIL, LSIA and in undesignated sites. Most office premises in the local market comprise of small flexible workspace within business centres in and around town centres. There are some medium-sized office premises, notably in Putney Town Centre, in new developments in Focal Points along the River Thames. The southern parts of the Borough contain little floorspace, with most examples in these areas being within small, often purpose-built, buildings and above shops within town centres.

- 5.15 The local office market FEMA comprises of approximately 3,544,000m² of floorspace. Table 5.1 provides a breakdown of office floorspace in the FEMA by Borough. It shows a positive relationship between floorspace stock and proximity to central London, with Hammersmith & Fulham, Kensington & Chelsea and Lambeth collectively having most of the floorspace. Office floorspace in Wandsworth is equivalent to 11% of total stock in the local office FEMA.

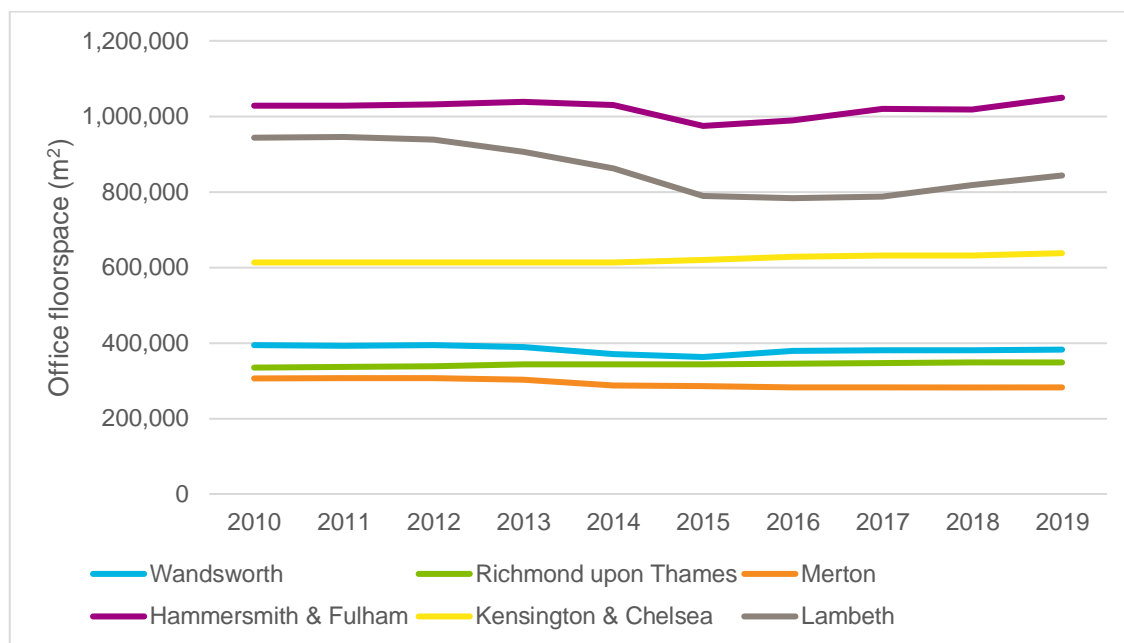
Table 5.1 Office floorspace in the FEMA (CoStar, 2019)

Borough	Office floorspace (m ²)	% of overall stock
Wandsworth	382,100	11
Richmond upon Thames	348,300	10
Merton	282,500	8
Hammersmith & Fulham	1,049,400	30
Kensington & Chelsea	637,700	18
Lambeth	844,000	23
Office FEMA	3,543,900	-

Source: CoStar (2019). Figures may not sum due to rounding.

- 5.16 Figure 5.1 presents the change in office floorspace for Boroughs in the local office market over the past 10 years using data available from CoStar. It shows that the supply of office floorspace remained constant between 2010 and 2013 before reducing from 390,000m² in 2013 to 363,000m² in 2015. Between 2015 and 2016, office floorspace increased to 379,000m² and has remained constant since. Office stock in Hammersmith & Fulham and Lambeth, which are both closer to Central London, has been more prone to fluctuations. The only other Boroughs to experience a decrease in office stock during this period are Richmond-upon-Thames (by 7.5% from 334,700 to 348,300) and Lambeth (by 10.5% from 943,100 to 844,400). This decrease in office stock after 2013 is likely influenced by the introduction of PDR (see section 2.11).

Figure 5.1 Local / sub-regional office floorspace across the FEMA (2010-2019)



Source: CoStar (2019)

Premises and occupiers

Central London Office Market (CAZ)

5.17 As noted in section 5.12, the delivery of around 205,000m² of office floorspace within Wandsworth’s CAZ market at VNEB OA is currently ongoing. It is mostly within buildings with large floorplates and of high build quality and design (‘Grade A’ space). The development will primarily cater for larger business headquarters. The ‘urban quarter’ created in the area is underpinned by the presence of Battersea Power Station, the US Embassy and the reinvigorated New Covent Garden Market and it is likely that occupiers will be from buoyant sectors looking to associate themselves with these features.

Local / sub-regional office market

5.18 Just over half (50.2%) of office premises in buildings in Wandsworth are under 250m² in size, however, floorspace within these premises accounts for only 9% of the Borough’s total stock. Over 42% of total office stock is within premises which is between 2,000m² and 10,000m². There are only two premises larger than 10,000m² in the Borough which together total 25,100m² in size. This shows that Wandsworth’s office premises are mostly small, although there are some larger premises remain. All statistics on office stock and vacancy by premises size in Wandsworth is shown in Table 5.2.

5.19 The data also shows that, in the FEMA, vacancy increases with premises size which indicates that demand is greater for units in smaller premises. This relationship is also present in Wandsworth with premises sized over 1,000m² having higher levels of vacancy. However, premises between 500m² and 1,000m² of floorspace have a considerably lower vacancy rate (1%) than units between 250m² and 500m² (2.9%).

Table 5.2: Office stock by premises size (2019)

Premises size (m ²)	Units	Floorspace (m ²)	% of total floorspace stock	Vacancy rate: Wandsworth (%)	Vacancy rate: Office FEMA (%)
Under 250	290	32,300	8.5	1.2	1.7
250 to 500	100	36,800	9.6	2.9	2.1
500 to 1,000	91	65,500	17.2	1.0	2.3
1,000 to 2,000	53	74,500	19.5	5.2	4
2,000 to 10,000	41	147,600	38.7	3.3	5.2
Over 10,000	2	25,100	6.6	0	8.1
Total	577	382,100	-	2.8	5.1

Source: CoStar (2019). Figures may not sum due to rounding.

- 5.20 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. Over the past ten 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 Focal Points on the River Thames.
- 5.21 In the few examples of larger single/few occupancy premises remaining outside the VNEB OA, occupiers include PCS Group at Clapham Junction, Contracts Consultancy Ltd at 162-164 Upper Richmond Road in Putney, 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 include Wandsworth Business Centre, Battersea Business Centre, and Old Imperial Laundry.
- 5.22 Much 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 EUJAs, with examples within the Wandsworth Riverside Quarter and the Lombard Road/York Road and the Ransomes Dock Focal Points. Occupiers of such space include architectural practices, art studios/galleries, printing businesses and other creative and cultural occupiers.
- 5.23 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 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.

Rents and availability

Central London Office Market (CAZ)

- 5.24 In line with the development of large-scale, high quality office floorspace, rental values have increased in the VNEB OA in recent years. CoStar data shows that some new office floorspace in the VNEB OA, such as that in One Embassy Gardens, is being marketed at up to £700 per m². This is in line with rental values for the nearby SE1/South Bank office location which are at around £600 to £700 per m². Other new office floorspace in less desirable areas of the VNEB OA is being marketed for less than this, though still considerably more than the office floorspace still existing from prior to redevelopment.
- 5.25 The vacancy rate within the VNEB OA is currently high (at 18.3%), which is considerably higher than the CAZ market's vacancy rate of 4%. However, as noted in section 5.12 above, only 84,500m² of office floorspace has been delivered to date of approximately 205,000m² expected to be built as part of plans to promote Nine Elms as a key area within the CAZ market. Out of the 120,000m² of office floorspace expected to be built by 2024⁴², 58,000m² is currently being constructed. Average rental values, as well as vacancy rates, are therefore not yet fully reflective of all development within the VNEB OA. These are likely to change as more office floorspace gets built out, more businesses move to the area and the dynamics of the area change and become more attractive.

Local / sub-regional office market

- 5.26 This section presents data on vacancy and availability rates of office premises in all the Boroughs which comprise the local office market FEMA. CoStar records vacancy in terms of space which is unoccupied and marketed. Availability encompasses floorspace that is available for re-let i.e. encompassing both vacant space and space being let. The CoStar data is shown in Table 5.3.

Table 5.3: Vacancy and availability of office floorspace across the FEMA (2019)

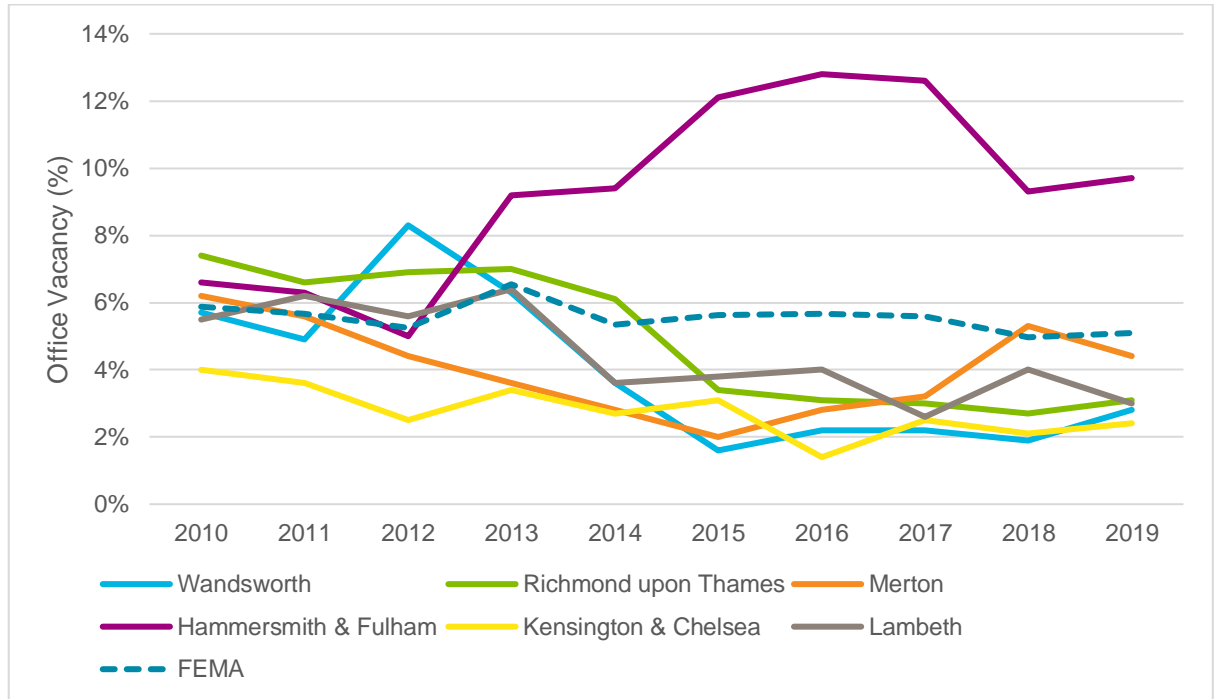
Location	Vacancy (m ²)	Vacancy (%)	Availability (m ²)	Availability (%)
Wandsworth	10,800	2.8%	19,200	5.0
Richmond upon Thames	10,900	3.1%	22,800	3.0
Merton	12,500	4.4%	19,100	6.8
Hammersmith & Fulham	101,900	9.7%	149,800	14.3
Kensington & Chelsea	15,000	2.4%	26,300	4.1
Lambeth	25,300	3.0%	36,400	4.3
Office FEMA	176,600	5.1%	273,600	7.7

Source: CoStar (2019). Figures may not sum due to rounding.

- 5.27 Wandsworth has the second lowest vacancy rate (2.8%) in the FEMA, considerably lower than the FEMA average of 5.1%. The availability rate of office stock in Wandsworth is the third highest of all Boroughs within the FEMA, but is still 2.3% less than the FEMA average. This is due to the greater size of stock in the Boroughs with higher availability rates (Hammersmith & Fulham and Merton).
- 5.28 Figure 5.2 shows the change in vacancy rates in the past ten years for all Boroughs in the local office FEMA. Vacancy rates steadily declined during this period, with the average for the FEMA decreasing from 5.9% to 5.1%. Wandsworth has experienced a reduction in its vacancy rate from 5.7% in 2010 to 2.8% in 2019. Hammersmith & Fulham, which has a large amount of office stock as noted in Table 5.3, has experienced a large increase in its vacancy rate (from 6.6% in 2010 to 9.7% in 2019).

⁴² A small proportion of this floorspace could be for retail uses.

Figure 5.2 Vacancy of office floorspace across the FEMA between 2010 and 2019



Source: CoStar (2019)

5.29 Net absorption provides another angle on demand. The measure expresses 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. Figure 5.3 presents net absorption in the Borough and in the FEMA.

Figure 5.3 Net absorption rate of office floorspace in Wandsworth between 2010 and 2019



Source: CoStar (2019)

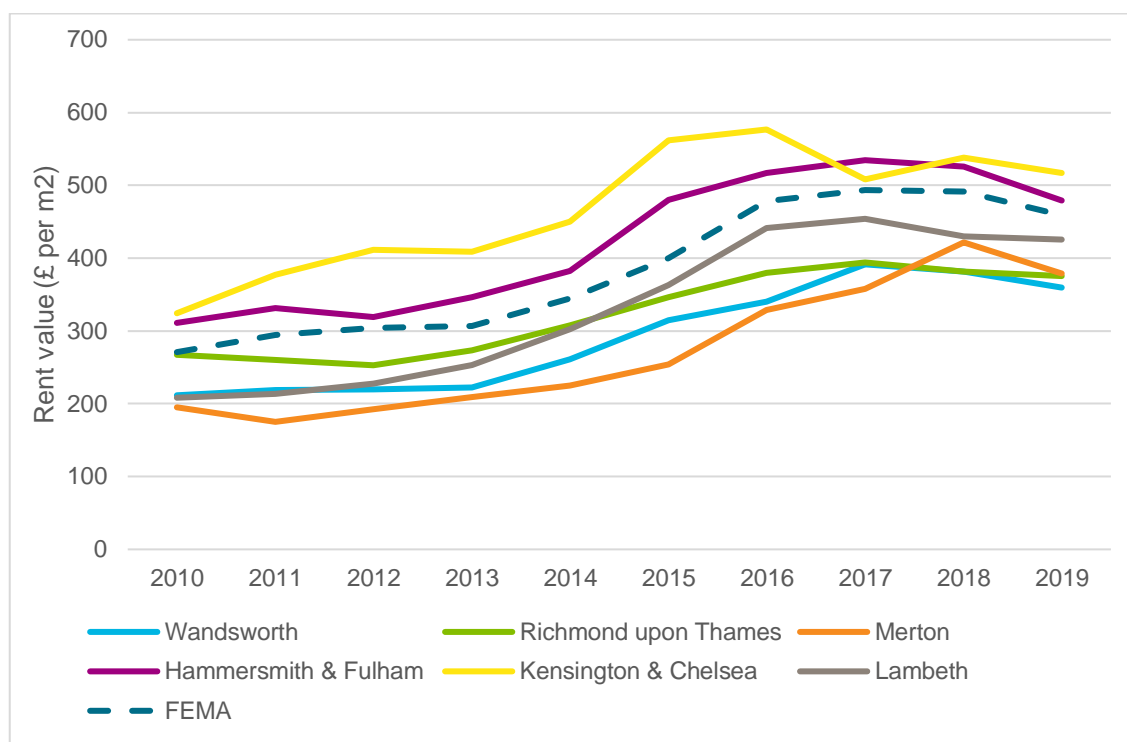
- 5.30 Between 2010 and 2013, net absorption was negative overall in Wandsworth due to large negative net absorption in 2012. However, there were small positive net absorption rates in 2010, 2011 and 2013. In the FEMA, net absorption was generally positive during this period. Between 2013 and 2015, both the FEMA and Wandsworth experienced negative net absorption. The introduction of PDRs during this period is likely to be a factor in this. Net absorption was positive between 2016 and 2018, prior to turning negative in 2019 (though the reduction in occupied floorspace was small). Overall, trends in net absorption indicate that there have recently been relatively high levels of demand for office floorspace.
- 5.31 Table 5.4 presents the average rental values in 2019 for office floorspace in all Boroughs which comprise the local office market FEMA. It shows that Wandsworth has the lowest average rental value for office floorspace (£359 per m²) in the FEMA. This is 21% (£100) below the FEMA average. The highest rents are found in Hammersmith & Fulham and Kensington & Chelsea, which are the closest to central London and have the highest amount of total stock of office floorspace of all Boroughs.

Table 5.4 Average rental values for office floorspace in the FEMA (£ per m²) in 2019

Location	Average £ per m ²
Wandsworth	£359
Richmond upon Thames	£375
Merton	£378
Hammersmith & Fulham	£479
Kensington & Chelsea	£516
Lambeth	£425
FEMA	£459

Source: CoStar (2019)

- 5.32 Figure 5.4 presents the changing rental values across the FEMA between 2010 and 2019. It shows that rental values increased for all Boroughs in the FEMA over the time period. The rate at which rent increased across the FEMA was highest between 2010 and 2016. This is explained to an extent by a recovery from the recession which was likely impacting rental values in the early part of the decade. Between 2016 and 2019, rental values for all Boroughs remained static with most Boroughs (including Wandsworth) experiencing small reductions.

Figure 5.4 Average rental values for office floorspace (£ per m²), (2010-2019)

Source: CoStar (2019)

Office market conclusions

Central London Office Market (CAZ)

5.33 As of 2019, there is 84,500m² of office floorspace within the VNEB OA, which is less than half of the 205,000m² of office floorspace which is expected to be built by 2024. It is therefore difficult to evaluate the performance of the VNEB OA against the rest of the CAZ (which it is comparable to in terms of the type of floorspace on offer and the tenants it will attract). Current rental values suggest that average rents in the VNEB OA will be very similar to the rest of the CAZ. It is currently £614 per m² which is in line with rental values for the nearby SE1/South Bank office location which are at around £600 to £700 per m².

Local / sub-regional office market

5.34 The local office market in Wandsworth accommodates approximately 382,000m² of floor space and comprises 11% of the total stock in the FEMA. Premises are mostly small and found dispersed along the River Thames in Focal Points, Wandsworth Town Centre and within the Queenstown Road SIL 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.

5.35 The analysis shows that demand for office premises in Wandsworth is generally positive. The Borough has a low vacancy rate in its office premises, particularly of smaller unit sizes (suggesting that demand for smaller premises is greater). Net absorption rates within the Borough has been mostly positive since 2016. There is some evidence that the market has experienced a recent stagnation in demand. Wandsworth has the lowest average rental value for office floorspace (£358 per m²) out of the six Boroughs making up the FEMA. This has stabilised in recent years after increasing steadily between 2010 and 2016. Overall, therefore, whilst demand in the market should be considered to be relatively strong, it is not overwhelmingly buoyant.

Wandsworth's industrial and warehousing market

Supply and distribution

5.36 Industrial activity in Wandsworth is focused along two main axes. The first runs east-west from remnant areas in Nine Elms and the Queenstown Road SIL through to the Lombard Road/York Road Focal Point

and along the River Thames as far west as the Wandle Delta Focal Point. The second extends north to south along the Wandle Valley from the River Wandle delta to Wandsworth's boundary with Merton.

- 5.37 Larger premises are found primarily within Queenstown Road SIL and in Nine Elms, 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 elsewhere, for example, in the EPAs and the EUIA near to Central Wandsworth, such as the waste transfer station on Smuggler's Way and a Council depot at Frogmore. However, typically, industrial premises in the Central Wandsworth and Wandle Valley areas are small.
- 5.38 A supply of mostly small premises are found within Focal Points along the River Thames. Some activities here were found to be of higher value, and small-scale catering/food processing businesses have a notable presence. Car-related uses can be found in LSIAs, particularly in the Wandle Valley with some presence within Focal Points and railway arches throughout the Borough such as the industrial units off Winthorpe Road (C35).
- 5.39 Table 5.5 shows the industrial floorspace in all Boroughs within the industrial FEMA using data available from CoStar. The FEMA contains approximately 2,1106,700m² of industrial floorspace and Wandsworth comprises of 18% of this total stock with approximately 381,200m² of floorspace. The largest areas of industrial floorspace are in Southwark and Merton which contain 27% and 25% of the total stock respectively.

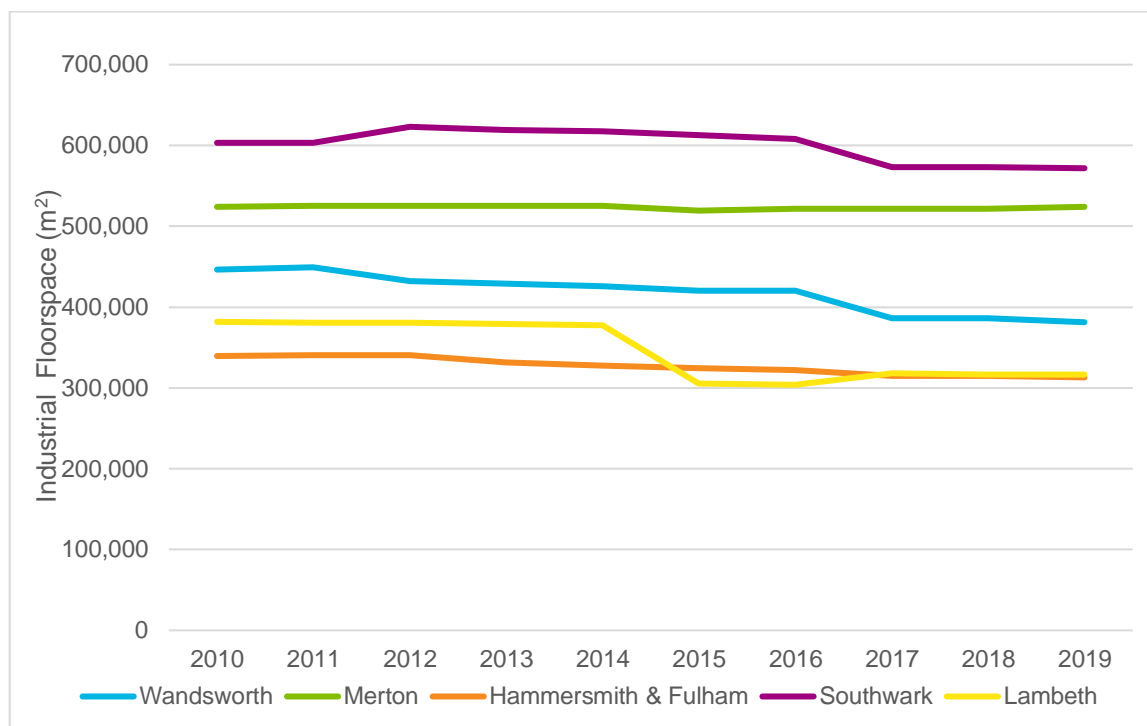
Table 5.5 Industrial floorspace across the FEMA (2019)

Borough	Industrial floorspace (m ²)	% of overall stock
Wandsworth	381,200	18
Merton	524,200	25
Hammersmith & Fulham	313,000	15
Southwark	571,800	27
Lambeth	316,500	15
FEMA	2,106,700	-

Source: CoStar (2019). Figures may not sum due to rounding.

- 5.40 Figure 5.5 presents the change in industrial floorspace for Boroughs in the FEMA over the past 10 years. It shows that Wandsworth has experienced a consistent loss of floorspace throughout the period. Of the Boroughs in the FEMA, only Merton experienced an increase in industrial stock during the time period. Industrial stock in Wandsworth fell by 14.7%, equivalent to 65,600m² of floorspace since 2010. All Boroughs in the FEMA saw a decrease in floorspace. Wandsworth experienced a higher proportionate loss than Southwark and Merton but a lower proportionate loss than Hammersmith & Fulham and Lambeth.

Figure 5.5 Industrial Floorspace across the FEMA (2010-2019)



Source: CoStar (2019).

Premises and occupiers

5.41 The breakdown of industrial stock in Wandsworth by premises size (see Table 5.6) shows a broadly consistent distribution of industrial premises across the size bands up to 10,000m². Premises sized under 250m² and between 500m² to 1,000m² are those which are most commonly found, although they equate to only 14% of floorspace. The majority of floorspace is found in premises 2,000m² to 10,000m² in size, representing 53% of total floorspace stock. This space is most likely to be occupied for warehousing or for heavy industry uses.

Table 5.6 Industrial unit breakdown by size (2019)

Unit size (m ²)	Units	Floorspace (m ²)	% of overall floorspace stock	Vacancy: Wandsworth (%)	Vacancy: Local Industrial FEMA (%)
Under 250	71	9,600	2	-	1.6
250 to 500	60	21,600	5	2.1	1.3
500 to 1,000	71	52,300	12	3.1	2.7
1,000 to 2,000	46	63,700	14	3.9	1.7
2,000 to 10,000	68	234,100	53	1.5	1.6
Over 10,000	4	74,300	17	0	0
Total	320	455,500	-	2	1.5

Source: CoStar (2019). Figures may not sum due to rounding. Breakdown only includes units in which size is available.

- 5.42 There is no relationship between premises size and vacancy in Wandsworth or in the FEMA. In Wandsworth, there is no vacancy within any of the 71 premises under 250m² floorspace or in any of the four premises over 10,000m², suggesting that industrial premises may be under provided within this size band. Vacancy is higher in premises which are between 1,000 and 2,000m² in size (at 3.9%) than premises which are smaller than 1,000m². However, premises larger than this have a much lower vacancy rate (1.5%). In the FEMA, vacancy is highest in premises which are between 500m² and 1,000m².
- 5.43 General and light industrial occupiers in the Borough are mostly SMEs located within small or medium-sized premises, with a range of sectors present mainly focused on providing supporting functions for the CAZ area. Small-scale food manufacturing, processing and distribution has a strong presence which reflects the proximity of the Borough to the CAZ, including at New Covent Garden Market, the Lombard Road/York Road Focal Point and at Summerstown LSIA.
- 5.44 There are several small breweries based in the Borough, including the medium-scale Sambrook's Brewery. Light industrial occupiers such as printers, studios and lighting manufacturers have a well dispersed and established presence in the Borough, including within Summerstown LSIA, Jaggard Way/Bellevue Road and at Battersea Studios to name a few locations. Traditional industrial and waste management businesses are notable and national in scale, and include Cemex, London Concrete, Hansons Aggregates, Biffa, 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.
- 5.45 In respect of B8 uses, warehousing, distribution and logistics operators once proliferated within the Nine Elms area (C12). However, these have been displaced by recent developments in the area. Bidvest in the Queenstown Road SIL (C1) is one of only a few other larger-scale distribution occupiers located there. In recent years, self-storage occupiers have expanded their presence, including within the SIL, LSIA's and in EPAs around town centres. They are both within new purpose-built premises and within older industrial stock, such as Safestore at Ingate Place (C1).
- 5.46 Small storage and warehousing premises are a key feature of Wandsworth's industrial stock, 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's and railway arch premises, with some larger showrooms at non-designated sites close to the River Thames, particularly at the Lombard Road/York Road Focal Point and in the Smuggler's Way EPA.

Rents and availability

- 5.47 Vacancy and availability of industrial stock in the FEMA are shown in Table 5.7. Wandsworth and Lambeth both have a 2% vacancy rate which is the highest in the FEMA. This is still a somewhat low rate however, which indicates that the current level of demand for industrial floorspace across the FEMA (which has a vacancy rate of 1.5%) is high. Wandsworth currently has 7,600m² of vacant space, which is the second highest total amount of vacant space in the FEMA, behind Merton which has 9,100m².

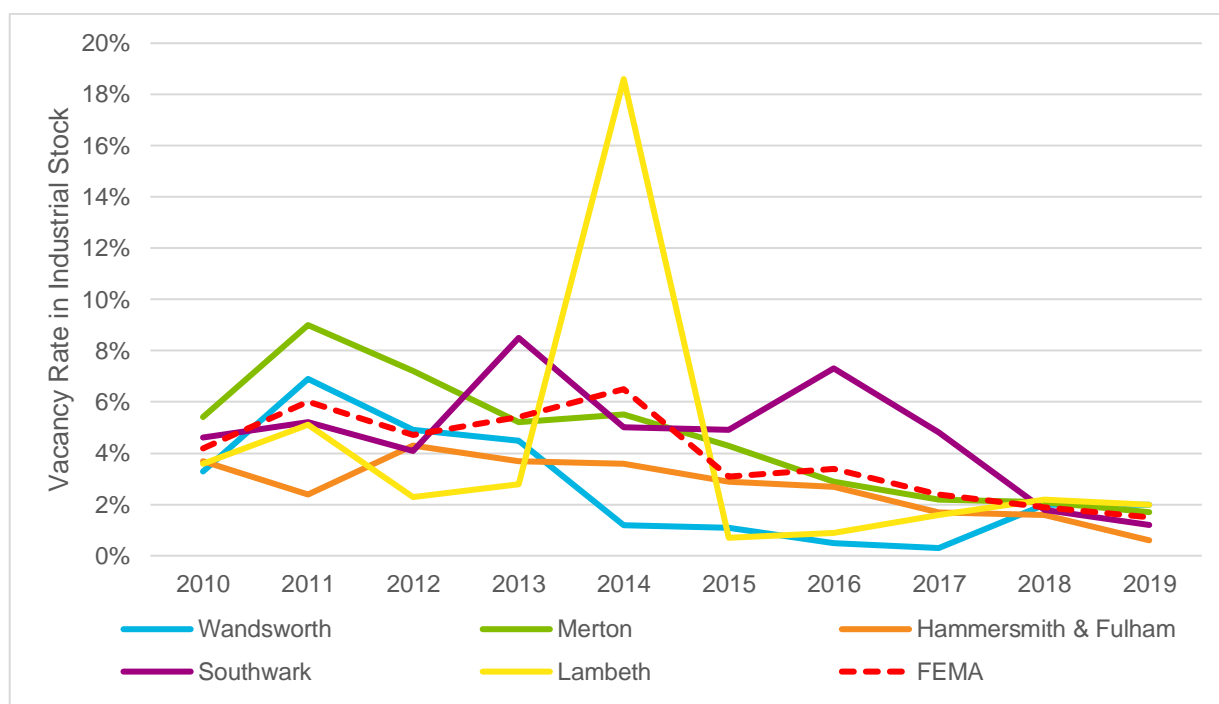
Table 5.7 Vacancy and availability rates across the FEMA (2019)

Location	Vacancy (m ²)	Vacancy (%)	Availability (m ²)	Availability (%)
Wandsworth	7,600	2	11,700	3.1
Merton	9,100	1.7	25,200	4.8
Hammersmith & Fulham	2,000	0.6	7,300	2.3
Southwark	6,600	1.2	16,300	2.8
Lambeth	6,400	2	10,600	3.3
FEMA	31,700	1.5	71,000	3.4

Source: CoStar (2019). Figures may not sum due to rounding.

5.48 Figure 5.6 shows the vacancy rates across all Boroughs in the FEMA for the past ten years. It shows that vacancy has generally been decreasing in all Boroughs which is reflective of wider trends within Greater London. Wandsworth had the lowest vacancy rate of all Boroughs between 2016 (0.5%) and 2017 (0.3%) prior to increasing in 2018 to 2.0%. Lambeth, which in 2014 had a vacancy rate of over 18%, now has a vacancy rate 2%. The overall pattern in vacancy rates suggests tight market conditions for industrial employment land.

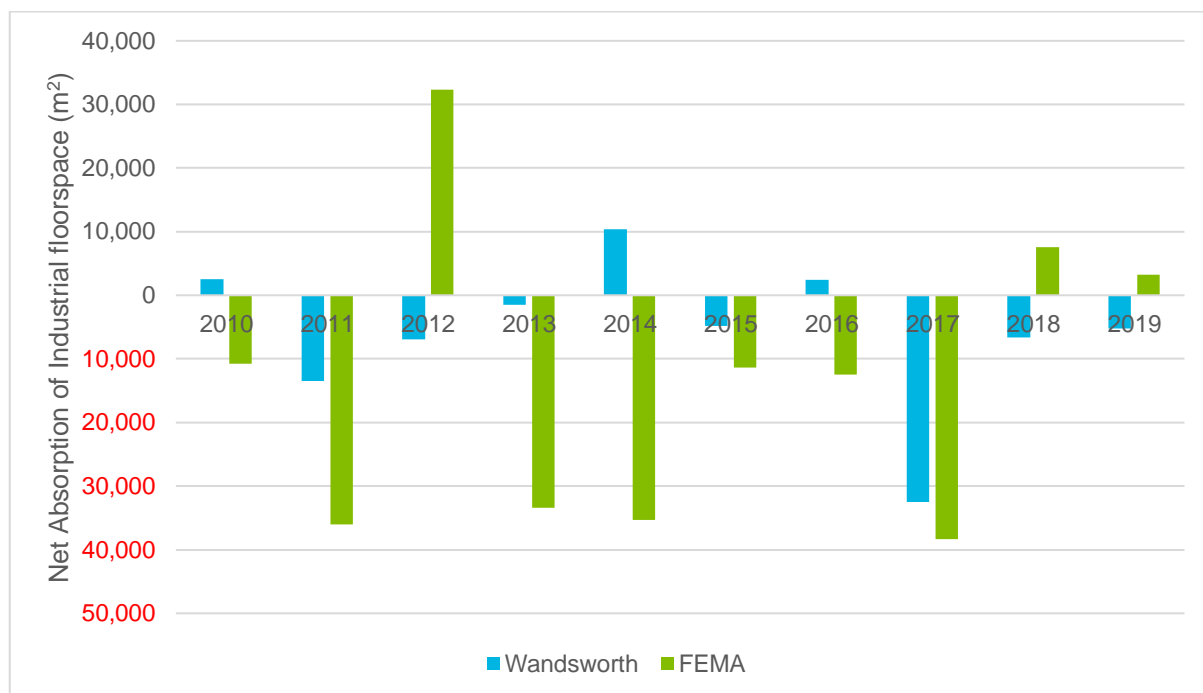
Figure 5.6 Historical industrial vacancy rates across the FEMA (2010-2016)



Source: CoStar (2019)

5.49 Figure 5.7 presents the net absorption rate across Wandsworth and the FEMA. It shows that across the period net absorption has been negative across both Wandsworth and the FEMA. The FEMA had positive net absorption in 2018 and 2019, likely due to the retaining of industrial stock and reduction in vacancies in Lambeth and Hammersmith & Fulham, though this was relatively small (7,600m² and 3,200m² respectively). Given the currently low vacancy rate in Wandsworth and across the FEMA, positive net absorption has become increasingly constrained as suitable available space for new floorspace requirements has become increasingly limited.

Figure 5.7 Historical net absorption of industrial floorspace (2010-2019)



Source: CoStar (2019)

5.50 Table 5.8 presents the average rental values for industrial floorspace across the FEMA. Wandsworth has a higher average industrial rental value (£209 per m² per month) than the FEMA average (£186). Contributing factors for this include: 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. Despite this, Hammersmith & Fulham and Lambeth both have higher average rents. These Boroughs are both close to central London.

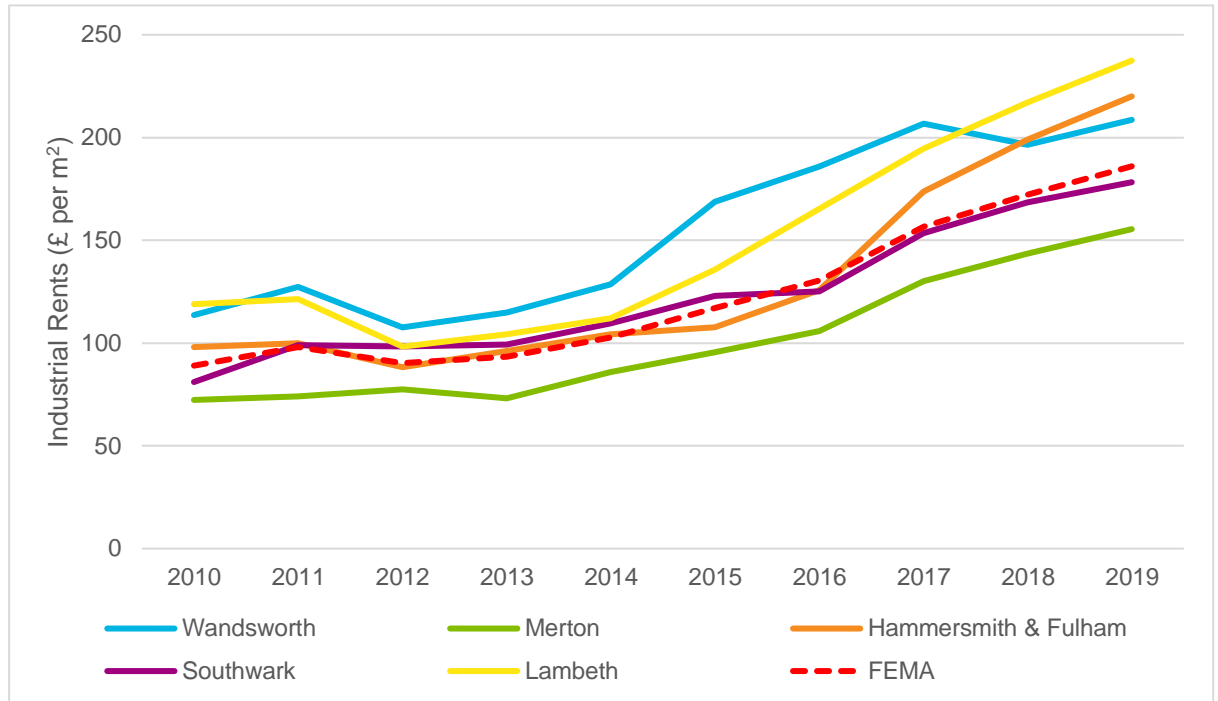
Table 5.8 Rental values for industrial floorspace in the FEMA (£ per m²)

Location	Average £ per m ² per month
Wandsworth	£209
Merton	£155
Hammersmith & Fulham	£220
Southwark	£178
Lambeth	£237
FEMA	£186

Source: CoStar (2019). Figures may not sum due to rounding.

5.51 Figure 5.8 presents the changing rental values across the FEMA from 2010 to 2019. It shows that rental values have increased substantially for all Boroughs across the time period, with the average rent increasing by 109%, from £89 in 2010 to £186 in 2019. Wandsworth experienced lower growth in average rents than the FEMA, although the growth was still substantial (83.6%). It is important to note, however, that Wandsworth had considerably higher average rents than the FEMA average in 2010 (£114 compared to £89 respectively). Hammersmith & Fulham and Lambeth experienced the largest proportionate increases in average rent and are now the two Boroughs with the highest rents in the FEMA.

Figure 5.8 Rental values for industrial floorspace in the FEMA (£ per m²)



Source: CoStar (2019)

Industrial market conclusions

5.52 In conclusion, the industrial and warehousing market in Wandsworth is focused on two main axes; one running east-west from areas in Nine Elms and the Queenstown Road SIL through to the Lombard Road/York Road Focal Point and along the River Thames as far west as the Wandle Delta Focal Point. The 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 though the market meets an evidenced demand for small premises 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. Rental values are high and rising. While the industrial market in Wandsworth is buoyant for smaller premises, it is shrinking in size overall.

Affordable Workspace

Introduction

- 5.53 This section provides an analysis of the commercial property market in Wandsworth in the context of affordable workspace.
- 5.54 As set out in Chapter 2, the draft New London Plan establishes the importance of providing affordable workspace to meet wider economic growth objectives, including educational outcomes and cultural social values, across London. It also sets out the requirement for Boroughs to respond to this by considering the need for detailed policies and to potentially monitor the delivery of affordable workspace below market rates.
- 5.55 There are many ways in which affordable workspace can be defined, and the draft New London Plan policy leaves this open to interpretation. However, at its core, affordable workspace policies are designed to provide financial incentives to small and medium sized businesses to take up employment premises which are otherwise priced out of the property market. These businesses are from a range of sectors, though emphasis is placed on businesses which contribute social value to the local area including from the creative and charity industries.
- 5.56 This section presents evidence identifying where in the Borough provision of affordable workspace will be best suited, and what level below the market rate the space should be provided at. The analysis uses CoStar data representing the commercial property market in the Borough. It draws upon how affordable workspace has been interpreted by other Boroughs in their planning documents. The analysis is provided separately for office floorspace and industrial premises. All data concerning rents and quantity of floorspace has been taken from the CoStar database in an extract performed in February 2020.

Other Boroughs policies

- 5.57 The most prevalent policy tool used by London Boroughs in providing space deemed 'affordable' is to provide workspace which has a rental value lower than the market rate. The extent to which employment space is 'affordable' varies between businesses being incentivised to use the space. For example, businesses in larger start-up companies in the financial and tech industries may deem rents currently available as affordable, though charitable organisations may need significant reductions in rent to consider locating in an area.
- 5.58 The approach taken towards offering affordable workspace varies between Boroughs. However, most Boroughs define workspace which is offered at 80% of the market rate or less as 'affordable'. The rate at which affordable workspace is provided is generally not the same across different parts of the Borough, and it is recognised that businesses from different sectors have different views on what constitutes 'affordable'. Most developments which have come forward under affordable space policies are large mixed-use schemes with commercial space primarily comprising office premises. In Islington, planning consent has been given to twelve developments with affordable workspace. The employment space within these developments is all office floorspace and all workspace has come forward at a discounted rent higher than the 20% discount which the Borough defines as affordable. Most of the space has been provided at a 'peppercorn'⁴³ rent, and the smallest discount provided is a 40% discount. The London Borough of Camden in its local plan⁴⁴ states that the need for affordable workspace in new commercial space will be assessed on a case-by-case basis with developers though the desired outcome is for 10% of the space to be provided at 80% of the market rate. Hackney also recognises affordable workspace to be 20% lower than market rates.
- 5.59 In its draft new Local Plan⁴⁵, Lambeth has set out a policy on affordable workspace which applies to new office floorspace. The policy states that the discount rate at which affordable office floorspace will be provided will vary significantly based on the area of the Borough and the unit sizes which come forward. In Waterloo/Southbank and Vauxhall (located close to Wandsworth), affordable space is being offered at 50% of the market rate. In other parts of the Borough, including Oval, Kennington and Clapham, affordable space is being provided at 80% of market rent. The Borough does not detail any affordable workspace policy which applies to industrial floorspace.

⁴³ 'Peppercorn' rent is a very small payment, of nominal consideration, used to satisfy the requirements for the creation of a legal contract

⁴⁴ Camden Local Plan, 2017, London Borough of Camden (2017).

⁴⁵ Draft revised Lambeth Local Plan - proposed submission version, London Borough of Lambeth (2020)

- 5.60 Southwark is in the process of drafting a policy on affordable workspace. A considerable proportion of the industrial floorspace in the Borough is in the Old Kent Road area. A demand study⁴⁶ for land at Old Kent Road emphasises the importance of providing affordable workspace in the area to attract small to medium sized businesses and diversify economy of the Borough. Vacancy in the area was noted to be low with considerable demand for space putting up rent values. The report recommends that the Borough provides space at below market rents or with significant rent-free periods. The report references the 75% of market rate identified in the LLDC Employment Space Study⁴⁷ in defining what is an appropriate discount rate which could cater for potential occupiers. The report also states that basing affordable workspace policy on unit size is restrictive as the unit size which potential tenants are likely to need will vary significantly.

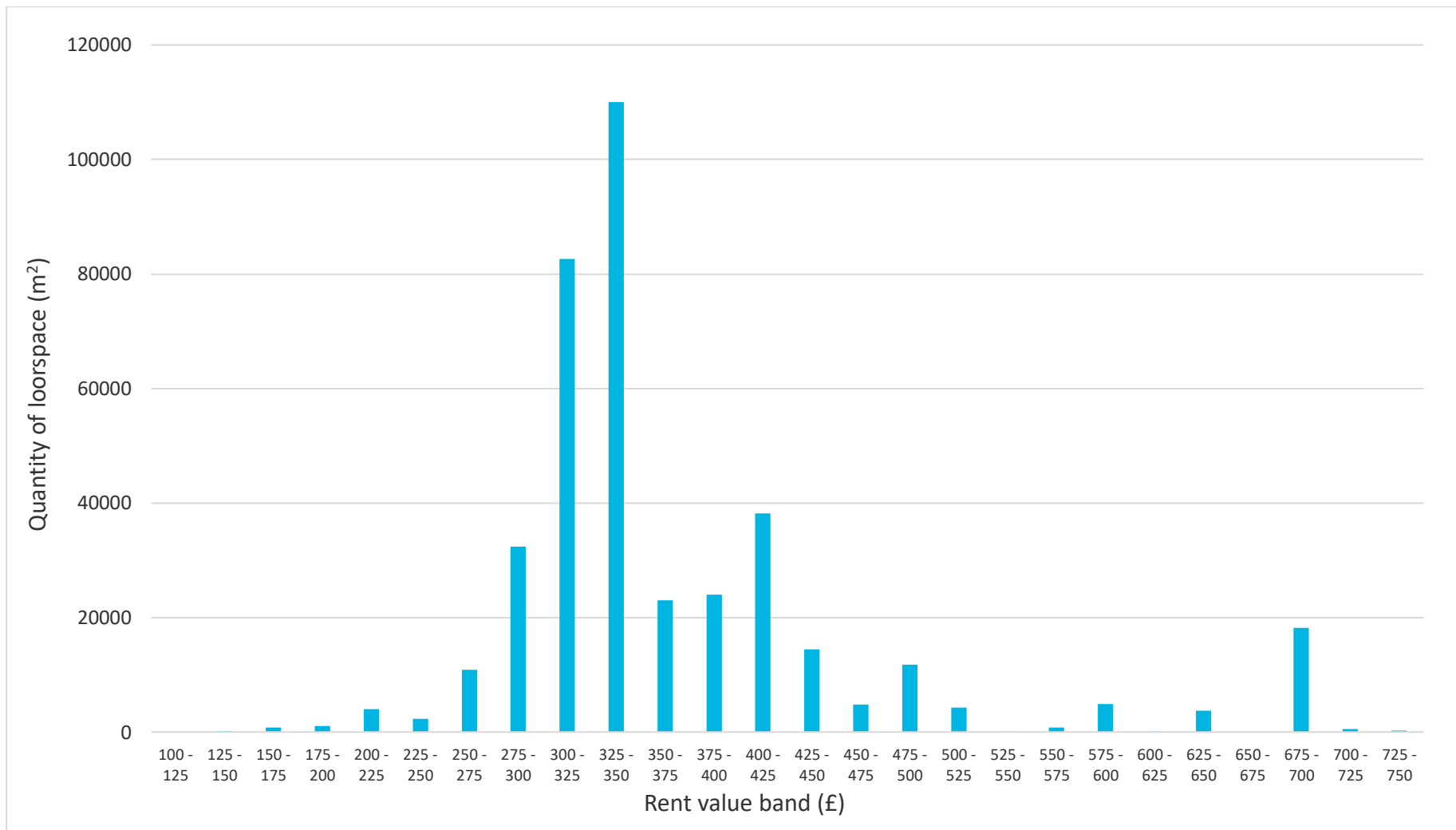
Office floorspace

- 5.61 As identified in the property market assessment above, there are two separate office property markets operating in Wandsworth. The VNEB OA forms an extension of the Central London office market which comprises of large-scale office development attracting multi-national firms. Offices in the rest of the Borough are part of the local and sub-regional office market with premises catering for small and medium sizes businesses.
- 5.62 Demand for affordable workspace is likely to be greater in the local and sub-regional office market. Occupiers within this market are traditionally SMEs, with sole-traders and small-scale consultancy and business services firms comprising most of the market. Over the past ten years, rent prices for property in this market have increased substantially, and the introduction of affordable workspace will likely enable SMEs to access the market whom have recently been priced out of locating here (particularly businesses in typically low-value sectors such as charitable organisations).
- 5.63 However, provision of affordable workspace in the VNEB OA will also bring about benefits. The businesses likely to benefit from affordable workspace in the VNEB OA are larger-scale creative enterprises and some high growth potential start-ups. Having these types of businesses in Wandsworth would help further diversify the economy and would be beneficial to businesses which would otherwise not be able to afford to locate there. For example, businesses would experience the productivity benefits due to proximity to high-value customers in the CAZ. There is therefore justification for having affordable workspace in both the CAZ and in the local office market.
- 5.64 Average rents vary considerably for office floorspace across the Borough. Rent in the VNEB OA is estimated to be approximately £614 per m² per month, which is equivalent to that offered currently in the SE1/South Bank area of the CAZ and over 65% higher than for the average of £359 in the local office market. Figure 5.9 shows office floorspace by rent value band in Wandsworth. It shows that the rent value band which the highest amount of floorspace is subject to is between £325 and £350 per m² per month. There is also a considerable amount of space which is priced between £275 and £325. The recent high specification development in the VNEB OA aimed at national and multi-national firms is noticeable with over 20,000m² of floorspace subject to rent of between £600 and £700. There is only a very small amount of floorspace which is subject to rent under £275. This analysis encapsulates all office floorspace in all industries, and the rent level which constitutes 'affordable' is likely to vary based on the industry and the area. However, it shows that the market value for office floorspace in the local market generally falls between £300 and £350.

⁴⁶ LLDC Employment Space Study, London Legacy Development Corporation (2015)

⁴⁷ Old Kent Road Workspace Demand Study, London Borough of Southwark (2019)

Figure 5.9: A chart showing office floorspace in Wandsworth by rent value band

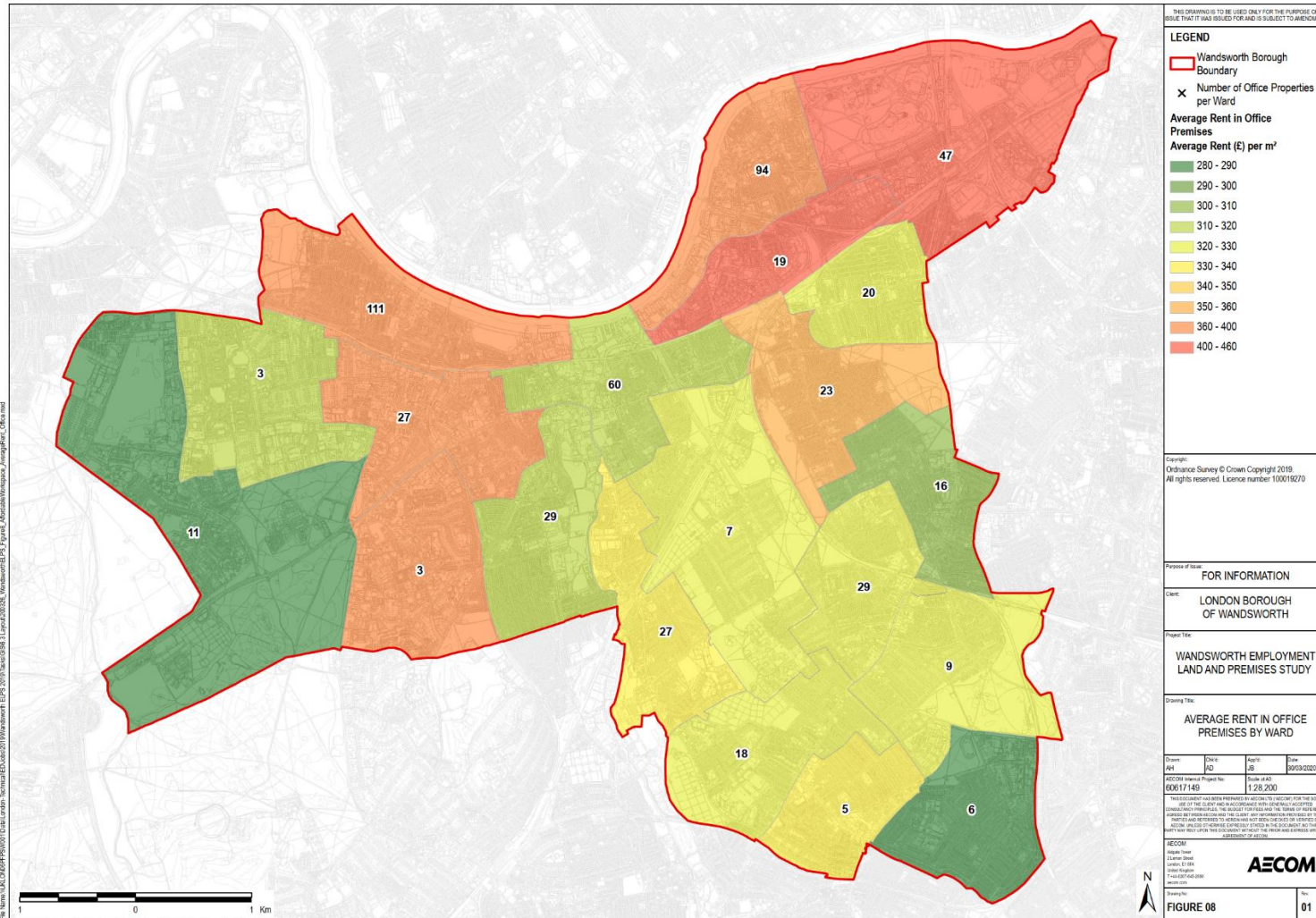


Source: CoStar (2020)

- 5.65 Figure 5.10 shows the average rent for office floorspace by ward, and Figure 5.11 shows the average quality of the buildings which the floorspace is in by ward⁴⁸. The contrast between rent in and outside of the VNEB OA is noticeable. The highest average rent for office floorspace is in the Queenstown Ward (£455 per m²), which comprises the VNEB OA and the Queenstown Road SIL area. This is substantially higher than the second highest average rent level of £404 per m² in Latchmere Ward (which comprises part of the Queenstown Road SIL and primarily residential areas off Battersea Park Road). Building quality is also excellent in the Queenstown and Latchmere wards.
- 5.66 The areas of the Borough not in the VNEB OA which have the highest average rents are in the wards along the River Thames (£392 per m² in St Mary's Park Ward and £367 per m² in Thamesfield Ward) and in Putney (£375 per m²). The wards along the River Thames comprise primarily of Focal Points encouraging residential as well as a mix of employment uses. Building quality is good to excellent in all these areas and is one of the primary reasons for the high rents. Rents in the district centres of Wandsworth, Clapham Junction and Tooting are all considerably lower. This is in part due to building quality which is average in Clapham Junction and Tooting and poor in Wandsworth. In the Wandle Valley, where office floorspace is small-scale and primarily within LSIA's and EUIA's, average rents are similar to Tooting, Clapham Junction and Wandsworth (£336 per m² in Earlsfield Ward and £324 per m² in Nightingale Ward). However, the average building quality is generally good here and the lower rents are more reflective of the poorer transport accessibility in these areas
- 5.67 As stated above, there is demand for affordable workspace in both the VNEB OA and in the local/sub-regional market, though the type of businesses likely to occupy the workspace is likely to be different between the two areas. The analysis here shows that rents are particularly high in the VNEB OA comparative to other areas and are likely to rise as the office floorspace currently being constructed in the area is advertised. Some new developments are being advertised at rates between £600 and £700 per m², which is comparative to the London Bridge/South Bank area of the CAZ.
- 5.68 Other Councils with part of their Borough in the CAZ, including Islington and Lambeth, have placed policy or have drafted policy which introduces affordable workspace in their CAZ areas with very high discounts. In their draft local plan, Lambeth have indicated that affordable workspace will be required to be marketed at 50% of the market rate for new development at Waterloo and Vauxhall, which are both very close to the VNEB OA and are likely to have similar market rent rates to the VNEB OA. The majority of affordable workspace in the Old Street area of Islington is being brought forward at peppercorn rent in exchange for business activity which comprises social value. This indicates that a similar proactive approach is required in Wandsworth to ensure that the Borough remains competitive with other areas of the CAZ.
- 5.69 As has been identified, in areas outside of the VNEB OA, the rent level varies considerably. This provides an indication of where affordable workspace is most suited in the local/sub-regional office market. The office floorspace in the Wandle Valley currently has low average rents even though the building quality which the floorspace is in is generally good. Rents in this area would not need to be considerably reduced to accommodate potential occupiers of the space. Affordable workspace in this area would suit SMEs whom also require warehousing and don't need excellent public transport connections, such as businesses in the creative and craft industries.
- 5.70 In Tooting, Wandsworth and Clapham Junction, rent is also low though the building quality is average to poor. These district centres are the areas in the Borough which are most likely to be able to accommodate affordable office floorspace which appeals to occupiers which require excellent public transport links and relatively good access to the CAZ, including start-up companies in creative industries. Although rents are relatively low in these areas, new developments would likely come forward at higher rents given that a large proportion of stock in these areas is of poor quality (this is particularly the case in Wandsworth town centre). The market discount rates for workspace here would therefore likely to be higher than in the Wandle Valley in order to be considered 'affordable'.

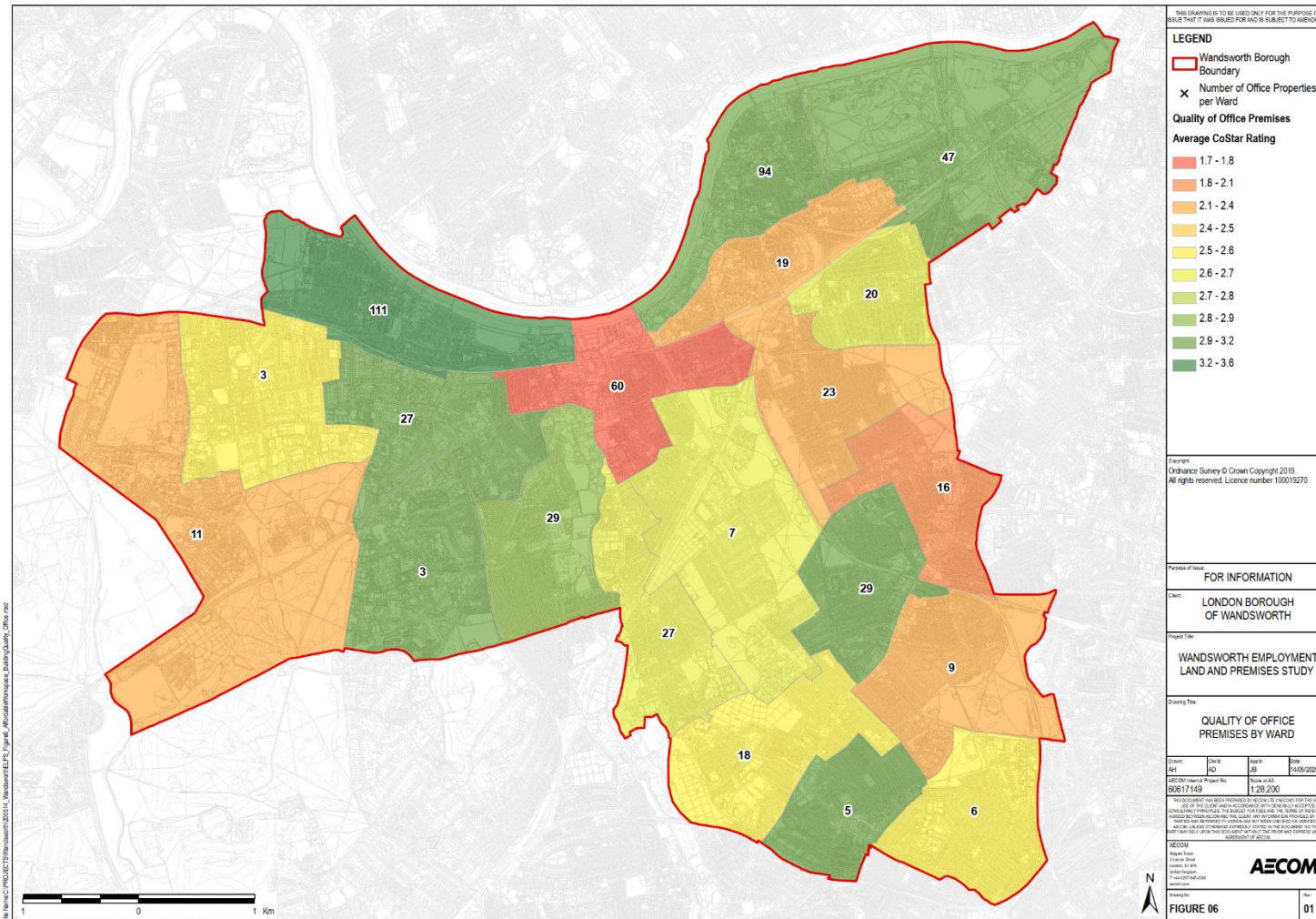
⁴⁸ Building quality is based on the CoStar star rating for commercial properties in its database. Information on the CoStar five-star building rating system is available here: <https://www.costar.co.uk/docs/librariesprovider5/knowledge-centre-documents/ratingsystem.pdf>

Figure 5.10: A map showing the average rent of office floorspace by ward



Source: CoStar (2020)

Figure 5.11: A map showing the average quality of the buildings which office floorspace is in by ward in Wandsworth

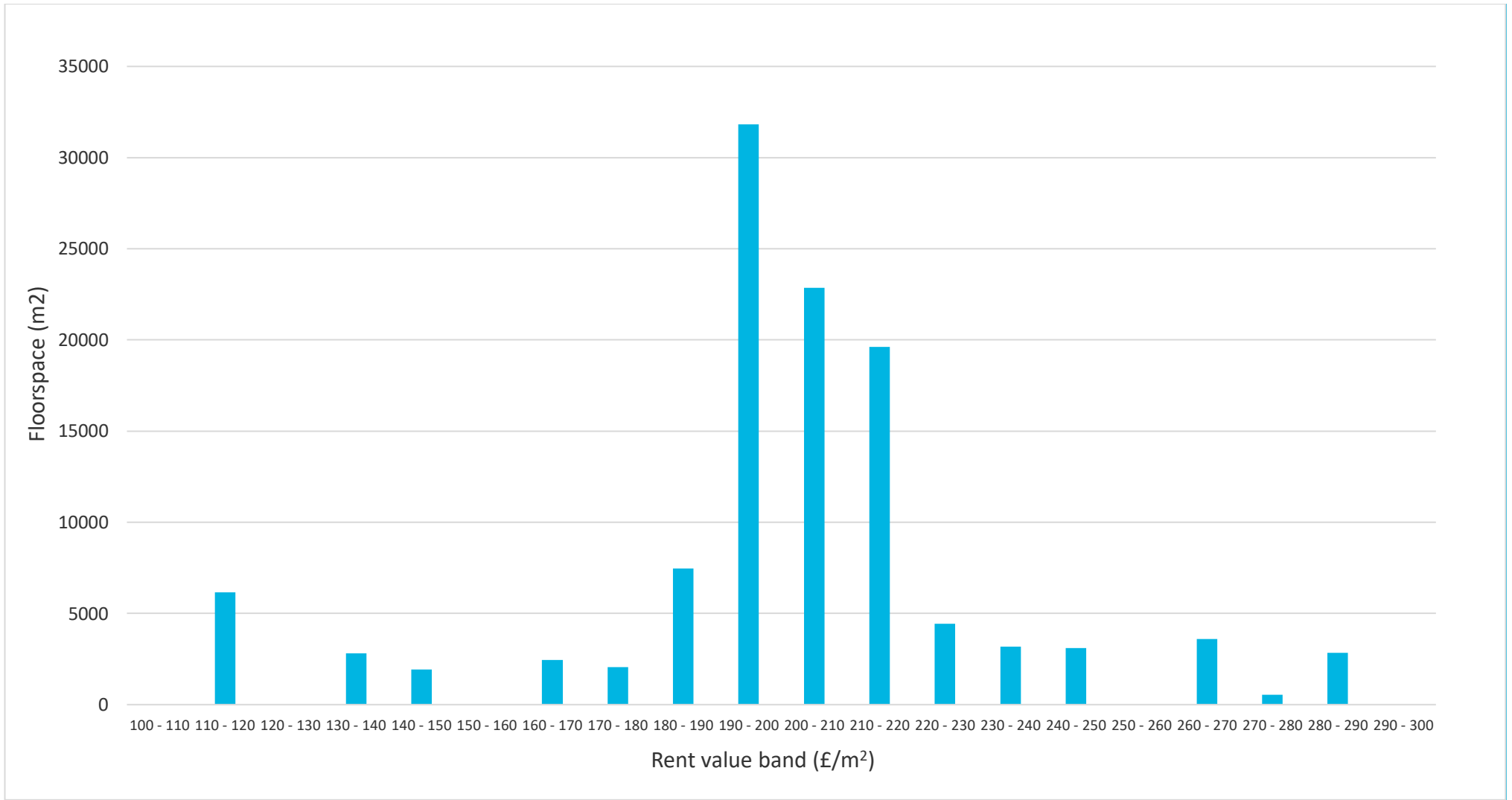


Source: CoStar (2020)

Industrial Land

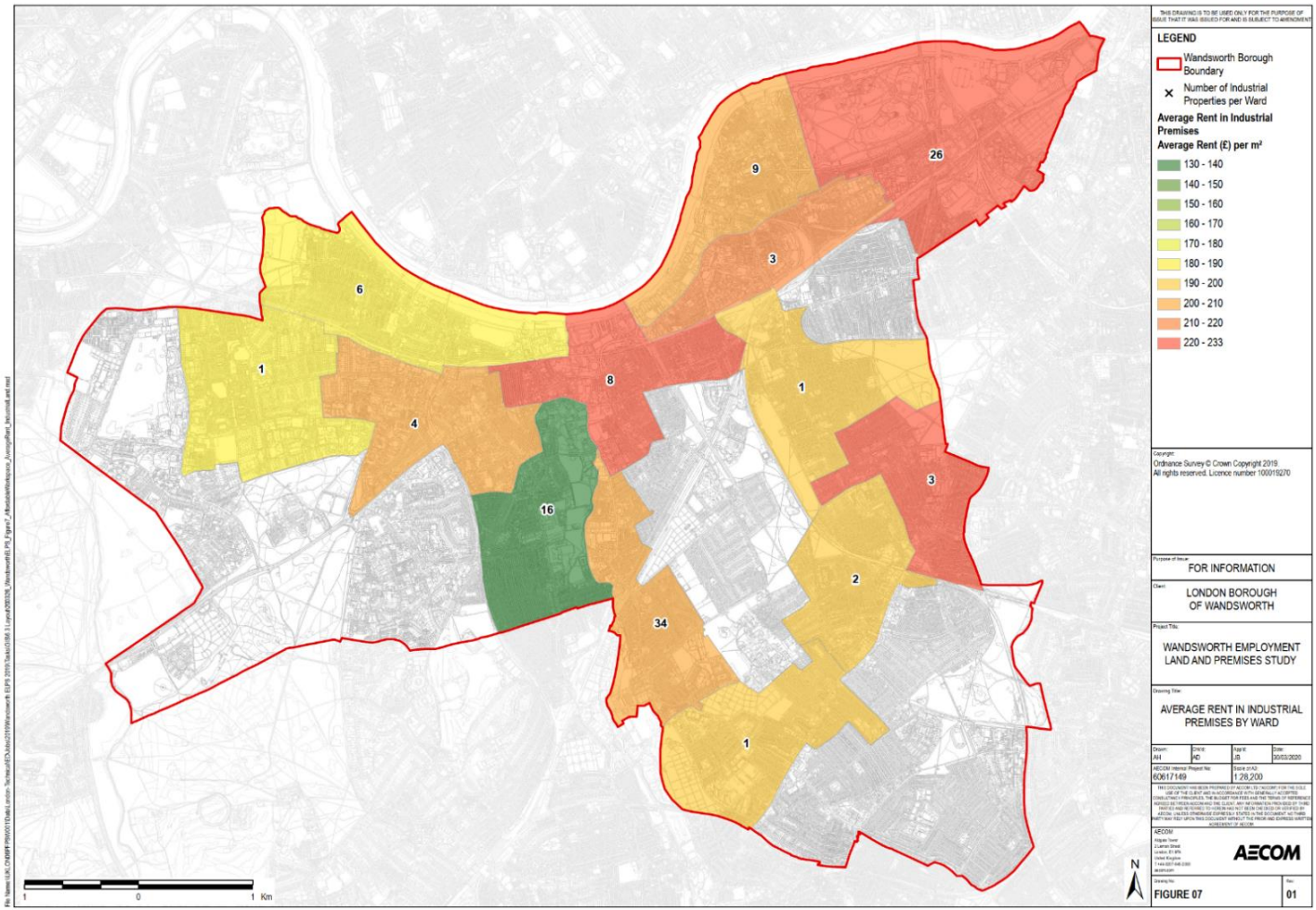
- 5.71 As identified in the property market assessment above, Wandsworth's industrial market is buoyant. Vacancy rates and market rents would indicate that demand is high, even though supply in the Borough, and across the wider FEMA, continues to reduce. Wandsworth has excellent strategic links to the London CAZ and rent levels for industrial land are high in the Borough. Introducing policy which encourages affordable industrial workspace is therefore important to ensure that SMEs which diversify Wandsworth's economy, including those in the creative and cultural industries, continue to be able to afford space.
- 5.72 The following section provides analysis of the rent level which would deem industrial floorspace 'affordable', and the most appropriate locations within the Borough for introducing affordable workspace. The analysis only considers light industrial floorspace, since affordable workspace is not applicable to land used for heavy industrial purposes. This study has identified broad types of businesses most likely to occupy affordable workspace. The first is businesses yet to become financially proven and in involved in the 'crafting' industry; involved in physical design and production. They require good access to labour, supply chains, markets and clients. The second is SMEs in the creative and cultural industries which directly serve activities in central London and require links to the strategic transport network and warehousing space close to the CAZ.
- 5.73 Figure 5.12 shows industrial floorspace by rent value band in Wandsworth. It shows that, though average rent levels for floorspace vary between £110 per m² to £290 per m² in the Borough, the greatest amount of floorspace is priced between £190 per m² and £220 per m². The quantity of light industrial floorspace which is lower than £190 per m² is greater than the quantity which is above £220 per m². Figure 5.13 shows the average rent for industrial floorspace by ward, and Figure 5.14 shows the average quality of the buildings which the floorspace is in by ward. The figures show that rent in the Wandle Valley is relatively low, even though the quality of the buildings which the floorspace is in is generally very good. The Earlsfield Road ward, which the majority of the industrial estates in the Wandle Valley is located in, has an average rent of £207 per m² of industrial floorspace. In contrast, areas close to the CAZ, including near Nine Elms (primarily in the Queenstown Road SIL), Focal Points along the River Thames and in Wandsworth Town Centre generally have high rent levels even through building quality is average. For example, the Queenstown Ward, which covers the Nine Elms and Battersea areas, has an average rent level of £232 per m².

Figure 5.12: A chart showing industrial floorspace in Wandsworth by rent value band



Source: CoStar (2020)

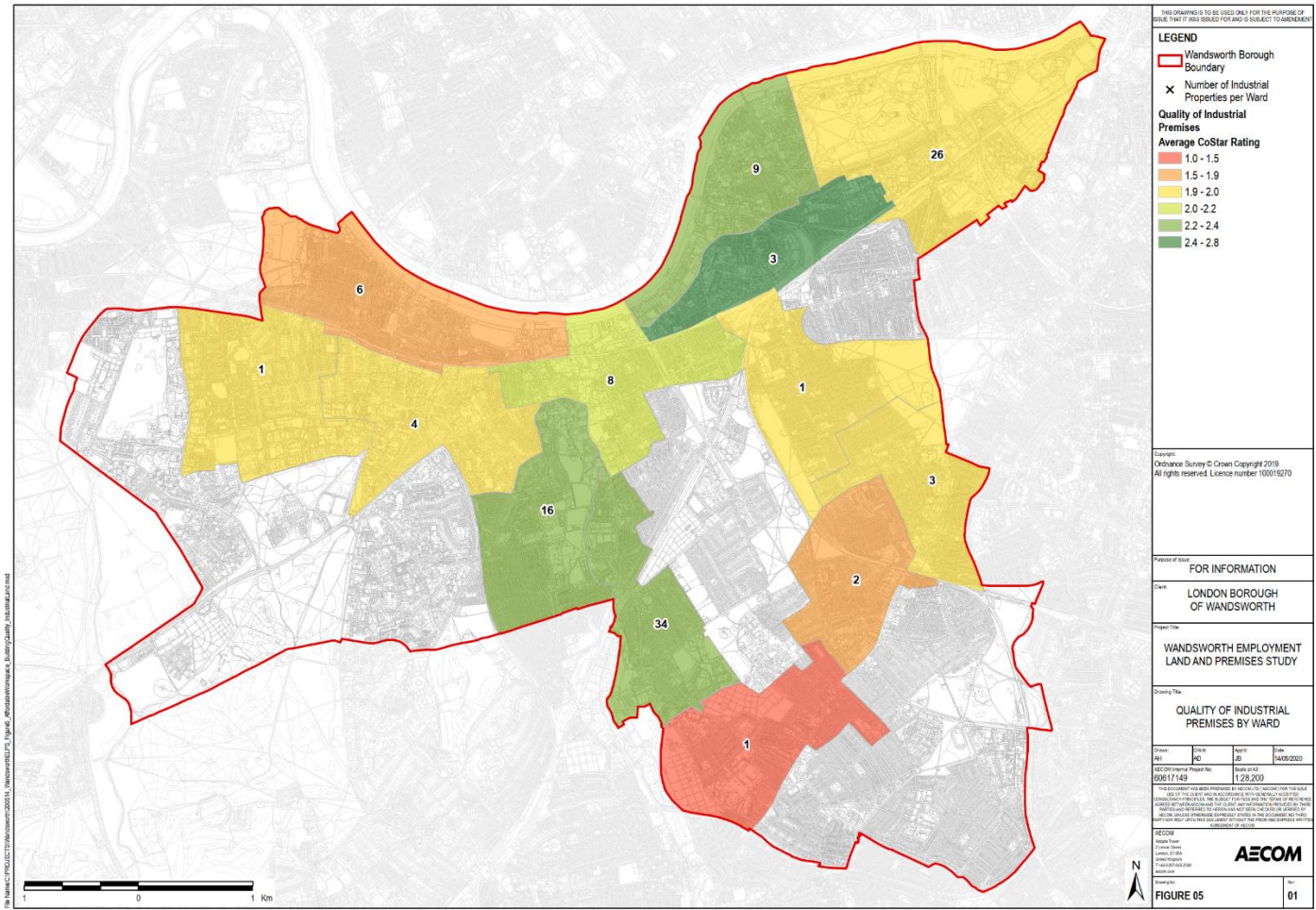
Figure 5.13: A map showing the average rent of industrial floorspace by ward



Source: CoStar (2020)

Note: If a ward is not displayed with colour in the above figure, there are no industrial premises located in the CoStar database for that ward.

Figure 5.14: A map showing the average quality of the buildings which industrial floorspace is in by ward (



Source: CoStar (2020)

Note: If a ward is not displayed with colour in the above figure, there are no industrial premises located in the CoStar database for that ward.

- 5.74 This analysis would indicate that the most suitable place to locate affordable workspace for SMEs which do not require direct access to the CAZ is in the Wandle Valley. The Wandle Valley has excellent strategic road network links ensuring that they have good access to labour, supply chains, markets and clients. Good quality workspace is likely to come forward at a lower rent here compared to other parts of the Borough. The discount on market rent would not be required to be as high to ensure that the land is affordable for these types of businesses. The Old Kent Road demand study, which covers a similar geographic area to the Wandle Valley, proposed that a 25% discount rate be used to ensure that the area is affordable.
- 5.75 For businesses in the creative and cultural industries which do require good access to the CAZ, the Queenstown Road SIL and the Focal Points along the River Thames will continue to be the most appropriate areas for them to be located. Rents levels are high here and good quality stock coming forward as part of future development is likely to demand an even higher rate than the averages described in this analysis. An affordable workspace policy which incorporates an offer of a reasonable discount on the market rate in respect of rent will thus likely enable businesses within these sectors to locate in or seek to continue to operate in Wandsworth.

6. Demand

Introduction

- 6.1 The approach to assessing future employment floorspace and land requirements is in line with Planning Practice Guidance on economic needs assessments. The analysis in this section considers a range of future employment growth scenarios, including one based on the latest employment forecasts from Experian, a trend-based scenario, and a scenario aligned to GLA Economics' employment projections for Wandsworth. Furthermore, the assessment of future need has been informed by analysis of market signals, the findings of engagement with local stakeholders and discussions with officers from Wandsworth Council and the GLA.
- 6.2 Employment sectors have been mapped to the core B use classes:
- B1a – offices
 - B1b – research and development
 - B1c – light industrial
 - B2 – general industrial
 - B8 – storage and distribution
- 6.3 Job numbers for each use class have been calculated, and these have then been converted to floorspace and land requirements by applying appropriate employment density and plot ratio assumptions. The employment densities used draw on the HCA Employment Densities Guide 3rd Edition (2015) and the GLA London Employment Sites Database (LESD, 2017). The plot ratios used are in line with the LESD (2016). These employment density and plot ratio assumptions are summarised in Table 6.1 below.

Table 6.1: Employment density and plot ratio assumptions

Use class	Employment density	Plot ratio
B1a	11.3m ² per FTE	185% of site area
B1b	40m ² per FTE	65% of site area
B1c	47m ² per FTE	65% of site area
B2	36m ² per FTE	65% of site area
B8	70m ² per FTE	65% of site area

Source: Employment Densities Guide 3rd Edition (2015), London Employment Sites Database (2016)

- 6.4 It should be noted that employment densities and plot ratios can vary considerably depending on location and the exact type of use. The research and development (B1b) sector is a good example of this. The HCA Employment Densities Guide 3rd Edition (2015) states that it is a dynamic and broad sector that can be considered to be split into two key directions: innovation and science, mostly associated with the knowledge economy and life sciences; and a more traditional industrial focused direction which fits alongside manufacturing. The HCA guidance gives a density range of 40-60 sqm for B1b. This includes lower density science park uses as well as higher density urban uses. We believe that a 40 sqm density is more appropriate for an inner London Borough like Wandsworth.
- 6.5 For the purposes of this assessment, the floorspace and land requirement projections for the B1b and the B1c use classes have been combined. This is on the basis that a considerable proportion of the floorspace which is categorised as B1b space requires industrial floorspace similar to that of B1c space. This approach is consistent with the draft New London Plan, which states, in Policy E4, that industrial land should be provided to accommodate for research and development of industrial and related products or processes (B1b uses).
- 6.6 All scenarios discussed in this chapter should be treated as broadly indicative. Predicting future economic trends and corresponding employment land requirements is not an exact science. The assessment needs to be based on a series of assumptions, including the future performance of individual business sectors, the proportion of employment in each sector that corresponds to each of the B-use classes, and the future employment densities and plot ratios for each use class. Furthermore, the future economic performance of Wandsworth's economy is subject to external factors which are difficult to predict. The analysis has therefore

been undertaken in accordance with existing guidance and draws on previous relevant experience, best practice, and professional judgment. The external factor likely to be the greatest uncertainty is how the current COVID-19 crisis will affect economic performance. The Council is currently monitoring the impacts of this and updates to demand forecasting will be carried out if felt necessary.

- 6.7 With the above caveat in place, the scenarios presented in this chapter provide an indication of future economic trends, and are a useful tool for informing employment land policy. It should also be noted that all figures presented in this chapter have been rounded and therefore may not completely add up.

Scenario 1: Experian-based scenario

- 6.8 According to Experian's September 2019 employment forecasts⁴⁹, full time equivalent (FTE) employment across all sectors in Wandsworth is forecast to increase from 111,000 in 2019 to 119,200 in 2034, an increase of approximately 7.4% (Table 6.2). The biggest growth sectors in terms of absolute number of FTE employment growth include: Health (+2,600 FTEs), Residential Care & Social Work (+1,800 FTEs), Accommodation & Food Services (+1,000 FTEs), Professional Services (+1,000 FTEs) and Land Transport, Storage & Post (+400 FTEs).
- 6.9 The sectors forecast to decline in absolute terms are Public Administration & Defence (-400 FTEs), Other Manufacturing (-200 FTEs), Manufacture of Printing and Recorded Media (-100 FTEs) and Manufacture of Food, Drink & Tobacco (-100 FTEs).

Table 6.2: Forecast growth or decline by employment category over the period 2019-2034 according to Experian

Employment category	FTE change 2019-2034
Health	+2,600
Residential Care & Social Work	+1,800
Accommodation & Food Services	+1,000
Professional Services	+1,000
Land Transport, Storage & Post	+400
Recreation	+400
Retail	+400
Administrative & Supportive Services	+300
Specialised Construction Activities	+300
Computing & Information Services	+200
Real Estate	+200
Food, Drink & Tobacco (manufacture of)	-100
Printing and Recorded Media (manufacture of)	-100
Other Manufacturing	-200
Public Administration & Defence	-400
All other sectors	+400
All sectors	+8,200

Source: Experian

- 6.10 Employment in B use class sectors makes up approximately 42% of all FTEs in Wandsworth in 2019 (46,740 out of a total of 111,000). According to Experian, employment in B use class sectors is forecast to increase by 2,170 FTEs over the period 2019-2034, an increase of approximately 4.6% (Table 4.6)⁵⁰.

⁴⁹ Latest available at the time of undertaking this analysis.

⁵⁰ Due to the inherent limitations in the conversion of employment by sector to employment by use class, all use class employment numbers should be treated as indicative.

Table 6.3: FTE employment forecasts by B use class, 2019-2034 – Experian scenario

Use class	2019	2024	2029	2034	Change 2019-2034	
B1a	33,390	33,810	34,650	35,210	1,820	5.5%
B1b	4,300	4,430	4,570	4,690	390	9.1%
B1c	1,050	1,000	1,000	850	-200	-19%
B2	480	430	430	340	-140	-29.2%
B8	7,520	7,650	7,800	7,820	300	4%
Total B use class	46,740	47,320	48,450	48,910	2,170	4.6%

Source: Experian, AECOM

- 6.11 The greatest increase in absolute terms is forecast to take place in B1a sectors (+1,820 FTEs), followed by B1b (+390 FTEs) and B8 (+300 FTEs). Employment in the general industrial sector is forecast to decline by approximately 140 FTEs in total.
- 6.12 Based on the above employment forecasts and the employment density and plot ratio assumptions summarised in Table 6.1, Wandsworth's floorspace and land requirements over the period 2019-2034 are presented in Table 6.4 and Table 6.5 below.

Table 6.4: Wandsworth additional B use class floorspace need (m²) – Experian scenario

Use class	2024	2029	2034
B1a	+4,700	+14,200	+20,600
B1b/c	+2,900	+8,500	+6,200
B2	-1,800	-1,800	-5,000
B8	+9,100	+19,600	+21,000
Total B use class	+14,900	+40,500	+42,800

Source: Experian, AECOM

Table 6.5: Wandsworth B use class additional land need (ha) – Experian scenario

Use class	2024	2029	2034
B1a	0.3	0.8	1.1
B1b/c	0.4	1.3	1
B2	-0.3	-0.3	-0.8
B8	1.4	3.0	3.2
Total B use class	1.8	4.8	4.5

Source: Experian, AECOM

- 6.13 Overall, Wandsworth is projected to need an additional 20,600m² of office floorspace over the period to 2034, 15,600m² of R&D/light industrial floorspace and 21,000m² of B8 floorspace. This adds up to a total of 47,800 m² of B use class floorspace. B2 floorspace need is forecast to decrease by 8,600m² over the same period.
- 6.14 While it is possible that some of this surplus industrial floorspace could be re-used to meet other employment needs, it is unlikely that all of this would be suitable to accommodate other types of B class uses.

Scenario 2: GLA-aligned scenario

- 6.15 GLA Economics produces sectoral forecasts for London as a whole, as well as employment forecasts for individual London Boroughs. These are summarised in Table 6.6 below.

Table 6.6: GLA Economics employment projections

Area	2016	2021	2026	2031	2036
Wandsworth	140,000	145,000	143,000	156,000	160,000
Total London	5,683,000	6,065,000	6,325,000	6,550,000	6,740,000

Source: GLA Economics

- 6.16 However, there are several limitations in using the GLA Economics forecasts for the purposes of this study. The first is that the most recent GLA Economics projections are from July 2017 and therefore 2.5 years old at the time of preparing this study. This means they may not fully reflect the current economic outlook. The second constraint is that the Borough projections are not broken down by sector, making it difficult to map them to B use classes. Furthermore, the GLA Economics Borough projections are given in five-year periods (e.g. 2021, 2026, 2031, 2036) which do not align well with the assessment period for this study. Finally, the GLA Economics projections are not provided in FTEs.
- 6.17 To overcome the above constraints, we have first converted the GLA Economics employment projections to FTEs by applying a workforce jobs to FTE ratio calculated from the Experian data. We have then estimated FTE employment for individual years, by assuming that employment changes at the same rate in each five-year period. Finally, we applied the Experian sectoral breakdown percentages to the GLA Economics total employment figure to estimate the FTEs per sector and, subsequently, by use class.
- 6.18 As the GLA-aligned scenario uses Experian's proportional sectoral breakdown, it follows that the two scenarios are consistent in terms of the growth trends for each use class. The key difference is the scale of change. This is a logical approach that seeks to reflect growth patterns in London using the GLA's more bespoke projections, while enabling a more detailed analysis of change by sector and use class.
- 6.19 Based on the above, Table 6.7 summarises the FTE employment projections for Wandsworth over the period 2019-2034. The projections are higher than the Experian forecasts but follow a similar pattern of change by use class, with B1a, B1b and B8 employment projected to grow, and B2 and B1c expected to decline.

Table 6.7: FTE employment forecasts by B use class, 2019-2034 – GLA-aligned scenario

Use class	2019	2024	2029	2034	Change 2019-2034	
B1a	33,700	33,950	35,210	36,740	+3,040	+9%
B1b	4,340	4,450	4,650	4,890	+550	12.8%
B1c	1,060	1,000	1,010	890	-170	-16.3%
B2	480	430	440	350	-130	-26.8%
B8	7,590	7,680	7,930	8,160	+570	+7.5%
Total B use class	47,170	47,510	49,240	51,040	+3,860	+8.2%

Source: AECOM calculations based on GLA Economics and Experian data

- 6.20 Applying the same employment density and plot ratio assumptions discussed earlier, Table 6.8 and Table 6.9 summarise Wandsworth's B use class floorspace and land requirements over the period 2019-2034.

Table 6.8: Wandsworth B use class additional floorspace need (m²) – GLA-aligned scenario

Use class	2024	2029	2034
B1a	+2,800	+17,100	+34,400
B1b/c	+1,700	+10,100	+14,000
B2	-1,900	-1,700	-4,700
B8	+6,400	+23,600	+40,000
Total B use class	+9,000	+49,200	+83,800

Source: AECOM calculations based on GLA Economics and Experian data

Table 6.9: Wandsworth B use class additional land need (ha) – GLA-aligned scenario

Use class	2024	2029	2034
B1a	0.2	0.9	1.9
B1b/c	0.3	1.6	2.2
B2	-0.3	-0.3	-0.7
B8	1.0	3.6	6.1
Total B use class	1.2	5.8	9.5

Source: AECOM calculations based on GLA Economics and Experian data

- 6.21 The GLA-aligned scenario suggests that Wandsworth will need an additional 34,400m² of office floorspace over the period to 2034, 14,000m² of B1b/c floorspace and 40,000m² of B8 floorspace. B2 floorspace need is projected to decline by a total of 4,700m². These projections are higher than the Experian scenario as the GLA Economics employment projections are higher than the Experian employment forecasts.

Scenario 3: Trend-based scenario

- 6.22 Scenario 3 is a trend-based scenario based on Wandsworth's historical job levels between 2000 and 2019. We consider this to be an appropriate period for using as the basis for the trend-based scenario, as it represents a full cycle of the economy that encompasses the period of growth before the 2008-2009 recession, the economic downturn that followed, and the eventual economic recovery in recent years. The historical trends were then used to forecast employment numbers for the period to 2034.
- 6.23 As Figure 6.1 illustrates, there was a notable decline in FTE employment numbers in the years during and following the recession and significant growth during the subsequent recovery years. Overall, there is a positive growth trend that suggests FTE employment will continue grow at a relatively slow but steady pace over the assessment period.

Figure 6.1: Wandsworth historical and trend-based FTE projections, 2000-2034

Source: Experian, AECOM

- 6.24 The projection of historical trends suggests that total FTE employment across all sectors will increase by 5% (approximately 5,000 additional FTEs) over the period 2019-2034. However, FTE employment in B use classes is projected to decline (-1,210 FTEs). FTE employment in B1c, B2 and B8 are all expected to decline, whilst B1a and B1b are expected to grow. The trend-based employment projections are summarised in Table 6.10 below.

Table 6.10: FTE employment forecasts by B use class, 2019-2034 – Trend-based scenario

Use class	2019	2024	2029	2034	Change 2019-2034	
B1a	33,390	32,910	34,380	35,850	+2,460	+7.4%
B1b	4,300	4,510	4,950	5,390	+1,090	25.4%
B1c	1,050	560	330	90	-960	-91.1%
B2	480	100	0	0	-480	-100.0%
B8	7,520	5,870	5,040	4,200	-3,320	-44.1%
Total B use class	46,740	43,960	44,700	45,540	-1,200	-2.6%

Source: AECOM based on the analysis of Experian data

- 6.25 The declining employment projections across B2 and B8 sectors suggest no additional floorspace requirements over the period to 2034 for these use classes. Floorspace need for B1a is projected to increase by 27,800 m² (Table 6.11). Floorspace need for B1b/B1c space is predicted to reduce by 1,300m². Although employment projections identify a larger growth in B1b employees between 2019 and 2034 than there is a reduction in B1c employees, the combined floorspace projection is negative because businesses occupying B1c land generally have slightly higher floorspace requirements than businesses occupying B1b land.”

Table 6.11: Wandsworth B use class floorspace additional need (m²) – Trend-based scenario

Use class	2024	2029	2034
B1a	-5,400	11,200	27,800
B1b/c	-14,300	-7,800	-1,300
B2	-13,600	-17,300	-17,300
B8	-115,300	-173,800	-232,300
Total B use class	-148,600	-187,700	-223,100

Source: AECOM based on the analysis of Experian data

- 6.26 Based on the above, Wandsworth would have a significant surplus of industrial and warehousing land by 2034 (approximately 39ha of B1b/c / B2 / B8), and would require 2 ha of additional office land (Table 6.12).

Table 6.12: Wandsworth B use class additional land need (ha) – Trend-based scenario

Use class	2024	2029	2034
B1a	-0.3	0.6	1.5
B1b/c	-2.2	-1.2	-0.2
B2	-2.1	-2.7	-2.7
B8	-17.7	-26.7	-35.7
Total B use class	-22.3	-30.0	-37.1

Source: AECOM based on the analysis of Experian data

- 6.27 The trend-based projections reflect the significant historical decline in employment in most industrial and logistics sectors in Wandsworth. While there is no doubt that there has been a declining trend in most industrial sectors across London and the UK over the past two decades (along with significant loss of industrial land across London), it is unlikely that these levels of decline would continue over the period to 2034. In particular, the historical data suggest a significant decline in B8 employment which results in a significant B8 surplus in the trend-based projections.
- 6.28 The trend-based scenario is useful for providing context but is unlikely to represent a robust projection of future need. For example, while most industrial and logistics sectors are unlikely to grow in Wandsworth over the assessment period, it is also very unlikely that they will decline to the extent projected in the trend-based scenario. It is worth noting however, that the B1a and B1b employment projections of the trend-based scenario are similar to those in the GLA-aligned scenario and also show similar trends to those in the Experian scenario.

Scenario 4: Hybrid scenario

- 6.29 The Experian and GLA-aligned scenarios project different levels of employment growth, and therefore additional employment floorspace and land need. It is difficult to predict which of these two scenarios provides a more accurate projection of future need. Academic research has demonstrated that combining forecasts improves accuracy relative to individual forecasts. It is less risky in practice to combine forecasts than to select an individual forecasting method⁵¹. This is particularly the case when it is difficult to choose a best scenario. For that reason, and taking into consideration the limitations of trying to forecast long-term need by use class at a local level, we have also considered a hybrid scenario that combines the Experian and GLA-aligned scenarios. The hybrid approach uses employment figures which are an average of the FTE employment projections in the GLA and Experian scenarios.

- 6.30 Under the hybrid scenario, Wandsworth would need an additional 27,500m² of B1a floorspace by 2034, 10,100m² of B1b/c floorspace, and 30,500m² of B8 floorspace (Table 6.13 and Table 6.14). The above would generate an indicative additional need for 7ha of employment land. The land requirement for B2 space is projected to decrease by -0.7ha.

⁵¹ M. Hibon, T. Evgeniou / International Journal of Forecasting 21 (2005) 15–24

Table 6.13: Wandsworth B use class floorspace additional need (m²) – Hybrid scenario

Use class	2024	2029	2034
B1a	+3,800	+15,700	+27,500
B1b/c	+2,300	+9,300	+10,100
B2	-1,800	-1,800	-4,900
B8	+7,800	+21,600	+30,500
Total B use class	+12,100	+44,800	+63,200

Source: AECOM based on Experian and GLA data

Table 6.14: Wandsworth B use class additional land need (ha) – Hybrid scenario

Use class	2024	2029	2034
B1a	0.2	0.8	1.5
B1b/c	0.4	1.4	1.6
B2	-0.3	-0.3	-0.7
B8	1.2	3.3	4.7
Total B use class	1.5	5.3	7

Source: AECOM based on Experian and GLA data

Conclusions

- 6.31 The Experian employment forecasts are lower than the GLA employment projections but any comparisons between the two should be treated with caution as they were prepared at different points in time and the datasets are presented in different forms. The GLA projections for Wandsworth are not broken down by sector and are not provided as FTEs, meaning further data manipulation is required in order to convert them to employment floorspace and land requirements. However the projections take a more bespoke approach to growth in London.
- 6.32 The Experian forecasts are lower than the GLA projections, while the trend-based projections suggest a significant decrease in industrial floorspace and land requirements that reflects the declining trend in industrial employment over the past two decades. While the trend-based projections provide useful context, they are not considered to fully reflect current and future need.
- 6.33 Academic research has demonstrated that combining forecasts improves the accuracy relative to individual forecasts, and so we have developed a hybrid scenario that combines the GLA and the Experian forecasts. The hybrid scenario suggests realistic increases in B1a, B1b/c and B8 employment and a very small decline in B2 employment. These projections are aligned to market signals and suggest the need to provide additional capacity (e.g. through intensification) while safeguarding existing, fit-for-purpose sites.

7. Comparison between supply and demand

Introduction

- 7.1 This section compares the projected future demand for office and industrial floorspace between 2019 and 2034, described in Chapter 6, with existing and projected supply conditions in the Borough, described in Chapter 4. The presence of vacant land, or land with potential for intensification/redevelopment as identified in Chapter 4 informs the position on the existing supply conditions. This chapter also analyses the pipelines for development of office and industrial land within the Borough to inform a position of how supply may change over the planning period, and how that effects the overall supply and demand balance. This analysis uses the demand projections from the hybrid scenario which we identified in Chapter 6 as the preferred scenario.
- 7.2 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.
- 7.3 The pipeline for development of employment land is based on planning application data from monitoring reports published by the Council. The data includes all planning applications concerning the loss or development of employment land, from development yet to be approved to development currently under construction. 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. Two scenarios have been used to analyse the future supply position: one including only planning applications which have been approved ('approved' pipeline), and one which includes all applications ('approved and potential' pipeline).
- 7.4 Further consideration of the balance of supply and demand in terms of quantitative and quality requirements is given in the conclusions and recommendations section.

Office floorspace

Net requirement for office floorspace

- 7.5 The forecast net requirement for office floorspace is set out in Table 7.1. The table identifies all the parameters which are used to inform the supply/demand balance. The existing supply position is informed by CoStar data. The floorspace demand to 2034 uses the figure provided for B1a use class space in Table 6.13. 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) rather than hectares.
- 7.6 Forecast demand and net requirements for office floorspace are identified for the Borough in its entirety. It is noted that the nature of supply and demand for office floorspace, including the type of space available and the occupiers seeking to use it, varies between the two office property markets in the Borough: the local/sub-regional market and the VNEB OA which forms an extension of the CAZ. The implications of the net requirement for office floorspace identified in Table 7.1 in the context of the two property markets are presented in Chapter 8.

Table 7.1: Supply/demand balance for office floorspace 2019 to 2034

Parameter	Floorspace (m ²)
A. Supply of occupied office floorspace (2019)	432,700
B. Current vacant office floorspace (6%)	28,000
C. Total stock of office floorspace (2019) [A+B]	460,700
<i>Forecast</i>	
D. Floorspace demand to 2034	27,500
E. Optimum frictional vacancy at 2034 [5% of A+D] ⁵²	23,000
F. Surplus/deficit of vacant floorspace in 2034 [E-B]	-5,000
G. Gross requirement for office floorspace 2019-2034 [C+D+F]	483,200
H. Net requirement for office floorspace 2019-2034 [G-C]	22,500

*Note:**Point A: CoStar data (2019).**Point B: 6% vacancy rate as estimated by CoStar data (2019).**Point C: CoStar data (2019).**Point D: Derived from Table 6.13 (total demand for B1a space).*

- 7.7 Between 2019 and 2034, the analysis predicts a net requirement of 22,500m² of office floorspace. Though there is demand for an additional 27,500m² of floorspace, the Borough has vacant floorspace which is higher than the optimal level of surplus land required to enable the efficient churn of occupiers. Approximately 5,000m² of forecast demand can therefore be accommodated by land which is currently vacant.

Pipeline

- 7.8 If all approved planning applications concerning office floorspace were to come forward for development, supply of office floorspace in the Borough would increase by 136,000m² to 596,600m². Most of this change in office floorspace is due to development which has full or outline permission (113,000m²) that has not yet been implemented. Developments which are currently under construction account for approximately a 42,200m² change in office floorspace in the Borough. If planning applications which are yet to be approved also all come forward for development, the supply of office floorspace in the Borough would increase by a further 27,000m² to 624,000m².
- 7.9 The planning application data shows a marked contrast between the pipeline of office development in the VNEB OA forming part of the London CAZ and the pipeline in other areas of the Borough which would be part of the local sub-regional office market. Most of the pipeline in the VNEB OA has been approved. If all approved planning applications in the VNEB OA come forward for development, office floorspace in the area would increase by 172,000m² (42,000m² of this is currently being constructed). Planned developments with applications yet to be approved account for only 3,700m² of additional floorspace.
- 7.10 In contrast, if all approved planning applications were to come forward in areas outside of the VNEB OA area, the size of the local office market would reduce by 35,800m² due to many of the applications comprising of conversion from office to other uses. This figure comprises of a net loss of 19,200m² due to developments currently under construction, a net loss of 19,200m² due to developments with prior approval, and a net gain of 2,600m² due to developments with full or outline planning permission. The 19,200m² loss in office floorspace due to developments under construction is primarily due to developments in town centres (particularly Wandsworth, which has lost 10,000m² of office floorspace to development currently under

⁵² 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 between 5% and 8%.

construction) and in Focal Points along the River Thames. The 19,200m² of net loss due to developments with prior approval is primarily in the Lombard Road/York Road Focal Point and the Ransomes Dock Focal Point (accounting for 5,600m² and 5,200m² net loss of office floorspace respectively). Some loss is due to developments in town centres, including a loss of 5,000m² as part of the proposed redevelopment of Irene House in Balham to residential uses. The 2,600m² increase in office floorspace due to developments with planning permission is primarily due to two planning applications: redevelopment of Carlson Court on Putney Bridge Road in Putney and redevelopment of the B&Q depot on Smuggler's Way.

- 7.11 The effect of the article four direction preventing permitted development rights for conversion of office floorspace into residential uses is noticeable. The article four direction was implemented in May 2018 and applied to areas seen by the Borough as key office centres. This was primarily town centres, the VNEB OA and areas within the Wandle Valley and Focal Points along the River Thames. Only 1,300m² of the loss in office floorspace seen in developments under construction or with prior approval mentioned above is due to developments which had their initial planning application submitted after this date.
- 7.12 Planning applications yet to be approved account for a 23,600m² increase in office development. This would reduce the net loss of 35,800m² of office floorspace outside of the VNEB OA brought about by approved planning applications to only 12,200m². Three developments in the Borough comprise of 19,000m² of this increase in floorspace: redevelopment of the Riverside Business Centre and former Bingo Hall in Bendon Valley, redevelopment of the former Prices Candle Factory in the Lombard Road/York Road Focal Point (which is approved subject to legal agreement) and development in the Ferrier Street Industrial Estate in Wandsworth town centre. Other smaller developments which result in a net positive contribution to office floorspace in the Borough are primarily in the Focal Points along the River Thames, with some in town centres including Putney and Wandsworth.
- 7.13 Therefore, overall, though the pipeline predicts an increase in the supply of office floorspace in the Borough, the majority of this will occur within the VNEB OA. The pipeline predicts that the size of the local office market in Wandsworth will shrink by 12,200m² if all approved and potential planning applications were to come forward for development. This extenuates the need to provide office floorspace which is suitable for the local office market.

Industrial land

Net requirement for industrial land

- 7.14 The forecast net requirement for industrial land is set out in Table 7.2. The table identifies all the parameters which are used to inform the supply/demand balance.
- 7.15 Figures on the supply of industrial land are primarily taken from the site survey which was carried out in 2019. Combined with the latest estimates from CoStar we have estimated the amount of land which is occupied; a figure which we can use as a basis from which to forecast future land requirements.
- 7.16 As part of the calculation of net requirement for land and floorspace, it is also important to consider demand for industrial land from 'wider' industrial uses as defined in the London Plan, principally, the utilities, transport and waste management sectors, and, given the presence of New Covent Garden Market in Nine Elms, wholesale markets.
- 7.17 The GLA London Industrial Land Supply & Economy Study (2016) identified that there was 37.2ha of land in utilities and transport use within the Borough, with the largest single use being land for rail (26.9ha). No specific demand for land for these uses have been identified through planning policy and no requirement or planned loss has therefore been identified in this study that needs accounting for in the overall net requirement for industrial land.
- 7.18 One of only five wholesale markets in London, New Covent Garden Market has been undergoing redevelopment to consolidate its operations. With this change recently being implemented no further changes to land requirements from New Covent Garden Market are expected over the period to 2034.
- 7.19 The Waste Evidence Base (2020) concludes that there is up to 2.1ha of additional industrial land needed in Wandsworth to accommodate an increase in waste demand of 148,500 tonnes between 2020 and 2036. This land requirement is reflected in parameter G in Table 7.2.

Table 7.2: Supply/Demand Balance for Industrial Land 2019 to 2034

Supply and Demand for Industrial Land	Land (ha)
A. Total core and wider industrial land (2019)	133.6
B. Occupied core industrial land (2019)	68.9
C. Current vacant industrial land	1.4
D. Land equivalent of vacant Industrial floorspace (2%)	1.4
E. Total Industrial Land (2019)	71.7
<i>Forecast</i>	
F. Land demand to 2034	5.5
G. Additional Demand for Utilities, Transport and Waste Management to 2034	2.1
H. Optimum frictional vacant land at 2034 [5% of B+ F+G] ⁵³	3.8
I. Excess vacant land: optimal levels of frictional land minus existing vacant industrial land [H - C - D]	1
J. Gross requirement for industrial land 2019-2034 [E+F+G+I]	80.3
K. Net requirement for industrial land 2019-2034 [J-E]	8.6

Note:

Point A: Total industrial land including core, wider uses and vacant land, as per the site survey 2019.

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 6.14 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 2019 and CoStar data (2019).

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 2019.

Point D: Land equivalent of vacancy rate based on CoStar data on marketed floorspace (2019), which records total industrial stock in the Borough to be 38.2 ha.

Point E: The figure has been derived from the site survey 2019. It is the sum of Point A, Point B and Point C.

Point F: The total of demand for B1b/c, B2 & B8 between 2019 and 2034 as per Table 6.14.

Point G: The additional industrial land needed in Wandsworth as identified in the Waste Evidence Base (2020).

- 7.20 Between 2019 and 2034, the analysis predicts a net requirement for 8.6 hectares of industrial land. This is due to forecast demand being positive and the vacancy rate for industrial land which is currently very low in the Borough. To meet forecast demand of core industrial uses, supply would need to increase by 5.5 hectares. As discussed in Chapter 6, this is due to increases in demand for B1b/c and B8 space. The Borough also requires 2.1ha of land to meet its waste requirements and 1ha of land to meet the additional surplus land required (5% of the Borough's stock) to enable the efficient churn of occupiers in the industrial land market.
- 7.21 The analysis predicts a small decrease in demand for B2 space (0.7ha). There is therefore some potential for existing space currently providing for these uses in the Borough to be re-provided for B8 use. However,

⁵³ 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.

given that the reduction in demand is small, the Council will be required to find other opportunities to increase its supply of B8 land, as identified in the recommendations in Section 8 below.

Pipeline

- 7.22 If all approved planning applications concerning industrial land were to come forward for development, supply of industrial land in the Borough would reduce by 7.6ha from 133.6ha to 126ha. This is comprised of a 4.7ha loss in B8 space, a 2.5ha loss in B1b/c space, and a 0.4ha loss in B2 space. Contrastingly, developments with planning applications yet to be approved account for a positive change in industrial floorspace by 1.3ha if they were to be carried out. This is primarily B1b/c space with some B8 space. However, if all development in the approved and the potential pipeline were to be realised, there would still be a reduction in total industrial land of 6.3 hectares. The forecast reduction in employment land due to planning applications in the pipeline therefore extenuates the need to provide additional industrial land.
- 7.23 Most industrial floorspace which is forecast to be redeveloped for other uses due to approved planning applications is currently in the VNEB OA. If all approved planning applications come forward, 5ha of the 8ha of total industrial land lost will be in the VNEB OA. Within this 5ha there are wider industrial uses such as wharves supporting waste management and recycling functions where space is being consolidated, as well as core industrial uses such as distribution operations. 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 considered 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.⁵⁴

⁵⁴ It is understood that some 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 Cemex.

8. Conclusions and recommendations

Introduction

- 8.1 This section brings together the findings of all previous chapters to provide evidence-based conclusions and recommendations.

Office floorspace

- 8.2 There is approximately 460,000m² of office floorspace in Wandsworth. Provision is dispersed widely within the Borough and located within the VNEB OA, Focal Points, town and local centres, within SILs and LSIAs, and in single premises scattered outside these areas. The proportion of workers who work in office jobs is comparatively small in Wandsworth when compared to London. Only 28% of employees are in office-based sectors, compared to 43% of total employees in London. However, the Borough's population is generally well-educated and a large proportion of the population works in managerial, professional and technical occupations. This indicates that Wandsworth is a popular location for residents who work in the financial and business services sector in the City and the West End.
- 8.3 There are two separate property markets for office floorspace in the Borough which cater for different users. There is a local/sub-regional office market with premises catering for small and medium-sized businesses serving customers within the Borough as well as in areas across south, west and central London. There is approximately 380,000m² of office stock in Wandsworth within this property market. This is equivalent to approximately 11% of total stock in the FEMA (which is also present in other Boroughs in south-west London). The other market for offices in the Borough is the emerging office market at the VNEB OA considered to be part of the CAZ. This property market comprises modern office floorspace for larger businesses to run their regional, national or international office-based activities. There is currently approximately 80,000m² of office floorspace in the VNEB OA. This is estimated to increase to 205,000m² by 2024 based on development proposals.
- 8.4 The supply/demand balance assessment presented in this study predicts that there will be a net requirement of 22,500m² of office floorspace in the Borough between 2019 and 2034 after frictional vacancy has been accounted for. The main driver of this net requirement is an increase in demand for an additional 27,500m² of office floorspace over this period. This projected growth in Wandsworth 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.
- 8.5 Due to the nature of the employment forecasts used to derive the demand figures, employment growth arising from large-scale development such as the type currently occurring in the VNEB OA is not likely to have been identified. Our view is that new infrastructure provision and place making at the VNEB OA will position the area well to capture demand from the central London office market. The CAZ market has shown appetite for large schemes of high-quality specification office floorspace in new mixed-use business locations with complementary retail and leisure provision. Examples include London Bridge, More London, King's Cross and Paddington. On balance, it is likely that the VNEB OA will capture a critical level of demand from the wider central London office market to fulfil its development plans. As such, it has been assumed that in the VNEB OA, demand is likely to meet the planned supply of around 205,000m² of B1a use class floorspace over the long term.
- 8.6 In contrast to the development occurring in the VNEB OA, projections of the supply pipeline show that, if all approved planning applications concerning office floorspace in areas outside of the VNEB OA come forward for development, the size of the local office market would reduce by 12,200m². The property market assessment indicates that demand for office premises in this market is generally strong. The Borough has a very low vacancy rate (2.8%) in its office premises and net absorption rates have been mostly positive since 2016. However, there are some signs of stagnation in demand in recent years with rental values stabilising after years of growth. Our demand forecasts show positive net land requirement for office floorspace across both property markets in the Borough. Based on the findings of the property market assessment, our view is that a considerable proportion of this demand is due to growth in employment in the local office market. The projected loss in supply will place considerable strain on the ability of the local office market to meet demand.

- 8.7 Therefore, it is recommended that office floorspace in the local office market should continue to be protected, and opportunities to intensify/redevelop office floorspace should continue to be explored. Our supply analysis provides a high-level assessment of suitable locations for these opportunities to be encouraged. The analysis identifies approximately 126,000m² of land, located in the Central Wandsworth EUIA, Focal Points along the River Thames, LSIs in Wandle Valley, the Queenstown Road SIL and in small EPAs close to town centres, which in part could offer potential for additional office floorspace. It is likely that a considerable proportion of this land may be better suited for other uses. For example, the LSIs in Wandle Valley remain more suitable for industrial use due to their excellent strategic road accessibility and low industrial land values. The EPAs near or in town centres (including Wimbledon Sewing Centre in Tooting Bec and Irene House in Balham) and other areas within town centres (particularly in Wandsworth) are particularly good opportunities to provide this additional office floorspace.

Industrial land

- 8.8 There is a total of 133.6ha of land currently in industrial use in Wandsworth, of which 68.9ha of land is occupied by core industrial and warehousing uses and 1.4ha is vacant. Industrial activity in Wandsworth is focused along two main axes. The first runs east-west from remnant areas in Nine Elms and the Queenstown Road SIL through to the Lombard Road/York Road Focal Point and along the River Thames as far west as the Wandle Delta Focal Point. The second extends north to south along the Wandle Valley from the River Wandle delta to Wandsworth's boundary with Merton. The property market assessment shows that the size of the industrial land market in Wandsworth has decreased by 15% since 2010, and that neighbouring Boroughs have experienced similar declines during the period. Wandsworth has a lower proportion of employment in sectors which use industrial land than the London average.
- 8.9 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. There are two main types of industrial activities for which demand is expected to strengthen against the broader trend of contraction. The first is distribution activities which service CAZ functions. Demand is expected to grow as employment in the CAZ (and the local population) grows. The increasing 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 premises. In some instances, due to the nature of their activities, provision can be cited in proximity to sensitive uses.
- 8.10 The supply/demand balance indicates a net requirement for 8.6 ha of industrial land between 2019 and 2034. Approximately 5.5 ha of this net requirement is to capture additional demand for core industrial land uses and approximately 2.1ha of it is to capture additional demand for waste uses.
- 8.11 The additional demand for core industrial land is for B8 space (4.7ha) and B1b/c space (1.6ha). Demand for B2 space is projected to slightly decline (by 0.7ha) over the plan period. This increase in demand for B8 space coincides with a recent decline in stock of B8 space which has been substantial. This has largely been due to high land values encouraging the conversion of B8 space to other uses. This has been accelerated by the large-scale redevelopment of the VNEB OA to CAZ uses. The increase in demand for B1b/c and B8 space is likely due to the Borough's location with excellent links to Central London and the CAZ. Distribution and wholesale firms in Wandsworth also benefit from the excellent strategic road connections to other areas in London. The socio-economic analysis in Chapter 4 shows that, even with the recent decline in B8 stock, the wholesale sector is the only sector using industrial land which had a proportion of total employment higher than that the London average.
- 8.12 The assessment findings of the industrial land property market in Chapter 5 largely correlates with the positive demand forecast to 2034. The assessment concluded that, though indicators of demand reflect a market with strong demand, the stock of industrial land is decreasing. Vacancy rates are low (2%) and average rents are high (£209 per m²) across the FEMA. However, net absorption has recently been negative due to the loss of stock even though the take-up rates of available stock was very high.
- 8.13 The increase in demand for industrial land contrasts with a projected loss in supply, as per planning applications in the Council's annual monitoring reports on non-residential development. If all approved planning applications were to come forward, supply would reduce by 7.6ha. This is primarily due to loss in B8, which follows recent trends as stated above, though there is also a loss in B1b/c space with little impact on B2 space. Nearly 5ha of the 7.6ha of land lost is within the VNEB OA which has been pre-planned and

- the Council is not expected to replace. However, the loss of this space reduces intensification and redevelopment opportunity which will be key in ensuring that the Borough can meet its increased demand.
- 8.14 Employment land within existing SIL and LSIA's remain the most suitable locations in Wandsworth to accommodate the additional demand identified for both core industry/warehousing uses and waste uses.
- 8.15 The Queenstown Road SIL (C1), 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 atypical of industrial areas close to central London. The SIL accommodates heavy industry, transportation depots and warehousing. Part of this site has been earmarked as appropriate for higher-value office and intensified industrial uses as part of the Council's plans for the Battersea Design and Technology Quarter, which seeks to build on existing investment in the area. As Wandsworth's strategic area of industrial employment, this places greater emphasis on the need for the other areas of the SIL to be protected and, where possible, intensified to provide increased offer and employment opportunities.
- 8.16 Wandsworth's LSIA's are arranged along the Wandle Valley from its delta to the boundary with Merton. For the most part they are well-functioning employment areas with low levels of vacancy and there are 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. This study has identified that there is some potential for intensification in Summerstown (C2), Old Sergeant (C3), Kimber Road (C4), Lydden Road (C5) and Thornsett Road (C6) LSIA's based on the criteria and characteristics outlined in this report.
- 8.17 Focal Points and EUIA's are also areas with potential to accommodate the increase in industrial land demand. Focal Points are primarily located on the River Thames and comprise of a mix of uses including residential. EUIA's preserve employment uses only and comprise of both office and industrial uses. This study identifies that there is approximately 10ha of land within Focal Points and EUIA's, primarily comprising of vacant land and poor-quality buildings, which has potential to be redeveloped or intensified to accommodate industrial land demand. We recommend that industrial uses should be prioritised in Focal Points and in EUIA's to meet the high levels of industrial land demand given the forecast loss in supply.
- 8.18 It is notable that approximately 63 hectares of land in LB Wandsworth are in wider industrial use, i.e. waste management and recycling, utilities, land for transport and indeed in the form of wholesale markets (NCGM). Based on estimates provided in the Waste Evidence Base, this study has identified that up to 2.1ha of land is required in Wandsworth to meet the Borough's increase in demand for land for waste management uses by 2036. Regarding other wider uses, demand for utilities and land for transport (which together account for 36 hectares) is considered to be largely static based on correspondence with the Council, and thus no additional provision or accounting for surplus requirements needs to be made in the period to 2034. New Covent Garden Market has recently been consolidated and there are no known plans for further changes to occur over the period to 2034.

Recommendations

- 8.19 The recommendations presented below are based on the findings of this study and are accompanied by supporting justification and rationale. This ELPS is one of several evidence base documents the Council will be considering that will feed into and inform its Local Plan update evidence base. These are AECOM's independent recommendations and the Council will subsequently consider these before drafting its own Local Plan policies.

R1 The Council should encourage the intensification and/or redevelopment of poor-quality existing floorspace in the local office market and encourage development of office floorspace in the emerging Battersea Design and Technology Quarter (BDTQ).

Justification

- 8.20 The forecasting exercise suggests that there is a net additional requirement for 22,500m² of office floorspace up to 2034 once vacant floorspace and frictional vacancy have been factored in. This figure represents demand in the borough as a whole and is based on the hybrid approach to identifying demand incorporating both GLA and Experian employment forecasts. However, evidence of demand in the property market assessment, including very low (2%) vacancy rates and recent positive net absorption rates, indicate that a considerable proportion of this demand is likely to be for office premises in the local/sub-regional market.

The Council should therefore aim to accommodate positive demand in the local office market by encouraging opportunities to intensify existing space or develop new office floorspace.

- 8.21 The supply assessment found that, though space in the local office market is generally of good quality and well occupied, there are certain premises which can be intensified or redeveloped to accommodate demand. EPAs near town centres and town centres themselves are particularly attractive areas for this to occur. The EPA designation enables redevelopment to occur if the right scheme were to come forward in these areas. This study identifies two EPAs which are particularly suitable for development: the former Wimbledon Sewing Centre near Tooting Bec and Irene House near Balham. This is because they currently comprise of low density, poor quality space and are close to public transport links. Opportunities for intensification in town centres themselves are limited since many of the town centres already have good quality office floorspace (such as Putney), or primarily cater for retail needs (such as Clapham Junction and Balham). The town centre which presents the most opportunity for redevelopment is Wandsworth which, though undergoing recent redevelopment, still has a considerable stock of poor-quality office floorspace.
- 8.22 The challenge for the Council will be in encouraging these developments to come forward. The Parklife Building on Putney Bridge Road (within Cluster C8) is a development under construction which comprises primarily of employment space with some retail space. The building represents good evidence that there is still an appetite for development for commercial-only space in town centres in Wandsworth. It is worth noting though that the development is in Putney which is a thriving local office centre with high rents and low vacancy rates, and is subsequently more likely to attract commercial-only development than other town centres in the Borough. Nevertheless, it is recommended that the Council work with site owners and town centre managers to investigate town centre and edge of centre site potential.
- 8.23 The Battersea Design and Technology Quarter represents good opportunity to increase floorspace available in the local office market. The office floorspace proposed to come forward here would cater for high-value tenants which require good access to the CAZ and are likely to be selective over where to locate such as SMEs in the digital and tech subsectors. The BDTQ is proposed to be on land which is currently in the Queenstown Road SIL. Under the proposed plans for the BDTQ, office floorspace would increase by 77,840m² from 16,000m² to 93,840m². The high rent values, public transport links and proximity to the CAZ makes new office development much more likely to come forward here than in the rest of the Borough. The 77,840m² proposed to come forward as part of the BDTQ is higher than the net additional requirement for office floorspace in the local office market presented in this study. However, it is important to note that the office floorspace coming forward here will also cater for 'knock-on' demand from the significant investment occurring at the VNEB OA. Also, the space will not cater for all types of tenants in the local office market and as described above the Council should continue to promote space in and around local town centres to cater for the needs of all businesses which use office floorspace.

R2 The Council should continue to monitor changes of use/redevelopment proposals concerning office floorspace in the local office market to ensure that enough floorspace is available for economic growth over the planning period, 2019 to 2034. This includes continuing to enforce its Article Four direction excluding conversion of office floorspace to residential use in certain parts of the Borough.

Justification

- 8.24 Given the positive forecast for office floorspace demand to 2034, it will be important for the Council to not only promote and nurture the provision of new space in the local office market, but to also ensure that existing fit for purpose space is retained and redevelopment of such space resisted unless replacement provision is proposed.
- 8.25 In 2018, the Council confirmed an Article Four direction to exclude conversion of offices to residential use in certain parts of the Borough from PDR. The areas included in the Article 4 direction were primarily town centres, parts of the Wandle Valley and the VNEB OA. The direction seems to have had a considerable positive impact on the Borough's ability to retain its office floorspace. As stated in section 7.9, if all approved planning applications in Wandsworth's pipeline were to come forward, the size of the local office market in the Borough would reduce by 35,800m². However, most of this reduction is due to development which was granted prior approval under PDR before the Article 4 direction came into effect in May 2018. The data shows that only 1,900m² of the net office floorspace loss due to approved planning applications is from developments which had their applications lodged after this date.

- 8.26 Planning applications which have gone through the full or outline planning process, and pending applications, present a considerably more positive picture of the Borough's supply in the local office market. Pending planning applications represent a 24,000m² increase in net office floorspace in the Borough, spearheaded by large developments including proposed redevelopment of the Riverside Business Centre in the Bendon Valley EUA and the Prices Candle Factory in the Lombard Road/York Road Focal Point.
- 8.27 Therefore, this study recommends that the Council continue to enforce its Article 4 direction to require development involving loss of office floorspace in key office centres in the Borough to go through planning permission. The introduction of the direction has had a marked effect in slowing the loss of office floorspace in the Borough. Developments with pending planning applications suggest that the Borough can recover from the reduction in office floorspace it has experienced due to PDR.
- 8.28 As stated in section 2.10, the government has stated its intentions to consult on a new permitted development right enabling vacant commercial and industrial buildings to be demolished and replaced with new residential development. Though vacancy is low in Wandsworth's office floorspace, the Council should seek to protect important office centres in the Borough if such rights were to come forward.
- 8.29 If the Borough can encourage further office development to come forward as described in Recommendation 1 above, it can increase supply of office floorspace and meet the needs of the local office market.

R3 The Council should consider protecting non-designated office floorspace in the local office market by designating them as EPAs where appropriate.

Justification

- 8.30 As described in Recommendation 2 above, given the positive demand identified in the forecasting exercise and our property market assessment for office floorspace in the local office market, the Council should ensure that the existing provision of space is retained. Non-designated land comprises approximately 10,000m² office floorspace in the local office market and is an important component of the supply base in Wandsworth. Protecting non-industrial land where appropriate is vital in ensuring that the Borough can retain it for office uses. The Employment Protection Areas (EPAs) designation provides protection and enables redevelopment to be permitted if the right scheme comes forward. There are two non-designated areas which this study has identified which should be considered for EPA designation:
- Cloisters Business Centre (C34) in Nine Elms, and
 - Culvert House, Culvert Road and The View, Battersea Park Road (C37) in Battersea.
- 8.31 The Cloisters Business Centre comprises of small offices which are generally of good quality. It has an outdoor space which is well maintained. The cluster currently comprises of SMEs, many of them in the creative and charity industries. These types of SMEs are located here partly because the cluster has good access to the CAZ. As the VNEB OA continues to be redeveloped, the demand for this type of space will increase as SMEs in these sectors, as well as in high-value subsectors such as digital and tech, look for space closely located to the area. It is therefore important that, as well as encouraging the development of new space to accommodate this, such as that proposed in the BDTQ study, adequate existing space such as the Cloisters Business Centre is protected and retained.
- 8.32 Culvert House and The View, located on Battersea Park Road, comprise a mix of good quality office floorspace for SMEs in the local office market. Culvert House is in the same building as a school, and The View is a mixed-use development currently under construction. There is therefore no immediate possibility that either site will be subject to conversion for non-residential uses. However, both buildings currently comprise, or will comprise, of good to excellent quality office floorspace appropriate for SMEs looking for good access to the CAZ. This study therefore recommends that this space be protected with an EPA designation.

R4 The Council should continue to promote the economic development and regeneration of the VNEB Opportunity Area to ensure it becomes a strategic employment hub providing large-scale office floorspace for high-value occupiers.

Justification

- 8.33 There is approximately 205,000m² of office floorspace currently being developed in the VNEB OA. Much of this has already been built, including the US Embassy, the Riverlight Quay development and Embassy

Gardens. There is still approximately 42,000m² currently in construction. The majority of this floorspace is large floorplate and of proposed high-quality design such that it can attract occupiers of national and international significance. This study's review of literature and property market assessment indicates that there is demand for this type of space in the VNEB OA and that the space can become a functioning part of the Central London Office Market.

- 8.34 What will be key in attracting high-value occupiers to the VNEB OA is the creation of a sense of place with improved infrastructure and improved public realm. This is already occurring with the completion of the US Embassy and the redevelopment of the Battersea Power Station. The Northern Line Extension is due to be completed in 2021. The Council should monitor the type of occupiers which are demanding space within the VNEB OA to see if there are any specific interventions the Council can make to ensure that particular sectors or tenants take up space in the Borough. 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. The Council should also seek to ensure that the supply of office floorspace is meeting this demand and should ensure that issues faced by incoming tenants are proactively dealt with.

R5 The Council should, through appropriate Local Plan policies, set out a clear plan to ensure the retention of existing industrial land and floorspace including maintaining the protection of SIL and LSIA's in the Borough against conversion to other uses.

Justification

- 8.35 The forecasting exercise suggests that there is projected to be a net requirement for 8.6 hectares of industrial land up to 2034. Approximately 1ha of this requirement is to ensure that the Borough has an optimal amount of frictional vacancy to enable efficient churn of occupiers. The assessment predicts that approximately 5.5ha of land will be required to accommodate demand for core industrial uses, and up to 2.1ha of land will be needed to accommodate additional demand for wider industrial uses.
- 8.36 The additional demand arising from core industrial uses is primarily for B8 use, but there is also an increase in demand for B1b/c space. The forecast increase in demand for industrial land contrasts with a projected loss in supply based on analysis of the Council's monitoring reports which identified that if all approved planning applications were to come forward the net supply of industrial land in the Borough would reduce by 7.6ha. The additional demand arising from wider industrial uses is for waste management purposes. The Waste Evidence Base (2020) predicts that up to 2.1ha of additional land for waste management purposes will be required in the Borough to meet its demand.
- 8.37 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 period. Employment land within existing SIL and LSIA's remain the most suitable locations in Wandsworth for accommodating land for both core industrial/warehousing uses and waste management uses. This corresponds to the principles set out in the draft New London Plan policies E4, E5 and E6. To ensure that the Borough can meet its demand over the plan period, this study recommends that the Council maintain the protection of all SIL and LSIA's in the Borough.
- 8.38 The Queenstown Road SIL (C1) is a large industrial area which 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 floorspace too, including a few examples of new/refurbished premises.
- 8.39 The Council has intentions to redevelop part of the SIL as part of plans to create a hub for SMEs in the creative and technology industries known as the Battersea Design and Technology Quarter. In this study it is recognised that there is a need for the Borough to provide land for high-value SMEs in the creative industries which require high quality, modern studio spaces located close to the CAZ. The Battersea Design and Technology Quarter study identifies that, under the proposed redevelopment, the quantity of land in industrial uses in the cluster would increase by 2.4ha from 6.8ha to 9.2ha. The study states that this would primarily be because of an increase in land in premises classified as 'small' (i.e. likely to benefit the types of businesses described above).
- 8.40 The extent of land currently proposed for the BDTQ includes a transportation depot and a concrete plant. To enable the Borough to meet its industrial land demand (which arises from the many different sectors

using industrial land), the Council should ensure that the proposed redevelopment of the site does not greatly impact the ability of the SIL to cater for the mix of uses currently onsite. The continued development of the VNEB OA as high-density office employment location will result in an increase in demand for warehousing and studio space in the area to cater for businesses in industries which directly support the CAZ including catering suppliers and printers. The needs of these businesses should also be considered as part of redevelopment proposals in industrial land and floorspace close to the CAZ.

R6 The Council should consider re-designating the Summerstown LSIA as Strategic Industrial Land.

- 8.41 The Summerstown LSIA is an active and well-functioning industrial estate. The cluster comprises several business estates with medium and large warehousing and industrial floorspace. The area is a hub for activities which may lead to tensions with other land uses due to their scale, noise and odours, including an electricity substation and distribution companies which require constant HGV movement. The cluster is also, however, home to a variety of other businesses, including many from the cultural and creative industries located primarily in the Wimbledon Arts Centre. Overall, therefore, the site is a strategically important location for all types of industrial land (which should be protected).
- 8.42 The draft New London Plan has proposed that the Summerstown LSIA become a Strategic Industrial Location. This study recommends that the Council take forward this proposition and re-designate the site. Although there is little threat of redevelopment of the site for non-industrial uses such as residential, the site currently performs functions characteristic of SIL. Designating it as SIL will formalise and further protect the industrial uses within it. The site does not appear to have any 'bad neighbour' issues and there is possibility for 24-hour working particularly in the Wimbledon Stadium Business Centre. Re-designating the site as a SIL will further promote intensified industrial use such as 24-hour working and positively benefit businesses located there.

R7 The Council should continue to encourage industrial intensification and the redevelopment of poor-quality industrial land and premises in SIL, LSIAs, Focal Points of Activity, EPAs and Economic Use Intensification Areas to meet the demand for industrial land in the planning period 2019 to 2034.

Justification

- 8.43 Since demand for industrial land is projected to outstrip supply in the Borough, the Council should encourage developments which contribute positively to the supply of industrial land, noting the sectors which are likely to see most increases in demand during the plan period. The Council is most likely to meet this need by intensifying and/or redeveloping existing industrial land in the Borough. As identified in the supply analysis in Chapter 4, the quality of industrial land and premises in the Borough is generally good but there are opportunities for this to occur.
- 8.44 SIL and LSIAs remain the most suitable locations in Wandsworth for accommodating industrial demand. The Queenstown Road SIL is an important industrial area which caters for a mix of uses and its proposed redevelopment as part of the Battersea Design and Technology Quarter is commented on as part of Recommendation 5 above. Wandsworth's LSIAs are arranged along the Wandle Valley from its delta to the boundary with Merton. For the most part, they are well-functioning employment areas with low levels of vacancy. However, this study has identified that there is some potential for intensification in the following LSIAs: Summerstown (which has been recommended to become a SIL), Old Sergeant, Kimber Road, Lydden Road and Thornsett Road. Within these areas, there are older buildings in poor quality which are vacant or underused. The supply assessment presents more detail concerning where and how these areas can be intensified.
- 8.45 Since opportunities to intensify industrial land are generally fairly limited in SIL and LSIAs, it is important that the Council encourages development of industrial land in other areas which can accommodate it. In the LPEID, the Council identified Economic Use Intensification Areas (EUIAs) which are sites it defines as having potential for intensification to provide additional employment floorspace. These sites are in Central Wandsworth and the Wandle Valley. This study supports the designations of these sites. The supply assessment presented in this study finds that there is clear opportunity for redevelopment and intensification of these sites which currently comprise poor quality, low-density employment space. These sites are ideal locations to accommodate the increase in demand for B8 space, as they are primarily in locations away from residential properties. The Council should continue to support proposals to redevelop these sites to provide additional employment floorspace.

8.46 Focal Points of Activity are areas along the River Thames in Wandsworth which permit tall buildings and encourage mixed-use developments, including residential. There are several uses within Focal Points with some areas being employment hubs and others being primarily of residential character. The potential for proximity of employment land to residential properties in Focal Points restricts opportunity for intensification and/or redevelopment to accommodate uses which may impact on residents (e.g. noisy or requiring 24-hour working). They are therefore not ideal locations to accommodate B8 space. However, there are the following potential opportunities for redevelopment of poor-quality space within these areas to accommodate other industrial uses:

- Redevelopment of older industrial premises with poor environmental and build quality in the Lombard Road/York Road Focal Point, including the trading estate off Gwynne Road and industrial land south of Chatfield Road; and
- Redevelopment of industrial warehousing units on Osiers Road which are of poor quality and single-storey.

8.47 The above analysis outlines opportunities for intensification and/or redevelopment which are most appropriate based on a set of supply criteria, but it should be noted that the list of sites provided is not exhaustive. The Council should continue to work with landowners in industrial areas to identify potential opportunities for intensification and/or redevelopment to meet the increase in demand for industrial land forecast in this study.

R8 To ensure that non-designated industrial is retained where appropriate, the Council could adopt a criteria-based policy requirement to assess proposals for conversion of non-designated industrial land. The criteria should be based on what is stated in the draft New London Plan and should therefore include the following:

- **There is no reasonable prospect of the site being used for the industrial and related purposes set out in Part A of Policy E4 of the draft New London Plan; or that it has been allocated in a Development Plan for residential or mixed-use development on the basis of this;**
- **industrial, storage or distribution floorspace is provided as part of mixed-use intensification where this is feasible; and**

Justification

8.48 There is industrial land in the Borough which is not currently protected by planning policy. These land parcels have been identified in the supply assessment of this study where they are over 0.25ha, including the industrial units on Winthorpe Road. Industrial land under 0.25ha in size has not been identified in this study but are known to be dispersed across the Borough. These areas, regardless of size, generally meet a local business need. Given that the forecasting exercise presented in this study suggests that the demand for industrial land is projected to outstrip supply, it is recommended that the Council agree on appropriate action in the updated Local Plan that protects non-designated industrial land.

8.49 The draft New London Plan sets out criteria to apply when managing the release of non-designated industrial land. The criteria provided in the draft New London Plan is a response to many years of declining industrial land supply across London. Wandsworth's high land values mean that it is one of the Borough's more at risk of losing industrial land supply to higher value land uses including residential. This study therefore recommends that the Borough, to ensure that non-designated land is protected where appropriate, apply the criteria set out in the recommendation above. This will ensure consistency with what is set out in the draft New London Plan.

8.50 To demonstrate lack of industrial 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 two-year period. Marketing must be done via a commercial agent at a price which reflects the market value in relation to use, condition, quality and location of floorspace. It must also be demonstrated that consideration has been given to alternative layouts and business uses.

R9 The Council should provide a range of affordable workspace options across the Borough to cater for the different types of businesses which require it. The discounts which the space is provided at should be reflective of the area of the Borough which the workspace is in and the type of tenant which the workspace is provided for.

Justification

- 8.51 Our analysis of market rents provided in the chapter 5 of this report shows that rents for both office and industrial premises vary considerably in different parts of the Borough. One of the primary reasons for this, as well as proximity to the CAZ, was the varying level of building quality found throughout the Borough. A spatial analysis of this was provided.
- 8.52 The extent to which workspace is deemed 'affordable' varies considerably based on the type of business which the workspace is provided to accommodate. There is likely to be demand for affordable workspace across the Borough as different types of tenants have different location and specification requirements.
- 8.53 This study has identified that broadly there are three types of affordable workspace which should be provided to satisfy the needs of a range of businesses in Wandsworth: modern office and small studio space close to the VNEB OA, office floorspace in town centres, and light industrial and office floorspace with good strategic road access. The below provides recommendations on the type of space which should be provided and the discount rate which the space should come forward at.

Light industrial floorspace and office floorspace in and around the VNEB OA

- 8.54 In the VNEB OA and in the surrounding Queenstown Road area, rents for both office and industrial floorspace are high. Businesses likely to benefit from affordable workspace here are high growth potential start-ups and larger SMEs in the creative industries. These types of businesses require high-quality office floorspace and/or modern studio spaces and the location of premises is particularly important for them as this can determine the right labour and client base.
- 8.55 In the VNEB OA itself, the type of office floorspace currently being constructed is high-quality space fit for large enterprises to locate their corporate headquarters. The rent level achieved for this type of space in the VNEB OA is close to the rent level achieved for equivalent space in the London Bridge/South Bank area and considerably higher than for office floorspace elsewhere in the Borough. Industrial floorspace for SMEs in the VNEB OA is decreasing as the area is redeveloped. This report recommends that, while the provision of affordable workspace in the VNEB OA itself should continue to be sought, due to prevailing and anticipated market rents it is more likely to come forward in the neighbouring areas of the VNEB, and the Council should therefore explore options for providing affordable workspace in these locations in order to maximise the delivery, including in the Battersea Design and Technology Quarter in the Queenstown Road SIL.
- 8.56 For affordable workspace to work in these areas, the discount on rent will need to be substantial considering that market rents, though not at the level they are in the VNEB OA itself, are high. Other Boroughs are taking proactive approaches to encourage high value start-ups and SMEs from the creative industries to locate there. For example, the majority of affordable workspace in the Old Street area of Islington is being brought forward at 'peppercorn' rent in exchange for business activity which comprises social value. Lambeth, in its draft new Local Plan, states its intentions to provide affordable workspace at a 50% discount for office floorspace in and around the Waterloo and Vauxhall areas. This area is located close to Wandsworth and is likely to compete with the VNEB OA in attracting businesses looking to use the affordable space.
- 8.57 Therefore, to stay competitive and to ensure Wandsworth's economy continues to be diverse, the Council should take a similar proactive approach in ensuring that new development comes forward at a rent level which is considerably lower than the market rate in and around the VNEB OA.

Office floorspace in town centres

- 8.58 There are many SMEs in the creative and cultural industries which do not require space in or around the VNEB OA. This includes charitable organisations and small-scale consultancies and business services firms operating in the local/sub-regional market which are not yet financially proven. These firms are likely to be distributed across the Borough and require good quality office floorspace in places which have excellent public transport links. The Borough's town centres are therefore the most appropriate locations to provide affordable space to meet the needs of these businesses. This would also contribute towards the further diversification of town centres, ensuring their continued vibrancy and resiliency in the face of considerable ongoing changes in the retail sector.
- 8.59 The analysis of market rents shows that rent varies considerably outside of the VNEB OA, providing an indication of where affordable workspace is most suited for tenants in the local/sub-regional market. Putney is a vibrant office market and has high average rents and the quality of its office buildings is generally good.

Tooting, Wandsworth and Clapham Junction have lower average rents, and it is in these areas where affordable workspace can be provided without providing considerable discounts for firms looking to use the space. However, it should be noted that the building quality for office floorspace is currently average to poor which is a likely factor behind the low current rents. New development which comes forward is likely to demand higher average rents, though this is still unlikely to match the rent levels found in Putney and in and around Battersea.

- 8.60 The study therefore recommends that the Council identifies options for providing affordable workspace in town centres across the Borough, and particularly in Wandsworth, Tooting and Clapham Junction. This study expects that, to support the needs of tenants requiring this space, the discount rate offered should be similar to the 20% discount proposed to be offered by Lambeth to tenants of affordable office floorspace in the Oval, Kennington and Clapham areas.

Light industrial and office floorspace with good access to the strategic road network

- 8.61 The third type of affordable workspace which should be provided is good quality small business units with access to the strategic road network, primarily catering for light industrial activities but also with some office floorspace. These units would be suitable for businesses yet to become financially proven and involved in the 'crafting' industry and/or physical design and production.
- 8.62 The analysis of rent levels across the Borough indicates that the most appropriate location to provide this space is within industrial land in the Wandle Valley. Industrial locations in the area have excellent links to the strategic road network via Garratt Lane and the A218. The analysis of average rents identified that rent is generally low here for both industrial and office floorspace even though the quality of the buildings which the floorspace is in is generally good. This contrasts with areas to the north of the Borough and particularly in the Focal Points along the River Thames which have high rent levels for industrial and office floorspace even though building quality is generally poor.
- 8.63 This study therefore recommends that the Council should explore options to provide this type of affordable workspace in the Wandle Valley. The discount rate required to achieve space which is affordable for its potential occupiers is therefore lower here than in other areas of the Borough. It is expected that the discount rate provided here should be close to the 75% of market rate suggested to be provided in the Old Kent Road area in Southwark by the LLDC Employment Space Study.