

Appendix 1
Workspace Statement

Workspace Statement

The expansion of Kingsgate
primary school and redevelopment
of Liddell Road

November, 2014

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1. Introduction

This statement describes the Council's proposal to provide new managed workspace at Liddell Road for small and medium businesses (SME's) as part of a mixed redevelopment of the site.

- 1.1. In addition to providing new school places, the Council's objectives for the proposed redevelopment of Liddell Road are to maximise the community and employment benefits and optimise the value delivered from the scheme. In particular, the Liddell Road site is an important employment location, and redevelopment would provide an opportunity to create new higher employment density use, and increase employment opportunities. However, while the Council wishes to protect employment space within the redevelopment of Liddell Road, it is essential that the new employment space must support sustainable new jobs in West Hampstead.
- 1.2. Managed workspace providers offer fully functional and self-contained commercial provision for businesses, with support services that may include a reception function, meeting rooms and café provision.
- 1.3. This report presents evidence from workspace providers that demonstrates that there is strong demand for this type of employment development in the area.
- 1.4. The new development would provide 3,700m2 gross internal area (GIA) of new workspace. The new workspace would include meeting rooms, co-working and shared spaces and office spaces for new and developing business as well as businesses wishing to relocate from higher rental areas. A café provision is an option, however this could be provided by others. For example, if a new park café was to open in Maygrove Peace Park.
- 1.5. The new workspace would be a high quality design and an integral part of the mixed redevelopment of Liddell Road contributing to the creation of a new destination in West Hampstead. It would benefit from the location next to public open space, close to the shops, cafes and amenities of the West Hampstead village and West Hampstead transport exchange. The business model would support up to 150 jobs within 2 years, and could support up to 280 jobs when the building is fully let. Full occupancy would be expected within five years.

2. Liddell Road industrial estate

The Liddell Road site is owned by Camden Council and is occupied by 33 single story light industrial units providing 3,500 m2 GIA commercial space. The units are currently let on a variety of leases with different provision for termination/renewal and there is also a small street cleaner's store. Figure 1 identifies the site showing warehouse/workshop units backing onto the train lines on the northern edge, and studio/workshop space to the south. A plan of the site is provided in Appendix 1.

- 2.1. In 2013, the Council estimated the number of full-time jobs on site was between 65 to 80 jobs using an industry standard calculation¹. A researcher was then appointed to confirm the accuracy of this estimate. In March 2013 the researcher visited the 33 light industrial units on the Liddell Rd site to verify:
 - The business activity description of each occupier; and
 - The number of people employed by the businesses.



Figure 1. Liddell Road industrial estate

- 2.2. The researcher spoke to 17 businesses occupying 24 of the units (some businesses occupy more than 1 unit). Of the remaining nine units:
 - Five were identified as vacant; and

¹ Homes and Community Agency, Employment Densities Guide (2010) 2nd edition

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- Two units were being used as storage, and were not employing anyone on-site.
- The researcher was unable to get a response from the business occupying two of the units.
- The majority of the occupiers on site were micro-businesses employing between 1 and 5 people. 4 businesses employed between 6 and 10 and 2 businesses employed between 11 and 15.
- 80 people were reported to be employed on site across a number of business activities or sectors, ranging from vehicle maintenance and repair to publishing and digital printing, construction, art and antique related activities and designer/maker activity.

3. Redevelopment of Liddell Road commercial spaces option appraisal

- 3.1.** Liddell Road is located just outside the West Hampstead Growth Area, where there are plans for significant development and associated population increase. Planning policy supports retention of employment space in the area. The GLA's London Plan² targets a minimum of 800 new homes and 100 jobs between 2010 and 2031. The West Hampstead Neighbourhood Plan published in 2014³ supports the retention of existing employment sites. The plan states that developments should support new jobs and attract new businesses to the area. New development shall also provide flexible employment space.
- 3.2.** Figure 2 provides a plan of employment spaces in the local area in 2013. This includes several employment sites in Maygrove Road and Iverson Road, close to the Liddell Road site. Since this plan was prepared, three of these employment sites have obtained planning consent for change of use to residential. The change of use at 65 Maygrove Road was justified on basis of a marketing report that little demand for Class B1 offices in this location due to its overwhelmingly residential character and the lack of demand in this area for office accommodation.
- 3.3.** 73a Maygrove Road, although a fully occupied office obtained consent for change of use to residential through permitted development rights. This illustrates the need to protect workspace and mitigate the impact of permitted development rights on the office markets as owners seek to capitalise on their assets. However, while the Council wishes to protect employment space within the redevelopment of Liddell Road, it is

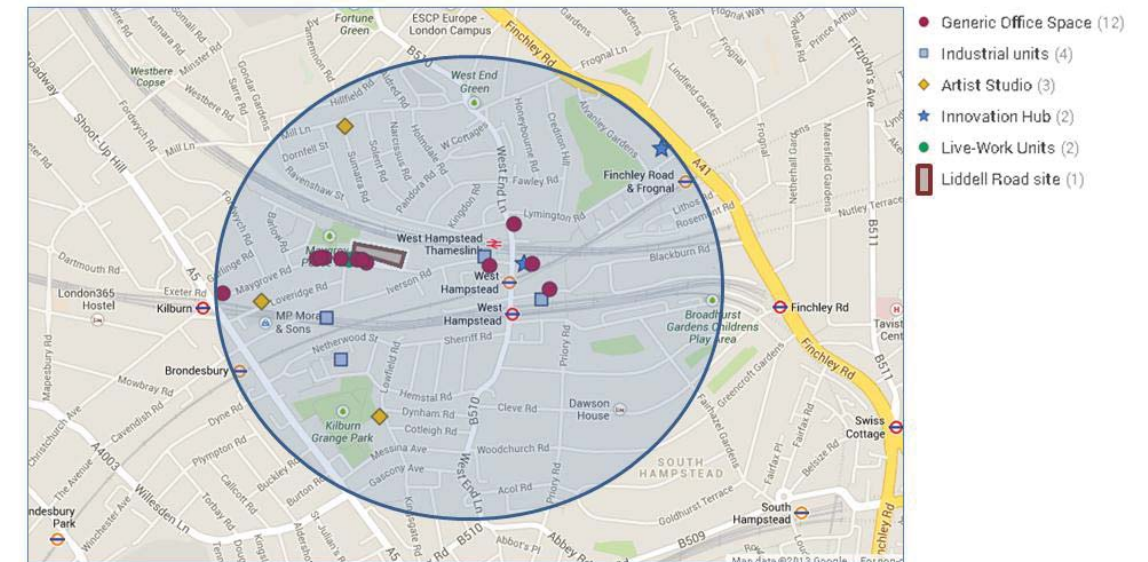
² The London Plan July 2011 <https://www.london.gov.uk/priorities/planning/london-plan>

³ Fortune Green and West Hampstead Neighbourhood Development Plan, 2014 <http://www.ndpwesthampstead.org.uk/>

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essential that the new employment space must support sustainable new jobs in West Hampstead.

Figure 2 – Commercial Space in West Hampstead



- 3.4.** In 2013, the Council commissioned Renaisi to review the employment space development options, to test the viability of the proposed employment space and inform the Council's decision making process. Renaisi are regeneration specialists with experience of delivering neighbourhood-based regeneration programmes, local economic development initiatives and employment services. Renaisi contacted a range of potential providers and other stakeholders to collect data in relation to the perception of West Hampstead as a business location and whether the Liddell Road site would in principle be attractive.
- 3.5.** Renaisi's appraisal concluded that the provision of new employment space proposed for Liddell Road could make a positive contribution to the number of jobs within the area. The report confirmed there is strong demand for commercial space and in particular for managed work space in the West Hampstead area. There was an overwhelmingly positive response from providers about the opportunity to develop new employment space at Liddell Road and West Hampstead in general.
- 3.6.** The Renaisi report is provided in full in Appendix 2. The recommendations and conclusions are summarised in this section.

3.7. The perception of West Hampstead as a business location

West Hampstead as a place has a distinctive *village character*⁴, unlike the larger commercial centres located in the south of the borough. West Hampstead has a wide mix of land uses with a vibrant town centre, large residential areas and pockets of commercial spaces which have developed principally on the former railway lands. The area is generally considered to be relatively prosperous and has a range of independent shops and cafes, a library, fire station and a strong sense of community, as exemplified by the existence of a Neighbourhood Forum and the publication of a Neighbourhood Development Plan (NDP) in 2014.

A significant strength of West Hampstead is the extent of its public transport provision – with access to the Jubilee line, Thameslink and London Overground, as well as numerous other neighbouring Underground connections.

Retail comprises the largest portion of business use in the area. West End Lane, located between Kilburn and Finchley Road town centres, has a diverse retail offer including many independent, long established and specialist businesses.

Renaissi found that among the employment space providers and stakeholders they interviewed, West Hampstead was seen as a strong location for business growth and for innovative schemes. There was good demand for a variety of commercial options. In summary, the current perception of West Hampstead was:

- A growing place for SMEs
- Creative industries are welcomed
- Good transport links acknowledged
- Lack of commercial of space overall in Camden

3.8 Market interest in new employment space at Liddell Road.

The response from workspace providers was extremely positive about the opportunity to develop at Liddell Road. A number of local and strategic players were keen to talk to the Council directly about this opportunity and potentially others.

The feedback from providers would suggest a managed workspace scheme, or innovation hub would perhaps be the best option for Liddell Road in terms of realising a reasonable commercial value, creating jobs and driving the local economy.

⁴ Fortune Green and West Hampstead Neighbourhood Development Plan, 2014

Managed workspace provides self-contained commercial space with support services that may include for example, a reception function, meeting rooms and café. Many providers offer approaches that are not easily labelled into a single type of offer. A hybrid of different types of provision could be most suitable for the opportunity at Liddell Road. There is also a grey area between general workspace, managed workspace and innovation/enterprise hub provision, as the quality of ancillary facilities and support services blurs the boundary between the three approaches.

Providers were very clear that size of the proposed opportunity would be an important consideration for potential developers. The providers interviewed by Renaissi suggested as Liddell Road is not on a high street and lacks prominence a larger scheme would be required to create a location in its own right. A smaller scheme with less than 1,500m² of employment space would be unlikely to create a 'presence'. While further market testing is required, it is expected that 2,500 m² of space would be a more attractive option for this niche market. A larger opportunity still could allow for a more comprehensive offer to be provided which would be most attractive to managed workspace providers.

3.9 Cabinet decision

In December 2013, Camden's Cabinet approved a business case for Liddell Road to provide 2,500m² GIA of new space to support up to 100 jobs within two years, in addition to 40 new jobs within the expanded school buildings. The decision was also taken that if the design and viability assessment could support increased investment in employment space, it would be a priority to increase the overall area of employment space and new employment opportunities at Liddell Road during the design development.

4. Managed workspace – design brief

4.1. In 2014, Creative Space Management were appointed as advisors to the Council to assist in developing a specification for the new managed workspace that could deliver these objectives for viability and job creation. Creative Space Management is a workspace operator and consultancy firm with experience of assisting asset owners and stakeholders to develop viable business plans and convert them into commercially successful communities of businesses. Creative Space Management's report is provided in Appendix 4.

4.2. Creative Space Management highlighted considerable change in the workspace market in London as a key consideration in developing a managed workspace business model. Some of the factors driving this change include the increase in co-working and shared office spaces, the increasing mobility of small and micro businesses, which are able to

change location according to the needs of their talent and labour force rather than the availability of appropriate workspace.

Others include:

- Emerging new economic growth sectors
- Changes in the way the workplace is organised and how people want to work

4.3. In 2013, the Council's economic development service carried out research to understand which sectors offer the greatest growth potential in Camden. The sectors identified were:

- Professional and business administration (professional and technical, admins & business support)
- Creative Industries (advertising, publishing, TV/ film/ music and architecture, cultural activities)
- Science (Computer science and information services & Life, Physical, Social and Environmental Sciences)

4.4. Changes in ways of working and the organisation of offices and recognition of the importance of partnerships, collaboration and social amenity are making areas with good transport links outside the City of London very attractive. At the same time changes in cost and size of information technology and growth of online working and remote storage ('the cloud') means work is becoming more mobile; workspaces can be more transitory, smaller and more domestic. The GLA have evidenced a growth of incubator, accelerator and co-working spaces in London, provided mostly by the private sector⁵. The GLA study also forecasts continuing growth in demand for these kinds of spaces.

4.5. Size of the workspace

Creative Space Management also recommends that the workspace should be as large as possible, with a minimum of 3,700m² gross internal areas (GIA). Typically this larger size confirms with market advice and is a standard and recognised size office for achieving viability. For example, Creative Space Management operate several facilities of this size and once fully occupied (85%+) they are cost effective to operate and much more likely to consistently generate profits than smaller facilities.

⁵ GLA report: [Supporting places of work: incubators, accelerators and co-working spaces](https://www.london.gov.uk/priorities/regeneration/publications-guidance/supporting-places-of-work-incubators-accelerators-and-co-working), 2014
<https://www.london.gov.uk/priorities/regeneration/publications-guidance/supporting-places-of-work-incubators-accelerators-and-co-working>

4.6. Managed workspace vision statement

The new managed workspace at Liddell Road therefore should be attractive to small and new businesses in the emerging growth sectors within Camden; it should be flexible to provide space for new ways of working as well as office space. It should positively contribute to creation of a new destination within West Hampstead. It should be well integrated with the residential development and in turn benefit from the location next to public open space, close to the West Hampstead Growth area and West Hampstead transport exchange. With shops, cafes and amenities of the West Hampstead village. A precedent example is the workspace units recently opened by Workspace plc near Highbury and Islington, Screenworks⁶

The new workspace would be

- A sustainable, low carbon building, with high quality of design, attractive to small (micro to medium) creative, media, digital and admin support businesses.
- Attractive to local residents who want a quicker journey to work but accessible for colleagues to arrive by other means of public transport.
- Located close to a small park with a cycle hub and cafe located nearby. There is always a sociable mix of local parents, employees and freelancers as well as residents passing by.
- The use of natural materials, passive ventilation high ceilings and warehouse quality of the office building made it attractive to companies who want to relocate for lower rents and good quality workspace
- Flexible leasing terms and co-working and incubator spaces, space to foster collaboration and meetings will support new businesses and innovation.
- Celebrating its artisan, village roots, and this new work space could become home to up to 280 people when in full occupancy.

4.7. Managed workspace - Design principles

- Maximise lettable floor area within the building
- Tall ceilings – 3.1m floor to ceiling heights
- Easy to fit out – raised floors, exposed soffits
- Flexible occupancy, floor plate allowing easy sub division to different size units
- Energy efficient building and passive ventilation
- Secure cycle storage
- Access to common areas and informal meeting spaces
- Access to small meeting rooms with fixed projector and interactive whiteboard facilities and voice conferencing
- Large reception area

⁶ <http://www.workspace.co.uk/london-commercial-property/offices/north-london/screenworks/>

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- Ground floor opens on to new public open space.
- Outside seating
- Shared kitchenette on each floor
- Roof terraces
- ICT Infrastructure: voice and data services
- On site centre manager
- Access to a café – either nearby or on the premises.

5. Managed workspace – business model.

- 5.1. In 2013, the response from workspace providers was extremely positive about the opportunity to develop at Liddell Road. A number of local and strategic players were keen to talk to the Council directly about this opportunity and potentially others. Further soft market testing commissioned in November 2014 continues to support this and demand for workspace in the area remains strong (Appendix 4 Managed workspace – 2014 soft market testing – to follow).
- 5.2. The Council's envisaged procurement strategy is to market the employment land with the residential development after planning consent is granted. The private developer would be expected to procure at the outset a workspace operator to deliver and operate the new premises, ensuring that the construction specification is appropriate and reducing the likelihood of unlet space which could arise from a speculative development or seeking a partner after construction
- 5.3. At this stage of the development, by creating a flexible approach to the design and layout of the office building, there is scope for multiple types of investor/asset owner to utilise the building. The office space should be attractive to an investor looking to expand their portfolio of office buildings which are relatively low-cost for tenants and which offer a strong price comparative price-point as well as high quality contemporary design. Equally it should be suitable for potential managed workspace operators where the scale of the building allows for sufficient number of employees and companies to make a managed workspace business financially viable.
- 5.4. Development of new workspace typically follows two phases of growth:
- Phase 1- Growth to full occupancy (0-85% occupancy) and proof of concept. Over the first two years estimated occupancy to reach 50% generating 150 jobs.
 - Phase 2- Sustain at full occupancy (allowing for some churn, 85% or more) and with continuing change-over of SMEs continuing to generate new jobs.
- 5.5. The maximum number of jobs is projected on a 1 job per 10m² net internal area (NIA). At optimum occupancy across the net lettable area, (average 85%) this is equivalent to

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280 jobs. A cautious estimate should allow for between 3-5 years to secure full lettings and to reach and sustain this level of occupancy.

- 5.6. Creative Space Management advise that workspace development has been proven in other locations across the UK (Leeds, Holbeck Urban Village), Sheffield (Digital Campus), Newcastle (Toffee Factory) to be a catalyst for small business growth and to provide a supportive environment in which survival rates are significantly enhanced over national averages and in which there are measurable economic development benefits in terms of new jobs and enterprise that stimulates regeneration and keeps investment within the local economy. Creative, media and digital sectors have been particularly successful in the examples quoted above and such workspace projects are operating at 85%+ occupancy and have generated significant knock-on benefits in the local economies within three to ten years.
- 5.7. In summary, this type of managed workspace is expected to promote the benefits of working in West Hampstead to new and existing businesses. There is strong evidence of demand from providers who are interested in the development opportunity to increase local employment and business growth. The workspace would support a range of SME's with a range of space and service requirements. It would support up to 280 jobs when in full occupancy.

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Appendices

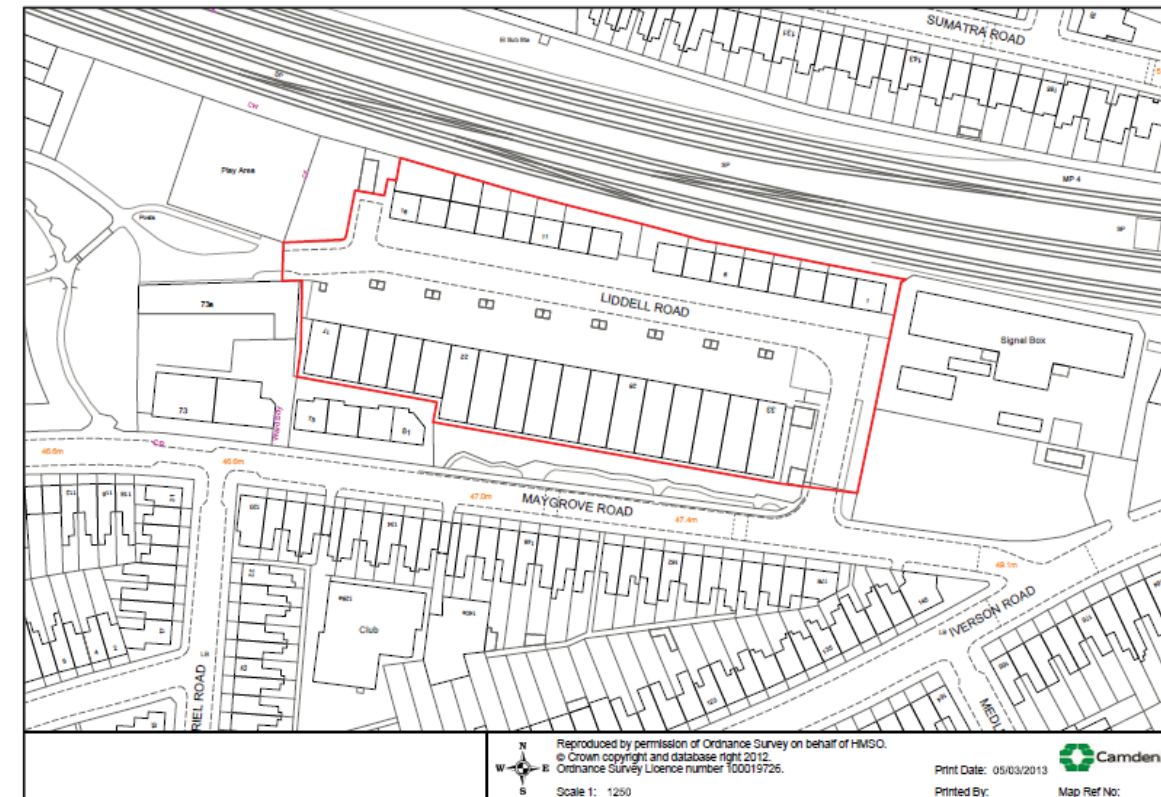
Appendix 1. Liddell Road industrial estate site plan

Appendix 2. Liddell Road – Commercial space options appraisal report by Renaisi

Appendix 3 Liddell Road Pre-planning advice and specification report by Creative Space management

Appendix 4. Supplementary information to follow: Workspace vision soft marketing outcomes report by Renaisi

Appendix 1 Site plan of Liddell Road industrial estate



Liddell Road Estate regeneration

Commercial Space Options Appraisal

A report by Renaisi, October 2013



Liddell Road

Commercial Space Options Appraisal

Introduction

The London Borough of Camden (the Council) is proposing a major refurbishment of the Liddell Road industrial estate (Liddell Road). The exact specification of the new development is to be determined, but it will include new school provision for the Kingsgate Primary School, a number of residential units and some commercial space to mitigate the loss of the employment space currently at Liddell Road. Renaisi has been asked by the Council to consider the options, approaches and justifications for this re-provision of employment space to inform the next stages of the development.

Penayre & Prasad (August, 2013) have produced a feasibility study that addresses the strategic proposal for a mixed use scheme at Liddell Road. This Renaisi study seeks to complement this by addressing some of the local commercial opportunities for the re-provision of employment space at Liddell Road. This report provides:

- a *snapshot* of the local commercial property market around Liddell Road (West Hampstead)
- an analysis of the key issues for consideration for any new commercial provision at Liddell Road, including initial advice on a preferred physical specification
- an appraisal of the different types of provision that may form options at Liddell Road, covering types of commercial offering, sectors that could be targeted and comparisons with similar London town centre locations

For clarity, any reference to *Camden* in this study relates to the geographical boundary of the London Borough of Camden. Any other geographies referred to are labelled as such.

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4. Testing the market
5. Targeting sectors
6. Physical specification
7. Conclusions and recommendations

Front cover reproduced from Google maps

1. Background and site overview¹

Liddell Road is located in West Hampstead in the north west of Camden. The site is approximately 1.1 acres and is currently occupied by 33 single storey light industrial units. The site is just outside the West Hampstead growth area identified in the London Plan and Camden’s Local Development Framework (LDF), but has been identified as a potential site for development.

Following the identification of the need for additional primary school places, and an extensive search for suitable spaces, Liddell Road was chosen to host new school provision². Figure 1 identifies the Liddell Road site, showing B1 warehouse/workshop units backing onto the train lines on the northern edge, and B1 studio/workshop space to the south.

Figure 1 – Liddell Road industrial estate



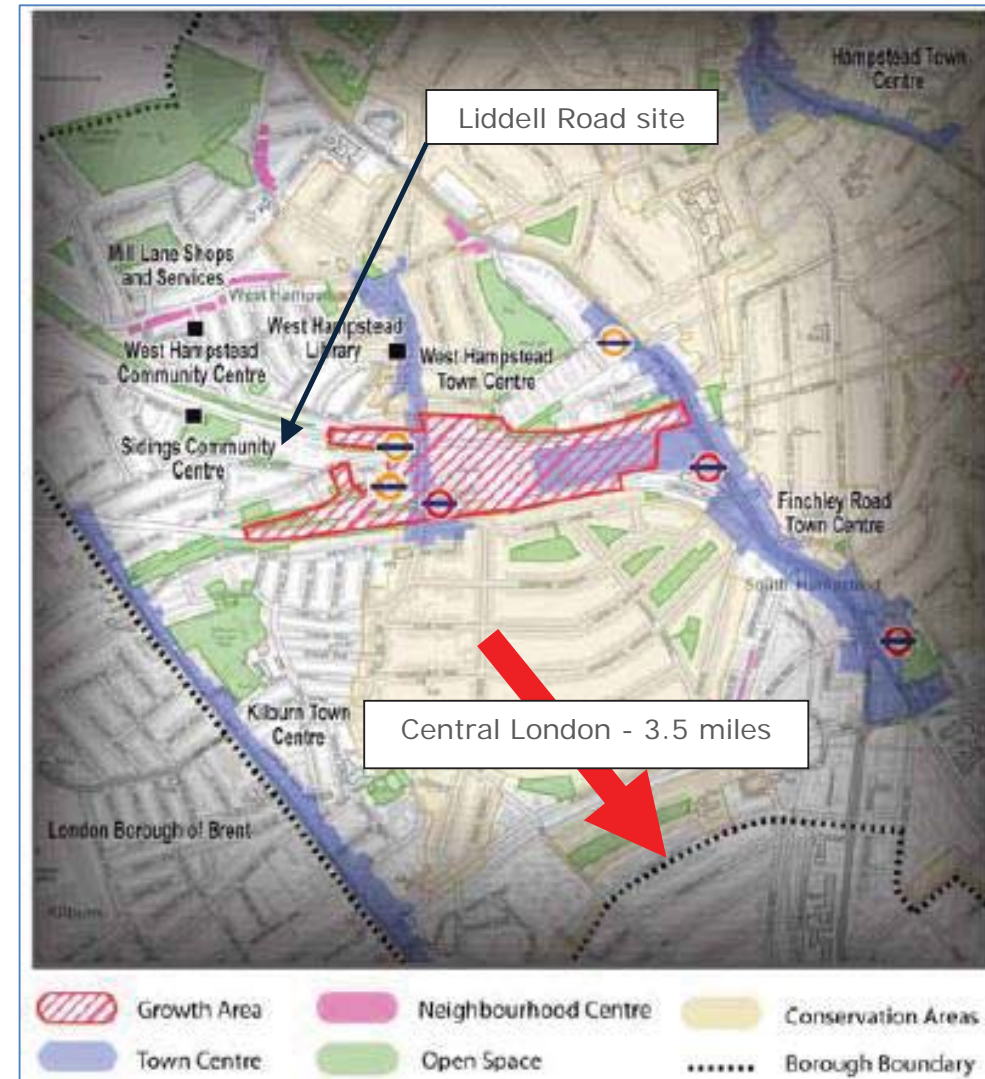
Reproduced from the Kingsgate Primary School and Liddell Road Feasibility Study, Penoyre & Prasad, 2013

The site is bordered to the south by public open space, to the west by 4 storey live-work units and Maygrove Peace Park, to the north by the Thameslink railway line and to the east by 2/3 storey light industrial buildings owned by Network Rail.

Figure 2 shows the Liddell Road site in its wider context of West Hampstead and the surrounding area.

¹ Much of the narrative in this section is taken from the Panayre and Prasad feasibility study, 2013
² For further information about the need for primary school places and Camden’s search for suitable space see: Report to Camden Cabinet, *Camden Community Investment Programme (CENV/2012/25)*, 2012

Figure 2 – West Hampstead



Reproduced from the West Hampstead Place Plan, LB Camden, 2012

As shown in Figure 2, Liddell Road has excellent transport links and is minutes walk away from West Hampstead Underground, Overground and Thameslink Stations in West Hampstead town centre. Kilburn High Road is also within minutes walk to the west. The site borders the growth area as identified in the Camden LDF (see following section). The site is approximately 3.5 miles from Central London.

Options for Liddell Road

The Council wants to identify a masterplan that can provide new school buildings for Kingsgate Primary School, a minimum 15,000 sqft B1 accommodation with a preference for B1(c) and a capital receipt surplus from residential land value.

The recent feasibility study (Penoyre & Prasad, 2013) identified some options for the Liddell Road site, one of which is shown in Figure 3, where the commercial space forms a single 5-storey block of 1500sqm, as one part of a new L-shaped building at the entrance to the site. A second option included additional commercial space (2500sqm in total) by converting the residential units in the 'L-block' to commercial space.

Figure 3 – Option 1 for Liddell Road



An analysis of the different options is beyond the scope of this study. However, they set out a number of features and variants that are relevant for later sections of this report, namely:

- options for the commercial space – namely either 1500sqm, or 2500sqm;
- The commercial space is proposed as a single (circa) 5-storey unit;
- The commercial space is proposed as being close, or adjacent to, residential units. This affects the nature of the commercial tenant;
- There is no parking proposed in any of the options (although there is loading space).

2. Policy context

West Hampstead is undergoing significant change and development, as encouraged strategically by the Mayor of London and the Council, and guided locally by a Place Plan and the emerging Neighbourhood Development Forum (NDF).

Camden planning policy

Camden's Core Strategy outlines the framework for planning policy in the borough, including the identification of growth areas (of which West Hampstead is one) and guidance on development of commercial space. Policy CS1 outlines the borough's overall approach to growth, which includes identifying the West Hampstead Interchange as an area for concentration. It also acknowledges the limited land availability across the borough (and thus the protection of employment land).

Policy CS8 promotes a successful and inclusive Camden economy. 80% of future office provision is concentrated around Kings Cross and Euston, with smaller sites picking up the rest. Camden also has a very low stock of industrial and light-industrial including some concentrations in West Hampstead (of which Liddell Road is a part). Importantly also, however, the Council is keen to support its large number (and proportion) of small businesses by providing suitable premises for them.

Policy DP13 covers how business use may be continued on sites where loss of business space is continued, covering issues of accessibility, condition, clustering with other areas and a range of unit sizes. With regards to new development, the same policy seeks to ensure that new business space provision is suitably flexible such that tenants and use could change over time to meet market demand.

Camden's Community Investment Programme

Liddell Road is part of the Council's Community Investment Programme (CIP) which aims to manage Council resources most effectively in response to reductions in Capital funding from government, by making and generating investment in better quality facilities. The programme includes the redevelopment of a number of Council-owned sites, using residential sales receipts to pay for improving the quality of Council homes, schools, open spaces and community facilities across the borough. The development of Liddell Road will provide new primary school places for Kingsgate Primary School and re-provide at least 1500 sqm of B1(c) employment space.

West Hampstead: an area of growth

West Hampstead is identified as an Area for Intensification in the London Plan, with a target of at least 800 new homes and 100 new jobs by 2031³. This means that the Council is encouraged to progress and implement planning frameworks that realise the development potential of the area, including optimising land-use densities, providing necessary social infrastructure, providing mixed use schemes where appropriate, contributing to housing and employment capacities (again, where appropriate), realising the scope for improved transport accessibility and supporting wider regeneration (including improvements to environmental quality).

³ The London Plan, Mayor of London, 2011

The Council's LDF also identifies the West Hampstead and Swiss Cottage area as a growth area, and expects improvements to include new housing, town centre development, employment, community uses and open space development. Working with Transport for London, the Council is also improving the transport interchange in West Hampstead, particularly the pedestrian movement between the three stations in the town centre. *Whilst Liddell Road is technically not within the West Hampstead growth area (see Figure 2), the site is identified as a site for development in the 2012 West Hampstead Place Plan⁴ which forms part of the Camden LDF.*

In terms of jobs and employment levels, The London Plan (Table 1.1) predicts a 24.5% increase in employment in the borough of Camden between 2007-2031⁵, a very healthy rate of growth. With 55% of the population qualified at or above degree level, Camden is home to a highly skilled workforce, and West Hampstead specifically is also considered to reflect this, with a well educated workforce considered to be well-suited to the development of small and micro business⁶.

Local priorities and governance

West Hampstead is one of the Council's Place Shaping areas. This approach is about thinking and acting strategically about the needs of investment decisions, service delivery and physical change. The West Hampstead Place Plan (2012) has a vision to ensure the local community experience the benefits of the current programme of redevelopment, have influence on the nature of the investment and local businesses are supported to maintain the 'village feel' of the area.

In addition, in May 2013, the Council formally endorsed the Fortune Green and West Hampstead NDF (setup by local amenity groups, resident associations and individuals), the main aim of which is to develop a Neighbourhood Development Plan (NDP). Unlike the Place Plan, the NDP will become a statutory document that builds on the strategic direction of the Place Plan.

⁴ West Hampstead: Shaping the Future, LB Camden, 2012

⁵ The London Plan, Mayor of London, 2011

⁶ Draft Fortune Green and West Hampstead Neighbourhood Development Plan, 2013

3. Local provision of commercial space

This section gives an overview of the commercial space in the wider West Hampstead area. Whilst not providing a complete audit of all commercial space, all the major sites are all included and the resultant conclusions about the existing quantity, quality and nature of commercial space provision are based on this evidence.

West Hampstead as a business location

West Hampstead is located in the north-west of Camden and as a place has a distinctive *village character*⁷, unlike the larger commercial centres located in the south of the borough. West Hampstead has a wide mix of land uses with a vibrant town centre, large residential areas and pockets of commercial spaces which have developed principally on the former railway lands. The area is generally considered to be relatively prosperous and has a range of independent shops and cafes, a library, Fire Station and a strong sense of community. The area is supported by a Neighbourhood Forum and the emergence of a Neighbourhood Development Plan (NDP), currently in draft form.

A significant strength of West Hampstead is the extent of its public transport provision – with access to the Jubilee line, Thameslink and London Overground, as well as numerous other neighbouring Underground connections.

Retail comprises the largest portion of business use in the area. West End Lane, located between Kilburn and Finchley Road town centres, has a diverse retail offer including many independent, long established and specialist businesses.

Camden Employment Land Review, 2008

In 2008, the London Borough of Camden commissioned Roger Tym to write an Employment Land Review for the borough. The review included an analysis of the local employment space in and around West Hampstead. The study only identified three primary office sites in West Hampstead – 158 West End Lane, Iverson Road and Blackburn Road⁸. Pockets of light industrial space were also identified, for example at 156 West End Lane and 187-189 West End Lane.

Neighbouring town centres include Kilburn High Road and Finchley Road/Swiss Cottage. Kilburn High Road, located west of West Hampstead, is a long stretch of retail with some first floor office space catering for local professional firms. Roger Tym & Partners considered that the railway line space between Kilburn High Road and West Hampstead was not suitable for strategic office location developments.

Roger Tym & Partners reported only one purpose-built office building – Lithos House, 307 Finchley Road. The building was under-occupied and was not considered an attractive location. The area south of Finchley Road & Froggnal station and Swiss Cottage is more successful as a commercial centre, both in terms of retail use and office uses.

⁷ Draft Fortune Green and West Hampstead Neighbourhood Development Plan, 2013

⁸ Camden Employment Land Review, 2008

Future of employment space in West Hampstead

Camden's Core Strategy identifies the West Hampstead Interchange as one of the borough's largest growth areas, covering the development on commercial and non-commercial space. Relevant extracts are provided here:

The level of development opportunities and transport accessibility in the areas of King's Cross, Euston, Tottenham Court Road, Holborn and West Hampstead make them the most appropriate locations to focus the provision of additional homes, jobs and facilities in Camden to 2025...

West Hampstead Interchange

...The Council anticipates that the scale of growth at West Hampstead Interchange is likely to be in the region of 1,000 homes and 7,000sq m of business floorspace (along with some other uses), with most development coming forward towards the latter part of the period of this Core Strategy.

The Council expects improvements at West Hampstead Interchange and supporting infrastructure to include:

- *a mix of uses, including substantial new housing; town centre, employment and community uses; and open space;*
- *improved transport interchange accessibility and capacity and improved pedestrian and bicycle movement and routes;*
- *a substantially improved street environment around transport facilities, including improved crossing and wider pavements;*
- *sustainable and safe design of the highest quality that respects the character and heritage value of West Hampstead.*

LB Camden Core Strategy, 2010

Further detail about the future of employment space in West Hampstead is provided as commentary in the emerging Fortune Green and West Hampstead NDP (see box below). *Note this is not currently an adopted LBC strategy.*

Fortune Green and West Hampstead NDF

The Fortune Green and West Hampstead Neighbourhood Development Forum (NDF) is developing a Neighbourhood Development Plan (NDP). Whilst currently in draft format, the plan outlines opportunities and considerations for the future of employment space in West Hampstead, as expressed by the NDF – representing the people that live and work in the area.

The NDP states that small businesses are not only prevalent in the area, but also that there is scope for the further development of small and microbusinesses, due to its educated workforce and proximity to central London. High technology and high skills firms are also to be encouraged to develop, again due to the area's educated population.

However, there are concerns that the redevelopment of some commercial sites into residential sites will reduce opportunities for these businesses to develop in the area. The NDP proposes to mitigate this risk by:

- Avoiding the further loss of such sites
- Reproviding space elsewhere in the area for commercial and businesses activities in cases when a site is lost

- Providing a range of different sized units, particularly smaller spaces for micro-businesses and studio space.
- Providing affordable or subsidised business space, to sit alongside requirements for affordable housing.

The NDP notes that new sites for business use should fulfil a range of needs, including light industrial units; small workshops; space in new developments; serviced offices; studio space and home/office developments.

Audit of local provision

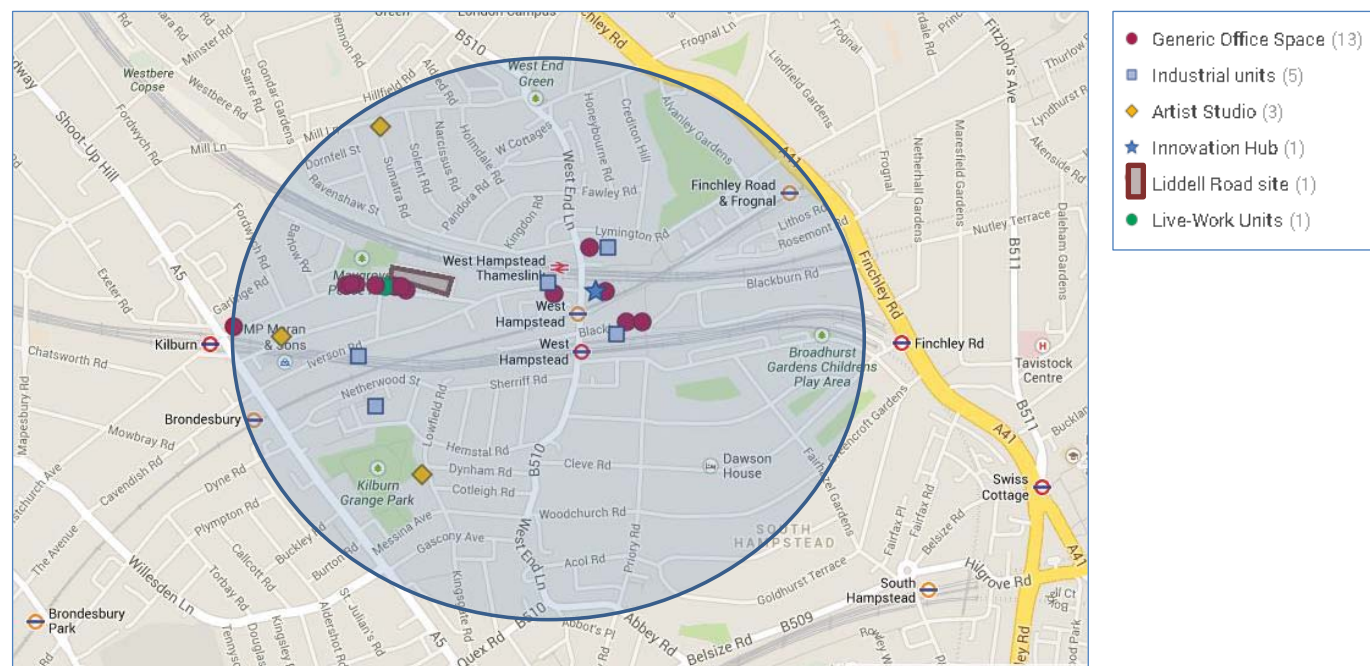
Figure 4 maps commercial space in West Hampstead, with individual sites listed afterwards. The audit covers B1 uses, including light industrial, considered to be in the *West Hampstead area*. *Retail is not included.*

For the purposes of this study the *West Hampstead* area is loosely defined by the blue circle – a notional 15m walktime from West Hampstead station. However other definitions of the area exist – for example the NDF area covers Fortune Green and West Hampstead which is the area predominantly north of West Hampstead station.

Scope of Renaisi work

Renaisi's audit was compiled using desk-based research supported by site visits in early September 2013. It is, however, important to note, that the data mapped in Figures 4 and 5 do not supersede the analysis of Camden's Employment Land Review of 2008. Renaisi are not Chartered Surveyors, nor Development Planners, and as such the Council should seek professional qualified support should it seek to use the evidence of this research to inform financial planning/modelling.

Figure 4 – Commercial Space in West Hampstead



The sites shown in Figure 4 are as follows:

Generic office space	Live-work units
77-79 Maygrove Road, London	73 Maygrove Road
75 Maygrove Road	Artist Studios
73 Maygrove Road (offices)	Monsters of Art Studio and Gallery, Mill Lane
Interlink House, 73a Maygrove Road	Spaced Up artists studio, Loveridge Road
Maygrove House, 67 Maygrove Road*	Kingsgate Workshop Trust, Kingstate Road
Handrail House, 65 Maygrove Road*	Industrial Units
55 - 57 Maygrove Road	Iverson Road Railway Arches
2a Maygrove road	Webheath community workshops
188 Iverson Road	Iverson Tyres Ltd, 159 - 161 Iverson Road*
Haskell House, West End Lane	Builder Depot, Blackburn Road
Asher House, Blackburn Road	Builder's Merchants, behind 156 West End Lane
LBC Social Service offices, 156 West End Lane	Innovation Hub
B1 space in new student accommodation on Blackburn Road	Jhub, based in Haskell House, West End Lane

*Sites have planning permission for a change of use

Additional B1 space is being constructed at 187-189 West End Lane.

Summary comments of local audit of provision

Some key comments on the provision of commercial space as shown in Figure 4 are:

- The commercial area in West Hampstead is centred around the station(s), with retail and some B1 office space along West End Lane (running north/south) and Maygrove Road (running west parallel to the rail line towards Kilburn) being the primary location for office space.
- There are four large office buildings: Interlink House on Maygrove Road, Asher House on Blackburn Road, Haskell House on West End Lane and the Camden Social Services offices on West End Lane. The remaining office space is small scale, based within terraced houses and of varying quality.
- Beyond Liddell Road, there are a few light industrial spaces at the West Hampstead end of Iverson Road and Blackburn Road, and a larger space along the railway arches at the Kilburn End of Iversen Road. As per the Employment Land Review of 2008, these sites are functional spaces and are well let.
- Parking in the area is for permit holders only, or pay and display for visitors. Offices tend to have a small allocation of off street bays reserved for their use.
- Kingsgate Workshop Trust is the only significant artist studio in the area – with MOAS and Spaced Up only providing small amounts of studio space.
- There is only one enterprise/innovation hub located within the West Hampstead area - JHub, based at Haskell House in a prime town centre location.

Local capacity

Site visits, supported by consultations, suggest that there is good demand for B1 space in the area. Most importantly, Interlink House on Maygrove Road (the site adjacent to Liddell Road) has 15 units of 500 sqft and the site is currently full. *Handrail House on Maygrove Road is currently unoccupied, however we understand that this is due to plans to redevelop the site.*

The wider West Hampstead area

Figure 5 maps provision in a wider area beyond West Hampstead, expanding to include Kilburn High Road and Finchley Road down towards Swiss Cottage station, and Staples Corner to the north. Figure 5 is not a full audit of all commercial provision in this wider area, but does show the proliferation of more traditional B1 office space in the surrounding town centres, as well as the presence of some additional enterprise hub provision further south towards Queens Park.

Figure 5: B1 provision in the wider West Hampstead area

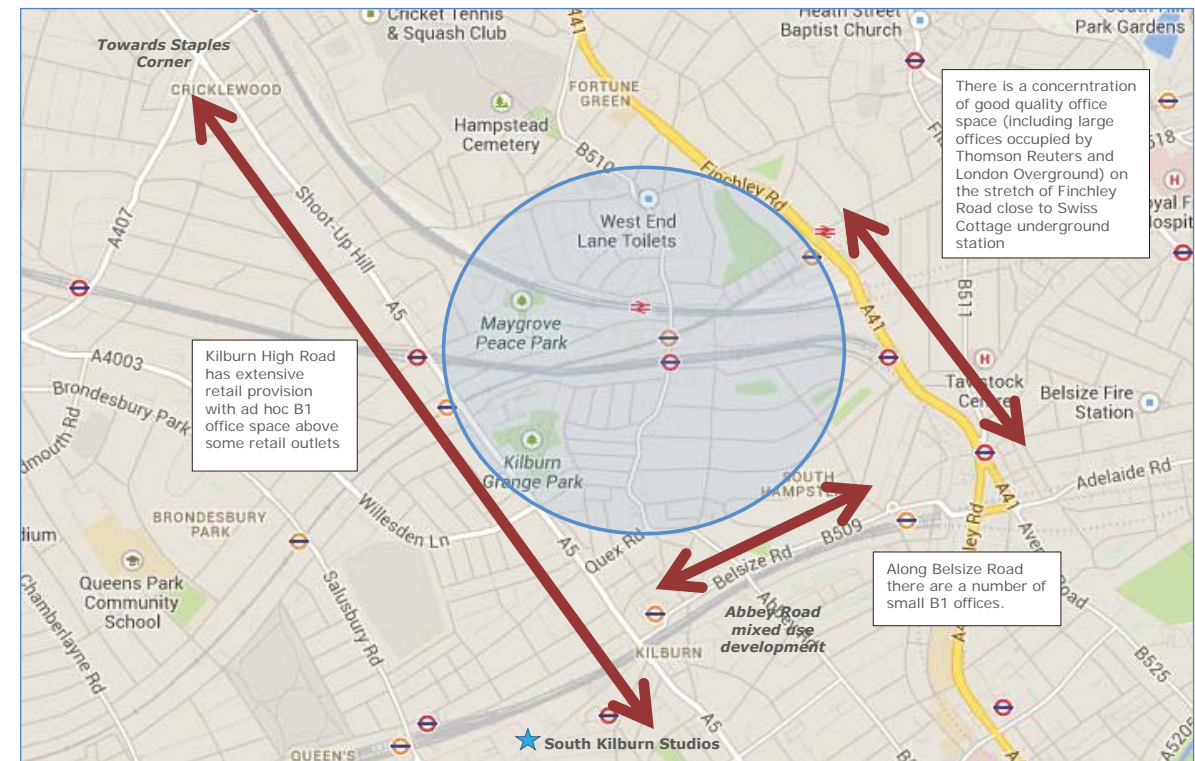


Figure 5 shows:

- West Hampstead is surrounded by three main roads (Kilburn High Road, Belsize Road and Finchley Road) which have sporadic provision of B1 office space. The most concentrated and high quality provision is found on Finchley Road in the area close to Swiss Cottage tube station.
- Staples Corner business park is situated to the north of Cricklewood, at the junction between the A406 North Circular Road and the A5 Edgware Road. The business park provides large scale office, industrial and retail provision.
- Abbey Road is located south of West Hampstead, intersecting with Belsize road. Here Camden Council are developing a new mixed use site which will include an element of employment provision, a scheme not dissimilar to the redevelopment of Liddell Road and also part of the CIP.
- South Kilburn studios is the only additional creative innovation hub in the wider area

The perception of West Hampstead

Renaisi's methodology is covered in the next section, but included discussions with a range of stakeholders in addition to desktop research. The general feeling about the current perception of West Hampstead was:

- A growing place for SMEs
- Demand for creative industries
- Good transport links acknowledged
- Lack of commercial space overall in Camden
- West Hampstead is viewed as a strong location for investment in commercial premises

4. Testing the market

Having established what is currently in West Hampstead, and the perceptions of West Hampstead as a business location, this section gives an overview of what *could* be provided in the commercial space at Liddell Road by assessing some alternative types of provision. Data comes from consultations with a range of stakeholders, including Council officers, local commercial property agents, local managing agents, leading providers of workspace across London and some providers of alternative enterprise hub provision - both currently in the wider West Hampstead area, and across London more widely.

Methodology and scope of consultations

Consultations with potential *providers followed two themes; firstly a broad discussion around West Hampstead* as a general location for business; and secondly providing more detail about the proposed site and whether the current specifications as proposed in Figure 3 would be attractive to them in this context. This, inevitably, led in most cases to broader discussions about what a provider's ideal specification would be (if not currently met by the options provided).

Discussions with *other* stakeholders centred predominantly around their perceptions of West Hampstead generally, as well as the Liddell Road site, rather than details around the proposed specifications as identified in Figure 3.

The analysis is presented by the type of provision; split into:

- a. General office/workspace
- b. *Managed* workspace
- c. Innovation/enterprise hub provision
- d. Artist studios
- e. Live/work units
- f. Industrial units
- g. Specialist

Many providers offer approaches that are not easily labelled into a single type of offer. For example, Space Studio offer artist studios and workspace and Bow Arts provide artist studios as well as Live/Work provision. Therefore, a hybrid of different types of provision could be most suitable for the opportunity at Liddell Road. There is also a grey area between general workspace, managed workspace and innovation/enterprise hub provision, as the quality of ancillary facilities and support services blurs the boundary between the three approaches.

Feedback from consultees on their preferred physical specification of the commercial opportunity at Liddell Road is recorded separately in chapter 5.

Detailed discussion about finances and business planning is beyond the scope of this study. We have, however, alluded to some important factors for the Council to consider throughout, as well as providing some example rental levels that should help aid critical thinking about opportunities at Liddell Road.

In addition, we have assessed the likely net jobs created through each type of provision, using net floor space of the two proposed options. Net floorspace removes a % of the gross space to account for utilities and communal areas.

We have used the following calculations:

- 15,000 sqft – 25% = 11,250 sqft NET
- 25,000 sqft – 20% = 20,000 sqft NET

As with financial planning, such predictions should however be treated with caution and tested directly with providers. Figures must be considered indicative as planning use classes are not a determinant of end users themselves. *It must be remembered also that the new school built on the site will create approximately 40 new jobs associated with this institution.*

a. General office/workspace

What is it?

The definition of general office/workspace can include all those spaces which only satisfy the minimum design requirements for B1(a) use. This minimal functional specification make these spaces broadly suitable for all of the business activities permitted under the B1(a) use class. As a result, office spaces of this type can be relatively popular with traditional office-based businesses in the professional services (e.g. accounting, consulting) but fail to attract interest from potential corporate tenants in other industries. Apart from larger developments which may be based on a pre-let, they tend to be developed speculatively.

There are numerous examples across London of flexible, generic commercial office space, which may include reception areas, communal 'break-out' spaces, and basic utility specifications, and indeed Haskell House is a good example of such provision in West Hampstead.

Current market perception

Local property and managing agents perceived there to be a steady demand for generic workspace in West Hampstead. A wide range of small businesses are interested in the area, including accountancy firms, media and creative industries, leisure industries, and there is a demand for warehouse space and affordable space for start-ups and small businesses.

Interlink House, the largest commercial space adjacent to Liddell Road, is currently full, suggesting a high level of demand. Whilst Interlink House is currently occupied by a diverse range of businesses including health, cosmetic, technical maintenance and property agents, the majority of consultations indicated a demand for space specifically targeted at the creative and technological industries.

However, the option to build a workspace block without support services or a target market at Liddell Road is a high risk strategy given that the site does not have any current gravitas, nor is on a high street location.

Financial issues

Rental levels for generic workspace can vary significantly depending on the quality of the building work and fixtures and fittings; however, since examples of subsidised space are rare within this category, a generic workspace offer is more financially sustainable for mature businesses than for start-ups. Residential values are also likely to be affected by a poor quality (and possibly not full) office complex, whereas a vibrant alternative use (possibly in a creative sector) would be more attractive to

current and prospective residents by contributing to the identity of the area. Such uses may protect residential values.

Employment benefits

An unmanaged workspace, if let well (arguably the most important issue for this end use), might expect to provide 1 job per 175 sqft. On this basis, we would expect 64 jobs to be created with a site of 15,000 sq ft, and 114 on a site with 25,000 sqft. There is little guidance as to whether those jobs created would come from the local community, although it is likely that many would be from commuters coming in from other areas.

Overall perception

Our research suggests that a generic workspace complex is not the best use for the commercial space at Liddell Road. This is because the risk to the Council of letting workspace on a non-high street location without clear direction is considered to be high.

b. Managed workspace

What is it?

Managed workspace providers offer fully functional and self-contained commercial provision for businesses, with support services that may include a reception function, meeting rooms and café provision.

Current market perception

Unlike a generic workspace provider, managed workspace provision offers the creation of a brand/identity that should increase the chance of fuller occupancy and commercial success. There are numerous examples of larger managed workspace providers across London, and West Hampstead is considered a prime location for new opportunities, due to its relatively central London location, strong transport links and prevalence of creative/entrepreneurial local SMEs looking for commercial sites.

Financial issues

As with general workspace, the exact financial details are beyond the scope of this study. However its important to note two points. Firstly, providers often look to buy sites outright and build or refurbish the facility themselves (thus taking the risk away from the Council). Secondly, whilst detailed financial modelling would need to be discussed with providers once the scheme has been developed, for the purposes of this study, it is important to note that providers would be seeking a margin on the units let (to pay for its ancilliary services) – thus meaning that costs to end users may well be higher than those offered as part of a non-managed workspace offer.

Workspace

Workspace are a leading provider of commercial space throughout London, providing offices, light industrial, studios and workshops. They have a portfolio of 5.5m sq ft across approximately 100 sites. They have also developed a 'Club model' which is a network of creative co-working business clubs for entrepreneurs and professionals.

Workspace make for an interesting case study in that their Club Workspace model combines many of the uses considered in this report – notably, offices and studio space, managed services, innovation hub, meeting room, café and on site management.

A Club Workspace model requires larger sites of 50-60,000 sq ft which create the critical mass to accommodate the range of provision whilst still achieving necessary rents. Workspace provides space for a range of sectors but encourages a focus on digital, creative and technological industries. They encourage the development 'car free' commercial sites, particularly where there is good public transport provision in the area, and advocate the provision of cycle spaces. Workspace also operate smaller more traditional workspace sites for which 25,000 sq ft might be appropriate.

The Workspace model offers a good potential option in West Hampstead. With regard to the Liddell Road site specifically, the development would need to identify additional land to attract a Club Workspace model.

Such an approach could be an important driver for the wider economic growth of West Hampstead in the form of 'move on' space requirement in the wider environs.

Employment issues

Managed workspace is likely to attract smaller enterprises who tend to use a smaller space, whereas larger unmanaged workspace is likely to attract larger organisations who take more space and tend to spread out. Consequently, the current proposals of 15,000 sqft or 25,000 sqft would expect to provide 75 and 133 jobs respectively (based on net floorspace). A larger scheme as alluded to in the Workspace model of up to 60,000 sqft in the case study above, would be able to offer a greater ratio with more even smaller organisations based on a calculation of 1 job per 125 sqft, resulting in 360 jobs (albeit calculated on a commercial floorspace x4 that of the 15,000 sqft option).

Overall perception

A managed workspace designed creatively and managed appropriately would be likely to attract a number of interested parties at Liddell Road. The Workspace example above alludes to some of the key factors that this particular provider may be looking for, with, in this example, a preference for a larger site (closer to 50,000 sqft) that incorporates elements of an enterprise/innovation hub provision.

c. Innovation/enterprise hub

What is it?

Innovation/Enterprise Hubs provide shared workspace for small start-up organisations and social enterprises, often in the creative sector. They have a number of characteristics that appeal to small, often creative, businesses, such as the opportunity for business advice and support, networking opportunities, shared administrative services and flexibility.

Costs are often cheaper and more flexible, often on a PAYG basis as opposed to a contractual basis – indeed in some instances users are often referred to as members, rather than tenants. The spaces themselves are also often more flexible, with

moving walls and office furniture meaning that businesses can more easily expand and contract in line with their market demands. Services can also be shared between organisations to save on cost – for example, reception functions, shared utilities and meeting space. Perhaps the most important characteristic that separates out such operations from traditional office space is the networking opportunities that can arise from working closely with like-minded organisations and people.

Current market perception

There is only one innovation hub site in West Hampstead - JHub. JHub is related to the Jewish community and more importantly, supports organisations with a distinct social purpose. It is a charitable organisation and provides their space free for SMEs who contribute to JHub's values of contributing to social change. They are not a commercial enterprise in this sense.

There was strong positive feedback from providers about the potential for a successful enterprise hub in West Hampstead. Almost all consultees indicated that West Hampstead is an attractive location for them and most had desire/plans to expand. Most also indicated that the creative/tech sector would be the target markets for such provision – with some specifically targeting industries, while some others being open to cross-sectoral provision.

Financial issues

Feedback suggests an enterprise/innovation hub would be a positive option for Liddell Road, providing the financial package was right. Providers invariably indicated that the cost of premises (both anchor tenants and subsequent clients) was the most pertinent factor in their business plan and if this were to be affordable then there would be interest in the Liddell Road location for such an operation. They were unable to provide details on what they may charge due to the number of unknown factors about the physical design and in depth knowledge of West Hampstead at this time.

Blighty Workspace – Finsbury Park

Blighty Workspace is a new shared workspace targeted at the small, creative, entrepreneurial businesses in Finsbury Park. The primary target market is people who work on a freelance basis in the local area. Founded in 2012, the space offers open plan work space and studios, a coffee shop on the ground floor, a garden and a library. The building is based on a busy high street. The coffee shop is open to the public, creating an interface between the workspace and the wider community. The building comprises 2,400 sq ft of space over three floors.

There are three memberships offers: 'members' pay to use the space sporadically and to come to events at a charge of £120 + VAT monthly; 'residents' have 24 hour access to a personal workspace at a charge of £195 + VAT and 'team' members can rent larger spaces at a rate of £7.50 per sq/ft. A coffee shop is integral to the model, providing an additional income stream, an incentive for freelancers to use the space and a sense of community within the building. Events are provided for members (film, music, business nights) which are an additional incentive for renting space. The social element offered by the space is a key factor for members.

Employment issues

Net job calculations for innovation/enterprise hubs are the same as for those for managed workspace provision, at 75 or 133 net jobs respectively. The offer is similar and the ability to attract small local organisations is the same. Unlike unmanaged workspace, it is likely that a higher proportion of these jobs will be filled by people considered to be part of the local community, as tenants (often members) who normally work from home like to have the opportunity to network for a few hours, and consequently appreciate a convenient local location.

Overall perception

Our research has suggested there is demand for an innovation/enterprise hub at Liddell Road. The models could be financially attractive if the conditions are suitable and numerous current providers across London have spoken positively about West Hampstead's potential.

One provider emphasised that the physical space is perhaps secondary to the management and ethos of the operation. It was suggested that the strength of any hub is not in the physical design/layout, but rather in the ancillary facilities and the management/ethos – how it links in with the community and provides a service to its tenants/members. This approach may have some implications for the development of Liddell Road (discussed later).

d. Artist studios

What is it?

Artist studios are dedicated spaces for artists and creative industries. Physically they are required to have flexibility and ample space to support the creative needs of artists such as high ceilings and lots of natural light (discussed in more detail in the following section). Financially they are often subsidised due to the size of the units compared to the limited economic return of the industry. Often they are housed in converted warehouse units, but not exclusively, and in fact providers indicated that new buildings offered potentially lower variable costs.

Current market perception

Occupancy across London generally was considered to be very high and there is a strong demand for additional affordable artist studio space. Previous Renaissance research around Maiden Lane indicated that Camden was an explicit target area for studios looking to expand, although that context was around the fringe community around Kings Cross. All the artist studios consulted for this study felt that West Hampstead would be a viable location for an artist studio.

Kingsgate Workshop Trust, the only significant provider in the area, is currently full and has a significant waiting list. More details are provided in the case study below.

Financial issues

As noted in the Mayor's recent Cultural Strategy, there is a need to explore how public bodies can support the artistic community in London by making artist space available and affordable:

Given the enormous, growing demands for affordable housing, accommodation for key workers, tackling social deprivation and transport infrastructure, it is inevitably more difficult for government agencies to be able or willing to invest in studio space exclusively for the benefit of artists or creative professionals. More may be achieved by encouraging planning offices at the local and regional level to support and explore new models by which developers, studio providers and local authorities can collaborate on solutions.

(Cultural Metropolis – The Mayor's Cultural Strategy 2012 and Beyond, Mayor of London, 2010)

However, barriers exist to the continued growth of this sector in Camden, which include 'pressures on affordability for commercial businesses and cultural practices, particularly for smaller units, and.....a shortage of small scale studio space which is both affordable and secure for artists, designers, makers and others'⁹.

Providers consulted for this study commented that an artist studio operation is unlikely to make surpluses, but that if planned and managed correctly (suitable specification and high occupancy levels), it would cover its costs. It was thought that the primary motivation for creating an artist studio at the site must be to nurture and develop creativity and the arts, rather than to make profits. Providers would most likely be seeking terms that may include business rate discounts (or no business rates if a charity), long-term leases and a physical specification that met their needs (see following chapter) and costs for this were perhaps borne by the Council as the developer.

Kingsgate Workshop Trust

Kingsgate is a charity that is approximately 10-15 years into a 100-year long lease from Camden Council in a converted Victorian Warehouse in West Hampstead. They have approximately 50 artist studios of various sizes (400 sq ft average) spread over three floors.

They are the only significant artist studio provider in the West Hampstead area, an area that is currently served poorly by creative provision. This means Kingsgate is unique, but also means it does not benefit from the clustering of creative industries.

Natural light is the most important factor for artist studios, but bike racks, access and space for loading, ventilation, waste disposal and recycling are all important. Ancillary facilities are also very helpful – cafes, gallery space etc. The more artists the more opportunities exist for this. Kingsgate are also keen to become more public facing in their activities.

Kingsgate currently have 100% occupancy and a long waiting list and they are always looking for new space. They currently rent to artists for a licence (not a tenancy), which means they can come and go and work at their own pace.

15,000 sq ft would probably result in 40 artist studios.

⁹ Maiden Lane Employment Report, CBRE, 2008

Employment issues

Unlike enterprise hubs, artist studios are likely to provide fewer net job opportunities, as users need more space for their work, and often work alone or in smaller groups. Based on 1 job per 300 sqft, the 15,000 sqft option would result in 38 jobs, and the 25,000 sqft option 66 jobs. Indeed feedback from local providers is that a 15,000 sqft site would result in 40 artist studios (and de facto just over 40 jobs).

Overall perception

Whilst West Hampstead is perceived as a viable location for an artist studio, this model would not be the most financially viable for the Council given the low returns made by studios and the subsidies required to support the business model. It may however help protect (or possibly enhance?) residential values, as well as provide opportunities for local creative SMEs in the area.

e. Live/Work units

What is it?

Live/Work units provide dual residence and work accommodation. These can vary from artist studios with living accommodation, to predominantly residential units with the ability to be adapted for work purposes (ranging from office-based activities, childcare or creative studio space). The exact specification of a Live/Work unit will vary (Home-dominated, Work-dominated or Equal Status), as well as the nature of the unit(s) themselves – ‘Live With’, ‘Live Adjacent’ or ‘Live Nearby’.

Importantly, the current coalition government has indicated a willingness to enable home-based working by social housing tenants, something which has been hindered by fiscal rules preventing this in the recent past. Council Policy DP13 – Employment premises and sites also states the Council will support Live/Work, subject to two conditions:

The Council will support the provision of live/work premises provided they do not (i) result in the loss of any permanent residential units, or (ii) result in the loss of sites in business or employment use where there is potential for that use to continue

(Camden Development Policies, Camden LDF, 2010)

Current market perception

Recent research shows a growing number of people are working from home – increasing threefold from 4.3% of employed people in 1981 to 11.3% in 2011 (3.2m workers)¹⁰. The proliferation of SMEs in West Hampstead and the desire for creative space suggests that there may be demand for live-work units at Liddell Road, in addition to the four currently on Maygrove Road, adjacent to Interlink House.

¹⁰ FELSTEAD A (2011), New places of work, new spaces of learning, in Brooks R, Fuller A and Waters J (Eds) Changing Spaces of Education. London: Routledge. cited in Holliss, F (2012), Space, Buildings and the Life Worlds of Home-Based Workers: Towards Better Design, Sociological Research Online, 17 (2) 24

Financial issues

Live/Work units can be classified under either residential or industrial classification, with the specification of the unit determining these criteria. Fiscally they do not sit easily with either residential (Council Tax) or commercial (Business rates) classifications; consequently they may be subject to both.

Historically, Live/Work units have been perceived (in some cases) as a way for developers to secure residential value from a commercial property. However, with the Council as the developer, and having a commercial partner committed to Work/Live (as opposed to Live/Work), it may be possible to ensure that should this option be provided at Liddell Road they will qualify as re-provision of commercial space.

Artist studio providers often include Live/Work provision as part of their portfolio. For example, Spaced Up offers Live/Work studios for artists around London. Whilst they have a studio in West Hampstead this particular site is not for Live/Work use. Another example of this approach is shown below with the example of the Fire Station (ACME).

Employment issues

Live/work units, by their very definition will provide fewer jobs per sq ft because the space is being used for residential purposes as well as commercial. At 1 job per 400 sqft, the 15,000 sq ft option would provide 28 jobs, and the 25,000 sqft option 50 jobs at Liddell Road.

ACME - The Fire Station Live/Work programme, E14

ACME's work/live programme at the Fire Station in Limehouse provides combined studio and living space at low rents as well as special bursaries: rent free space and grants of £5,000/year, worth over £30,000.

The former fire station was bought in 1997 and converted with funding from the National Lottery and other sources. Restored and developed to provide 12 purpose-designed work/live and six non-residential studios, these units were developed in response to the lack of affordable space for artists to work and live in, and in particular, to the lack of studios properly accessible to disabled artists.

The fixed-term residency scheme is intended to allow artists more time to concentrate on the development of their work and professional careers, and less time working to survive.

Source: www.acme.org.uk/residencies/firestationworklive

Overall perception

There is an opportunity for Live/Work to be provided as part of Liddell Road's commercial offer. However, the exact specification would need further investigation so that it was compatible with Council policy, was in line with an identified demand for provision and did not set precedents for inappropriate loss of development space elsewhere.

A likely future for Live/Work at Liddell Road would be through a number of providers discussed who have Live/Work as part of their portfolio. It is also important to note that the level of employment provision secured through Live/Work units may be lower than with other offers discussed in this paper.

f. Industrial units**What is it?**

Industrial units are often based in warehouses or other large, unfinished spaces that can be used strictly as a warehouse or for purely industrial purposes. However, many industrial spaces are converted to serve as more traditional office space, or as a combination of storage/industrial/business use. They tend to be used by manufacturing industries.

Current market perception

There is currently limited light industrial space in West Hampstead and the surrounding area, as shown by Figure 4 and supported by findings of the Employment Land Review (2008). Letting agents noted that there is a demand for this type of space due to the current deficit and feedback from the Council's lettings team who manage Liddell Road was that many current occupants want to remain on site due to the lack of alternative space in the area. A workspace provider also suggested a demand for light industrial space targeted at creative industries such as jewellery makers.

Financial issues

The site is functioning well currently as a light-industrial site, although rental levels are lower than that which could be achieved through alternative uses discussed above, and reinstating light-industrial space will most likely result in rates similar to those achievable through other uses.

Employment issues

As of September 2013, 78 jobs were provided at Liddell Road through its light industrial use¹¹. However, the new provision as proposed would be unlikely to provide this many, as a five-storey block would be unable to house many light-industrial users beyond the first floor, and indeed the gross sqft of the new proposals reflect a reduced footprint of commercial space. An optimistic estimate would be 20 and 35 jobs for the two proposed sqft options.

Overall perception

The deficit of light industrial space in West Hampstead and the high rental levels currently achieved at Liddell Road suggests that it would be viable to re-provide some light industrial units at Liddell Road. Indeed, one workspace provider suggested that light industrial units on the ground floor could be complementary to office space above which was targeted at creative industries. The ability to remain flexible to this option is important.

However, the proximity of the new school, and the need to protect residential values, will need to be incorporated into any decision on the suitability of light-industrial users at the redeveloped Liddell Road. In addition, the ability for light-industrial use to be viable beyond a two-storey block is questionable.

¹¹ LB Camden lettings team

g. Specialist provider**What is it?**

An alternative option is for a 'specialist provider' to be a tenant in the commercial space. This category could include any number of providers, such as an education & training institution or a health organisation, although neither has been considered in any depth. One option explored may be a bioscience hub – an option in line with the sector targeting (see following section). A bioscience hub is purpose-built laboratory space for the scientific and technology industries. It provides bespoke laboratory space and office space targeted at both start-ups and established companies. Provision often includes business support and communal areas. The physical conditions of both the wider environment and the internal space are carefully considered and monitored to ensure conditions are suitable for laboratory use.

Current market perception

There is a high demand across London for scientific innovation space. There is approximately 120,000 sq ft of space in London currently which is not meeting demand. Consultation with Queen Mary Bioenterprises suggested that, for a scientific innovation to work, it is essential that the primary objective of the Council is job creation as the rental values will not offset the cost of developing a site.

West Hampstead is perceived as a viable location due to the excellent transport links. However there are a number of key factors that would need to be explored to determine if the area is suitable for laboratory work. These include: ensuring there is no asbestos under current buildings; ensuring the site is near to cold supply chains; assessing the degree of noise pollution of the site which impacts on residential sites; analysing the vibrations of tubes and trains etc. The building itself would need to be designed to bespoke specifications, including aspects such as freight lifts and wide stair cases. The site's lack of prominence in the town may also be an issue for further consideration.

Financial issues

There are several significant financial issues to consider when developing a scientific innovation space. It is extremely costly to build a bespoke space for scientific use. As such, it is suggested that grant funding is sought from another organisation (such as the GLA or the LDA) to meet the costs. Furthermore, whilst there is a high demand for space, they tend to take four years to fill up, meaning that such an initiative is a long-term investment. Collaboration with a university or technical college could be another way to share costs, and may also bring more credentials to the site.

The amount charged depends on the specification of the laboratory. ICT space is the cheapest, whereas chemistry labs are expensive. Queen Mary's would advise using porter cabins which are cost effective in order to save money.

Employment issues

Despite the high rents obtainable, the cost of developing the site remains high. The real benefit of such spaces, are the jobs they create, which tend to be long-term due to the nature of the scientific sector. The current site at Queen Mary is 39,000 sqft and employs 300 people. On this basis, a fully let site of 15,000 sqft would be looking at 115 jobs, and 25,000 sqft, 192 jobs. However the time lags between the

site opening and being full is deemed significant, and the job estimates are considered optimistic.

Overall perception

A lot more investigation would need to be done to establish whether or not the site was suitable for such a use – both in terms of practical physical investigation and market testing, as well as securing partnership with other organisations to bring funding a credence to the offer. Such an opportunity is perhaps beyond the scope of Liddell Road.

Testing the Market summary

Type of use	Market perception	Employment issues	Overall perception
General office/workspace	Good demand	64 jobs for 15,000 sqft, 114 for 25,000 sqft. Securing full tenancy is perhaps a more pertinent concern with this option.	Possible option, but likely to be difficulties letting the whole space.
Managed workspace	High demand	75 jobs for 15,000 sqft, 133 jobs for 25,000 sqft. A larger provision (ie 60,000 sqft) would provide even higher job densities.	Very good option if planned correctly
Enterprise/Innovation hub	High demand	75 jobs for 15,000 sqft, 133 jobs for 25,000 sqft.	Very good option if planned correctly
Artist studio	Healthy demand	38 jobs for 15,000 sqft, 66 jobs for 25,000 sqft.	Good option
Live/Work	Possible demand	28 jobs for 15,000 sqft, 50 jobs for 25,000 sqft. Bydefinition there are fewer jobs created	Poor use of space given a focus on employment opportunities
Light Industrial	Good demand	20 jobs for 15,000 sqft, 35 jobs for 25,000 sqft Nature of space limits the number of jobs created.	Poor option
Specialist	Some demand	Plenty of jobs, but over the medium term	Unfeasible for Liddell Road at this time

5. Targeting sectors for West Hampstead

Based on overall growth forecasts, Camden has identified three primary growth sectors for the borough as being Creative industries; Professional/technical services and admin (including business support services) and Scientific industries. A brief overview of the potential for Liddell Road to provide suitable provision for these sectors is outlined below:

Creative industries

The cultural and creative industries have been a catalyst for regeneration in numerous parts of London, and have perhaps been particularly notable in central London and the City Fringe. Ideal locations offer relatively cheap space, the opportunity to cluster and network and buildings with character. Realising growth in the cultural and creative industries in outer London has been more difficult to achieve. That said, investment in the sector in outer London is increasing and West Hampstead is perceived as a prime area in which creative industries are growing.

The particular creative sub sectors that are expected to grow in West Hampstead are advertising, architectural, TV, film, music and creative arts. The NDP reports that *"West Hampstead has over 200 businesses from the cultural and creative industry sectors many of which are micro businesses with under 5 employees or freelancers working from home. The principle business types are 'software and electronic publishing, followed by music, film, photography and advertising"*¹².

Much recent focus has been on a move towards Tech City-type approaches, a significant part of the creative sector. Whilst Shoreditch has been labelled formally as Tech City, many areas believe 'Tech City' pockets can be attracted anywhere. Indeed, Workspace (see previous case study) see their Workspace Plus schemes as being mini-Tech Cities, and there is no reason why West Hampstead could not embrace this approach.

The consultation undertaken for this study supported these assertions, highlighting the perception that West Hampstead has a large proportion of freelancers working from home who are involved in creative industries, and suggesting that a new workspace should be aimed at small creative/technological businesses. As detailed above, there was also a perceived high level of demand for artist's studios in the area, with current artist studios reporting full capacity and a high demand for additional studio space in West Hampstead. There is however a current perceived lack of creative industry clustering – which may either be seen as a weakness of current provision, or an opportunity to build on what already exists and create something new.

The lack of parking was not considered a barrier for this sector (by most of those we consulted), however, it was noted in the consultations that space may need to be provided for unloading/loading. Furthermore, it was emphasised that any space targeted at this sector must be designed appropriately (e.g. considering the inclusion of a coffee shop, and designing a space that fosters creativity and community) and must be managed by someone who is experienced in meeting the needs of this group. Further, more detailed investigation is necessary to explore the suitability and viability of such ancillary facilities.

¹² Draft 'Fortune Green and West Hampstead Neighbourhood Development Plan', 2013

Professional/technical services and admin

The professional/technical/ business support sub sectors that are expected to grow in Camden include legal, accountancy and HQ/management and consultant industries. A few of these types of business are based in offices on Maygrove Road, suggesting that there is a market for this within West Hampstead. Interlink House lets units to a wide variety of sectors which include technical services and marketing companies, suggesting a reasonable demand from these industries.

However businesses occupying the buildings on Maygrove Road are diverse, including a trading company, property agents, health clinics and manufacturing businesses. This suggests that there is no specific demand for the professional/technical/business sector, but rather they comprise a part of the wide variety of businesses in the area. Similarly, letting agents reported receiving enquiries from a wide range of businesses which included some interest from the professional/admin sector. However, they emphasised a higher demand from media and creative industries. These findings suggest that there is not sufficient demand to target the Liddell Road site exclusively at this sector, but any new provision could perhaps be flexible enough to accommodate such businesses.

Scientific Industries

The scientific sector is a significant area for growth in the UK as a whole. Pharmaceuticals, medical biotechnology and medical technology sectors together comprise around 4,500 firms, employing 165,000 staff, with an R&D spend of nearly £5bn and an annual turnover of over £50bn. The department for business, innovation and skills has ring fenced an annual £4.6 billion budget to support science and research projects to maintain and expand research capability and to help drive sustainable economic growth over the longterm.

The largest industrial sector in Camden is professional, scientific & technical enterprises which make up 30.6% of enterprises in Camden, compared with 20.3% in London as a whole. This sector includes a significant scientific research focus. In particular Camden is home to the London Bioscience Innovation Centre; laboratory and office space owned and operated by the Royal Veterinary College.

Queen Marys Bioenterprises, the largest provider of office and laboratory space in London, perceive West Hampstead to be a viable area to develop a new scientific innovation space. However, there are a number of environmental factors that would need to be tested in order to fully assess the viability of the location, as explored above.

Other sectors

Other sectors considered to be important to West Hampstead are retail; construction/property; jewellery; health and hospital; higher and further education; visitor economy.

Retail and visitor economy: Not currently being considered as options for the Liddell Road site.

Construction/property: A sizable portion of office space is currently being occupied by property management companies (notably at Haskell House) and construction also has a presence in the area. However, this sector did not feature heavily in the consultations therefore it is not advisable to target the use of site specifically at this sector.

Jewellery: Such creative provision is considered part of the creative sector and thus could be targeted as a part of a wider creative offer.

Health and hospital: Beyond scope of this study

Education & training: Beyond scope of this study

The voluntary and community sector was also raised in the consultations. JHub is an innovation hub specifically for organisations that have social aims. However, the demand for space for the local voluntary and community sector is skewed in this instance by the free rental offer at Jhub which is funded by an external grant giving body. It is unknown therefore whether or not this sector would pay standard rental levels for space in the West Hampstead area.

Conclusions

Renaishi would not normally recommend targeting specific industries when developing commercial space. We feel it is more important to secure the right tenent and let them take the risk and drive the end user, as they know the successful business models and their markets. Equally, many providers prefer to have diversity within their operations as it is an attraction to their tenants.

This position is in line with Council policy DP13 on the nature of employment space, that looks to retain flexibility of use through intelligent design.

6. Physical specification

The development of Liddell Road is currently in the masterplanning stage. The physical specification has not been developed to any great depth. However, the options identified in Section 2 and alluded to in Figure 3 have been tested with providers across a range of sectors:

15,000 sq ft v 25,000 sq ft

The majority of providers across all sectors felt that either option would be viable, subject to other factors. The smaller option would provide perhaps 40 artist studios (almost doubling local capacity) and is within the realms of the possible for many other providers. One larger provider indicated that the smaller specification would not be viable, but the larger one would make it work. Feedback generally is that the larger the site, the greater the potential for success, with up to 60,000 sq ft mooted as an ideal size to house managed office space (that may blur with an innovation hub)

A building of five storeys

This is not considered an issue for most providers. Whilst it inevitably the type of tenant reduces slightly the higher you go (impractical to have heavy installations above ground level), across a portfolio of tenants with differing needs, providers suggested that they will be able to manage the space appropriately. Also, having a dedicated commercial block reduces space lost to, and cost of, utilities – both installation and maintenance.

Location close to school and residential units

Few providers indicated that this would be a problem for them, although inevitably all tenants would need to be aware of the local surrounding, and some light-industrial/workshop providers may be unsuitable for the surrounding users.

No parking

Whilst Interlink House feel their parking is an important part of their offer, other providers did not feel the lack of parking provision proposed at Liddell road was an issue. There was a general acceptance that in such a London location car parking spots were not expected. Most providers also felt that many tenants may well be local, and that cycle racks were a more important accessibility issue for consideration. The close proximity of West Hampstead station(s) also means that accessibility of the site was generally seen as very good – contributing to the attraction of West Hampstead as a business location.

Other issues

Ancillary and support facilities were mentioned as important factors that determined the popularity of communal commercial space. This may well include childcare, meeting rooms or a café. Other physical specifications mentioned, especially for artist studios, included ventilation, high ceilings, waste disposal/recycling, and most importantly natural light.

It is important to design in flexibility in the design of the building – to *not make things impossible* through poor design. Council Policy DP13 of the Core Strategy outlines how flexibility should be retained within building design, especially given the low supply of business space across the borough. Part of this flexibility may allow current Liddell Road tenants to potentially return to the new employment site –

especially those on the south side whose activities are more closely aligned with suitable uses that form part of the recommendations of this paper (ie light-industrial workshops on the groundfloor of a commercial unit). Despite this flexibility, current tenants may require specific physical specifications from the new units which would hinder their ability, and desire, to return post-development. In addition, issues of *cost* (will current tenants be able to afford new rental levels?) and *business relocation* (current tenants are having to move once as part of the redevelopment – will they want to move again?) are issues that will affect whether current tenants will want, or indeed be able, to return to Liddell Road post-development.

Finally, and of perhaps most importance to some providers, is the possibility for secured tenancy prior to construction. Aside from the Council securing a financial deal early on in the process (thus reducing risk), the operator has the ability to feed directly into the design and shape of the space. This will also help develop a vision for the space and help the secured tenant build an offer that links appropriately with its surrounding community. This is especially true with the creative sector, whose offer would be improved if it links well with the local community and is able to create a successful identity at Liddell Road.

7. Conclusions and recommendations

The information in this paper has led to the following conclusions about the commercial opportunity at Liddell Road:

The West Hampstead area

- There has been an overwhelmingly positive response from providers about this opportunity and West Hampstead in general. West Hampstead is considered a strong commercial location for innovative schemes with good demand for a variety of commercial options.

The Liddell Road site

- Feedback would suggest a managed workspace scheme, or innovation hub would perhaps be the best option for Liddell Road in terms of both realising a reasonable commercial value, creating jobs and driving the local economy.
- A number of local and strategic players are keen to talk to the Council directly about this opportunity and potentially others.
- Critical mass is an important consideration. Liddell Road lacks prominence and a larger scheme could create a location in its own right whilst a smaller scheme is unlikely to create a 'presence'. Whilst further market testing is required our feeling is that the 25,000 sq ft option will be a more attractive option for this niche market than 15,000 sq ft whilst a larger opportunity still could allow for a more comprehensive offer to be provided which would be attractive to certain users.
- Car parking is a minor issue, with most users not put off by the lack of parking as currently proposed at Liddell Road.

Steps to developing the commercial provision at Liddell Road

- *Securing successful commercial space.* The scheme is most likely to be successful if the employment element is given the same weight of importance in scheme design as other elements – notably the school and the residential. Finding an end user partner from the outset will have major advantages – the two most obvious being that this will ensure an appropriate specification and it will give certainty to the council of demand, reducing the likelihood of unlet space which could arise from a speculative development or seeking a partner after construction.
- *Soft market testing.* It is not within the scope of this report to report formally on rental/capital values. However, we believe there is enough interest from a range of users to justify a soft market testing exercise to firm up likely proposals and commercial values.
- *Working with agents who understand workspace.* Any organisation leading the market testing should have experience in assessing values in the workspace, innovation hub sector. A valuation exercise based on traditional office space and local comparables will not be helpful.
- *Having a clear vision for the commercial space.* In being clear what is driving the decision (employment opportunities or financial contribution to the scheme), the Council will be able to inform a decision on an appropriate end user. A combination of the job densities identified in this report and the market testing and resulting rental and capital values should assist this process.

Disclaimer

This study is a qualitative study of the estate in question and potential demand from a sector of the market without consideration of rental or freehold values. Whilst data has been gathered in good faith to inform findings, the report does not provide a quantitative analysis of property rental data that should inform any financial decision making. Our work is designed to complement not replace advice from qualified valuation experts and should not be used in isolation to make any investment decision.

Liddell Road Commercial Workspace

Specification and pre-planning
application advice May 2014

Creative Space
Management 

Liddell Road commercial workspace

Contents

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- 2 Recommendations
- 3 Key issues
- 4 Design Specification Assumptions

Appendix Example interior images

1 Background

As part of the development of a new school, residential homes and employment space, the London Borough of Camden (LBOC) appointed Creative Space Management to assist with advising the design team (Maccreanor Lavington Architects) on behalf of the client in relation to new commercial workspace being developed at the Liddell Road site in West Hampstead.

The work began in mid April and continued to the end of November involving three briefing meetings with the client and design team as well as three further subsequent meetings, design notes and follow-up information. This report summarises the information supplied to the client and the design team.

The work was largely delivered by Toby Hyam, Managing Director of Creative Space Management and supported by Paul Fallon, Senior Consultant.

2 Recommendations

The following summarise the emerging vision and recommendations to develop commercially attractive employment space at Liddell Road.

a) Develop a vision for the identity of the building in the context of the whole development

From the initial meeting (29/04/14) we began to develop a vision of the whole development.

- The office building would be a sustainable, low carbon building, attractive to small creative, media and digital (micro to medium) businesses.
- Attractive to local residents who want a quicker journey to work but accessible for colleagues to arrive by other means of public transport.
- Located close to a small park with a cycle hub located nearby, there is always a sociable mix of local parents (from the school), employees and freelancers as well as residents passing by.
- The use of natural materials, passive ventilation high ceilings and the low-tech, warehouse quality of the office building made it attractive to companies fed up with inflated rents and poorly maintained former industrial spaces in east London.
- Celebrating its artisan, village roots, this new office space could become home to up to 280 people working in micro, small and medium size businesses.

b) Identity and public space

Think about the design and branding issues of the buildings in relation to the place as a residential location, as park and public realm, as workspace – by taking an integrated approach this will significantly improve the value and desirability of the office space. Equally the public realm around

the block will have an important bearing on the attractiveness of the property and its potential to attract tenants whether as a serviced or non-serviced office environment.

We discussed the potential brand being linked to the former railway sidings and how the narrative of previous uses and functions can enrich the positioning and marketing of a new, contemporary building. In particular, businesses sharing a building want a neutral brand that can be shared with another companies and which reflects their values and identity.

c) Jobs and enterprise development

At full occupancy a development of 3700 m² could support 280 to 300 jobs. Development of new workspace typically follows two phases of growth:

- a) Phase 1- Growth to full occupancy (0-85% occupancy) and proof of concept. Over the first two years estimated occupancy to reach 50% generating 150 jobs.
- b) Phase 2- Sustain at full occupancy (allowing for some churn, 85% or more) and with continuing change-over of SMEs continuing to generate new jobs.

The maximum number of jobs is projected on a 1 job per 10m² NIA. At optimum occupancy across the net lettable area, (average 85%) this is equivalent to 280 jobs. A cautious estimate should allow for between 3-5 years to secure full lettings and to reach and sustain this level of occupancy.

The development has significant potential to generate new services and footfall for adjacent businesses and to be a resource which may encourage local residents to reduce the need for travel by taking up offices closer to their home.

Managed workspace development has been proven in other locations across the UK (Leeds, Holbeck Urban Village), Sheffield (Digital Campus), Newcastle (Toffee Factory) to be a catalyst for small business growth and to provide a supportive environment in which survival rates are significantly enhanced over national averages and in which there are measurable economic development benefits in terms of new jobs and enterprise that stimulates regeneration and keeps investment within the local economy. Creative, media and digital sectors have been particularly successful in the examples quoted above and such workspace projects are operating at 85%+ occupancy and have generated significant knock-on benefits in the local economies within three to ten years.

d) Risk mitigation and disposal

By creating a flexible approach to the design and layout of the office building, there is scope for multiple types of investor/asset owner to utilise the building. The office space should be attractive to an investor looking to expand their portfolio of office buildings which are relatively low-cost for tenants and which offer a strong price comparative price-point as well as high quality contemporary design. Equally it should be suitable for potential managed workspace operators where the scale of the building allows for sufficient critical mass of employees and companies to make a managed workspace business financially viable.

3 Key issues

A number of key issues were identified during the process of which the most significant were:

- The total area of floor space dedicated to employment space
- Managed workspace or traditional office space
- Flexibility

2.1 Area of floor space for employment uses

One of the key issues that is a priority decision for the client is to decide between two total floor area options for the employment use element of the overall development.

Camden Council's approved business case is to provide a minimum area of workspace of 2500 m² in order to replace an equivalent area of employment space, lost as part of the redevelopment of the site. However, there may be scope to achieve as much as 4000 m² of workspace by increasing the number of floors and maximising the building footprint.

The client wishes to evaluate these options and take a judgement as to the approach most likely to find a buyer who will develop the site.

Smaller option: 2500 sq m

Benefits	Weaknesses	Comments
Camden Council's approved business case objective	May be a missed opportunity to maximise density of use and create a more strongly diversified employment in the area.	May still be attractive especially with increasing pressure on non core business district locations.
May be perceived as a more attractive and less risky investment for a non-institutional investor and developer	Less attractive to larger scale developers and asset owners such as Workspace plc (tested) who prefer larger units.	The smaller option may still be attractive but to a very different type of investor. e.g. Office Group, Lenta Business Centres.
Less impact on a location with few larger established offices	Reduces the number of potential developers likely to take on such a project because it is slightly too small.	The smaller option should not absolutely be ruled out. Checking with agents for enquires in relation to freehold developments of this size would help to determine if there is market interest, albeit from smaller developers.

Larger options: 3500 – 4000 sq m

Benefits	Weaknesses	Comments
Typically this larger size confirms with Business Centre Association (BCA) guidance for managed workspace business centres	A high impact (in terms of new functions) facility which may have a slow rate of occupancy given the new location.	It is accepted that building larger can be beneficial, where the location has potential strengths in terms of public transport access and lack of competition.
Fits with market advice from Workspace plc and is a standard and recognised size of office for achieving viability.	There may be a limited market for developers who want to create this type of space in this location.	It may slightly overwhelm the location putting pressure on services, access, and deliveries.
Creative Space Management operate several 3500 m ² facilities and once fully occupied (85%+) they are cost effective to operate and much more likely to consistently generate profits.	Vulnerable to competition and price point. The lack of similar facilities close by may put off conservative investors who want proof of concept	Market soundings could be taken with local commercial sales agents to determine if there have been any similar developments undertaken or if there is evidence of unfulfilled demand.

The following properties provide a comparison both in terms of price and quality illustrating the market condition for the new employment space.

Comparative properties

Property within 2 miles	Office building type	Size
Solar House N12	Contemporary office without much style	3,437 m ²
Canalot Studios W10	Refurbished warehouse – established creative sector hub with facilities	4,645 m ²
Kimberley Road, Queens Park, NW6	Attractive contemporary office within part refurbished and part new build development.	2,229 m ²
Quadrant Business Centre, NW6	Contemporary, office building	2,229 m ²
Canfield Place, NW6	Smaller, period, refurbished office space	297.2 m ²

3.2 Managed workspace or non-serviced office space

Another important area is the value of creating office space that can be fully serviced or which is intended to be let as more traditional office space to larger occupiers.

Managed workspace

Benefits	Weaknesses	Comments
Flexible occupational terms (1-3 month notice periods) provide high levels of flexibility which can attract start-up or early years businesses helping to create new, local jobs	Requires intensive management and additional investment in IT and telephony in order to maximise the service offer.	Can be developed specifically for a workspace operator to take a long lease or can be the subject of a service contract.
Managed environment means that economic and social benefits of the workspace can be directly controlled.	May create additional risks in terms of rate of occupancy, ups and downs in performance. Has to include more common areas.	If LBOC want to have greater influence on creating new jobs then this approach helps achieve that.
May achieve higher local employment and business growth benefits, spinning out businesses and generating more new, local jobs.	Requires additional investment to reach full occupancy and stimulates greater churn which may mean financial model is vulnerable.	The proximity to public transport and new housing may mean that the location has potential for co-working combined with lettable office space.

Non-serviced office space

Benefits	Weaknesses	Comments
Conventional approach to letting space and therefore easier to value and to find suitable buyers following DPP.	Non-central locations may not be so attractive to the market – some risk over viability of the product.	Local agents will be able to provide a clear line on values and scope to let quickly.
Lower investment required and likely to be the quickest route to dispose of the asset.	Unlikely to be able to control any positive impact on the local economy or indeed in creating new jobs or enterprises.	Local and city agents able to advise on viability of asset disposal.
Relatively easy to price and evaluate in terms of current market – therefore lower risk.	Potentially vulnerable to competition or alternative product emerging.	Probably the lowest maintenance approach facilitating low cost asset management or early disposal.

3.3 Flexibility

Whilst there are many constraints on the building (in terms of its location/footprint/height etc), creating a floor plate that maximises flexibility is likely to be a key factor in the long term viability of the building. The market in non-central business district areas is changing very rapidly. The increase in co-working and shared office spaces, the increasing mobility of small and micro businesses, who are able to change location according to the needs of their talent and labour force rather than the availability of appropriate workspace, are some of the factors driving this change.

Therefore in our experience, an increasing number of businesses want environments that are not necessarily small, cellular spaces. Typical requirements are exposed soffits (as opposed to suspended ceilings); exposed service pipes and ducts that reflect an industrial aesthetic; office spaces that are light but which can be passively ventilated; environments which can be quickly expanded to take new workstations or contracted at short notice.

In short the floor plate design needs to be sufficiently flexible to suit a single occupier as well as having potential to be sub-divided into five or six offices whilst maximising the efficiency of the areas and minimising common space. The reception area needs to be able to be expanded for meeting rooms or contracted to minimize non-lettable space. It needs to be able to function as a manned reception (for serviced offices) or as a self-service, orientation point for a non-serviced office environment. Consideration for how post and parcels will be managed as well as intercom and front-door to office communication whether for serviced or non-serviced offices.

4 Design specification assumptions

The following assumptions related predominantly to creating a managed workspace environment – however some of the detail would also influence in the internal design of the office spaces even if they are not intended for managed workspace. Many only become pertinent once Detailed Planning Permission is achieved, but being aware of some of these factors can assist the design team in development at this early stage of the project.

Common area and informal meeting space. Including the reception area, the circulation and common areas are an important element of the detailed internal design. This is one of the key shared resources and it is important to try and create an environment that is the antithesis of the sanitised corporate meeting areas. The common areas could include post boxes and lockers so IT equipment can be stored temporarily and there will be access to showers (ground and upper floor rest room areas) so users can change for social or business events.

Small meeting rooms. All serviced offices will require at least multiple small meeting rooms (4- 8 people) for meetings, presentations or client pitches. These would be equipped with fixed projector and interactive whiteboard facilities and voice conferencing. It may be that the ground floor provides scope for partitioning to create these meeting rooms were the building to be operated by a specialised business centre operator.

Ideally there may also other locations in open plan, common areas which can be used for more informal meetings. At high occupancy buildings these can be utilised over 95% of the time and are provided as part of the serviced office package, at no additional cost on a fair usage policy.

Cellular office spaces. The objective is to be able to divide the floor plates efficiently so that they can either be used by a sole occupier or could be divided into two, four or five units off the central core, minimising the need for corridors and reducing the net efficiency of the building. These should be separated by British Standard office walls (insulated stud partitioning) which can easily be linked by punching through. Floor loadings should be to at least British Standard for technology intensive office spaces and each unit should have fire sensors and the ability to be independently secured (alarm system).

Kitchens and food preparation areas. For serviced offices, the services to provide each floor should have a kitchenette area to enable tenants to prepare their own food, access a source of boiling water, use a sink with hot and cold water, a shared fridge, a small dishwasher, storage and recycling facilities. Equally for a non-serviced approach, the ability to bring services into some of the larger units, will be important so that tenants can provide kitchen and rest area services within their demised space.

Internal signage. Internal orientation signage (floors, companies) is required including a list of all companies in the reception area; floors and orientation; office and other units (cleaning cupboards etc for fire strategy). The client name plates (offices/studios) need to have removable media (vinyls), updated as companies move in and out. Corridors may also need additional signs in relation to toilets, common facilities as well as H&S fire requirements.

Access: A PAC type fob access system is fundamental to providing effective yet flexible security. Each employee at the centre can be issued with a fob (paid for by a returnable deposit) and this fob will be programmed in their name. This allows the centre admin staff to monitor movements and to restrict access to particular areas and/or hours as required. This system enables tenants to have 24 hour access to their offices whilst protecting the integrity of the building.

A fob access system is preferable to swipe cards as they are easier to carry & more robust. As fobs can be programmed for different floors/zones/access levels – this is worth bearing in mind when deciding on locations of panels. We would suggest installing fob access doors on each floor/corridor – this gives the building a secure feeling and can prevent opportunistic crime, alternatively you may decide to put access readers on the lifts and stair cases. An external door also needs a fob access reader to allow tenants 24 hour access.

Energy management. The design should examine ways to minimize and control use of energy, particularly for heating, lighting and cooling. Whilst some air conditioning plant will be required for the communications room, a passive ventilations system is preferred for the majority of the building. The use of zoning on a unit by unit basis and providing smart metering, so that energy consumption can be monitored and this data can be made accessible to the end-users, would also help to control and improve on energy performance. For a serviced offer, an FM operator should be able to monitor energy usage as standard, making comparisons with previous years and looking for ways to reduce energy consumption across all areas of operation.

ICT Infrastructure: voice and data services. For non serviced offices, all floors and potential offices should have access ducts to be able to deliver structured cabling into each office. For a serviced product, all offices would have to be ready-equipped with structured cabling to enable the delivery of managed voice and data services. This structured cabling should be CAT6 ratified with RJ45 female connectors and should be terminated back to patch panels in the central communications room.

There are likely to be heavy users of ITC in the building so it is recommended that a minimum of four ports are allowed for each individual, which equates to an average of four ports for every 80sq ft / 7.2 sq m. These should be located in floor boxes but if adaption of the building is not feasibly,

perimeter trunking can be used. Ports should not be located in impractical areas such as close to doors or in difficult corners. Power sockets should be located alongside these ports.

Communications room. In providing a serviced office, there should just be a single communications room to ease the management of the infrastructure. This should be located on the ground floor away from publicly accessible areas but near to the reception/admin office to allow easy access to centre staff. The room should have no windows or other points of entry. The door to the communications room should be solid with no transparency and wide enough to allow for the installation of cabinets. The room should have an intruder alarm panel (this should be audible in reception to alert staff if anyone enters the room) and if possible a fob access reader should be installed as well as a key lock. It should also be covered by CCTV.

Car Parking and secure cycle storage. Access to disabled driver parking spaces is required as a DDA obligation and ideally a minimum of two car parking spaces would be beneficial for deliveries and visitors (only in relation to serviced offices). Additional parking would undoubtedly help to make the offices more attractive to an investor, so access to contract parking (for example) in the residential block would be beneficial. Secure internal cycle storage is important. With significant growth in cyclists and a growth in the value of cycles, secure internal storage is becoming increasingly valued. As operators of buildings we see increasing numbers of occupiers carrying their cycles into their offices to ensure safe-keeping because of inadequate specification for bike storage.

Appendix Example interior images

