Hammersmith and Fulham Employment Land and Premises Study

Final Report

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EXECUTIVE SUMMARY

BACKGROUND

Atkins was commissioned by the London Borough of Hammersmith & Fulham to undertake an employment land and premises study. The primary purpose of the study is to inform the Borough's emerging Local Development Framework (LDF). The aims of the study were to:

- provide baseline information on employment levels and examine trends in employment development and the accommodation in the industrial and business sectors up to 2016;
- determine the likely demand for available employment and business land and premises within the Borough up to the end of the forthcoming LDF period;
- establish the appropriate property mix required in order to meet the needs of existing businesses and potential occupiers where possible; and
- examine how the existing and potential stock of premises / workspace can provide opportunities for enterprise and employment which reflect the employment potential and skill base of Hammersmith and Fulham residents.

POLICY CONTEXT

National Policy

National policy guidance requires local authorities to undertake an assessment of existing and allocated employment land sites. The aim of the assessments is to promote positive planning, ensure that existing and allocated sites are suitable for employment use, and where not suitable, to highlight options for transfer to other uses.

PPG3, para 42a requires local authorities to undertake an assessment of existing and allocated employment land sites. The aim of the assessments is to promote positive planning, ensure that existing and allocated sites are suitable for employment use, and where not suitable, to highlight options for transfer to other uses.

Regional Policy

The London Plan and the draft SPG on Industrial Capacity in London (GLA, 2003) highlights that London Boroughs should provide a range of premises of different types, sizes and costs to meet the needs of different sectors of the economy. Strategic Employment Locations (SELs) are identified in the London Plan as major areas for accommodating industrial activities and should be safeguarded by Boroughs for such uses in their UDPs / LDFs. For LBHF, the London Plan identifies Park Royal (part) and Wood Lane (part) as SELs. The

London Plan and the draft SPG also highlight that local authorities should adopt a criteria-based approach in order to identify 'locally important industrial sites'. It states that UDPs should:

'…protect locally important, viable industrial sites which lie outside the SEL Framework after testing them in the light of evidence of local and strategic demand and against the criteria [set out in the draft SPG]…'

In addition to ensuring a sufficient supply of appropriate industrial land to meet business needs, the draft SPG (and the London Plan) encourages Boroughs to 'plan, monitor and manage' and release of '*genuinely surplus*' industrial land to alternative uses. The employment land review process is central to establishing the extent to which the existing stock of sites and premises in the Borough are genuinely surplus to requirements and/or unsuitable for employment use.

The draft SPG identifies three categories of protection against the loss of industrial land to alternative uses, whereby the 'restricted' classification indicates that sites should be strongly safeguarded for employment with only a very limited amount to be considered for transfer[1]. The GLA places LBHF within the most 'restricted' category.

Research undertaken on behalf of the GLA indicates that industrial land vacancy rates in LBHF are low compared to the West London sub-region and London as a whole. The lack of vacant industrial land in absolute and proportional terms indicates that the potential for loss to other uses is limited[2]. The low level of vacant industrial land reflects, in part, significant land releases to other uses in recent years.

The London Office Policy Review indicates that existing planning commitments for major offices is sufficient to meet projected demand in the period up to 2016. However, this conceals the potential mismatch of supply in the pipeline relative to demand and particularly the needs of small businesses in the Borough.

The London Plan, West London Economic Development Strategy and LBHF UDP highlight the importance of adopting policies which cater for the needs of SMEs, including creative and cultural industries. Employment land policies should also have particular regard to the needs of regeneration areas and communities subject to high levels of deprivation.

Local Policy

The LBHF UDP identifies 10 Employment Zones which are designated primarily for the development of B uses. UDP policies to protect employment land within and outside Employment Zones are strong and include detailed criteria to control the release of land to other uses.

[1] Restricted – most protective category; Limited – middle category; Managed – least protective category.
[2] The GLA estimate of vacant land excludes land under construction for other uses.

KEY FINDINGS OF THE STUDY

Economic and Property Profile

Our analysis of business needs and future demand draws on three key sources:

- assessment of socio-economic conditions and property appraisal;
- employment forecasts converted to quantitative estimates of floorspace demand; and
- findings of the empirical business survey conducted in respect of employment floorspace demand arising from existing B use-class business located in Hammersmith and Fulham.

Employment

Workplace employment has grown significantly in LBHF over the last five years, rising to around 105,000 jobs in 2003. The rate of growth has been substantially higher than that recorded for both London and GB as a whole.

A large proportion of the growth has taken place in business and professional services, retail and other services which reflects, in part, the role of Hammersmith Town Centre as a major sub-regional office and services centre. Unlike other parts of London, manufacturing employment has also increased during the period 1993-2003, which largely reflects the growth of the publishing, printing and reproduction of recorded media sector which is included within the definition of manufacturing. However, excluding the publishing industry, industrial employment in the Borough in 2003 accounted for only 4.1% of total employment compared to 5.8% in London as a whole. Warehousing employment is also relatively low, accounting for 4.4% of total employment in the Borough.

Total employment within B use-class occupying businesses was approximately 65,900 in 2003, representing 63% of total employment, a high proportion of which is concentrated in business and professional service activities.

Business

In 2003, the number of businesses employing up to 10 people accounted for nearly 89% if all businesses in the Borough (compared to 86% in London). The rapid expansion of small businesses in the Borough reflects wider regional and national economic trends and will be an important factor in developing new land-use planning policies in the forthcoming LDF. In contrast, the Borough remains an important location for a range of large employers, particularly in financial and business services sector.

Key Sectors

There are a number of key sectors that are strongly represented in Hammersmith and Fulham and have accounted for a substantial proportion of employment and business growth in the Borough. Indeed, the small business sector is strongly engaged in these sectors and their future growth prospects remain strong. Our analysis highlights the importance of: creative and cultural industries (including publishing, computing, I.T and new media); other business services (including professional services, software consultancy, advertising, labour recruitment, renting of vehicles and equipment, repair of office machinery); public administration; and retail. With the exception of the BBC, most of these activities have a high requirement for small B1 premises and as their expansion continues, demand for B1 floorspace will also increase in Hammersmith and Fulham.

Deprivation

Overall, Hammersmith and Fulham is ranked as the 14th most deprived of the 33 boroughs in London. Despite being classified in the middle ranks of London's spectrum of deprivation, this conceals the extent to which disadvantage is concentrated in a number of communities. These include: Willesden / Old Oak Common; Wormholt and White City; Shepherd's Bush town centre; and Hammersmith Town Centre.

Property Market

Hammersmith Town Centre has grown significantly over the last two decades as a major sub-regional office centre. The total office stock in the Borough amounts to approximately 1.154 million sq.m. Over 41% of all office establishments occupy less than 100 sqm. although 26% of total supply (in terms of floorspace) is provided in large premises (over 10,000 sqm.). This reflects the diversity of the local economy as a location for major employers as well as a wide range of small occupiers.

Approximately 50% of total vacant office floorspace is concentrated in a small number of large buildings (over 10,000 sqm.). Conversely, vacancy rates are low (8%) for small premises (less than 100 sqm).

A significant proportion of new office schemes, planning commitments and current vacancies comprise the provision of prime office space with relatively large floorplates. These have the potential to serve the inward investment market including national and international HQs and high value service activities.

Despite the current overhang of office permissions from the dampened market conditions of the period 2001-2003, this supply largely does not meet the needs of an increasingly significant component of local businesses in LBHF. Exacerbated by growing differentials between residential and commercial/industrial land values, the key gaps in local provision include:

- small service-based businesses serving local communities;
- niche sectors requiring flexible and affordable premises (e.g media and creative industries); and
- new and young businesses seeking affordable small offices and/or workspace with favourable lease or licence conditions.

The stock of industrial premises in LBHF amounts to approximately 168,000 sqm which has fallen by 34% over the last 10 years. This fall has resulted from change of use to higher value activities and the relocation of large, cost-sensitive occupiers. Similar to the office market, a high proportion of total stock (53%) is accounted for by small units (less than 100 sqm.). The vacancy rate for industrial premises is low at approximately 9%. On-going industrial restructuring (particularly in the manufacturing sector) is unlikely to result in a significant decline in demand for employment land and floorspace. Consequently, opportunities to release employment land are limited in LBHF.

Future Demand for Employment Floorspace

Our assessment of demand has been based on an analysis of existing economic conditions, outputs of the economic forecasting scenarios and results of the empirical survey of established business in LBHF.

Adopting a range of forecasting scenarios, we estimate that:

(i) total employment in the Borough will increase by approximately 26,000 between 2001-2016;

(ii) B use-class employment will increase by approximately 18,700 between 2001-2016; and

(iii) future gross demand for employment premises in LBHF will amount to between **250,000 sqm and 350,000 sqm** for the period 2001 to 2016 (includes all B Use Class except public administration).

Future estimates of demand for floorspace derived from our economic forecasts are supported by findings of the empirical business survey and compare conservatively to past rate of take-up of B1 premises in the Borough.

Our forecasts of future need reflect gross needs which assumes that a significant proportion of demand may be accommodated through the intensification and redevelopment of existing sites and those allocated for employment use.

Provision of new office and industrial premises suitable to modern occupiers over the next 15 years will be central to the provision of a wide variety of jobs aimed at the local and regional labour market. The LDF will be essential to ensuring that a balanced approach is taken to facilitating the diversification of the local economy and to preventing the loss of employment opportunities which are very accessible to local communities (particularly the most deprived communities).

Reflecting the findings of our empirical business survey in respect of future property needs, Figure S1 provides an indication of the distribution of future demand for floorspace whilst Figure S3 sets out an illustration of future demand by size of premises.

Figure S1 – Indicative Gross Additional Floorspace by Use Class

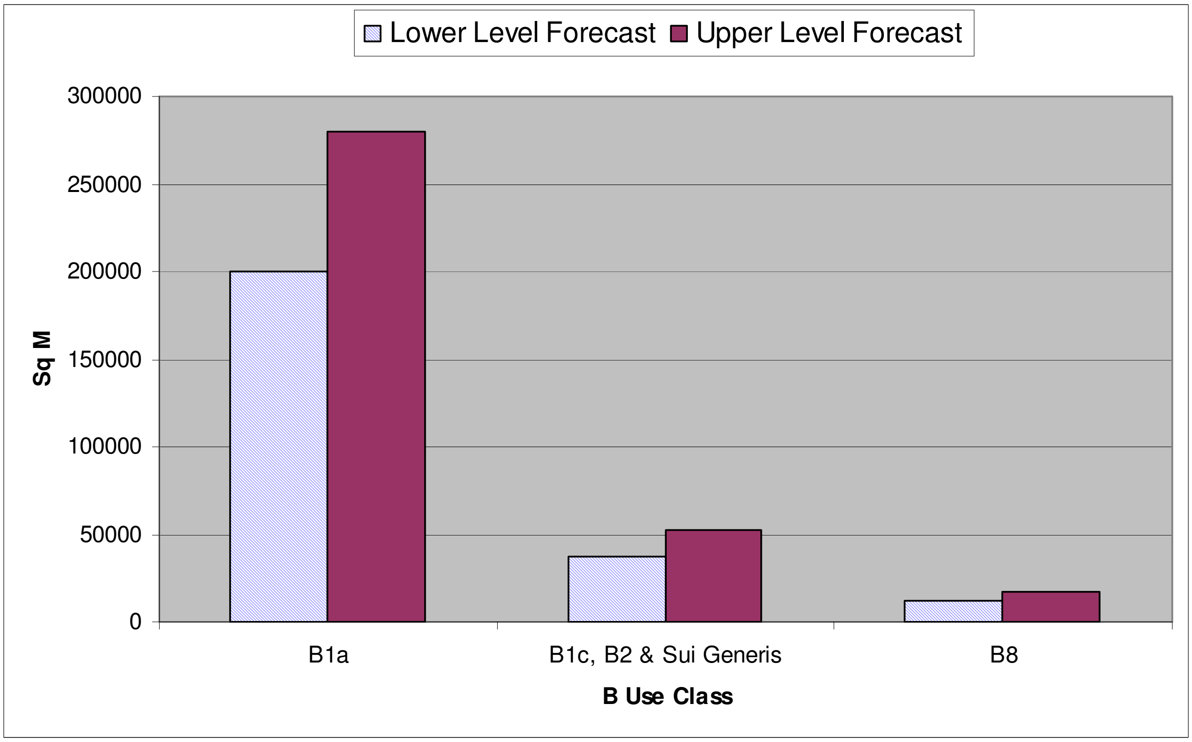
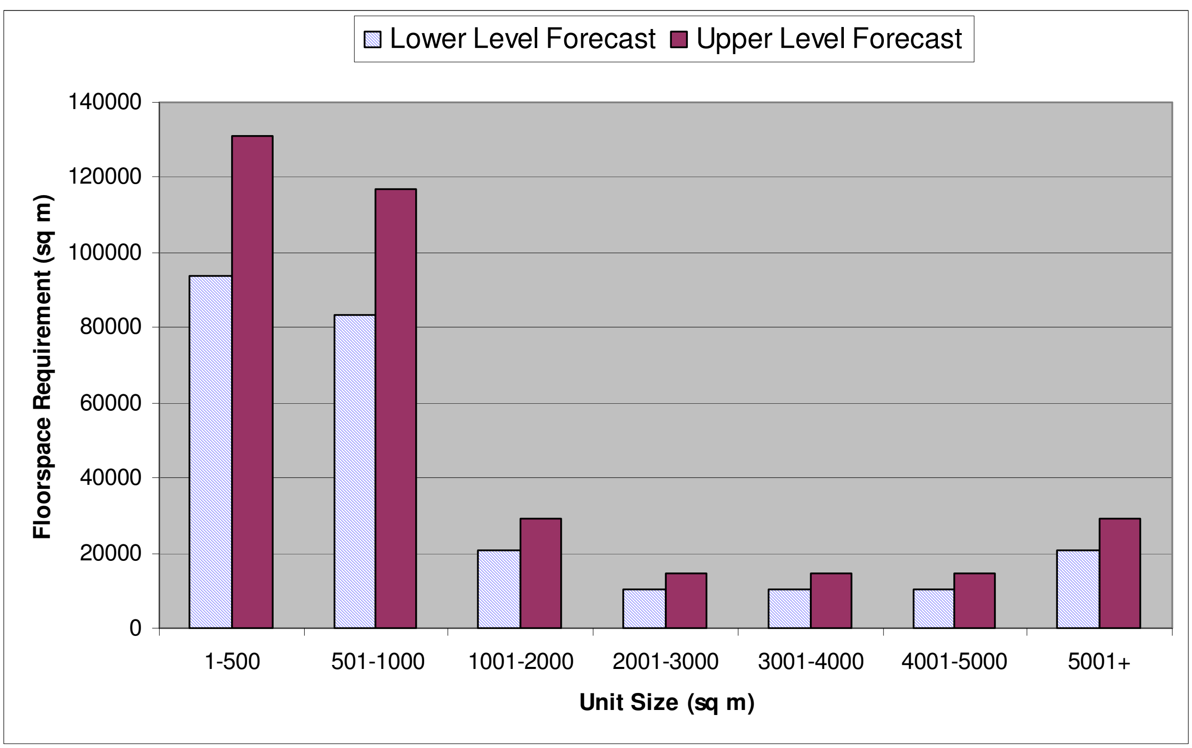


Figure S2 – Indicative Gross Additional Floorspace by Size



Assessment of Supply

Appraisal of Employment Areas

Our assessment of the existing supply of employment sites in LBHF commenced with the identification of 88 'clusters' of employment land and premises. Of these, 21 were identified as being located within existing defined Employment Zones, 8 were located in town centres and the remaining 61 were in non-designated employment areas.

A comprehensive site-by-site appraisal was undertaken using a range of criteria which assessed the following key attributes of each cluster:

- Location and site type;
- Size of site, and any vacant employment land;
- Total number of premises, number of vacant premises and vacant floorspace;
- The site typology, economic role and the balance of premises at each site;
- The condition of premises and percentage of premises developed in the last five years;
- Appraisal of access and transport issues including external and internal access and parking arrangements;
- Environmental condition and quality including provision of amenities; and
- Market attractiveness and other issues affecting the marketing and management of the site from an occupier perspective.

Section 4 and Appendix G of the full report provides a detailed account of the land and premises appraisal findings.

Table S1 shows that the 88 clusters collectively provide around 424ha of employment land, of which 47% is located in Employment Zones with a further 23% located in the Borough's town centres. Approximately 20ha (4.7%) of this land was assessed as being vacant which indicates relatively tight conditions in the employment land market. The majority of vacant land is found in small pockets of less than 0.5ha.

Table S1 - Employment Land and Vacancy

Employment Area	Size of Site (ha)	Vacant Employment Land (ha)	% Vacant Employment Land
Hythe Road Employment Zone	88.2	2.3	2.6
Wood Lane Employment Zone	38.0	2.6	6.9
Richford Street /Shepherd Bush Employment Zone	4.9	0.0	0.0
Hammersmith Road / Olympia Employment Zone	5.2	0.0	0.0
Fulham Reach Employment Zone	5.4	2.1	38.1
Kensington Village and Lillie Bridge Depot Employment Zone	11.6	0.0	0.0
Seagrave Road/Rickett Street Employment Zone	3.6	0.0	0.0
Putney Bridge Employment Zone	4.1	0.0	0.0
Townmead Road / Imperial Road (Sands End) Zone	32.1	9.5	29.7
Carnwath Road Employment Zone	7.7	0.5	6.4
Total Employment Zones	**200.7**	**17.1**	**8.5**
Shepherds Bush Town Centre	43.8	0.0	0.0
Hammersmith Town Centre	35.1	1.0	2.9
Fulham Town Centre	16.6	0.0	0.0
Total Town Centres	**95.5**	**1.0**	**1.1**
Other Sites	**128.1**	**1.9**	**1.7**
Total All sites	**424.4**	**20.0**	**4.7**

In total 1,908 premises were appraised as part of the assessment which together yield approximately 2.3 million sqm of floorspace. Approximately 6% of floorspace (126,000 sqm) was recorded as vacant (see Table S2). Approximately 5% of all premises were recorded as vacant.

Table S2 - Number of Premises/Vacant Premises

Employment Area	Total Occupied Premises	Total Occupied Floorspace (m2)	No. Vacant Premises	Total Vacant Floorspace (m2)	Total Premises	Total Floorspace (m2)	% Total Number of Vacant Premises	% Vacant Floorspace
Hythe Road Employment Zone	161	232814	5	10578	166	243392	3.0	4.5
Wood Lane Employment Zone	37	453091	0	9156	37	530506	0.0	2.0
Richford Street /Shepherd Bush Employment Zone	18	28401	0	0	18	31081	0.0	0.0
Hammersmith Road / Olympia Employment Zone	16	118037	0	1102	16	120118	0.0	0.9
Fulham Reach Employment Zone	8	27092	0	0	8	27092	0.0	0.0
Kensington Village and Lillie Bridge Depot Employment Zone	9	124884	0	0	9	124884	0.0	0.0
Seagrave Road/Rickett Street Employment Zone	11	5434	0	0	11	5876	0.0	0.0
Putney Bridge Employment Zone	67	40283	0	1528	67	41811	0.0	3.8
Townmead Road / Imperial Road (Sands End) Zone	379	61072	15	18632	394	86509	3.8	30.5
Carnwath Road Employment Zone	78	44879	5	0	83	44879	6.0	0.0
Total Employment Zones	**784**	**1135987**	**25**	**40996**	**809**	**1256148**	**3.1**	**3.6**
Shepherds Bush Town Centre	62	32965	2	2879	64	42253	3.1	8.7
Hammersmith Town Centre	158	296135	3	31951	161	339468	1.9	10.8
Fulham Town Centre	71	42657	2	2624	73	50579	2.7	6.2
Total Town Centres	**291**	**371757**	**7**	**37454**	**298**	**432300**	**2.3**	**10.1**
Other Sites	**740**	**502824**	**61**	**47830**	**801**	**611627**	**7.6**	**9.5**
TOTAL ALL SITES	**1815**	**2010568**	**93**	**126280**	**1908**	**2300075**	**4.9**	**6.3**

The assessments considered the potential future employment role of each employment area using a range of market and sustainability criteria. This assessment identified the potential scope for change within each employment area. Whilst the majority of employment areas were recommended for ‘no change’ in terms of their future role, the following summarises where some form of change was assessed as appropriate in meeting future business needs.

Scope for Intensification and/or Redevelopment

Of the 13 designated Employment Zones and town centres, the following were considered to have scope for further intensification of employment uses and/or redevelopment for new employment uses:

- Hythe Road Employment Zone;
- Wood Lane Employment Zone;
- Kensington Bridge and Lillie Depot Employment Zone;
- Fulham Reach Employment Zone;
- Seagrave Road / Rickett Street Employment Zone;
- Townmead Road / Imperial Road Employment Zone;
- Carnwath Road Employment Zone;
- Shepherds Bush Town Centre; and
- Hammersmith Town Centre.

Scope for Employment-led Mixed Use

The following Employment Zones were considered to have scope for employment-led mixed-use:

- Wood Lane Employment Zone (East);
- Shepherd's Bush Town Centre (North);
- Hammersmith Town Centre (North);
- Townmead / Imperial Road Employment Zone (North);
- Carnwath Road Employment Zone;
- New Kings Road (East); and
- Warple Way.

Other Mixed-Use and/or Housing

Redevelopment potential for mixed-use and/or housing was recommended for:

- Shepherds Bush Town Centre (North); and
- Townmead Road / Imperial Road Employment Zone (North).

Meeting the Needs

In assessing the potential of the existing portfolio of employment areas to meet our estimates of future demand, we assessed the floorspace capacity of vacant land and premises. The study identified vacant land and floorspace to have the capacity to generate approximately 286,000 sqm of employment floorspace (see Table S4). This estimate was derived from the following sources:

- Some 71,200 sq.m is at existing floorspace which has the potential to be re-occupied. The majority of this floorspace is located at employment sites not currently located within designated town centres (41%) or employment zones (54%);
- Some 55,400 sq.m of existing vacant floorspace has potential to meet employment needs within the Borough. However, the quality of this stock does not match the requirements of prospective occupiers in terms of the size or type of premises. There would be a need to upgrade premises through a process of:

(i) intensification of the employment use through extension, subdivision/modification or conversion of the existing floorspace;
(ii) re-provision of employment floorspace through site re-modelling, demolition, and redevelopment of the existing building stock; and
(iii) redevelopment for employment led mixed use where there is a need to upgrade premises but where it can be demonstrated that there is a need for an enabling non-employment component to the development to maximise the contribution of the site to meeting economic and employment needs within the Borough.

Table S4 - Sources of Employment Floorspace and Land

Source	Existing Employment Zones	Town Centres	Employment sites not currently designated	Total
Vacant Floorspace Available for re-occupation (m^2)	3,447	29,541	38,249	71,237
Vacant Floorspace (subject to improvements to quality) (m^2)	37,549	7,913	9,949	55,411
Estimated floorspace available on vacant land sites (m^2)	119,563	14,745	25,127	159,435
Total	160,559	52,199	73,325	286,083

Source: Consultants estimate based on site appraisals

Up to a maximum of 160,600 sq.m of employment floorspace can potentially be provided from within the existing Employment Zones through the occupation of vacant premises and development of vacant land. A further 125,500 sqm. could be provided in town centres and other employment sites. This provides a maximum potential capacity of 286,000 sq.m employment floorspace compared with a requirement for an additional 250,000 – 350,000 sq.m.

The implication of this finding is that the Borough may not be able to meet all of its quantitative employment floorspace requirements within the sites assessed as part of this study. It is also possible that if requirements are in the upper half of the identified range of requirements then it is likely that the Borough may not be able to meet its employment floorspace requirements within its own boundaries whilst maintaining a frictional level of vacancy which is required for efficient operation of the market. This situation also raises the need to consider higher intensity of development on some employment sites. Whilst the assessment did not quantify possible opportunities to provide potential floorspace at areas identified for redevelopment, such sites were identified for the Council's further consideration (see Opportunity Sites in Figure 4.3).

RECOMMENDATIONS

LDF Strategy

The Council's approach adopted in the existing UDP provides a sound basis for developing the LDF employment strategy. In particular, the UDP provides a robust approach to ensuring that key employment site are safeguarded for that use. We recommend that this approach is continued in order to:

- ensure that LBHF can support the diverse economic role played by the Borough in London's economy; and
- enable sufficient provision to be made for a wide variety of local small businesses which are at the heart of the Borough's indigenous business community.

In general terms, we recommend that the LDF strategy:

(i) provide a locational emphasis where appropriate;

(ii) include a review of the local and strategic economic priorities to support the employment policies in the Plan;

(iii) define a clear typology of employment sites and premises which reflect the current and future economic roles of Hammersmith and Fulham as well as regeneration and economic development priorities;

(iv) identify clear criteria for defining and justifying the employment allocations contained within the typologies;

(v) introduce an allocation type which promotes employment-led mixed use development (i.e. development that has a higher concentration of employment uses, yet may require a non-B-class component in order to facilitate the development);

(vi) include specific policies which make provision for affordable workspace, small businesses and key sectors;

(vii) identify key mechanisms for implementing the plan;

(viii) provide a framework for reviewing the criteria (including marketing) which establish the only circumstances were non-employment development will be considered on employment sites; and

(ix) develop a comprehensive monitoring system in order to evaluate the impact of policies and to inform the review of policies.

Key Policy Considerations

We recommend that the LDF employment strategy be guided by three key policy considerations:

(i) The transfer of industrial sites to alternative uses should be carefully managed and strongly restricted. Transfer to other uses should take place only on sites which are inherently unsuitable or unviable for industrial, warehousing or business use.

(ii) The LDF should facilitate the provision of employment land and premises which reflects the diverse nature and roles of the Hammersmith and Fulham economy. This should include balancing the provision for major, high value office occupiers with that for key sectors of local importance and the small business base including start-ups and cost-sensitive activities.

(iii) The Council should take a strongly proactive approach to facilitating the qualitative improvement in the supply of employment land and premises in the Borough. This may involve the redevelopment and/or refurbishment of existing sites and premises; the potential allocation of some new land and/or floorspace for employment purposes; and promoting a new approach to creating employment-led mixed use developments in appropriate locations.

Criteria-Based Policy Designations

In developing appropriate policies for the LDF, we recommend that the employment land designations be updated to take account of changes to the strategic policy framework and to ensure that they reflect the varied employment role of different locations and sites within the Borough. Described in Table 5.4 of the main report, we recommend the following designations / typologies:

- Strategic Employment Locations (SELs);
- Employment Zones (EZs);
- Town Centre and Main Shopping Areas;
- Other Employment Locations; and
- Site Specific Proposals.

We also recommend a number of proposed changes to existing boundaries of employment areas in the Borough including the designation of 17 new employment zone.

Marketing Tests

We recommend that the existing UDP requirements on marketing vacant employment sites be extended to ensure that developers provide sufficient evidence regarding the viability of sites for employment use. Benchmarks to assist in assessing viability assumptions should be established having regard to variations in location, size, type/quality of premises (fit for purpose); lease length and conditions; business sector and affordability.

Live-Work Units

We recommend that the restrictive approach taken in the existing UDP to live-work accommodation is continued in the LDF, subject to the monitoring of evidence of local demand and need.

1. INTRODUCTION

1.1 Atkins was commissioned by the London Borough of Hammersmith & Fulham to undertake an employment land and premises study. The primary purpose of the study is to inform the Borough's emerging Local Development Framework (LDF). Consequently, it aims to:

- Provide baseline information on employment levels and examine trends in employment development and the accommodation in the industrial and business sectors up to 2016;
- Determine the likely demand for available employment and business land and premises within the Borough up to the end of the forthcoming LDF period;
- Establish the appropriate property mix required in order to meet the needs of existing businesses and potential occupiers where possible; and
- Examine how the existing and potential stock of premises / workspace can provide opportunities for enterprise and employment which reflect the employment potential and skill base of Hammersmith and Fulham residents.

1.2 This report sets out the key findings of our research. It is supported by a set of technical appendices which set out the detailed results of each key strand of research.

1.3 Our research has been conducted in accordance with the recently issued Guidance Notes by ODPM on Employment Land Reviews.

1.4 This report is structured as follows:

- Section 2 summarises the current and emerging national, regional and local policy context of particular relevance to employment land and related issues in Hammersmith & Fulham and London. Appendix B provides a detailed assessment of these policies and strategies.

- Section 3 sets out our assessment of business needs and characteristics in the Borough which includes estimates of future employment floorspace requirements. Appendices C, D and E provide the detailed findings which undermine our overall assessment of demand which includes:

  a) an economic profile of the Borough;

  b) results of an empirical and statistically significant survey of 250 established businesses in the Borough;

  c) an assessment of property market trends and characteristics; and

  d) forecasts of future employment and floorspace requirements.

- Section 4 provides a review of existing employment land and premises supply in the Borough. Appendices F and G set out the detailed site appraisal findings).

- Section 5 puts forward our conclusions and policy recommendations.

2. POLICY CONTEXT

INTRODUCTION

2.1 This section provides a summary of the key issues arising from our appraisal of planning and economic development policies and strategies relevant to this study. Appendix B sets out our detailed appraisal of the policy context.

2.2 The primary purpose of this section is to identify and examine the main strategic policy drivers which:

- determine the requirement for local authorities to assess employment land and premises needs in urban and rural areas;
- define the regional and sub-regional objectives to which Hammersmith and Fulham Council should contribute in the development of its emerging employment land policies; and
- highlight the key local economic, social and regeneration objectives and initiatives which should be complemented by emerging employment land policies.

NATIONAL POLICY

Assessment of Employment Land

2.3 In January 2005, the ODPM introduced new paragraph 42(a) to PPG3. It highlights that local planning authorities should consider favourably planning applications for housing or mixed use developments which concern land allocated for industrial or commercial use unless:

'it can be demonstrated, preferably through an up-to-date review of employment land, that there is a realistic prospect of the allocation being taken up for its stated use in the plan period…'

2.4 Clearly, the amendment to PPG3 highlights the importance of undertaking robust employment land assessments to ensure that land allocated for employment is suitable for this use. For sites where this in not the case, consideration should be given to the potential for transfer to other uses, particularly residential and mixed use development. Accordingly, this report provides a comprehensive assessment of key employment sites and allocations in Hammersmith and Fulham.

2.5 Other emerging planning policy guidance highlights the need for positive planning for economic development. For example, research conducted on behalf of the ODPM[3] identified the importance of:

- Ensuring better integration between the planning system and wider economic strategies, programmes and initiatives;
- Local authorities undertaking regular reviews of demand for and supply of employment land sites and allocations (in accordance with PPG3 para 42(a));
- Adopting a robust criteria-based approach to support policies aimed at safeguarding employment land; and
- Where appropriate, identify sites for specific activities and types of organisations (e.g. small firms) where this is consistent with economic and regeneration priorities for the area.

2.6 Building on the recommendations of the above research, the ODPM recently has issued guidance notes on methods for undertaking employment land reviews[4]. The guide is particularly aimed at helping authorities assess the suitability of sites for employment development, safeguarding the best sites in the face of competition from other higher value uses and help identify those which are no longer suitable for employment development which should be made available for other uses.

[3] Planning for Economic Development (ODPM, 2004).
[4] Employment Land Review: Guidance Notes (ODPM, 2004)

2.7 The guide identifies a three step process in undertaking employment land reviews:

- Stage 1 – Taking stock of the existing situation, including an initial assessment of 'fitness for purpose' of existing allocated employment sites;
- Stage 2 – Creating a picture of future requirements by using a variety of means to assess the scale and nature of likely demand for employment land and the available supply in quantitative terms[5];
- Stage 3 – Identifying a 'new' portfolio of sites through a more detailed review of site supply and quality and identify and designate specific new employment sites in order to create a balanced local employment land portfolio.

2.8 Appendix B provides a comprehensive summary of each stage for conducting employment land reviews. The methodology adopted for this project is consistent with the guidance notes.

REGIONAL POLICY

London Plan

2.9 Policy 3B.1 of the London Plan highlights the importance of local authorities providing '*a range of premises of different types, sizes and costs to meet the needs of different sectors of the economy and firms of different types and sizes and to remove supply blockages for key sectors*.' However, it also states that employment land that is '*no longer needed in its current use*' should be considered for release to other uses.

2.10 In seeking to safeguard strategic industrial sites, the London Plan (Policy 3B.5) emphasises the need for London Boroughs to designate and protect Strategic Employment Locations (SELs) for employment uses: Within Hammersmith and Fulham, Park Royal (part) and Wood Lane (part) is identified as an SEL. The Plan also supports the potential for significant employment generating activities in the Opportunity Areas of White City and

[5] Assessment methods identified include economic forecasting, consideration of recent trends and/or assessment of local property market conditions).

Park Royal. Willesden Junction is identified as an Area for Intensification which encourages higher density development for mainly employment uses.

2.11 The London Plan stresses the need for Boroughs to have particular regard to the needs of SMEs (Policy 3B.2), clusters of creative industries (Policy 3B.9) and areas which display high levels of deprivation (Policy 2A.4).

Draft Supplementary Planning Guidance (Industrial and Housing Capacity)

2.12 Over the last two years, the Mayor has issued draft SPG on both industrial capacity (Sept 2003) and housing provision (December 2004). Supplementing the London Plan, the former aims to:

- Ensure that there is an adequate stock of industrial employment capacity to meet the future needs of different types of industry in different parts of London, including that for good quality and affordable space; and

- Plan, monitor and manage the release of '*genuinely surplus*' industrial land so that it can better contribute to strategic and local planning objectives.

2.13 Both draft SPGs identify the need to make efficient use of land but highlight the need for Boroughs to designate and safeguard '*locally significant industrial sites*' which lie outside the SEL framework. The draft SPG on Industrial Capacity sets out guidelines on the criteria which should be used during employment land reviews to identify and test the robustness of sites which are considered locally significant. These criteria are similar to those set out in the ODPM's guidance notes on Employment Land Reviews and are summarised in Appendix B of this report. The employment land and premises appraisal conducted as part of this project is consistent with the draft SPG criteria.

2.14 The draft SPGs encourage local authorities to consider the appropriateness of selective mixed-use development where it will support the central policy aim of ensuring an adequate stock of industrial employment capacity and the wider objective of making better and more efficient use of land.

2.15 Whilst the draft SPGs indicate that London can release approximately 50ha of industrial land to other uses in the period up to 2016, it is stressed that there will be sub-regional differences in the demand for and supply of industrial space. Hammersmith and Fulham is the only borough in West London classified for '*restricted transfer*'.

2.16 In addition to recent policy guidance issued by the Mayor, the GLA has commissioned important research projects to inform office and industrial policy development. Reviewed in Appendix B, these include:

- Industrial and Warehousing Land Demand in London (August, 2004); and

- London Office Policy Review (August 2004).

2.17 The former sets out findings which supports the previous estimate that London has the capacity to release approximately 50ha per annum of industrial land to other uses. However, it recognises geographical variations in the balance between supply and demand and states that:

'…the high and rising pressure of [industrial and warehousing] demand in large areas of London suggests that, in these areas, there is a risk that the reduction in planned supply may run ahead of the reduction in market demand – so that the shift to other uses drives the contraction of industry and warehousing, rather than responding to it' (para 11, Executive Summary).

2.18 In Hammersmith and Fulham, once allowance have been made for land already lost or committed for transfer to other uses, the report indicates that industrial and warehousing land vacancies are particularly low whilst demand indicators are healthy. Consequently, the report implies that:

- Only a relatively small amount of industrial land can be transferred to other uses in the West sub-region. Indicators in Hammersmith and Fulham support the Borough classification within the restricted category;

- The extent to which Hammersmith and Fulham (and other Boroughs) can transfer industrial land to other uses will depend on the scale of industrial decline and the existing capacity for transfer arising from vacant industrial land and premises;

- Sufficient industrial land should be safeguarded for 'churn and intensification' to combat physical decay and to meet changing occupier requirements.

2.19 The London Office Policy Review highlights the growing importance of Hammersmith Town Centre as a location for major offices. The research compares the projections of office demand with estimates of existing planning commitments for office development. Table 2.1 indicates that there is sufficient pipeline office development capacity in Hammersmith and Fulham to accommodate future demand up to 2016. However, the analysis does not distinguish between different segments of the office market, particularly the differences between the needs of large occupiers of prime space and those of small businesses serving local communities.

Table 2.1 – LOPR Projections of Office Demand and Supply 2001-16

Area	Projected Office Demand (sqft)	Office Commitments (sqft)
West Sub-Region	10.5 mill	9.6 mill
LB Hammersmith & Fulham	2.02 mill	2.45 mill

Source: London Policy Office Review, GLA, August 2004

LOCAL POLICY

2.20 Appendix B provides a review of key sub-regional, local policy and research documents. This includes:

- West London Economic Development Strategy;
- LBHF Neighbourhood Renewal Strategy;
- LBHF UDP;
- SRB3 White City / SRB 5 Bridging the Divides;
- Media Workspace Infrastructure Project;
- North Hammersmith Employment Zones Study;
- Park Royal Partnership Strategy;

- North Fulham New Deal for Communities Strategy; and

- White City Opportunity Area – A Framework for Development.

KEY MESSAGES

2.21 The key messages for the development of the Hammersmith and Fulham LDF arising from the policy appraisal are as follows:

(i) National and regional policy guidance requires local authorities to undertake an assessment of existing and allocated employment land sites using a criteria-based approach. The aim of the assessments is to promote positive planning, ensure that existing and allocated sites are suitable for employment use and, where not suitable and/or 'genuinely surplus', to highlight options for transfer to other uses.

(ii) The London Plan and draft Supplementary Planning Guidance highlight the need for London Boroughs to identify Strategic Employment Locations (SELs) and locally important industrial sites and to develop appropriate policies to safeguard them for employment use. The GLA advocates the application of the criteria-based approach to identify site suitable for safeguarding.

(iii) The London Plan, West London Economic Development Strategy and LBHF UDP highlight the importance of adopting policies which cater for the needs of SMEs, including creative and cultural industries. Employment land policies should also have particular regard to the needs of regeneration areas and communities subject to high levels of deprivation.

(iv) Research undertaken on behalf of the GLA indicates that the scope for loss of industrial and warehousing land in Hammersmith and Fulham is limited. This reflects relatively strong demand conditions coupled with low vacancy levels. However, the London Office Policy Review indicates that existing planning commitments for major offices is sufficient to meet projected demand in the period up to 2016. However, consideration needs to be given to the extent to which the potential supply is suited to needs of businesses in the Borough.

(v) The LBHF UDP identifies 10 Employment Zones which are designated primarily for the development of B uses. UDP policies to protect employment land within and outside Employment Zones are strong and include detailed criteria to control the release of land to other uses.

3. BUSINESS NEEDS AND FUTURE DEMAND

INTRODUCTION

3.1 This Section provides a review of existing and future business needs in Hammersmith and Fulham. The assessment follows the ODPM guidance notes on employment land reviews which advocates a range of research tools to inform estimates of future demand rather than relying solely on a single methodology.

3.2 The demand assessment set out in this Section has drawn on three key strands of analysis:

(i) Key findings of the socio-economic profile and property appraisal (Appendix C);

(ii) Employment forecasts converted to quantitative estimates of floorspace demand; and

(iii) Key findings of the empirical business survey conducted in respect of employment floorspace demand arising from existing B use-class business located in Hammersmith and Fulham (Appendices D and E).

ECONOMIC APPRAISAL

3.3 The detailed assessment of socio-economic conditions (Appendix B) highlights the following key findings in respect of existing and potential future employment demand in the Borough.

Employment Growth

3.4 Workplace employment has grown significantly in Hammersmith and Fulham over the last 5 five years, rising to around 105,000 jobs in 2003[6]. Indeed, the rate of growth has been substantially higher than that recorded for both London and GB as a whole.

3.5 A large proportion of the growth has taken place in the business and professional services, retail and other services which reflects, in part, the role of Hammersmith Town Centre as a major sub-regional office and services centre. Unlike other parts of London, manufacturing employment has also increased during the period 1993-2003, which largely reflects the growth of the publishing, printing and reproduction of recorded media sector which is included within the definition of manufacturing. However, excluding the publishing industry, industrial employment in the Borough in 2003 accounted for only 4.1% of total employment compared to 5.8% in London as a whole. Warehousing employment is also relatively low, accounting for 4.4% of total employment in the Borough.

B Use Class Employment

3.6 Total employment within B use class occupying businesses was estimated to be approximately 65,900 in 2003, representing 63% of total employment (see Appendix A for assumptions). Appendix C shows that a high proportion of this employment is concentrated in business and professional service activities.

Workforce

3.7 At 77.6%, economic activity rates in Hammersmith and Fulham are marginally higher than the London (75.9%) and national (75.3%) rates respectively. Using the claimant count / job seekers allowance count, unemployment rates in mid-2005 were lower in Hammersmith and Fulham (3.1%) compared to London (3.3%) but slightly higher than the GB average (2.3%).

[6] The employment and business establishments analyses set out in this Appendix are based on data provided by the Annual Business Inquiry (ONS) and exclude self-employment. This data is not directly comparable with 2001 workplace data provided by the 2001 Census which implies a lower count of employment. However, the ABI data provides the main source of up-to-date workplace data and is consistent with estimates of employment set out in the GLA Interim Borough Level Employment Projections (draft, Current Issues Note 4, 2005).

3.8 Average weekly wages in Hammersmith and Fulham are significantly higher than the national averages, but slightly lower than the London averages (see Table C.14 in Appendix C). Given the concentration of major office occupiers in Hammersmith, average wages for managers and professionals are close to the London average for these occupations.

3.9 The Hammersmith and Fulham population is particularly well qualified with over 45% with Level 4 or 5 qualifications compared to 31% in London as a whole (see Table C.16 in Appendix C). Approximately 18% of the resident population have no qualifications compared to 24% in London.

Business Structure

3.10 Around 45% of the 11,100 business units in the Borough are concentrated in the banking, finance and insurance sector (Table C.17). This sector includes 'other business services' which incorporates activities such as professional services, management consultancy, software consultancy, advertising and labour recruitment.

3.11 In 2003, the number of businesses employing up to 10 people accounted for nearly 89% if all businesses in the Borough (compared to 86% in London). The rapid expansion of small businesses in the Borough reflects wider regional and national economic trends and will be an important factor in developing new land-use planning policies in the forthcoming LDF. In contrast, the Borough remains an important location for a range of large employers, particularly in financial and business services sector (Table C.23).

Enterprise

3.12 Net changes in VAT registrations demonstrate that Hammersmith and Fulham has a relatively strong culture of enterprise (see Tables C.24 to C.26). This is reinforced by a high level of self-employment which accounts for around 16.5% in the Borough compared to 14.9% in London.

Deprivation

3.13 Overall, Hammersmith and Fulham is ranked as the 14^{th} most deprived of the 33 boroughs in London (Table C.27). Despite being classified in the middle ranks of London's spectrum of deprivation, this conceals the extent to which disadvantage is concentrated in a number of communities. These include:

Willesden / Old Oak Common; Wormholt and White City; Shepherd's Bush town centre; and Hammersmith Town Centre.

PROPERTY APPRAISAL

Office Property Market

3.14 Hammersmith Town Centre has grown significantly over the last two decades as a major sub-regional office centre. The total office stock in the Borough amounts to 1.154 million sqm, a high proportion of which is located in Hammersmith Town Centre[7].

3.15 Most office units in the Borough are small, with 41% of all office establishments occupying less than 100 sqm. However, only 1% of office establishments are accommodated in buildings with floorspace of over 10,000 sqm but together account for 26% of total supply. Consequently, in planning for future needs it is important for the LDF to ensure that supply meets the changing needs of occupiers including small businesses.

3.16 Business services is the largest sector occupying office floorspace in the Borough and has increased its use of space by 35% since 1992. The average size of unit required by business services establishments has declined from 337 sqm in 1992 to 290 sqm in 2002/03. This demonstrates the importance of ensuring an adequate provision of small offices for growing sectors. Other key sectors occupying offices include media, and HQs of manufacturing and oil companies. The public sector has significantly reduced its use of office floorspace over the last 10 years.

3.17 Despite vacant offices amounting to approximately 168,000 sqm. in 2002/03, 37% of the vacant space was accounted for by two buildings: one of these buildings was being refurbished and extended at the time of survey (indeed, many of the other smaller buildings recorded as vacant were also being refurbished at the time of survey).

3.18 Nearly 50% of total vacant floorspace was concentrated in buildings with over 10,000 sqm (4 buildings). Conversely, the high demand from small businesses is reflected by the fact that only 8% of floorspace in

[7] LBHF – Land Use Survey 2002/03.

establishments with less that 100 sqm was vacant. This represents an efficient, frictional rate of vacancy.

Industrial Stock and Vacancies

3.19 The Borough has approximately 168,000 sqm of industrial floorspace, which represents a fall of 34% in the 10 years since 1992. This fall resulted from change of use to higher value uses and the relocation out of the Borough by a number of large occupiers (e.g. British Gas, Dairy Crest, Prestolite Electric).

3.20 Similar to the office market, a high proportion of total stock (52%) is accounted for by small units (with less than 100 sqm floorspace). Conversely, only two establishments occupy in excess of 10,000 sqm, which together account for 31% of total floorspace. Excluding the Prestolite building, only 9% of industrial floorspace was vacant in 2002/03. This indicates that the loss of industrial space to other uses over the last 10 years has resulted in the consolidation of the industrial market which is now operating efficiently in terms of the balance between demand and supply.

Storage Uses

3.21 In 2002/03, total covered storage floorspace in Hammersmith and Fulham amounted to around 254,000 sqm. Over 30% of storage and warehousing establishments occupy less than 100 sqm. Conversely, three establishments accounted for 35% of total floorspace. At 9%, vacancy rates are low in the Hammersmith and Fulham warehousing market.

Employment Zones

3.22 A summary of key commercial and industrial property characteristics of the 10 Employment Zones in the Borough is provided in Table X in Appendix C. This shows that significant restructuring of the property offer has taken place in the Zones over the last 10 years. These trends include: the loss of some industrial premises to other uses; refurbishment of office, industrial and warehousing accommodation in various locations; and an increase in the supply of offices, particularly small units. The Employment Zones perform a range of different roles which is central to the Borough maintaining a diversified local economic base.

Current Availability of Premises[8]

3.23 Our analysis of the West London Business premises database estimates that approximately 654,000 sq.ft (65,000 sqm.) of vacant office floorspace is on the market in Hammersmith and Fulham. This is a significantly larger amount than vacancies for industrial and warehousing floorspace, which is estimated to be 35,200 sq.ft (35,000 sqm.). Most of the office vacancies are concentrated in relatively large units in Hammersmith, Shepherd's Bush and West Kensington although a significant number of smaller units are on the market in Fulham. The majority of industrial and warehousing floorspace is concentrated in Fulham (SW6).

3.24 Overall there are around 104 vacant office premises on the market compared to 14 vacant industrial and warehousing units. This reflects the relatively tight market conditions in the Hammersmith and Fulham industrial / warehousing market following the transfer of industrial land to other uses and the relocation of large industrial sites out of the Borough over the last decade.

3.25 The average asking price for vacant office floorspace on the market was £24.82 / sq.ft in 2005 and £12.95 / sq.ft for industry and warehousing.

B1 / Office Commitments

3.26 Appendix C shows that development monitoring systems held by LBHF indicate that nearly 600,000 sqm. of B1 floorspace has been completed in the Borough in the 29 year period between 1973 and 2002 (excluding development less than 300 sqm). Of this, approximately 337,000 sqm was developed between 1987 and 2002. The longer term trend (1973-02) implies an annual average take-up rate of 20,500 sqm / per annum (gross) whilst the shorter term trend (87-02) implies a higher take-up rate of 25,100 sqm / per annum (gross).

3.27 Whilst central parts of the Borough (including Hammersmith Town Centre) have accounted for the largest proportion of B1 completions, other parts of the Borough have increased their role in accommodating office development (including Sands End, Fulham Broadway, North End and Fulham Reach).

[8] It should be noted that the WLB register does not contain 100% of industrial and commercial property on the market at any one time. In addition, it should be highlighted that some property on the market are not always vacant and ready for occupation as premises may be advertised in advance of becoming vacant (e.g. before business relocations or during refurbishment).

3.28 It was highlighted in Section 2 and Appendix B that the LOPR implies that planning commitments in Hammersmith and Fulham (245,000 sqm) is sufficient to meet office occupier demand (202,000 sqm.) to 2016. Whilst there may be theoretical capacity to meet office requirements, it is important to ask the question:

- *Does this provide sufficient choice in terms of type, location, quality and cost for key sectors and different market segments ?*

3.29 A significant proportion of new office schemes, planning commitments and current vacancies comprise the provision of prime office space with relatively large floorplates. These will serve primarily the inward investment market including national and international head quarters and high value service functions. For example, the LOPR highlighted that nearly 50% of the office commitments in Hammersmith and Fulham was contained within the later phases of the Hammersmith Embankment (as at end 2003).

3.30 Whilst these high profile developments will seek to serve relatively high value occupiers seeking a strategic location with good access to Central London, Heathrow and a large labour market, they are not appropriate for many small businesses, particularly those serving local communities and businesses. In addition, Hammersmith and Fulham is characterised by a diverse range of business types and economic sectors. Many of the small businesses operating in niche markets (e.g. media and creative industries) have specific requirements that cannot always be met by large scale developments. Indeed, many may require a significant component of light industrial workspace or storage floorspace. Our analysis of socio-economic conditions highlights the dominance of small and micro companies to the local business base in Hammersmith and Fulham. It is critical that local employment land policies facilitate a diverse and flexible property market in order to respond to the needs of all B use class occupiers in the Borough.

Property Market Indicators

3.31 Drawing on evidence provided by local property agents[9] and GLA research, Table 3.1 provides a summary of key property market indicators for Hammersmith and Fulham. It indicates that residential values exceeds offices in all locations in the Borough which highlights the pressure for employment

[9] Cushman & Wakefield Healey & Baker; Donaldsons; Cowan & Futter; Hardings Surveyors.

land to be redeveloped for housing even when sites are suitable and viable for employment purposes. Consequently, it is appropriate for the LBHF to take a strong approach to ensuring that the stock of key employment sites is not substantially diminished by this process. At the same time, it is important that the qualitative needs of modern industrial and business occupiers are provided for by proactive economic development policies.

Table 3.1 - Local Property Market Conditions within Hammersmith & Fulham

Location in H&F	Residential (Cap Value £/sq.ft)	Retail (Zone A £/sq.ft)	Offices Rent & Cap Value £/sq.ft	Industrial
Sands End	£600-650	£25 (Imperial Wharf)	£20-25 £250-325 @7.5%	£12-£14
Fulham	£500-550	£100 (Fulham Broadway)	£15-20 £200-250 @ 7.5%	N/A
Hammersmith Centre	£450-500	£100 (Kings Street)	£25-30 £325-375 @ 7.5%	N/A
Shepherds Bush	£350-400	£70 (Shepherds Bush Green)	£15-20 £200-250 @ 7.5%	£9-12
White City	£350-400	N/A	£15-20 £200-250 @ 7.5%	£9-12

Source: London Policy Office Review (LOPR) & Mixed Use Development and Affordable Housing, GLA 2004 / Local Property Agents including Cushman & Wakefield Healey & Baker; Donaldsons; Cowan & Futter; Hardings Surveyors.

Property Conclusions

3.32 Our strategic review of property market conditions in Hammersmith and Fulham raises a number of important conclusions which are pertinent to local and strategic employment land policies which impact on the Borough. These relate primarily to two key issues, namely:

- Scope for industrial land release;
- Capacity for small businesses and niche sectors;

Scope for Industrial Land Release

3.33 It was highlighted in Section 2 (and Appendix B) that the draft SPG on Industrial Land Capacity places Hammersmith & Fulham in the Restricted Transfer category. In addition, GLA commissioned research supports the estimate that London can accommodate the release of 50 ha per annum of industrial land without squeezing out the industrial and warehousing demand.

It is concluded that the release of 50 ha per year in London is made up of two equal components:

- A fall in occupied land because of continuing industrial decline; and
- A fall in the existing total of vacant land to bring it in line with the minimum required for proper operation on the market.

3.34 Reinforcing the draft SPG's placing of Hammersmith & Fulham in the Restricted Transfer category, economic and property market indicators suggest that there is little capacity to lose employment land to other uses:

- Firstly, ongoing industrial restructuring (particularly in the manufacturing sector) in unlikely to result in a significant decline in demand for employment land and floor space. Industrial employment is already very low in the Borough and the jobs and property market appear to be operating efficiently. Consequently, there is minimal scope to release employment land on the industrial restructuring argument.
- Secondly, in some industrial and warehousing sub-sectors, employment demand has increased over the last decade and may continue to do so over the next 10 years (e.g. wholesale).
- Thirdly, local property market indicators suggest that industrial and warehousing vacancy rates are relatively low in Hammersmith & Fulham (particularly for land), particularly since a significant amount of industrial land has been lost to other uses over the past decade. This indicates that there is limited surplus capacity in the industrial property market.

3.35 Of fundamental importance to assessing the degree to which Hammersmith and Fulham has the capacity to release industrial land to other uses will depend on the extent to which existing qualitative deficiencies in elements of the stock of employment land and premises can be overcome by appropriate investment to meet market demand without undermining commercial viability.

Capacity for Small Businesses and Niche Sectors

3.36 It was highlighted above that one needs to cautious when interpreting the scale of office floorspace commitments when assessing capacity for meeting the needs of occupiers. Central to this is the need to recognise the diversity of the local business base and the variety of markets in which local companies operate. Whilst a significant scale of office commitments are available for development in the Borough, these are aimed primarily at prime office occupiers and international investors.

3.37 In contributing to the economic growth of London and developing one of the Borough’s role as a strategic office location close to Central London, it is important that a relatively large amount of potential prime office supply is available in accessible locations. It is critical that this potential supply is reviewed regularly in light of national and international market trends. Indeed, this may require the granting of new office permissions of appropriate quality and location.

3.38 Despite the current overhang of office permissions from the dampened market conditions of the period 2001-2003, this supply largely does not meet the needs of an increasingly significant component of local businesses in Hammersmith and Fulham. Exacerbated by growing differentials between residential and commercial/industrial land values, the key gaps in local provision include:

- Small service-based businesses serving local communities;

- Niche sectors requiring flexible and affordable premises (e.g media and creative industries);

- New and young businesses seeking affordable small offices and/or workspace with favourable lease or licence conditions.

3.39 Consequently, it is essential that employment land policies are sufficiently flexible and proactive to meet the diverse requirements of the local business and industrial base.

3.40 Further evidence to support the need for accommodating the diverse range of demand, particularly that of small businesses, is provided by the finding of the Hammersmith and Fulham business survey (see below).

FUTURE NEED AND DEMAND

3.41 This sub-section sets our quantitative forecasts of workplace employment in Hammersmith & Fulham in the period up to 2016. These are derived from a series of econometric and trend-based scenarios for the local Hammersmith and Fulham economy. Based on our forecasts of employment change, this Section also sets out our estimates future demand for employment floor space and land which are derived from the employment forecasts.

3.42 Our economic and employment land scenarios are set in the context of recent forecasts prepared on behalf of, and published by the GLA / Mayor of London. In testing the robustness of our estimates of future employment land and premises requirements, these are assessed in light of empirical evidence provided by the results of the Hammersmith and Fulham business survey and long term trends in the take-up of commercial property in Hammersmith and Fulham.

Hammersmith and Fulham Business Survey

3.43 Appendices D and E set out the detailed findings of the survey of 250 established businesses in Hammersmith and Fulham occupying B use class premises. Below is a summary of the key findings which are most pertinent to informing the future employment land and premises policies to be developed in the Hammersmith and Fulham LDF.

Local Linkages

3.44 The business survey showed that a large proportion of staff employed by respondent firms live within the Borough and surrounding areas (i.e. within 5 miles of the place of work): approximately 68% of businesses stated that at least some of their workforce live within the Borough, whilst 31% stated that the majority of their employees live within 5 miles. Similarly, 34% of businesses highlighted that they used suppliers based in the Borough. Moreover, 45% stated that their business involved serving customers based in Hammersmith and Fulham. These findings indicate that a significant proportion of businesses in the Borough serve relatively local markets and are well integrated within the local economy.

Expansion and Relocation Plans

3.45 Approximately one third of respondents (32%) of respondents highlighted that they are expecting to expand during the next five years, 81.3% of which intend to expand through the employment of new staff. The majority of firms planning to take on staff (32%) expect to employ between one and four additional members of full time staff. Fewer firms expect to take on any part time staff; only 12% have firm plans to employ any such workers.

3.46 Of those firms planning to expand, around 58% expect to require additional floor space. Only a small proportion of firms seeking to expand physically considered that their needs could be accommodated through the extension or redevelopment of their existing premises.

3.47 Based on the collective responses of those firms which indicated their intentions or need to expand, this amounts to 70,438 sq.ft (7,000 sqm) for the sample population. Extrapolated to represent the universe population (the Borough's B Class business base), this amounts to approximately 2.15 million sq.ft (215,000 sqm).

3.48 It is important to highlight that the business survey expansion plans reflect only those of existing businesses in the Borough and do not measure demand from inward investors (which historically has been substantial in Hammersmith). Moreover, the business survey is likely to provide an indication of short to medium term demand for additional floorspace and will not provide a complete picture of demand for the forecasting period up to 2016 (see below).

3.49 Approximately 25% of businesses which took part in the survey have considered relocating from their current premises: 34% of these firms wish to relocate within Hammersmith and Fulham or the surrounding area and a further 22.6% wish to relocate to another location in London. Firms considering relocation would prefer to relocate to a mixed use area (45.2%) and 9.7% of firms wished to relocate to a dedicated industrial area.

3.50 Of those firms who wish to relocate from their existing premises, 20% require premises up to 500 sq.ft. and 17% require premises between 500-1000 sq.ft.

Around 34% of firms with expansion plans consider that the premises that they require are available in the London Borough of Hammersmith and Fulham. The main reasons for considering relocation were that the existing premises were too small (47%). Other key factors included high rental levels (26%), high business rates (26%) and lack of car parking (24%).

Perceptions of Hammersmith and Fulham as a business location

3.51 Generally respondents regard Hammersmith and Fulham as a good business location. Over half of respondents (69%) held this view. Key reasons which supported these perceptions included: good networks of contacts; local customer base and good public transport.

3.52 The lack of convenient car parking provision was the main reason given as to why Hammersmith and Fulham is considered a poor business location by half of respondents. Other key factors included high rents and high business rates.

3.53 The majority of respondents believe that Hammersmith and Fulham Borough Council could in some way help businesses operate more effectively. Amenity improvements were seen by many respondents as being important as were policies to improve the provision of local car parking.

Employment Forecasts

GLA Population and Employment Forecasts

3.54 A range of population, household and employment forecasts have been undertaken on behalf of the GLA. These have provided an input to the London Plan. The results of these forecasts, which were updated in 2005, are summarised in Table 3.2 below.

3.55 Table 3.2 indicates that the average employment growth in London between 2001 and 2016 is expected to be approximately 0.74% per annum[10]. This compares to the previous forecasts of 0.93% per annum[11].

3.56 Reflecting the Plan's emphasis on shifting a proportion of employment demand from west to east, the forecast for the West London sub-region is

[10] GLA Working Paper 11, November 2004.

lower than the London average. This is also the case for population and household forecasts.

Table 3.2 - GLA Population and Economic Forecasts

Indicative Forecast	2001-2016	Source
London Employment %	11%	GLA Working Paper 11
London Employment % pa	0.74%	GLA Interim Projections, 2005
West Sub-Region Employment %	8%	"
West Sub-Region Employment %pa	0.53%	"
*H&F Employment (2001-2016)	28,000	"
*H&F Employment %	21.8%	"
*H& F Employment %pa	1.46%	"
Office growth West Sub-Region	1.1m sqm.	"
Office growth in H&F	0.2m sqm	LPOR, 2004
Population London %	10%	SDS Technical Report 5
Population H&F %	8.6%	"
Households London %	10%	"
Households West Sub-Region %	8.6%	"
Households H&F %	6.3%	"
Population H&F ('000)	10.4	"
Households H&F ('000)	4.9	"

Source: GLA - Various (see Table)
*70:30 Scenario – Disaggregation of Volterra employment forecast for London to borough and ward level which were weighted 70% in terms of local development proposals in the supply pipeline and 30% by existing employment/economic structure).

3.57 Employment projections were issued in draft by the GLA in 2005 which provide a borough-wide distribution of employment change for the period 2001 to 2016. These represent an update of the borough level forecasts provided by Roger Tym and Partners set out SDS Technical Report 21 (GLA, 2002). Whilst the London-wide and West sub-region forecasts have been revised downwards since 1992, the opposite is the case for Hammersmith and Fulham. Indeed, the projection indicate that the Borough will experience a rate of employment growth which is significantly higher than both London and the West London sub-region: 1.45% per annum compared to 0.74% in London and 0.53% in the sub-region. The growth forecast for Hammersmith

[11] GLA, Technical Report 8, 2002

and Fulham represents an increase of 28,000 local jobs compared to the 23,000 jobs forecast in 2002.

3.58 The borough forecasts reflect the distribution of a single fixed forecast for London (499,000) over the period 2001 to 2016. Moreover, the London forecast is constrained by the assumption that the economy will grow by 2.5% per annum (in terms of output / GDP). A series of scenarios were produced which tested variations in the balance between the existing economic structure of boroughs (demand) and the supply pipeline of employment generating development commitments (supply). The GLA preferred the scenario of forecasts being weighted 70% in favour of the development supply pipeline and 30% for structural economic factors.

3.59 Table 3.2 also highlights that the London Plan estimates that increasing office employment in West London will lead to the potential requirement for an additional 1.1 million square metres of office accommodation. Given the scale of employment growth anticipated for Hammersmith and Fulham relative to other boroughs in the sub-region, it is inferred that the Borough will need to provide for a significant proportion of additional office accommodation. The LOPR estimates that demand for office floorspace in Hammersmith and Fulham will amount to approximately 200,000 sqm. in the period 2001 to 2016. As highlighted in Appendix B, the LOPR identified a similar amount of office floorspace which could be yielded from existing planning commitments.

Future Employment Demand

3.60 We have prepared a series of economic forecasts for the London Borough of Hammersmith & Fulham for the period 2001 to 2016. Forecasts have been prepared using four distinct techniques which conform to latest guidance from ODPM on employment land review. The techniques are:

- Firstly, the extrapolation of historical trends in sectoral employment over the forecasting period. This technique provides an estimate of the future growth of the sectors represented in the Hammersmith and Fulham economy based upon the historical performance of each sector. The starting point in history for the trend analysis has a significant impact on the outcome of the modelling process. In order to provide a range of outcomes, two historical time periods have been considered, 1984 to 2003 and 1994 to 2003. The longer historical time period is similar to that used by Volterra in undertaking the employment forecasts for the London Plan and covers a period in history which included significant downturns in the London and UK economy. The shorter time period reflects the rapidly changing nature of the economy of Hammersmith and Fulham under the relatively stable macro-economic conditions of the last 10 years. The difference between this approach and the approach in SDS Technical 21 is that the projected performance of the Hammersmith and Fulham economy is not constrained to a overall control total set for the performance of London as a whole. On this basis it is anticipated that the outcomes of this exercise would be higher that the outcomes of the SDS Technical Report.

- Secondly, a more complex economic model of the economy has been prepared which relates changes in the working age population to changes in employment, labour force and unemployment. This is effectively a labour supply constrained model of the economy which limits the growth in employment to the availability of labour within the local area. The core of this modelling approach consists of three equations which relate population growth to a time trend, employment in Hammersmith and Fulham to London GDP in real terms, and London GDP to the rate of growth in population. To ensure consistency with the supply side constraints the relationship between growth in population and growth in GDP is held constant. The long run relationships that summarise this model are:

$$\log X_t = \alpha_X + \beta_X \log Y_t + \delta_X time + \varepsilon_{X,t} \qquad \text{(A)}$$

$$\log Y_t = \alpha_Y + \beta_Y \log P_t + \delta_Y time + \varepsilon_{Y,t} \qquad \text{(B)}$$

$$\log \Delta P_t = \alpha_{P,1} + \sum_{j=1}^{7} \beta_{P,j} \Delta \log P_{t-j} + \delta_P time + \varepsilon_{P,t} \qquad \text{(C)}$$

where X is employment in Hammersmith and Fulham (from the Annual Business Inquiry), Y is London GDP (at constant prices), and P is working age population in London. This approach differs from the first technique as it limits growth to changes in labour supply and the outcomes are anticipated to be lower than those experienced in the trend based analysis (see Tables 3.3 and 3.4).

- Thirdly, similar to the first technique of extrapolating historical trends of employment over the forecast period the long term trends in the take-up of commercial property in Hammersmith and Fulham have been extrapolated over the forecast period.

- Finally, the business survey undertaken as part of this commission collated information on the future expansion plans of a representative sample of business in Hammersmith and Fulham. This information has been aggregated for the survey sample and expanded to reflect the quantified demand for employment land and premises for the population of business in Hammersmith and Fulham. This information reflects the medium term aspirations of the business community for the short to medium term (see above).

Table 3.3 – Econometric Forecast of Employment Change in LBHF by Broad SIC (2001- 2016)

Category	2001-2006	2006-2011	2011-2016	2001-2016
Manufacturing	479	658	621	1759
Construction	70	161	152	383
Distribution, hotels and restaurants	2099	2484	2273	6856
Transport and communications	75	564	526	1165
Banking, finance and insurance, etc	2621	3461	3186	9268
Public administration, education & health	953	1,219	1,003	3,175
Other services	684	1,258	1,452	3394
Total	6,981	9,805	9,213	26,000

Source: Atkins Economics (Nov 2004). Total includes agriculture, energy & water.

Table 3.4 – Econometric Forecast % Annual Average Growth Rates in LBHF (2001 – 2016)

Category	% Growth pa
Manufacturing	1.5
Construction	1.2
Distribution, hotels and restaurants	1.9
Transport and communications	1.1
Banking, finance and insurance, etc	1.9
Public administration, education & health	1.4
Other services	1.0
Total	1.6

Source: Atkins Economics (Nov 2004). Total includes agriculture, energy & water. Manufacturing employment includes office (HQ), industrial and warehousing related employment.

3.61 Overall, our econometric forecasts for Hammersmith and Fulham indicate that total employment (excluding self-employment) will increase by approximately 26,000 over the 15 year period between 2001 and 2016. This compares well with the GLA forecasts and is approximately midway between the 2002 GLA forecasts (23,000) and the latest (interim) forecasts (28,000). Taking into account that our forecasts exclude self-employment, overall they compare most closely to the latest GLA forecasts (which include self-employment). Unlike the GLA forecasts which were constrained by the need to distribute a fixed employment forecast amongst London's 33 boroughs, our forecasts are not controlled at the strategic level.

3.62 In order to compare the forecasts with actual past trends, we have extrapolated historical rates of change for the period 2001 to 2016. For example, if employment change was to occur at the average rate of growth experienced in Hammersmith and Fulham between 1984 and 2003, employment growth in the period 2001-2016 would amount to 30,300 (including self-employment). Should the shorter term trend witnessed between 1994 and 2003 be applied, forecasts of employment growth would exceed 83,000 (including self-employment). Consequently, it is reasonable to state that the forecasts presented in this report compare well with the long term trend in Hammersmith and Fulham. During this 19 year period, the national economy was subject to two full economic cycles of expansion and recession.

Future Demand for B Use Class Employment

3.63 Table 3.5 sets out the expected change in B use class employment (levels) in Hammersmith & Fulham at 5 yearly intervals between 2001 and 2016. Excluding public administration, it is expected that total employment within this use class will increase by almost 19,000 over this period.

Table 3.5 – Broad Category B Use Class Employment Level Changes in Hammersmith & Fulham (2001- 2016)

B Use Category	2001-2006	2006-2011	2011-2016	2001-2016
B-Use Banking, Finance and Insurance	2621	3461	3186	9268
B-Use Construction	70	161	152	383
B-Use Distribution and Wholesale	1286	720	659	2665
B-Use Manufacturing	479	658	621	1759
B-Use Other Services	-69	1825	1721	3477
B-Use Transport and Communications	75	564	526	1165
Total	4461	7390	6866	18717

Source: Atkins Economics (Nov 2004). Excludes public administration occupiers of B use class.

Future Demand for Employment Floorspace

3.64 The scenarios of future employment change by SIC were classified according to assumed B use class occupiers as defined in Appendix A[12]. These were then converted to estimates of employment floorspace by applying standard worker:floorspace ratios as defined for urban areas by English Partnerships in 2002[13].

3.65 Reflecting the results of the forecasting scenarios, we estimate that future gross demand for employment premises in Hammersmith & Fulham will amount to between **250,000 sqm and 350,000 sqm** for the period 2001 to 2016 (includes all B Use Class except public adminstration). The higher scenario reflects employment growth which is unconstrained by supply-side factors and is indicative of the Borough's existing structural characteristics. The lower scenario reflects employment change that is constrained by a range of supply-side factors. It also reflects a gradual rise in employment densities and more intensive use of land and floorspace (including vacant floorspace).

3.66 The final section of this report provides an indicative distribution of our estimates of future requirements in terms of floorspace type and unit size.

3.67 Our estimates of employment floorspace requirements compare conservatively with long term trends in the take-up of B1/office premises in Hammersmith and Fulham. It was shown earlier that, excluding non-office uses, the average rate of take-up in the Borough between 1973 and 2002 amounted to approximately 20,500 sqm. per annum. Applying this to the 15 year period between 2001 and 2016, B1 requirements would amount to 307,500 sq.m. Apply the average rate experienced between 1987 and 2002 (25,100 sq.m. per annum), the requirement rises to 376,500 sq.m.

3.68 It should be noted that the take-up figures for B1 highlighted above reflect gross completions. Projections based on net completion would yield a lower annual rate of take-up given that land and floorspace lost to other uses would be subtracted from the gross B1 completions. However, we consider that that projections of future requirements based on net completions would underestimate demand on the basis that we consider that the scale of loss to

[12] The definition of SICs falling within the B use class used in this report is broader than the proxy used by Roger Tym & Partners in SDS Technical Report 21 (GLA, August 2002).

[13] Offices: 19 sqm / worker; Industry: 29-34 sqm / worker; warehousing: 50 / sqm.

other uses in the future will be significantly lower than that experienced over the last two decades. Nevertheless, it is important to highlight that:

- Our forecasts of future need reflect gross needs which assumes that a significant proportion of demand may be accommodated through the intensification of existing sites and premises allocated for employment use; and

- Even if net take-up is used to estimate future needs, a significant amount of net additional floorspace remains to be provided (approximately 150,000 sqm.).

3.69 In Appendix E of this report, our forecast requirements for employment floorspace are compared with the expansion and relocation plans of the existing business base in the Borough. This provides an empirical means by which to verify our forecasts of floorspace requirements.

3.70 In satisfying this demand, it is important to highlight that an element of new floor space may be accommodated through the redevelopment and/or replacement of existing premises. This will be an essential part of the process of economic diversification which will require premises and workspace to meet modern standards.

3.71 Provision of new office and light industrial premises over the next 15 years will be central to the provision of a wide variety of jobs aimed at the local and regional labour market. The LDF will be essential to ensuring that a balanced approach is taken to facilitating the diversification of the local economy and to preventing the loss of employment opportunities which are very accessible to local communities (particularly the most deprived communities).

4. ASSESSMENT OF EMPLOYMENT LAND SUPPLY

METHODOLOGY

4.1 Employment land within the Borough was identified using two key data sources. The first was the Hammersmith and Fulham UDP which identifies existing Employment Zones and Town Centres. The second source of information was the Council's Land Use Database which includes the location of all businesses in the Borough. B-class uses were plotted on a map in order that the spatial distribution of businesses could be identified including agglomerations of business activities. The initial sample size included a total of 2,925 business premises.

4.2 A sieving process was used to identify employment area "clusters" which represent the most significant agglomerations of B class uses. These were identified using the Council's land use survey and represent almost complete coverage of B-class uses within the Borough other than individual small scale premises which do not adjoin or lie in close proximity to other B-class uses. Where possible the clusters were defined using existing Employment Zone and Town Centre boundaries. Other clusters were defined by identifying concentrations of employment uses (normally at least 3 or more adjoining B-class premises). Cluster boundaries were later verified and refined on site and through analysis of aerial photography. Those business activities operating from residential premises were scoped out of the site appraisal process.

4.3 In total 90 clusters were identified using this process. Of these 21 clusters were identified within existing Defined Employment Zones; eight were identified within defined Town Centres and the remaining 61 were in non-designated employment areas. Two clusters were later discounted from the audit following site appraisal due to a lack of established B-class use and a lack of potential to accommodate such uses. Therefore, a total of 88 clusters are included in the analysis (see Figure 4.1). The cluster boundaries and employment building footprints are shown in Figures G1-G3 (Appendix G). A comprehensive site appraisal was undertaken of each cluster. The main attributes recorded were:

- Planning policy designations;
- Size of Site (ha);
- Existing use including, number of premises, use class and building floor space;
- Occupancy including vacancy levels and site utilisation;
- Property appraisal including the type, age, condition, and quality of premises;
- Appraisal of access and transport issues including external and internal access, and parking arrangements;
- Consideration of land use compatibility issues including consideration of adjacent land uses possible environmental conflicts and amenity issues;
- Environmental condition and quality including landscaping, boundary treatments, screening and sitting out areas;
- Assessment of local amenities and facilities including provision of catering, food and drink outlets, business services etc;
- Consideration of estate image and identity;
- Identification of development constraints; and
- Assessment of potential for future use of the site and opportunities for change.

4.4 The factors used in the appraisal of clusters are consistent with the criteria proposed by the GLA's draft SPG on Industrial Capacity and the findings of the PPG 4 review entitled "Planning for Economic Development" (ODPM, 2004).

4.5 In order to ensure a consistent and robust assessment of the clusters, a site appraisal pro-forma was developed. The 27 question pro-forma incorporated a variety of closed tick-box style questions and open ended questions. Adopting this approach later enabled a mixture of qualitative and quantitative analysis to be undertaken.

4.6 Although many of the employment clusters do contain land uses other than B class uses within their boundaries, including residential and retail, these uses were only considered where they formed part of a building containing employment uses.

4.7 To ensure that reliable and consistent data was collected, a set of pro-forma guidelines was prepared which established how each of the different questions should be completed. A copy of the site survey pro-forma and survey guide used is included within Appendix F. The site surveys were undertaken during October and November 2004 by a team of town planners. For reference purposes a photo was also taken at each employment cluster.

Floorspace Measurement

4.8 At the outset of the study, the intention was to collect a robust dataset for the employment floorspace for every B class use building situated in each of the 90 employment clusters. This information was gained by collecting floorspace data on site.

4.9 All buildings wholly or partly in any B-class or sui-generis use were identified on site and were marked on a plan. Buildings of the same number of storeys and type were grouped together. The number of storeys in each use class were also recorded for each building or building group. Following the site assessments the building footprint of each building was digitised to provide a measurement of the building footprint. A floorspace estimate was then derived for each building by multiplying the building footprint by the number of storeys in each use.

4.10 In order to have a common floorspace measurement it was necessary to covert the gross external area floorspaces into the net lettable area floorspace measurement. The net lettable area measurement is usually used by letting agents of commercial properties, and includes the main workspace but excludes corridors, staircases and toilets.

4.11 In accordance with the guidance on employment densities produced by English Partnerships (2001). The gross floorspace figure for multi-occupancy buildings is typically 15-25% higher than the net lettable floorspace, a 1.25 multiplier was applied to convert the net lettable floorspace measurement into a gross floorspace measurement.

Data entry, checking and verification

4.12 Following the completion of the site appraisal stage of the study, the information obtained from the site surveys was fed into an Access database. The information was then checked and verified for accuracy. In addition to undertaking these tasks, information from the Hammersmith and Fulham UDP and other sources, including policy designations and access to the road network were also added to the database.

4.13 The data was then analysed using Microsoft Access to enable detailed analysis of various issues affecting the 88 employment areas, including information on vacancy rates, the mix of employment floorspace and the range, age and condition of premises found in the employment clusters. Queries were also run to enable analysis on access, parking and environmental issues. The database was also used to help identify the issues relating to the future role of the employment cluster areas (including scope for change and potential development constraints). A series of maps were prepared to illustrate the assessment findings.

Presentation of Results

4.14 This section of the report provides an analysis of the principal issues affecting the surveyed areas and should be read in conjunction with the figures and tables in Appendix G, which contains comprehensive data relating to individual employment areas.

4.15 Summaries are also included to provide an analysis of existing Employment Zones and Town Centres as defined within the Hammersmith and Fulham UDP together with remaining non-designated employment areas classed in this assessment as “Other” sites. Selected UDP designations are shown in Figure 4.2.

LOCATION AND SIZE

4.16 The total area of all the employment areas surveyed amounted to some 424.7 Ha (see Table 4.1 and Table G-2 in Appendix G) which represents a substantial proportion of existing land in Class B uses throughout the Borough. The sites vary in size considerably with the smallest sites at Ravenscourt Square (29) and Humbolt Road (68) comprising 0.2Ha, whilst the largest, Hythe Road Employment Zone West (07) covers 32.4Ha. Some employment areas comprise only a single building and were identified because of their niche role in providing accommodation that meets the needs of business start ups.

4.17 The size of existing employment zones, town centres, and other sites is summarised in Table 4.1. Existing employment zones account for nearly a half of the 424 hectares of employment land contained within the assessment – 200.7 ha. The largest existing employment zone is Hythe Road which accounts for over a third of the total employment land found within existing employment zones at 88.2 ha. The three designated town centres account for 95.5 ha, the largest majority of which is within Shepherds Bush. Other sites account for 128.1 hectares of employment land – over a quarter of the total land area included within the assessment.

Table 4.1 – Size of Existing Employment Areas

Employment Area	Size (ha)
Hythe Road Employment Zone	88.2
Wood Lane Employment Zone	38.0
Richford Street /Shepherd Bush Employment Zone	4.9
Hammersmith Road / Olympia Employment Zone	5.2
Fulham Reach Employment Zone	5.4
Kensington Village and Lillie Bridge Depot Employment Zone	11.6
Seagrave Road/Rickett Street Employment Zone	3.6
Putney Bridge Employment Zone	4.1
Townmead Road / Imperial Road (Sands End) Zone	32.1
Carnwath Road Employment Zone	7.7
Total Employment Zones	**200.7**
Shepherds Bush Town Centre	43.8
Hammersmith Town Centre	35.1
Fulham Town Centre	16.6
Total Town Centres	**95.5**
Other Sites	**128.1**
Total All sites	**424.4**

Source: Atkins Employment Land and Premises Survey 2004

VACANT LAND

4.18 Of the 88 employment areas, 26 contained vacant employment land, which equated to approximately 20.0 hectares (see Table 4.2 and Table G-2 in Appendix G). This represents approximately 4.7% of the gross area of all of the employment areas surveyed (Table G-2, Appendix G). This figure does not represent land exclusively designated for employment development, but also comprises land available for non B-class developments. Land at White City and much of Imperial Wharf for example is not available for development for class B purposes – planning permission has been granted in both areas for mixed use development, the former for significant retail and the latter includes substantial new housing. Consequently, these 'vacant' land parcels are likely to provide a significantly reduced employment function.

4.19 Table 4.2 illustrates the vacant land contained within Employment Zones, Town Centres and Other employment areas. Employment Zones contain a total of some 17.1ha of vacant land, equating to 8.5% of the total area of employment zones. Fulham Reach has the largest proportion of vacant land (38.1%), although this is due to the outstanding phase of the Hammersmith Embrankment office scheme. Townmead Road/Imperial Road contains the largest area of vacant employment land at 9.5 ha (the majority of which is the remaining phases of Imperial Wharf which has planning permission for mixed-use development and is likely to provide only a marginal employment function). The three town centres contain a much lower proportion of vacant employment land at approximately 1.1% of the total area. Other non allocated employment areas have approximately 1.7% of their total area vacant. Much of the vacant land is currently awaiting development for both employment and non-employment activities.

Table 4.2 - Vacant Employment Land in Existing Designated Employment Areas

Employment Area	Size of Site (ha)	Vacant Employment Land (ha)	% Vacant Employment Land
Hythe Road Employment Zone	88.2	2.3	2.6
Wood Lane Employment Zone	38.0	2.6	6.9
Richford Street /Shepherd Bush Employment Zone	4.9	0.0	0.0
Hammersmith Road / Olympia Employment Zone	5.2	0.0	0.0
Fulham Reach Employment Zone	5.4	2.1	38.1
Kensington Village and Lillie Bridge Depot Employment Zone	11.6	0.0	0.0
Seagrave Road/Rickett Street Employment Zone	3.6	0.0	0.0
Putney Bridge Employment Zone	4.1	0.0	0.0
Townmead Road / Imperial Road (Sands End) Zone	32.1	9.5	29.7
Carnwath Road Employment Zone	7.7	0.5	6.4
Total Employment Zones	**200.7**	**17.1**	**8.5**
Shepherds Bush Town Centre	43.8	0.0	0.0
Hammersmith Town Centre	35.1	1.0	2.9
Fulham Town Centre	16.6	0.0	0.0
Total Town Centres	**95.5**	**1.0**	**1.1**
Other Sites	**128.1**	**1.9**	**1.7**
Total All sites	**424.4**	**20.0**	**4.7**

Source: Atkins Employment Land and Premises Survey 2004

4.20 Table 4.3 identifies levels of vacant land within each of the employment areas surveyed. Outside of employment zones and town centres vacant employment land is spread relatively evenly throughout the borough with a higher proportion in areas with a higher representation of light industrial uses. It is important to highlight that the majority of vacant land is in small pockets of less than 0.5 hectares.

Table 4.3 – Employment Areas with Vacant Employment Land

Site ID	Site Name	Size of Site (ha)	Vacant Employment Land (ha)	% Site Area Vacant	Actively Marketed
02	College Park	2.86	0.09	3	0
03	Hythe Road Emp Zone (east)	14.68	0.31	2	0
06	Hythe Road Emp zone south	8.42	0.23	3	0
07	Hythe Road Emp zone west	32.41	1.79	6	0
10	Wood Lane Emp zone west	6.59	0.76	12	0
11	Wood Lane Emp zone east	19.83	1.52	8	0
12	Wood Lane Emp zone south	6.50	0.35	5	0
21	Goldhawk Road (west)	5.39	0.10	2	0
23	Askew Road	3.48	0.05	2	0
27	Sulgrave Road	1.89	0.22	11	0
31	King Street (West)	4.84	0.02	0	0
33	Venacourt Place	2.78	0.05	2	0
34	Kings Street	3.17	0.28	9	0
36	Glenthorne Road	3.51	0.08	2	0
38	Hammersmith Town Centre north	6.82	0.60	9	0
39	Hammersmith Town Centre south	15.15	0.44	3	0
49	Hammersmith Bridge Road	3.70	0.39	11	0
51	Distillery Road	5.45	2.08	38	0
53	Greyhound Road	4.95	0.10	2	0
62	Seagrave Road	2.10	0.16	7	0
71	Munster Road (south)	3.99	0.11	3	0
79	Parsons Green	4.31	0.18	4	0
83	Townmead Road / Imperial Road Emp zone north	13.21	8.66	66	0
87	Stepdale Road	1.32	0.11	8	0
88	Townmead Road/Imperial Road Emp zone south	7.94	0.87	11	0
90	Carnwath Road Employment zone	7.69	0.49	6	0
	TOTAL	**192.97**	**20.0**	**-**	

Source: Atkins Employment Land and Premises Survey 2004, (based on a total of 88 employment areas).

4.21 No evidence was seen on site to suggest that any of the vacant land identified is currently being marketed for employment development. Within smaller sites vacant land represents underutilised areas of existing sites identified as being potentially developable (refer to Table G-2). Such sites are commonly utilised for temporary or informal activities such as car parking or outside storage.

EMPLOYMENT PREMISES

4.22 The site appraisal process was used to identify the number of storeys within buildings in employment use according to their use class. Vacancy within employment premises in the employment areas was also identified (see Figure 4.7). Table 4.4 illustrates the number of employment premises represented within each area, together with vacancy levels (further details are provided in Tables G-3 and G-4 in Appendix G). It was not always possible to gain access to multi-occupier buildings to ascertain the level of vacancy of individual floors or to identify vacant floors from the street. In such cases the building was counted as a single unit.

4.23 Some 1,908 businesses premises were identified within the 88 employment areas in Hammersmith and Fulham accounting for some 2,010,568 sq m floorspace (Table G-3). The premises count does not necessarily reflect the total number of businesses operating in the various employment areas since larger employment buildings, which are frequently occupied by more than one occupier were counted as a single business unless there was evidence to suggest otherwise (such as signage). There were 93 fully vacant premises identified during the appraisal process, accounting for 4.9% of the total. This represents a low level of vacancy when compared with the frictional level of vacancy necessary for the commercial property market to function effectively.

4.24 Some 809 employment premises were found within the ten existing employment zones, a further 298 employment premises were contained within the three town centres and 801 employment premises were found across the other sites. Town centres and existing employment zones had comparatively low rates of vacancy within employment premises at 2.3% and 3.1% respectively. Seven of the existing employment zones did not have any vacant premises at the time of survey.

Table 4.4 – Vacant Premises

Employment Area	Total Occupied Premises	Total Occupied Floorspace (m2)	No. Vacant Premises	Total Vacant Floorspace (m2)	Total Premises	Total Floorspace (m2)	% Total Number of Vacant Premises	% Vacant Floorspace
Hythe Road Employment Zone	161	232814	5	10578	166	243392	3.0	4.5
Wood Lane Employment Zone	37	453091	0	9156	37	530506	0.0	2.0
Richford Street /Shepherd Bush Employment Zone	18	28401	0	0	18	31081	0.0	0.0
Hammersmith Road / Olympia Employment Zone	16	118037	0	1102	16	120118	0.0	0.9
Fulham Reach Employment Zone	8	27092	0	0	8	27092	0.0	0.0
Kensington Village and Lillie Bridge Depot Employment Zone	9	124884	0	0	9	124884	0.0	0.0
Seagrave Road/Rickett Street Employment Zone	11	5434	0	0	11	5876	0.0	0.0
Putney Bridge Employment Zone	67	40283	0	1528	67	41811	0.0	3.8
Townmead Road / Imperial Road (Sands End) Zone	379	61072	15	18632	394	86509	3.8	30.5
Carnwath Road Employment Zone	78	44879	5	0	83	44879	6.0	0.0
Total Employment Zones	**784**	**1135987**	**25**	**40996**	**809**	**1256148**	**3.1**	**3.6**
Shepherds Bush Town Centre	62	32965	2	2879	64	42253	3.1	8.7
Hammersmith Town Centre	158	296135	3	31951	161	339468	1.9	10.8
Fulham Town Centre	71	42657	2	2624	73	50579	2.7	6.2
Total Town Centres	**291**	**371757**	**7**	**37454**	**298**	**432300**	**2.3**	**10.1**
Other Sites	**740**	**502824**	**61**	**47830**	**801**	**611627**	**7.6**	**9.5**
TOTAL ALL SITES	**1815**	**2010568**	**93**	**126280**	**1908**	**2300075**	**4.9**	**6.3**

Source: Atkins Employment Land and Premises Survey 2004

EMPLOYMENT FLOORSPACE

4.25 Table 4.5 summarises the total floorspace found within the employment areas surveyed across the Borough. The floorspace figures relate to gross floor space and are shown in square metres. Employment uses were defined as B1, B2, B8 and sui-generis uses as defined by the Use Class Order 1987 (as amended). Other floorspace uses were defined as a non B-class uses. Mixed use premises including live/work units were included in the other floorspace category. For each building surveyed each storey was classified according to the most representative use class for that floor. Therefore a single storey building with 75% office space and 25% production space would be classified in the B1a category.

4.26 There is approximately 2,300,075 sq m of floorspace located within buildings with an employment floorspace component throughout the 88 employment clusters in the Borough. Some 2,010,568 sq m is defined as *employment* floorspace.

Table 4.5 – Summary of Employment Floorspace

Use	Floorspace (m2)	% of Employment Floorspace	% Total Floorspace
B1a Office	1322956	65.8	60.9
B1b R&D	0	0.0	0.0
Total Office Floorspace	**1322956**	**65.8**	**60.9**
B1c Light Industry	151649	7.5	7.0
B2 General Industry	10564	0.5	0.5
B8 Storage and distribution	215153	10.7	9.9
Sui Generis	183966	9.1	8.5
Total Non-Office Floorspace	**561332**	**27.9**	**25.8**
Total Occupied Employment Floorspace	**1884288**	**93.7**	**86.7**
Vacant Employment Floorspace	126280	6.3	5.8
Total Employment Floorspace	**2010568**	**100.0**	**92.5**
Mixed Use Floorspace	6761		0.3
Other Non-Employment uses	156466		7.2
Total Other Floorspace	163227		7.5
Total Floorspace	**2173795**		100.0

Source: Atkins Employment Land and Premises Survey 2004 (Based on a total of 88 employment areas). Figures 4.5, 4.6, 4.8 & 4.9 provide detailed data on the distribution of employment uses across the Borough.

EMPLOYMENT USES

4.27 Floorspace is spread relatively evenly throughout the Borough, although the largest employment sites are concentrated to the north and north east. The largest areas in terms of employment floorspace are Wood Lane Employment Zone which has in the region of 453,091 sq m of employment floorspace. Hammersmith Town Centre and Hythe Road Employment Zone are the next largest employment areas both containing over 220,000 sq m of employment floorspace. Table G-4 (Appenidx G) provides a summary of floorspace at each cluster whilst Table G-5 provides a building by building breakdown by use class. Table 4.6 below provides a breakdown of employment floorspace across existing employment designations.

Table 4.6 - Floorspace Summary in Existing Employment Designations

Employment Area	Total Employment Floorspace (m2)	Total Vacant Floorspace (m2)	% Vacant	Total B1c, B2, B8, SG (m2)	% Non Office Employment Floorspace	Total B1a & B1b (m2)	% Office & R&D Employment Floorspace
Hythe Road Employment Zone	232814	10578	5	168032	72	54204	23
Wood Lane Employment Zone	453091	9156	2	79429	18	364506	80
Richford Street /Shepherd Bush Employment Zone	28401	0	0	26348	93	2053	7
Hammersmith Road / Olympia Employment Zone	118037	1102	1	54362	46	62573	53
Fulham Reach Employment Zone	27092	0	0	1882	7	25210	93
Kensington Village and Lillie Bridge Depot Employment Zone	124884	0	0	0	0	124884	100
Seagrave Road/Rickett Street Employment Zone	5434	0	0	1681	31	3753	69
Putney Bridge Employment Zone	40283	1528	4	5368	13	33387	83
Townmead Road / Imperial Road (Sands End) Zone	61072	18632	31	27109	44	15331	25
Carnwath Road Employment Zone	44879	0	0	16534	37	28345	63
Total Employment Zones	**1135987**	**40996**	**4**	**380745**	**34**	**714246**	**63**
Shepherds Bush Town Centre	32965	2879	9	927	3	29159	88
Hammersmith Town Centre	296135	31951	11	3735	1	260449	88
Fulham Town Centre	42657	2624	6	5213	12	34820	82
Total Town Centres	**371757**	**37454**	**10**	**9875**	**3**	**324428**	**87**
Other Sites	**502824**	**47830**	**10**	**170712**	**34**	**284282**	**57**
Total All sites	**2010568**	**126280**	**6**	**561332**	**28**	**1322956**	**66**

Source: Atkins Employment Land and Premises Survey 2004 (Based on a total of 88 employment areas). Figures 4.5, 4.6, 4.8 & 4.9 provide detailed data on the distribution of employment uses across the Borough.

Office Floorspace

4.28 Some two thirds of employment floorspace in the Borough is B1a office floorspace this equates to 1,322,956 sq m (see Figure 4.5 and Table G-4, Appendix G). The business survey illustrates that office floorspace represents a relatively high proportion of overall floorspace for most B-class users in all business sectors (refer to Volume 2 Table 3.6). Office floorspace is the dominant form of employment floorspace provision at most areas. 53 of the 88 employment areas (60%) have 50% or more of their employment floorspace dedicated to office uses. Those with the greatest quantum of office floorspace are generally located towards the eastern boundary of the Borough. The Wood Lane Employment Zones has the largest concentration of office floorspace accounting for some 364,506 sq m of employment floorspace.

4.29 The three town centres have office (B1a and B1b) floorspace as the highest proportion of B-class floorspace (87%) (see Figure 4.5 and 4.9). Office floorspace accounts for 63% of all employment space (excluding retail) within existing employment zones totalling some 714,216 sq metres. 57% of employment floorspace within other employment areas is in office use.

Non-Office Employment floorspace

4.30 Around 28% of employment floorspace (561,332sq.m) is occupied by non office employment activities comprising of light industry (B1c), general industry (B2), storage and distribution (B8) or sui-generis uses. This type of premises meets the needs of businesses in the manufacturing and distribution sectors. Hythe Road Employment Zone has the highest concentration of non-office employment floorspace in the Borough with some 168,032 sq m. Hammersmith Road/Olympia Employment Zone and Townmead Road/Imperial Road Employment Zone also both have higher concentrations of B1c, B2, B8 and Sui Generis uses..

4.31 Such uses account for 34% of the floorspace in other employment areas. Just 3% ofemployment floorspace within town centres is used for non-office activities.

Vacant Floorspace

4.32 At present some 126,208 sq m of total floorspace is vacant within the Borough (see Table 4.6 and Table G-4, Appendix G). This equates to 6.3% of total floorspace located in all employment areas: Townmead Road/Imperial Road Employment Zone had the highest proportion of vacant employment floorspace at the time of survey (equating to some 18,632 sq m) reflecting the comprehensive redevelopment of the area at the time. Hythe Road Employment Zone had some 10,578 sq m of its employment floorspace vacant (5%), whilst Putney Bridge Employment Zone had 4% vacant (1528 sq m).

4.33 Existing employment zones have a comparatively small proportion of vacant employment floorspace (4%). Vacant floorspace is significantly higher in both town centres and other employment areas at 10.1% and 9.5% respectively.

Other Uses

4.34 Most employment buildings surveyed were in single usage although many employment areas could be described as mixed use areas. In total other uses represented 7.1% of floorspace in employment buildings (163,227 sq m). “Other” sites had a considerably higher proportion of other uses within them accounting for 10% overall.

EMPLOYMENT FUNCTION OF EXISTING ALLOCATIONS

4.35 A summary of the current employment functions of each of the designated employment areas follows, together with likely scope for change, as identified through the survey. These are summarised in Figure 4.11 and Table G-13 in Appendix G.

Hythe Road Employment Zone

4.36 Hythe Road Employment Zone covers a large expanse of land between two railway corridors to the north of the Borough and is allocated in the London Plan as a Strategic Employment Location. Much of the land in the area is used for general industrial employment uses in Use Classes B1C, B2, B8 or Sui Generis accounting for 72% of total employment floorspace. There is also a significant amount of medium order office space dispersed throughout the area, particularly around Scrubs Lane. The area to the south of the site contains a number of rail-related uses including the Old Oak Common and Eurostar Depots. The central area of the site is dominated by large scale automotive retail, together with industrial and warehousing premises. There is a range of employment stock in terms of condition and size including small-scale workshops, standalone office premises, storage and warehousing, as well as the large scale rail sheds. Although the area could benefit from aesthetic improvements, the site environment is fit for purpose and the buildings are generally in a good state of repair.

4.37 The historic industrial purpose of the site should be reinforced through any redevelopment. Although there are few significant development sites available at present, there may be scope for selective redevelopment of the current stock as it becomes available. Consolidation of railway operations may also provide additional scope for general and heavy industrial, as well as office development.

Wood Lane Employment Zone

4.38 The Wood Lane Employment Zone comprises a mix of employment functions dominated by the presence of the BBC Television Centre, together with associated offices. It is designated in the London Plan as a Strategic Employment Location. The survey identified 23% of all employment floorspace in the area as utilised for offices. The western portion of the employment zone is dominated by distribution, storage and industrial uses, notably including some large scale warehouses one of which is utilised by Marks and Spencer. This storage and distribution function maximises linkage to the A40 Westway. The office stock is in varying condition, the media village development to the north west of the site provides an area of new, high quality office-led mixed use development, whilst other parts of the site have ageing office stock that would benefit from refurbishment. The area to the north west of the site could provide a substantial opportunity for employment led redevelopment.

Richford Street/Shepherds Bush Employment Zone

4.39 The Richford Street/Shepherds Bush Employment Zone is a well established area of storage and distribution, and sui generis uses. The area comprises 26,348 sq m of non-office employment uses and has very little vacancy. The building stock is ageing, yet well maintained and the zone contains very little scope for change.

Hammersmith Road/Olympia Employment Zone

4.40 The Hammersmith Road/Olympia Employment Zone includes predominantly office and storage and distribution functions[14]. The survey identified some 62,573 sq m of B1a and B1b Use floorspace in the zone (accounting for 53% of employment floorspace), whilst non-office floorspace accounted for some 54,362 sq m (46%). 1,102 sq m of floorspace was found to be vacant (1%). A range of building tenures are included in the site comprising modern and older office buildings, general industrial premises and a large Victorian building presently used for storage, but offering considerable scope for change through conversion. Proximity to residential property restricts the suitability of the area for heavier industrial purposes.

Fulham Reach Employment Zone

4.41 The Fulham Reach Employment Zone around Distillery Road consists of a range of offices (93%) and general industrial accommodation (7%). The buildings are all in good condition with the majority of buildings dating from the 1980s. The Employment Zone has very little vacancy in terms of premises. There is some undeveloped land awaiting development for the final phase of a major office scheme. Little scope for change will exist once this final phase is completed.

Kensington Village and Lillie Bridge Depot Employment Zone

4.42 Kensington Village and Lillie Deport Employment Zone consists of two significant employment areas comprising some 124,884 sq m of office space: Kensington Village is a privately managed office campus in newly converted Victorian premises to the north of the A4 Talgarth Road. It contains a number of high spec businesses and has a range of supporting infrastructure within the site including catering, security patrols and underground parking.

4.43 Lillie Bridge Depot contrasts significantly to the Kensington Village Campus. Located to the south of the West Way is a Transport for London Depot, although comprises office space in a TfL owned 10 storey office block to the north of the site developed in the 1970's. To the southern fringe of the area the new 27 storey Empress State Building provides high quality, high rise office accommodation adjacent to the Earls Court Exhibition Centres in a highly accessible location close to the West Way and West Brompton Rail and

Underground Station.. Greatest potential for future development in this area would come from consolidation of operations on the TfL depot site should the opportunity arise.

Seagrave Road/Rickett Street Employment Zone

4.44 This employment zone is located to the south of the Earls Court Exhibition Centres and Lillie Road comprises some 5,434 sq m of employment land and is dominated by the Exhibition Centre Car Park, with office and small-scale workshops concentrated to the north of area in converted Victorian buildings. There is little scope for comprehensive redevelopment, although if the car park site were to become available a significant employment-led development could take place. It is highly accessible, in close proximity to the A4 and West Bromption Station.

Putney Bridge Employment Zone

4.45 This employment zone to the south west of the Borough includes mainly office and "under the arches" workshop uses. Employment floorspace is dominated by office uses comprising 33,387 sq m. The Zone also has some 1528 sq m of vacant employment floorspace. The area offers little scope for change although selective redevelopment of existing employment premises would be likely to encourage reoccupation of vacant units.

Townmead Road/Imperial Road (Sands End) Employment Zone

4.46 The Townmead Road/Imperial Road Employment Zone covers a substantial area to the south east of the Borough, including substantial frontage to the Thames. The Zone covers an area of some 32.1 hectares and includes 61,072 sq m of employment floorspace. A range of employment functions and premises exist within the zone.

4.47 The Gas Works site to the north of the zone has a number of flexible premises for start up and SME firms. This area contains a large number of small businesses and appears to be functioning very effectively and may provide scope for intensification if the Gas Works operations are further consolidated. Office and general industrial premises are found throughout the zone. Much of the area of former wharves on the river is currently undergoing

[14] The Hammersmith Rd / Olympia Employment Zone includes the Major Olympia Exhibition complex.

comprehensive, residential-led mixed use development. Some employment remains in sites with river frontage in close proximity to Wandsworth Bridge including two operational and safeguarded wharves. However, many of these areas require significant redevelopment if they are to continue to offer an efficient employment function.

4.48 It should be noted much of the ‘vacant land’ identified at Imperial Wharf is not available for development for class B purposes – planning permission has been granted for new housing. Consequently, this ‘vacant’ land is likely only to provide a marginal employment function

Carnwath Road Employment Zone

4.49 The Carnwath Road Employment Zone is located to the west of Wandsworth Bridge and comprises a range of light industrial, storage, office and builders merchants to the north of Carnwath Road. Included within the site is Hurlington Business Park, a low density estate providing a range of light industrial units. The zone also provides some accommodation for small businesses.

4.50 Underutlised land to the south of the site provides some potential as a development opportunity for high quality employment uses with river frontage. However, part of this land is safeguarded for continued use as an operational wharf[15]. Selective redevelopment of premises to the north of the site should be undertaken as premises become dated or vacant to continue to attract employment occupiers. The site at present contains 44,879 sq m of employment floorspace.

Shepherds Bush Town Centre

4.51 Shepherds Bush Town Centre offers a limited amount of B-class premises with some office above shops, and standalone office units. The town centre offers some 29,159 sq m of office floorspace with only 927 sq m of non office employment floorspace. The town centre offers little scope for further employment-led development, although there may be scope for adaption of existing vacant employment floorspace (which equates to some 2879 sq m) or through inclusion of employment functions in new mixed used developments.

[15] London Plan Implementation Report on Safeguarded Wharfs.

Hammersmith Town Centre

4.52 Hammersmith Town Centre provides the second largest concentration of Office floorspace in the Borough according to the survey with some 260,449 sq m. However the town centre also has the largest concentration of vacant employment floorspace with some 31,951 sq m unoccupied at the time of survey.

4.53 The town centre stock is predominantly in a good state of repair, however refurbishment or adaption of vacant office space may be necessary in order to encourage new occupiers. Several vacant sites provide scope for new employment development including the car park site adjacent to the Hammersmith and City Underground Station, together with two further parcels to the north of the area..

Fulham Town Centre

4.54 Fulham Town Centre offers some 42,657 sq m of employment floorspace, 34,820 sq m of which is office accommodation in standalone, purpose built premises and in accommodation above retail premises. Some vacancy exists in standalone office buildings. Little scope for employment-led change exists in the area, although there may be scope for inclusion of office based components should redevelopment take place.

Other Employment Areas

4.55 The remaining 61 employment areas considered within the assessment contain a further 502,824 sq m of employment floorspace, over half of which (57%) is used for offices, 170,712 sq m is used for non-office employment uses (34%) whilst 10% of employment floorspace is vacant (47,830 sq m): see Table 4.6, Figure 4.11 and Table G4 (Appendix G). The 61 non-allocated areas are spread relatively evenly throughout the borough. Many of the areas are adjacent or within local centres with an established employment function – 40 areas were judged to have an active employment function, a further 15 were judged to have a marginal employment function and three sites were judged to provide a unsuitable/unviable location for employment uses. 49 of the non-allocated employment sites were regarded as offering little scope for change. However, the remaining 12 had potential for redevelopment for continued employment use and seven sites were judged to have scope to intensify its employment functions (Table 4.13 on page 4-30 and Table G-14 in Appendix G).

TYPE OF PREMISES

4.56 The London Borough of Hammersmith and Fulham contains a range of employment premises. Table 4.7 illustrates that the majority of employment areas (71.6%) include standalone office premises, whilst 30.7% include office premises above shops. Warehousing/storage/depot premises were represented in 37.5% of employment areas. 25% of areas included light industrial units, whilst around 23% of areas included workshop and studio premises. Factory premises were represented at four employment areas in the Borough, highlighting the relatively small proportion of B2 use in Hammersmith and Fulham. Nine areas included railway arches, often housing small businesses. Live/work and managed workspace units had little representation within the borough, contained in just two employment areas. The latter excludes serviced accommodation operated by the private sector. Table G-6 in Appendix G summarises the types of premises represented at each employment area.

Table 4.7 - Range of Employment Premises

Type of Employment Premises	No. of areas where premises type is represented	% Total
Standalone Offices	64	72.7
Office Above Shops	28	31.8
Light Industrial Unit	23	26.1
Workshop	20	22.7
Studio	22	25.0
Warehousing/Storage/Depot	34	38.6
Managed Workspace	1	1.1
Live/work Unit	2	2.3
Factory	4	4.5
Railway Arch	9	10.2
Other	18	20.5

Source: Atkins Employment Land and Premises Survey 2004 (Based on assessment of 88 areas): see Table G-6, Appendix G for further details.

4.57 As Table 4.8 below indicates the employment zones tend to be dominated by standalone offices, warehousing/storage/depot premises and light industrial areas. Factory premises were represented on three sites outside the existing designated employment zones.

4.58 The quantity, type and quality of employment floorspace at each area will determine the type of policy approach which may be required to protect and enhance employment land and premises in the Borough.

Table 4.8 – Range of Premises within Existing Designations

Site Name	Warehousing/Storage/ Depot	Factory	Light Industrial Unit	Workshop	Railway Arch	Studio	Standalone Offices	Office Above Shops	Managed Workspace	Live/work Unit	Total Types
Employment Zones											
Hythe Road Employment Zone	X		X	X			X				4
Wood Lane Employment Zone	X		X			X	X	X			5
Richford Street /Shepherd Bush Employment Zone	X				X	X					3
Hammersmith Road / Olympia Employment Zone	X										1
Fulham Reach Employment Zone			X				X				2
Kensington Village and Lillie Bridge Depot Employment Zone	X						X		X		3
Seagrave Road/Rickett Street Employment Zone	X			X			X	X			4
Putney Bridge Employment Zone					X		X				2
Townmead Road / Imperial Road (Sands End) Zone	X		X	X		X	X				5
Carnwath Road Employment Zone	X		X				X				3
Total Employment Zones	**8**	**0**	**5**	**3**	**2**	**3**	**8**	**2**	**1**	**0**	
Shepherds Bush Town Centre	X	X			X		X	X			5
Hammersmith Town Centre							X	X			2
Fulham Town Centre	X						X	X			3
Total Town Centres	**4**	**1**	**0**	**0**	**1**	**0**	**8**	**7**	**0**	**0**	**21.0**
Other Sites	**16**	**3**	**13**	**15**	**6**	**19**	**42**	**19**	**0**	**2**	**135**
Total All sites	**34**	**4**	**23**	**20**	**9**	**22**	**64**	**28**	**1**	**2**	**207**

Source: Atkins Employment Land and Premises Survey 2004: See Table G-6, Appendix G for further details.

AGE OF BUILDING STOCK

4.59 A visual assessment of the overall maintenance and upkeep of the premises including any evidence of dilapidation was undertaken as part of the on site appraisal process. The age of premises at each area is shown in Table 4.9 and the condition of premises is summarised in Table 4.10.

4.60 Table 4.9 shows the age of premises within existing employment designations. Over half of the buildings in the borough (53.6%) identified within the appraisal process were over 50 years old and a further 21.8% were between 20 and 50 years old. As Table 4.9 indicates town centres and 'other' sites tend to have the oldest premises, whilst existing employment zones tend to have the newest premises, although there is a high level of premises of more than 50 years of age within the Borough. Wood Lane and Lillie Bridge Employment Zones have the newest stock. Neither of these areas have any stock older than 50 years, whilst both zones have more than 50% of employment premises built within the past twenty years.

Table 4.9 - Age of Premises within Existing Employment Areas

Employment Area	Last 5 Years	5-20 Years Old	20-50 Years Old	Over 50 Years Old	Total %
Hythe Road Employment Zone	2	32	36	30	100
Wood Lane Employment Zone	26	25	49	0	100
Richford Street /Shepherd Bush Employment Zone	0	0	0	100	100
Hammersmith Road / Olympia Employment Zone	5	0	55	40	100
Fulham Reach Employment Zone	10	40	30	20	100
Kensington Village and Lillie Bridge Depot Employment Zone	5	50	45	0	100
Seagrave Road/Rickett Street Employment Zone	0	0	0	100	100
Putney Bridge Employment Zone	0	0	30	70	100
Townmead Road / Imperial Road (Sands End) Zone	0	15	13	48	75
Carnwath Road Employment Zone	20	20	20	40	100
Total Employment Zones	**7**	**18**	**28**	**45**	**98**
Shepherds Bush Town Centre	0	0	6	94	100
Hammersmith Town Centre	3	27	37	33	100
Fulham Town Centre	3	20	15	63	100
Total Town Centres	**2**	**16**	**19**	**63**	**100**
OTHER SITES	**5**	**16**	**19**	**60**	**100**
Total All sites	**4**	**17**	**22**	**56**	**99**

Source: Atkins Employment Land and Premises Survey 2004: See Table G-7, Appendix G for further details.

CONDITION OF BUILDING STOCK

4.61 Table 4.10 shows the condition of premises within existing employment designations. To be classed as being in a “poor” or “very poor” state of repair, buildings had to display evidence of being significantly dilapidated, have possible structural problems, and ultimately, a limited lifespan without extensive renovation. Just 3.6% of the building stock was classified as “Poor” and only 0.5% of buildings were deemed “Very Poor. Despite the ageing building stock, the vast majority of areas were stated as comprising buildings that were either “Very Good” (37.3% of buildings) or “Good” (36.5% of buildings). To satisfy the “Very Good” criterion, buildings had to be in excellent condition, well managed and have no obvious problems, whilst buildings in a “Good” state of repair, had to display some lack of maintenance such as holes in perimeter fences or peeling paintwork on the exterior of the building.

4.62 The majority of premises across all sectors in the Borough are in a “good” or “very good” state of repair. The town centres (particularly Hammersmith) were assessed as being mainly “very good”.

4.63 Evidence suggests that despite only 21% of the Borough’s overall employment premises (that form part of the study) being less than 20 years of age, the overall condition of the employment premises does not generally constitute a major issue in the Borough with regards to the suitability of the stock for active employment use.

Table 4.10 - Condition of Premises Within Existing Employment Areas

Employment Area	Very Good	Good	Fair	Poor	Very Poor	Percentage Check
Hythe Road Employment Zone	16	60	20	4	0	100
Wood Lane Employment Zone	84	10	6	0	0	100
Richford Street /Shepherd Bush Employment Zone	20	80	0	0	0	100
Hammersmith Road / Olympia Employment Zone	10	50	40	0	0	100
Fulham Reach Employment Zone	40	50	10	0	0	100
Kensington Village and Lillie Bridge Depot Employment Zone	55	5	40	0	0	100
Seagrave Road/Rickett Street Employment Zone	0	100	0	0	0	100
Putney Bridge Employment Zone	80	20	0	0	0	100
Townmead Road / Imperial Road (Sands End) Zone	18	21	25	4	8	75
Carnwath Road Employment Zone	60	30	10	0	0	100
Total Employment Zones	**38**	**43**	**15**	**1**	**1**	**98**
Shepherds Bush Town Centre	25	38	38	0	0	100
Hammersmith Town Centre	93	7	0	0	0	100
Fulham Town Centre	58	40	3	0	0	100
Total Town Centres	**59**	**28**	**13**	**0**	**0**	**100**
OTHER SITES	**35**	**39**	**21**	**5**	**0**	**100**
Total All sites	**44**	**36**	**17**	**2**	**0**	**99**

Source: Atkins Employment Land and Premises Survey 2004: See Table G-8, Appendix G for further details.

ACCESS AND TRANSPORT ISSUES

4.64 The site appraisals considered access and transport issues at each cluster. Each site has been classified according to the highway type the site is accessed from (from the UDP), and any parking restrictions in and around the site. In addition to this, qualitative analysis of the external and internal access and circulation, servicing arrangements and the adequacy of parking was undertaken.

4.65 One of the criteria used to determine the suitability of the employment areas for various land employment uses was the proximity of the area to the

Strategic Road Network. This issue is important for a number of reasons. Firstly, distribution businesses requiring good access arrangements often regard access to the strategic road network as a pre-requisite for the efficient operation of their business. Secondly, access is often a crucial issue for visitors and car borne employees. In addition, unacceptable amenity issues can be created if businesses that generate a large amount of traffic, and require HGV access, are situated in unsuitable areas such as residential districts. Access to the strategic road network is summarised for each area in Table G-10.

4.66 Table G-10 in Appendix G shows that only 4.5% of clusters have direct access to strategic routes. 39.8% however have direct access to a London Distributor Road (LDR) and a further 37.5% have direct access to a Borough Distributor Road (BDR). A total of 21 employment areas do not have access to either the strategic network, a LDR or a BDR and are accessed via either a local access road or other access road. The adequacy of access to each area is also summarised in Table G-10.

4.67 Despite the comparatively high proportion of employment areas without direct access to distributor roads, only two areas were felt to have any access problems. Hythe Road Employment Zone South Central (5) was reported to have a high volume of cars on site which causes access problems, whilst the Turnhill Green Railway Arches (30) was noted as having a narrow access road which may lead to servicing problems.

4.68 Despite the importance attached to having good access arrangements, 54% of respondents to the business survey stated that none of their employees travel to work by car. Employees in the “other business services” sector were most likely to use the car as their means of transportation to work, with 25% of firms stating that 76-100% of their employees travelled by this means. Conversely, employees in the “distribution and wholesale” sector were least likely to travel to work by car, with 65.2% of respondents representing this sector stating that none of their employees travel to work by car.

4.69 Although the findings from the business survey suggest that road access may not be a top priority for firms situated in the Borough, due to the fact that a relatively low proportion of employees travel to work by means of private car, the importance of road access arrangements should not be underestimated. Access for firms operating in the light industrial / distribution sectors will remain important irrespective of the travel patterns of their employees.

Parking Issues

4.70 The provision of parking was also considered during the site appraisals of employment areas. 60.2% of all clusters have dedicated parking provision and a further 27.3% have on street parking within close proximity to the site. As expected, a number of employment areas have restricted parking arrangements: 42% of areas have *controlled* parking arrangements (including parking zones / paid parking), 60.2% of areas have yellow or double yellow lines, and 9.1% of all areas are situated on red routes. A description of the adequacy of the parking arrangements for each cluster is also provided in Table G-11.

4.71 The following areas have been identified as having specific parking issues, based upon the qualitative analysis that was carried out during the site appraisals. Most parking issues are caused by a shortage of parking space in high demand area:

- Area 4 - Hythe Road Employment Zone North Central (Shortage of parking created mainly by the presence of the Car Giant firm);
- Area 5 - Hythe Road Employment Zone South Central (parking difficulties across entire site, due mainly to volume of car retailers/garages);
- Area 85 - Townmead Road/Imperial Road Employment Zone (Too few parking spaces for units leading to double parking);

Public Transport Accessibility

4.72 The Hammersmith and Fulham UDP includes a number of planning standards which are based upon public transport accessibility. Public transport accessibility levels are assessed using the PTAL methodology to define Accessibility Zones.

4.73 Accessibility Indices are derived using a formula based on the availability and quality of public transport within a reasonable walking distance across all locations within the Borough. Factors such as density of public transport networks, road traffic congestion on bus routes and average waiting times at bus stops/rail stations are considered within the formula. A full breakdown of the formula can be found in Appendix 5.3 of the UDP.

4.74 Once accessibility indices have been derived for a range of locations an isochronal map can be prepared whereby points of equal accessibility are linked so as to enclose zones with similar levels of accessibility. In Hammersmith and Fulham PTAL zones have been defined as follows:

Accessibility Level	Range of Accessibility Indices
1 (Lowest)	0.00 – 5.00
2	5.01 – 10.00
3	10.1 – 15.00
4	15.01 – 20.00
5	20.01 -25.00
6 (highest)	>25.00

4.75 The accessibility of employment areas is illustrated in Figure 4.10. Table 4.11 below illustrates the average PTAL level of existing employment locations. It illustrates that Shepherds Bush and Hammersmith have the highest level of accessibility on average, whilst existing employment zones to the northern and southern extremities of the Borough have a much lower average PTAL level.

Table 4.11 – Average PTAL Level of Existing Employment Locations

Site Name	Average PTAL Level
Employment Zone	
Hythe Road Employment Zone	2
Wood Lane Employment Zone	4
Richford Street /Shepherd Bush Employment Zone	4
Hammersmith Road / Olympia Employment Zone	4
Fulham Reach Employment Zone	5
Kensington Village and Lillie Bridge Depot Employment Zone	4
Seagrave Road/Rickett Street Employment Zone	4
Putney Bridge Employment Zone	5
Townmead Road / Imperial Road (Sands End) Zone	2
Carnwath Road Employment Zone	2
Total Employment Zones	**4**
Shepherds Bush Town Centre	6
Hammersmith Town Centre	6
Fulham Town Centre	4
Total Town Centres	**5**
Other Sites	**3**
Total All sites	**4**

Source: Atkins Employment Land and Premises Survey 2004

SITE PLOT RATIO

4.76 The site plot ratio of appraised areas within existing employment zones was assessed to procure the current density of employment sites. The results are summarised in Table 4.12 with further details provided in Table G-9 in Appendix G. Table 4.12 illustrates that the ten employment zones have an overall plot ratio of 62.6% on average and are developed to a rate of 56.6% for specific employment purposes. Hammersmith Road/Olympia Employment Zone is developed to the highest density – a rate of 232.6% overall and 228.6% for employment purposes. Seagrave Road/Rickett Street Employment Zone has the lowest density of development. Just 15.1% of the site is development for employment purposes.

Table 4.12 – Site Plot Ratio within Employment Zones

Employment Area	Size of Site (sqm)	Total Floorspace (sqm)	Total Site Plot Ratio %	Total Employment Floorspace (sq m)	Employment Site Plot Ratio %
Hythe Road Employment Zone	882211	243392	27.6	232814	26.4
Wood Lane Employment Zone	379988	530506	139.6	453091	119.2
Richford Street /Shepherd Bush Employment Zone	48756	31081	63.7	28401	58.3
Hammersmith Road / Olympia Employment Zone	51646	120118	232.6	118037	228.6
Fulham Reach Employment Zone	54473	27092	49.7	27092	49.7
Kensington Village and Lillie Bridge Depot Employment Zone	115999	124884	107.7	124884	107.7
Seagrave Road/Rickett Street Employment Zone	35926	5876	16.4	5434	15.1
Putney Bridge Employment Zone	40546	41811	103.1	40283	99.4
Townmead Road / Imperial Road (Sands End) Zone	321001	86509	26.9	61072	19.0
Carnwath Road Employment Zone	76877	44879	58.4	44879	58.4
Total Employment Zones	**2007423**	**1256148**	**62.6**	**1135987**	**56.6**

Source: Atkins Employment Land and Premises Survey 2004: see Table G-9, Appendix G for further details.

ENVIRONMENTAL ISSUES

4.77 Part of the employment area appraisal process considered local environment and amenity issues for each of the sites. The appraisal included an assessment of surrounding land uses and their compatibility, possible future development constraints, and potential environmental and amenity conflicts with neighbouring occupiers.

4.78 A further section of the pro-forma was designed to give a more detailed insight into the environmental quality, image and attractiveness of the site. A summary of specific environmental and amenity issues relating to each site is provided in Tables G-12a/b (Appendix G).

Development Constraints, Amenity and Environmental Problems

4.79 Consideration was given to whether there is the potential to support 24 hour working and whether the introduction of non-B Class uses would compromise the effective operation of the site. 36.4% of sites were regarded as having the potential to support 24 hour working, whilst the introduction of non B-Class uses was deemed to compromise the effective operation of just one site. The existing operation of sites was deemed compatible with neighbouring uses at every location.

4.80 There was considerable variation throughout the borough with regard to development constraints. Sites within and surrounding the town centres and residential areas generally offered little or no scope for development and were unsuitable for further B-Class or 24 hour operations. There were however a number of sites which demonstrated less constraint and illustrated scope for future development.

Image and Attractiveness of Employment Areas

4.81 The environmental quality, image and attractiveness of employment areas varied considerably throughout the borough. Whilst there were several employment areas deemed to be of exceptional environmental quality, these were often juxtaposed by sites of exceptionally poor quality. For example Wood Lane Employment Area Zone West (10) had high quality environmental quality with a high class image and range of amenities, yet Wood Lane Employment Area Zone East (11) had a poor quality environment. The image and attractiveness varied considerably towards the river corridor to the south of the Borough with new development within Areas 82, 84 and 88 being of particularly high quality, whilst areas to the west being of particularly poor quality. New waterfront development is likely to alter this situation however.

4.82 Despite this variation in environmental quality, none of the areas were deemed to require immediate action.

POTENTIAL FOR UPGRADING/REVITALISATION EXISTING LAND AND PREMISES STOCK

4.83 The role of each area is not fixed and may change over time. The site assessments considered the potential future employment role each area could perform and the type of development which may be needed. The assessment of potential scope for change was based upon the consideration of the findings of the site appraisals specifically:

- Location
- Accessibility
- Site quality, image and environmental factors
- Plot ratio, internal access and parking
- Existing and potential occupier mix
- Size, type, age and condition of premises portfolio, site utilisation, vacancy and scope for change.

4.84 The options identified have been identified to inform policy development and only represent potential opportunities rather than recommendations relating to individual sites. The site appraisals did not specifically address property market or demand issues although the potential identified did reflect the feasibility and realism of potential roles in broad terms. The findings of the demand and property market components of the study are integrated with the site appraisal findings in Chapter 5.

4.85 The potential roles applicable to all or part of each site are summarised in Table 4.13 below. Table G-14 (Appendix G) describes the parcels identified for change and provides a rational and justification for each of the options identified.

Table 4.13 – Potential scope for change

Potential Role	No. Areas	% Areas
No Change	69	78.4
Potential for renewed employment use on all or part of the area		
Intensification of employment use	18	20.5
Introduction of ancillary employment uses	1	1.1
Redevelopment for continued employment use	19	21.6
Redevelopment for employment led mixed use	7	8.0
Potential for alternative use relating to all or part of the area		
Redevelopment (mixed use)	2	2.3
Redevelopment (housing)	1	1.1
Redevelopment (Other)	0	0.0

Source: Atkins Employment Land and Premises Survey 2004

No Change

4.86 The majority of areas (78.4%) included sections which are unlikely to change their employment role over the LDF period to 2016. The no change option means that the only measures required are:

- Occupation of vacant premises for ongoing employment purposes; and
- Minor upgrading/refurbishment of existing premises.

4.87 The no change option was identified where premises had a standard typology and could easily be adapted for a range of occupiers. This option will not be flagged up for awkward shaped/bespoke buildings, premises in very poor condition or sites where re-development is likely to enable more efficient use of the site.

4.88 The potential to renew the employment role of employment areas (either wholly or partly) was identified in relation to a significant number of sites. The type of potential identified is described below.

4.89 Potential to intensify the existing employment use was identified at 18 clusters (20.5%), either through one or more of the following measures:

- Extension of existing premises
- Development of vacant/under-utilised plots
- Subdivision/modification of existing premises
- Conversion to another form of employment accommodation
- Site extension or expansion to include adjacent land

Intensification or Redevelopment for Employment Use (Opportunity Areas)

4.90 Of the 14 designated employment zones and town centres, the following had scope for further intensification of existing employment uses, or redevelopment for new employment uses. Further details are presented in Table 4.14 below and Figures G1-G3 in Appendix G.

- Hythe Road Employment Zone;
- Wood Lane Employment Zone;
- Kensington Bridge and Lillie Depot Employment Zone;
- Fulham Reach Employment Zone;
- Seagrave Road/Rickett Street Employment Zone;
- Townmead Road/Imperial Road Employment Zone;
- Carnwath Road Employment Zone;
- Shepherds Bush Town Centre;
- Hammersmith Town Centre;

4.91 The Hythe Road Employment Zone provides a significant opportunity for both intensification and redevelopment should existing operations be consolidated. Likewise parts of the Wood Lane Employment Zone provide similar opportunities for intensification, particularly within the non-BBC controlled industrial area to the east of the site.

4.92 Consolidation of TfL operations at Lillie Bridge could provide scope for additional industrial or office based employment development, as is the case within the Seagrave Road/Rickett Street Employment Zone nearby.

4.93 The housing led mixed use development occurring within the Townmead Road/Imperial Road Zone has incorporated some office uses to the east of the site. Scope may exist similar functions in subsequent stages of the development. The remaining wharves provide continuing industrial employment and scope exists to safeguard this area for employment uses. Similar opportunities exist within the Carnwath Road Zone where former wharves adjacent to newer employment premises could provide scope for new high quality premises alongside the reinstatement of wharf use. It will be important that development proposals for these areas have regard to, and are compatible with, the existing safeguarded and operational wharfs.

4.94 Although the scope for employment development is marginal at Shepherds Bush Town Centre, there may be potential to accommodate office functions within new mixed use schemes, in particular to the south of the White City development area. Hammersmith Town Centre provides significant scope for new office development, as well as the upgrading of existing vacant stock to encourage new occupiers.

4.95 The following employment areas assessed outside of the existing Employment Zones or Town Centres were judged to have scope for change through the further intensification of employment uses or redevelopment for employment uses (see Figures G1-G3 in Appendix G):

- College Park (Area 02) – has 0.861 ha of vacant employment land and 778 sq m of vacant floorspace providing scope for employment development.

- Goldhawk Road (west) (Area 18) – contains 0.1001 ha of vacant employment land and 169 sq m of vacant floorspace for employment development;;

- Askew Road (Area 23) – scope exists for intensification of employment uses through development of 0.0537 ha of vacant land and 3325 sq m of vacant floorspace;

- Warple Way (Area 25) – existing employment premises are currently occupied. However, should the current occupier vacate there would be potential to intensify employment uses on the site through redevelopment.

- Sulgrave Road (Area 27) – Potential exists on the site for redevelopment for continued employment use. There is presently 0.2152 ha of vacant employment land and 85 sq metres of vacant floorspace.

- Turnhall Green to Stamford/Brook/RailwayArches (Area 30) – There is scope to intensify “under the arches” operations through adaption of remaining arches into workshop premises.

- Kings Street (Area 31) – The area offers potential for intensification of employment uses and redevelopment for continued employment use through development of 0.2827 ha of vacant land, 1258 sq m of employment floorspace and through redevelopment of poor quality occupied premises.

- Crisp Road (Area 50) – long term potential exists to intensify existing employment operations through redevelopment of occupied premises.

- Farm Lane (Area 63) – The area has 1071 sq m of vacant employment floorspace. Scope exists for selective redevelopment of current premises.

- Lillie Road (Area 67) – 3297 sq m of vacant employment floorspace exists within the area. Scope exists to redevelop existing premises for employment use.

- Munster Road (north) (Area 71) – The area at present has 71 sq m of vacant floorspace and provides scope for intensification of employment uses;

- Munster Road (south) – the area currently incorporates 0.109 ha of vacant employment land and 1998 sq m of vacant floorspace. Scope exists to redevelop for continuing employment use.

- Putney Bridge (Area 75) – Potential exists to redevelop existing premises for continued employment use although there is no employment vacancy in the area at present.

- New Kings Road east (Area 78) – The area currently has 426 sq m of vacant employment floorspace. Potential exists to encourage further employment use or employment led mixed use through selective regarding of existing premises.

- Parsons Green (Area 79) – The are currently contains 0.1758 ha of vacant employment land and 668 sq m of vacant employment floorspace.;

- Peterborough Road (Area 80) - the site currently has 1652 sq m of vacant employment floorspace. Scope exists for employment development in the form of office and studio related activities reflecting proximity to residential area.

Vacant Employment Land

4.96 A preliminary assessment of vacant employment land was undertaken to provide an assessment of the potential capacity afforded by these sites. This assessment of floorspace capacity assumed that all of the vacant land was brought forward for employment use and applied the existing plot ratio standards defined in Chapter 12 of the UDP to provide an estimate of the maximum employment floorspace capacity of each site. The assessment considered other UDP designations directly affecting the vacant land parcels. At Area 83 a large site is was assumed a maximum of 50% of the site could be developed for employment uses due to land remediation issues, at Area 38 which is proposed for mixed use development it was assumed that employment uses would contribute up to 50% of the mix. The vacant land at Area 7 lies within the Crossrail safeguarding area and has been discounted from the assessment of floorspace capacity.

4.97 Overall potential exists within the vacant land parcels identified to accommodate up to 59,500 sq.m of B-class floorspace, 8 of the 25 sites with capacity to accommodate employment uses have capacity for more than 5,000 sq.m A full schedule of maximum site capacities is included in Table G-14 in Appendix G.

Vacant Employment Floorspace

4.98 The future potential vacant floorspace not suitable for immediate re-occupation was considered in broad terms. A summary of the potential offered by vacant premises not suitable for immediate occupation is shown in Table 4.14. The possible options for change at each site were considered sequentially considering the potential for employment re-use first before considering mixed use and wholly non-employment uses. More than one possible option could be selected.

Table 4.14 – Scope for Change at Vacant sites/premises and Opportunities Areas not suitable for immediate occupation

Site Name	Vacant Employment Floorspace	Vacant floorpsace suitable for re-occupation	Intensification of employment use	Redevelopment for continued employment use	Redevelopment for employment led mixed use
Employment Zone					
Hythe Road Employment Zone	10578	0	1100	10578	0
Wood Lane Employment Zone	9156	817	8339	0	0
Richford Street /Shepherd Bush Employment Zone	0	0	0	0	0
Hammersmith Road / Olympia Employment Zone	1102	1102	0	0	0
Fulham Reach Employment Zone	0	0	0	0	0
Kensington Village and Lillie Bridge Depot Employment Zone	0	0	0	0	0
Seagrave Road/Rickett Street Employment Zone	0	0	0	0	0
Putney Bridge Employment Zone	1528	1528	0	0	0
Townmead Road / Imperial Road (Sands End) Zone	18632	0	18632	18447	185
Carnwath Road Employment Zone	0	0	0	0	0
Total Employment Zones	**40996**	**3447**	**28071**	**29025**	**185**
Shepherds Bush Town Centre	2879	2879	0	0	0
Hammersmith Town Centre	31951	24038	0	7913	7913
Fulham Town Centre	2624	2624	0	0	0
Total Town Centres	**37454**	**29541**	**0**	**7913**	**7913**
Other sites	**48198**	**38249**	**9949**	**8176**	**426**
Total All sites	**126648**	**71237**	**38020**	**45114**	**8524**

Source: Atkins Employment Land and Premises Survey 2004

Supporting measures required to accompany change option

4.99 The assessment also considered the possible constraints which may affect the choice and type of site re-use options. The supporting measures required to realise potential site option were also identified. Measures which were considered included:

- Relocation of displaced activities

- Land assembly
- Access improvements
- Improved parking provision
- Landscape, amenity or environmental enhancements
- Upgrading of estate infrastructure
- Improved waste management
- Improved site management
- Addressing contamination issues
- Overcoming development constraints (specify); and
- Business support measures.

The implementation of a planning strategy to address employment land and premises needs in the Borough is considered further in the concluding chapter.

5. CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

5.1 This Section sets out our conclusions and recommendations for employment land and related policies in the London Borough of Hammersmith and Fulham.

5.2 The primary purpose of this study was to provide recommendations for the employment land policy approach to directly inform the development of the Hammersmith and Fulham Local Development Framework. Our recommendations are based on a comprehensive process of evidence gathering and analysis which included:

- Analysis of the baseline socio-economic context;
- Examination of trends in current and future demand for employment land and premises;
- Analysis of existing and future employment needs of the residents of Hammersmith and Fulham;
- Assessment of all key sectors of the local business base, having regard to the needs of different types and sizes of B use class occupiers; and
- Appraisal of the existing employment land and premises supply in light of the feasibility and viability of sites meeting current and future occupier requirements.

5.3 An important starting point for considering the most appropriate policy approach to meeting Hammersmith & Fulham's current and future employment needs is to evaluate the existing approach as set out in the Adopted UDP. The UDP was adopted in 2003 and is set in the context of important policy changes which were taking place at the regional level. Of particular importance was the publication of the London Plan. However, since the UDP was adopted, there are a number of important other regional and national policy initiatives that need to be considered when reviewing the Plan and developing the new LDF. These include:

- Modification to PPG3 (requiring local authorities to review all their non-housing allocations);
- Draft SPG on Industrial Capacity;
- ODPM Guidance on Employment Land Reviews;
- ODPM Planning for Economic Development (informing review of PPS4); and
- Sustainable Success (LDA - London Economic Development Strategy).

5.4 Central to all the recent policy initiatives highlighted above, is the need for local authorities to review their stock of existing and allocated employment sites in order to ensure the supply is suited to demand. Moreover, the Government is promoting a proactive and more flexible approach to employment land policy. Local authorities must now ensure the provision of an adequate stock of employment capacity to meet the future needs of different types and sizes of businesses. There is a need to ensure that the qualitative needs of different businesses are met including the provision of good quality and affordable space for start-ups and small firms. In addition, local authorities are required to plan, monitor and manage the release of genuinely surplus employment land which is not suitable for the intended use and can assist in meeting other local and/or strategic planning objectives (e.g. such as the provision of affordable housing).

5.5 The application of a criteria-based assessment is fundamental to the employment reviews now required of local authorities. In summary, criteria should reflect factors of market demand, sustainable development and strategic policy considerations. This study has provided a comprehensive appraisal of employment sites and premises in Hammersmith and Fulham representing almost complete coverage of B-class uses in the Borough, other that small scale premises that do not adjoin, or lie in close proximity to other B-class uses.

5.6 The current employment and town centre policies contained in LBHF's Adopted UDP provide a robust approach to ensuring that key employment sites are safeguarded for that use. Having undertaken a thorough review of quantitative and qualitative factors of demand and need, we conclude that the principles of the Council's approach are sound and justified. The approach taken by the Council in the current UDP should form the foundations for the preparation of the LDF. We consider that significant dilution of the current thrust of employment land policies would threaten the diverse economic role played by the Borough in the London economy. Moreover, it would seek to undermine the opportunities for making adequate provision for a wide variety of local small businesses which are at the heart of the Borough's indigenous business community. Such businesses may include small media and creative industries requiring workspace in key locations, small businesses providing services for local communities and modern, light industrial occupiers which serve other businesses based locally and in other parts of London (particularly Central London).

5.7 Whilst we consider that the core approach taken by the current UDP is an appropriate starting point for the development of the LDF, we recommend that the Council refine the policies in order to ensure consistency with the new strategic policy context. These recommendations are founded on our appraisal of emerging strategic policies and our comprehensive assessment of local demand and supply side factors. In particular, it is important for the LDF approach to:

- Provide a locational emphasis where appropriate;
- Include a review of the local and strategic economic priorities to support the employment policies in the Plan;
- Define a clear typology of employment sites and premises which reflect the current and future economic roles of Hammersmith and Fulham as well as regeneration and economic development priorities;
- Identify clear criteria for defining and justifying the employment allocations contained within the typologies;

- Introduce an allocation type which promotes employment-led mixed use development (i.e. development that has a higher concentration of employment uses, yet may require a non-B-class component in order to facilitate the development – see para 5.22);

- Include specific policies which make provision for affordable workspace, small businesses and key sectors;

- Identify key mechanisms for implementing the plan;

- Provide a framework for reviewing the criteria (including marketing) which establish the only circumstances were non-employment development will be considered on employment sites; and

- Develop a comprehensive monitoring system in order to evaluate the impact of policies and to inform the review of policies.

DEMAND-SUPPLY BALANCE

5.8 Our demand analysis included a forecast of demand for B use class floorspace in the period up to 2016. We have estimated that the local economy has a need for the provision of 250,000 – 350,000 sqm. of net additional floorspace (B1, B2, B8). Whilst there is some limited scope for restructuring the supply of employment land in the Borough through the transfer of unviable sites to alternative uses and through the redevelopment and improvement of existing stock, our demand analysis indicates that the LDF will be required to continue taking a strongly proactive approach to ensuring that a sufficient quantity of employment land and premises are provided of an appropriate quality to meet the future needs of businesses. Of particular importance will be the need to distinguish between provision for key market segments and different types of businesses. Such an approach should aim to reinforce the role of Hammersmith and Fulham as a dynamic and diverse local economy. Moreover, the approach should promote the need for balance between meeting the requirements of small, local business and those arising from the Borough's function as a strategic office location of major importance within London.

Breakdown of quantitative requirements

Requirements by use class

5.9 An estimate has been derived of the broad types of premises required within the Borough by use class by considering current floorspace utilisation and future premises needs (derived from the business survey) and local property market indicators and applying this information to the additional floorspace requirements needed up to 2016 (refer to Table 5.1 below). It is not possible to derive accurate estimates for individual economic sectors due to the uncertainty and limitations in identifying future needs relating to each sector.

Table 5.1 – Estimated net additional floorspace needs by use class

Use Class	Estimated Floorspace Requirement %	Lower level forecast (sq.m)	Upper level forecast (sq.m)
B1a Offices	80	200000	280000
B1c, B2 and Sui Generis	15	37500	52500
B8	5	12500	17500
Total	100	250000	350000

5.10 It should be recognised that the above estimates provide only a guide to how the net additional floorspace needs are likely to be broken down by sector. The exact proportions will depend on (for example) how much useable vacant floorspace comes onto the market from firms who cease trading and the success of initiatives to upgrade the quality of the existing B-class building stock. It should also be noted that well located, flexible and adaptable premises may be suitable for occupation by a range of B-class activities.

Requirements by size of premises

5.11 It is possible to identify an indicative illustration of the size distribution of premises which may be needed by existing and future occupiers. This illustration has been developed by considering several different indicators namely:

- The sizes of existing premises in the Borough (refer to Business Survey Tables 3.7 - 3.12);
- The floorspace requirements identified by firms seeking to relocate (Business Survey Table 5.13);

- Business start up and survival rates to identify the space requirements of new firms; and

- Qualitative indicators gained from property market intelligence (see Property Appraisal, Appendix C).

5.12 Based upon the consideration of existing and potential occupancy requirements of existing firms it is possible to estimate the approximate size requirements relating to indigenous business needs in terms of the size of individual premises (refer to Table 5.2). This reflects the evidence provided by the business survey results and our property market appraisal which indicates strong demand for small and medium sized premises by a wide variety of occupiers. Conversely, the illustration provided in Table 5.2 reflects the evidence that there is an adequate supply of large office premises (including schemes in the pipeline) with only a limited need to add to this type of stock over the LDF period.

5.13 The Council should seek to promote developments where unit sizes are less than 2,000 sq.m in size and are capable of subdivision. This could apply to new premises or adaption of existing employment premises. A shift towards the provision of small and medium sized units is necessary to address the current mismatch in supply and the requirements of indigenous businesses.

Table 5.2 – Additional floorspace needs by premises size

Size of premises (sq.m.)	Indicative premises size requirements new/ upgraded floorspace	Premises size requirements (average % derived from business survey)	Lower level forecast (sq.m)	Upper level forecast (sq.m)
1-500	35-40%	38%	93750	131250
501-1,000	30-35%	33%	83333	116667
1001-2,000	5-10%	8%	20833	29167
2001-3,000	0-5%	4%	10417	14583
3001-4,000	0-5%	4%	10417	14583
4,001–5,000	0-5%	4%	10417	14583
5001 – 10,000	5-10%	8%	20833	29167
Total		**100%**	**250000**	**350000**

5.14 An estimate of the floorspace required by new start up's has been derived from average business start up rates (measured by VAT registrations) and the application of business survival rates. Whilst VAT registrations exclude many self-employed people and some micro-sized businesses, the statistics are helpful in providing a broad proxy for enterprise / start-up activity in the Borough. It is important to reiterate that the estimates provided below provide only an indicative illustration of the potential scale of demand for small premises.

5.15 With reference to Table C.24 (Appendix C) there are an average of some 58.75 new start up's per annum in Hammersmith & Fulham (1996-2002). Assuming that Hammersmith & Fulham business survival rates reflect the London average some 63% of firms will survive into their third year. Allowing for this churn in the take up and release of premises relating to new business ventures, there is a need to provide suitable start up premises for a minimum of 37 firms per annum in the Borough. This level of business start-ups is relatively low compared with other inner London Borough's and may reflect a constraint in the supply of small scale start-up/moving on premises.

5.16 Small businesses reaching the VAT registration threshold are likely to require premises ranging between 100 and 1,000 sq ft in size which would mean that there is a requirement for between 3,700 and 37,000 sq ft of new start up floorspace per annum. It is not possible to identify a fixed quantity of floorspace needed by new firms for the LDF period as this quantity depends on market factors, and the extent to which start-ups expand into larger premises. However given the importance of the SMEs to the Hammersmith & Fulham Economy the target should be that around 65-75% of premises within the Borough are suitable for occupation by small businesses (i.e. are up to 1,000 sq.ft in size) (refer to Table 5.2).

5.17 It should be recognised that premises of appropriate size is not the only criteria sought by small businesses. Firms may have particular requirements relating to the type of accommodation sought (including mixed work-live premises, business centres, various forms of incubator provision), lease terms, location and business support needs.

Spatial distribution/choice of locations

5.18 It is important to provide businesses with a choice of types of location and to encourage a range of different forms of employment premises in different parts of the Borough. The business survey provides an indication of the locational preferences of those indigenous firms seeking to relocate. The findings can be summarised as follows:

- 45% of firms expressed a preference for a mixed use area. In the Hammersmith & Fulham context this suggests a coherent urban quarter supporting employment uses with a high level of supporting amenities within close proximity;

- 26% expressed a preference for a town centre/Commercial Business District (C.B.D) type location;

- 10% expressed a preference for a more homogenous ‘industrial area’;

- 6% of firms had no particular locational requirements; and

- 16% expressed a preference for premises within a predominantly residential area.

5.19 Of existing vacant floorspace some 32% is situated within existing zones (a combination of sites within wider mixed use areas and larger homogenous industrial areas), 30% of space is located within town centres (mainly Hammersmith) and 38% of space is located within sites not currently designated as employment areas. At present the distribution of vacant floorspace broadly reflects the types of locations sought by those indigenous businesses seeking to expand (notwithstanding the overall shortfall in available floorspace and qualitative issues). .

5.20 A broad estimate can be made of the scale of floorspace sought from firms seeking to locate within residential areas. Up to a maximum of 15,000 – 21,000 sq.m of business floorspace space may be required in predominantly residential areas up to 2016 (applying the 16% of firms seeking residential locations to the floorspace requirement for premises up to 500 sq.ft in size). However, it may not be possible to match the aspirations of firms seeking to locate within residential areas with the supply of available sites particularly for those firms seeking premises over 200 sq.m in size.

Meeting the needs

5.21 The current portfolio of vacant employment land and premises which has the potential to meet the needs of the Borough is summarised in Table 8.3 below drawing upon the findings of Chapter 5.

Table 5.3 – Sources of Employment Floorspace and Land

Source	Existing Employment Zones	Town Centres	Employment sites not currently designated	Total
Vacant Floorspace Available for re-occupation (m^2)	3,447	29,541	38,249	71,237
Vacant Floorspace (subject to improvements to quality) (m^2)	37,549	7,913	9,949	55,411
Estimated floorspace available on vacant land / Opportunity Areas (m^2)	119,563	14,745	25,127	159,435
Total	160,559	52,199	73,325	286,083

Source: Consultants estimate based on site appraisals

5.22 The study has identified some 286,000 sq.m of vacant employment floorspace which has the potential to meet the needs of the Borough., This is divided between the following sources:

- Some 71,200 sq.m is at existing floorspace which has the potential to be re-occupied. The majority of this floorspace is located at employment sites not currently located within designated town centres (41%) or employment zones (54%);

- Some 55,400 sq.m of existing vacant floorspace has potential to meet employment needs within the Borough. However, the quality of this stock does not match the requirements of prospective occupiers in terms of the size or type of premises. There would be a need to upgrade premises through a process of:

  – Intensification of the employment use through extension, subdivision/modification or conversion of the existing floorspace;

  – Re-provision of employment floorspace through site re-modelling, demolition, and redevelopment of the existing building stock; and

  – Redevelopment for employment led mixed use where there is a need to upgrade premises but where it can be demonstrated that there is a need for an enabling non-employment component to the development to maximise the contribution of the site to meeting economic and employment needs within the Borough.

5.23 The assessment did not quantify possible opportunities to increase the amount of floorspace at sites identified for redevelopment to make more effective use of the site. For sites identified as having potential for employment led mixed use the assessment assumed that as a minimum, the existing quantity of B-Class floorspace would be maintained.

5.24 Up to a maximum of 160,600 sq.m of employment floorspace can potentially be provided from within the existing Employment Zones through the occupation of vacant premises and development of vacant land. The methodology used to assess the capacity of sites is described in Chapter 4.

5.25 Overall, the sources of employment floorspace identified above have the potential to yield up to 286,000 sq.m of employment floorspace compared with a requirement for an additional 250,000 – 350,000 sq.m.

5.26 The implication of this finding is that the Borough may not be able to meet all of its quantitative employment floorspace requirements within the sites assessed as part of this study. It is also possible that if requirements are in the upper half of the identified range of requirements then it is likely that the Borough may not be able to meet its employment floorspace requirements within the confines of the Borough whilst maintaining a frictional level of vacancy which is required for efficient operation of the market. This situation also raises the need to consider higher intensity of development on some employment sites.

5.27 Whilst it may be argued that outstanding unimplemented planning permissions may accommodate any potential future shortfall in supply, it is important to highlight that:

- these commitments may not necessarily provide the types of floorspace that is required by businesses in the future;
- the size of the pipeline of planning commitments may quickly decline if developers decide not to implement approved schemes; and

- some of the land may have non-employment permissions arising from the current policy which allows affordable housing to be developed on employment sites as an exception to the normal policy of retention (outside the Employment Zones and town centres).

Key issues

5.28 There are three critical issues which should be addressed by the LDF's employment land policies:

- Firstly, **the transfer of industrial sites to alternative uses should be carefully managed and strongly restricted. Transfer to other uses should take place only on sites which are inherently unsuitable or unviable for industrial, warehousing or business use and are not required to meet aspects of identified need**. This restricted approach is already taken in the Adopted UDP and is appropriate to the new LDF.

- Secondly, **the LDF should facilitate the provision of employment land and premises which reflects the diverse nature and roles of the Hammersmith and Fulham economy. This should include balancing the provision for major, high value office occupiers with that for key sectors of local importance and the small business base including start-ups and cost-sensitive activities.**

- Thirdly, there is a need for the Council to take a strongly proactive approach to facilitating the **qualitative improvement in the supply of employment land and premises in the Borough**. This may involve the redevelopment and/or refurbishment of existing sites and premises; the potential allocation of some new land and/or floorspace for employment purposes; and promoting a new approach to creating employment-led mixed use developments in appropriate locations.

5.29 The evidence and justification for pursuing policies which address these three issues are considered below.

Restricted Transfer of Industrial Land

5.30 Subject to ongoing monitoring and review, there is a significant body of evidence to suggest that the transfer of employment land to alternative uses should continue to be restricted during the period. This is consistent with the draft SPG on industrial capacity.

(i) Industrial restructuring in Hammersmith and Fulham is at a mature stage and the scope for the transfer of existing employment land arising from ongoing industrial restructuring is unlikely to result in a significant decline in demand for employment land and floorspace. Industrial employment is already very low in the Borough and accounts for only 4.2% of total employment compared to 6.1% in London as a whole. Consequently, there is minimal scope to release employment land on the industrial restructuring argument.

(ii) Similar to many other Boroughs in London, warehousing-related employment in Hammersmith and Fulham has increased. Indeed, the warehousing sector in Hammersmith and Fulham is now nearly more important than the industrial sector (in employment terms). The vast majority of warehousing-related jobs are in the wholesale sector which plays an important function in modern economies. These activities are likely to continue expanding over the next decade and will require appropriate development opportunities to accommodate this demand. The growth in warehousing-related demand will be driven by the anticipated growth in London's economy and increase in population.

(iii) Statistics provided by the ODPM and by our review of employment sites and premises indicate that floorspace vacancy rates in Hammersmith and Fulham are relatively low (7%). Indeed, the market appears to be operating at a rate which is below what is regarded as an efficient frictional (8.2%)[16]. Our survey of employment clusters indicates that the floorspace and land vacancy rates amount to 6.3% and 4.7% respectively. This compares to floorspace and industrial land vacancy rates of 8.3% and 6.3% respectively identified for the Borough in the GLA research. Whilst we have estimated that the amount of vacant employment land amounts up to 20 ha (%), a significant proportion of land is committed for mixed use development. We consider that only a limited quantity of land designated within existing employment zones should be considered for transfer to alternative uses to support existing large scale mixed use projects already identified within the Borough. The remaining vacant land should

[16] As highlighted by the Industrial and Warehousing research conducted on behalf of the Mayor.

provide the focus for improving the quality of the sites for employment uses and/or redevelopment for employment-led mixed use development. Hammersmith and Fulham accounts for only 4% of vacant industrial land in the West London sub-region despite having 7% of total stock.

(iv) The Major's draft SPG on industrial capacity states that Borough's should protect locally important, viable industrial sites which lie outside the SEL Framework having tested them in light of local and strategic demand and against the criteria set out in the guidance. This process has been conducted as part of this study. The results of which are summarised below.

Balancing Supply with Demand and Need

5.31 The LDF should protect and facilitate the Borough's function as a strategic office centre of major importance in London. Similarly, it should take a proactive approach to ensuring provision is made for unmet need from key business sectors, particularly small enterprises. These businesses have specific needs in terms of the size, location, type and affordability of premises. They also are of fundamental importance to the future prosperity of the Borough's established communities and have a major role to play in reducing levels of deprivation within the Borough. Failure of employment land policies to address these issues will be detrimental to the process of economic diversification and creation of local jobs which are appropriate for local people. These policies also have a role in ensuring that social and economic polarisation in the Borough is properly addressed and is prevented from being exacerbated.

5.32 The London Office Policy Review (LOPR) indicates that Hammersmith and Fulham has, theoretically, a sufficient potential supply of office floorspace to meet projected demand over the period 2001-2016. We consider that the office commitments identified by the LOPR have the potential to provide the core supply of office space for large, high value occupiers, many of which will be inward investors. However, it is important to emphasis that planning permissions are not always implemented and pipeline supply can disappear. Consequently, it is appropriate for the Council to consider making additional provision for these occupiers, particularly in the medium to long-term in light of changing market needs and monitoring of planning permissions. Particular emphasis should continue to be given to high density developments in accessible and town centre locations. Providing a sufficient choice in terms of size and type in these locations will be fundamental to the Borough's function as a strategic office centre. The Borough has a central role to play in facilitating the expansion of the London economy, particularly in providing for high value service activities.

5.33 Despite the current healthy supply of prime office commitments, this supply is suited primarily to the types of occupiers described above. Largely, this supply does not meet the needs of an increasingly diverse and significant component of the local business base in the Borough. Exacerbated by growing differentials between residential and commercial/industrial land values, the key gaps in local provision include:

- Small service-based businesses serving local communities;
- Niche sectors requiring flexible and affordable premises (e.g media and creative industries); and
- New and young businesses seeking affordable small offices and/or workspace with favourable lease or licence conditions.

5.34 Consequently, it is essential that employment land policies are sufficiently flexible and proactive to meet the diverse requirements of the local business and industrial base. This will require adopting an appropriate typology of employment sites which reflects the economic and employment role of different sites and locations (see above). In addition, the local authority in association with key partners, should take a more proactive approach to facilitating provision for targeted key sectors and types of business. This may include the innovation use of planning agreements and potentially public sector intervention in appropriate aspects of the development market.

5.35 We consider that there is significant evidence to support the adoption of LDF policies which aim to increase the availability of sites and premises for small businesses in Hammersmith and Fulham despite a healthy pipeline supply of office accommodation. This includes the following:

(i) Hammersmith and Fulham has been the focus for substantial employment growth over the last decade. Indeed, between 1996 and 2002, employment in the Borough expanded by 24,000 (excluding self-employed). This represents an increase of 23% compared 17% and 15.5% in London and GB respectively.

(ii) The average size of businesses in Hammersmith and Fulham is declining steadily. For example, between 1991 and 2002, total employment in the Borough increased by 29% whilst the number of business units increased by 114%. Indeed, Hammersmith and Fulham has a greater proportion of businesses with up to 10 employees compared to the London and national economies.

(iii) Despite a healthy pipeline supply of office commitments in the Borough, our empirical business survey indicates a significant volume of unmet demand arising from the expansion and relocation needs of existing firms. Indeed, the survey indicates that businesses in Hammersmith & Fulham currently have potential demand for 215,000 sq.m. to accommodate expansion needs. The vast majority of this latent demand originates from businesses with less than 10 employees, although not all may wish to relocate within Hammersmith and Fulham.

(iv) There are a number of key sectors that are strongly represented in Hammersmith and Fulham and have accounted for a substantial proportion of employment and business growth in the Borough. Indeed, the small business sector is strongly engaged in these sectors and their future growth prospects remain strong. The analyses set out earlier in this report highlights the importance of: creative and cultural industries (including publishing, computing, I.T and new media); other business services (including professional services, software consultancy, advertising, labour recruitment, renting of vehicles and equipment, repair of office machinery); public administration; and retail. With the exception of the BBC, most of these activities have a high requirement for small B1 premises and as their expansion continues, demand for B1 floorspace will also increase in Hammersmith and Fulham.

(v) Hammersmith and Fulham demonstrates a relatively strong entrepreneurial culture which in part reflects the diverse mix of the local population. Approximately 16.5% of Hammersmith & Fulham's working population is self-employed compared to 15% in London.

(vi) Hammersmith and Fulham has a significant need for the creation of a diverse range of local job opportunities. In particular, the area is characterised by economic and social polarisation with concentrations of deprived communities distributed throughout the Borough. The provision of new jobs must be complemented by a comprehensive training, education and business support infrastructure. A high proportion of the jobs created in large scale office developments are unlikely to be matched by the skills profile of residents living in the Borough's most deprived communities.

(vii) Affordability of premises is a particularly important factor which determines the ability of small firms to become established and to grow. Indeed, our business survey highlighted that 21% of tenant firms considered their premises to be poor value for money. The cost of most B1 supply in Hammersmith and Fulham is at a price significantly higher than the rents small local businesses are seeking to pay.

Improving the Qualitative Supply

5.36 In responding the needs of Hammersmith and Fulham's existing and future business base, there is a strong case for the LDF to facilitate the improvement in the qualitative supply of sites and premises. This is particularly important regarding the need to:

- Modernise older and uncompetitive sites and premises; and
- Providing premises for business start-ups, small companies and those requiring affordable workspace.

5.37 Increasing the qualitative component of supply can be achieved through a combination of the following measures:

- Intensifying the use of some existing employment locations;
- Introducing complementary ancillary employment uses that fall outside the B use class;
- Redevelopment of some existing sites for continued employment use;

- Redevelopment of some existing employment sites for employment-led mixed use development; and

- Redevelopment of windfall and/or other key sites with opportunities for mixed-use development with a significant employment component.

5.38 These initiatives should be supported by LDF policies which are guided by a criteria-based approach as recommended by the draft SPG (see below). The implementation of policies to upgrade the qualitative supply of employment land and premises to match need should take place as part of a process aimed at monitoring and managing the Borough's stock of sites and premises.

5.39 A particularly important element of qualitative need relates to the role of the LDF and associated public sector regeneration initiatives in facilitating a significantly increased supply in affordable workspace. This should include the adoption of innovative approaches to finding land-use and financial solutions for the provision of additional workspace for small businesses. In doing so, it is important to highlight that many small businesses and start-ups with the potential for financial self-sufficiency have particular needs that often cannot be met by the market. In particular, the need for affordable rents may not be provided by the market either because this is unviable for the developer or is below a very high expectations of return from higher values uses (including residential and high specification, large offices). Consequently, LBHF should take a leading role in:

- Persuading developers and landlords to see the benefits of accepting lower short-term returns in exchange for achieving lower risk, more sustainable returns from the provision of small workspaces aimed at key small business sectors;

- Directly investing in the provision of managed workspace and/or providing a capital subsidy to local development trusts / social enterprise agencies who can operate and manage the facilities within a commercial context. Importantly, consideration should also be given to options for transferring the ownership / property assets to the provider. This would enable providers to grow a capital investment base which can be used to secure further income or loans for reinvestment in the service;

- Extending the Council's existing use of planning agreements to secure capital funding for the provision of additional managed workspace and business support services in the Borough. The capital could be either invested directly by the Council or placed in a ring-fenced fund for distribution as grants to managed workspace providers. There is an increasing view amongst workspace providers and local regeneration agencies that the need for managed workspace and the associated market failure context is comparable to the situation that has led to a shortage of affordable housing in London. It is argued that similar funding mechanisms should be made available for managed workspace.

- In key locations promoting mixed-use as a mechanism for achieving the provision of affordable workspace in appropriate locations (on or off-site). The transfer of some existing employment sites to residential or for mixed-use development should be supported by a policy requirement to pay for or subsidise the cost of providing affordable workspace. Importantly, this should include the transfer of ownership to identified workspace providers and/or local development trusts. Otherwise, there is the risk that the B1 floorspace provided as part of mixed-use schemes may be either unsuitable for local businesses and/or marketed at rents which are not affordable for these businesses. Accountability for the transfer of land and property assets to third parties will need to carefully defined and should include the adoption of conditions which control the tenants and types of businesses which will occupy the premises.

CRITERIA BASED POLICY APPROACH

5.40 A typology of employment locations has been derived which considers the existing and future floorspace requirements for the Borough up to 2016 and the capability of existing sites and premises to meet these requirements. The typology of locations is shown in Table 8.4 and is based upon the existing planning policy approach relating to employment land and premises in Hammersmith & Fulham. However, importantly the criteria and rationale for the policies have been updated to reflect the findings of the employment land appraisal and future employment land and premises requirements.

Table 5.4 – Typology of Employment Locations

Designation Type	Description
Strategic Employment Location (SEL)	SEL's represent London's strategic reserve of industrial capacity. These sites are mostly more than 20 ha in size and represent Preferred Industrial Locations (PIL's) and Industrial Business Parks (IBP's). SEL's are designated at the regional level in the London Plan and are defined as follows: **Preferred Industrial Locations** are suitable for firms which do not place a high premium on environmental quality. These usually fall within the B1 (c), B2 and B 8 Use Classes. PILs will not normally be suitable for B1(a) and B1(b) uses, although some ancillary B1(a) use is acceptable and some transfer between these classes may be inevitable under the General Development Order. PILs will not normally be suitable locations for large scale B1(a) office development. Nevertheless, they may be appropriate for other uses of an industrial nature, including some of those classified as sui generis e.g. car breaking, metal re-cycling, aggregate processing, bus garages, iron and steel pre-fabrication. However, this cannot be taken as a general policy position, not least because, by their nature, sui generis uses must be treated on their merits. **Industrial Business Parks** are for firms which need better quality surroundings. These are usually B1 (b), B1 (c) and high value added B2 activities, require significantly less heavy goods access and are able to relate more harmoniously with neighbouring uses than those in PILs. IBPs are not intended for primarily B1(a) office development. Where B1(a) office development is proposed on an Industrial Business Park, this should not jeopardise local provision for B1(b) and B1(c) accommodation, where there is demand for these uses. Any B1(a) proposal, including redevelopment of existing offices, should comply with the London Plan office policies.
Employment Zone (EZ)	Employment Zones represent Locally Significant Employment sites encompassing viable locations for supporting B1, B2 and B8 land uses which are necessary to meet current and anticipated levels of demand in target growth sectors. Within Hammersmith & Fulham Employment Zones normally meet the following criteria: • Form part of established area of existing industrial, warehousing or office-based activity. EZs normally include more than 4,000 sq.m (43,000 sq.ft.) of employment floorspace. In addition, employment floorspace should represent a minimum of 50% of the total ground floor floorspace within the EZ; • Support clusters of economic activity which are of particular importance to the future growth of the Hammersmith & Fulham economy. Those clusters include cultural and creative industries, financial and business services and other business services; • Well located in proximity to the road network and are normally accessed directly from a Strategic Route, London Distributor Road or Borough Distributor Road; • Well located in relation to public transport facilities including London Underground and National Railway Stations and major public transport interchanges; • The quality of the employment building stock and the state of the physical environment and public realm are attractive to business or have the physical potential to be upgraded to meet those needs; • Provides an existing role or offers potential with regard to the provision of

Designation Type	Description
	premises serving small and medium sized businesses (including start-up, expanding and relocating businesses); • Provides lower cost accommodation suitable for small, start-up or lower-value industrial, warehousing or office uses or other business important to the local economy; • Contributes to local employment objectives and local economic diversity. Some sites were identified because they offer potential for 24 hour working, or provide facilities for 'bad neighbour' uses without detriment to residential amenity.
Town Centre and Main shopping Area	Town Centres represent Locally Significant Employment sites encompassing viable locations for supporting B1a land uses due to their accessibility by public transport. Sites on the periphery of town centres are also established locations selected B1c and Sui Generis employment generating uses. Employment uses within town centres should normally be protected. The same policies and criteria applicable to EZs are also appropriate for use in relation to town centre employment uses.
Other Employment Locations	Other Employment Locations represent areas of employment uses which do not meet the criteria of either a Strategic Employment Location or Employment Zone but which still provides employment floorspace which meets the needs of the Borough or has the potential tp provide such space.
Site Specific Proposals	A site specific proposal designation has been proposed in relation to SELs, EZs or Town Centres where is there is a need to secure improvements in the quality of the employment building stock through upgrading or redevelopment in order that employment premises meet existing/future floorspace requirements. The designation could relate to all or part of the employment site. The opportunities relating to individual sites are described in Appendix G which identifies which part of the EZ the opportunity area applies to and provides justification for the designation of such an area. The potential opportunities identified in relation to opportunities sites include: • Intensification of the existing employment premises (for example through extension or subdivision of existing premises); • Redevelopment of existing sites for continued employment use; and • Redevelopment of existing employment sites for employment-led mixed use development. Where the potential for employment led mixed use has been identified the purpose has been to secure improvements in the type and quality of the employment building stock. The resulting employment floorspace should meet the qualitative requirements of businesses in the Borough. At each site the quantity of enabling non-employment floorspace should be limited to the quantity necessary to secure provision of appropriate employment premises.

5.41 The rationale supporting the typology and policy approach identified in Table 8.4 is described below.

Strategic Employment Location

5.42 The Strategic Employment Location designation has been defined at the regional level in the London Plan by the Greater London Authority. The only areas within Hammersmith & Fulham which are subject to the SEL designation are part of Hythe Road EZ (Park Royal) and Wood Lane. Although Hammersmith & Fulham does accommodate business clusters of regional importance (financial and business services and cultural and creative industries) which are concentrated within Hammersmith Town Centre and Wood Lane Employment Zone, the types of premises suitable for accommodating the needs of these sectors are not included within the Preferred Industrial Location or Industrial Business Park definition.

Employment Zone

5.43 Employment Zones have been derived as the basis for the identification and protection of locally significant employment land including industrial, office and warehousing land.

5.44 The quantity of employment land and premises which have been recommended for designation with the EZ designation reflect both the short term demand and strategic demand for industrial, warehousing and small-medium scale office activities. It should be noted that additional floorspace over and above that which has the potential to be accommodated within Town Centres and Employment Zones may be required to meet the needs of the Borough up to 2016.

5.45 The quality of employment land and premises within the Borough has been assessed. Parcels of employment land and premises were not recommended for inclusion within the EZ designated areas if the following issues were identified as significant problems which could potentially compromise the operation of EZ as an employment location:

- If there were significant problems relating to the compatibility of adjoining land uses which could not be addressed over time using through statutory development control, enforcement or environmental controls or through improved management/mitigation measures; or

- If the area does not provide adequate parking and turning space for goods vehicles.

5.46 Our recommendations for the revision of Employment Zones have also included the extension of some Zones and additional allocations of some sites to facilitate employment development through employment-led mixed use.

Town Centres

5.47 The adopted UDP currently promotes business uses within town centre locations. Hammersmith Town Centre is the preferred location for office development of over 2,500 sq.m. Shepherds Bush and Fulham town centre are identified as suitable locations for smaller scale B-class uses. The appraisal of employment land within town centres indicates that Hammersmith Town Centre remains the most appropriate location within the Borough for large scale office developments given existing levels of public transport accessibility. Fulham and Shepherd Bush town centres continue to have a role to play in accommodating small-medium scale users. The encouragement of office development within town centres can contribute towards the vitality and viability of town centres. Given that town centre locations represent locally significant areas of employment development, it is recommended that they are treated as such when evaluating proposals for change of use from employment to non employment uses (unless the proposed development is contrary to the Council's town centre policies).

Other Employment Areas

5.48 The Draft SPG highlights that boroughs should also use flexible, criteria based policies to address any remaining industrial sites (not shown on the Proposals Map). The criteria should be used to identify the characteristics of locally valuable industrial sites (including those providing low cost accommodation) and to manage the potential release or retention of sites. It is stated that consideration should be given to the sub-regional demand and supply of industrial land.

5.49 Given the scale of local and sub-regional demand in Hammersmith & Fulham, existing small employment sites are justified in being strongly protected unless it can be demonstrated that the site is not inherently suitable or viable for employment use. Whilst the criteria identified above are appropriate, we consider that issues relating to viability and marketability should be introduced and clearly defined. Importantly, these criteria should be established within a sub-regional context and will require on-going co-operation between local authorities and between the planning, economic development and property functions of the Council. This process will be assisted if local authorities within the West sub-region can prepare collective guidelines that estimate the capacity of individual authorities to transfer unsuitable employment land to alternative uses.

Site specific proposals

5.50 The identification of site specific proposals on the proposals map is necessary to identify where a more flexible approach will be encouraged to facilitate the enhancement of employment land and premises in the Borough. It is envisaged that this designation will be added in addition to the SEL/EZ designation rather than as a separate designation. A site by site schedule identifies in broad terms the potential options for delivering improvements in the quality of the building stock. At some locations an enabling non-employment component may be required to deliver the type and quality of employment premises required.

Redesignation of Non-Allocated Employment Areas

5.51 To take account of the proposed role of employment land and premises in the Borough the boundaries of EZs were reviewed and amendments proposed to reflect the revised policy criteria supporting the EZ policy designation and to strengthen the robustness of the EZ designation.

5.52 Table 5.5 provides a summary of the proposed changes at each of the non designated employment areas judged to require allocation. The sieving process undertaken for all employment areas not allocated as either an employment zone or town centre is set out in Table G-16, Appendix G. Sites were judged according to the four key criteria:

- Existing employment floorspace totalling 4,000 sq m or more;
- Ability to access the area directly via a strategic route, London Distributor Road or Borough Distributor Road;
- Employment premises within the area to be classed as “Very Good”, “Good” or “Average” within the site appraisals;

- A PTAL level greater than 3.

5.53 Those sites fulfilling two or more of these criteria were then judged on an individual basis as they can be best accommodated into an employment allocation. Those sites deemed suitable are illustrated in Table 5.5 below, together with suitable boundary changes.

Table 5.5 – Changes to Employment Area Allocations

Site ID	Site Name	Recommended Boundary changes
16	Frithville Gardens	Incorporate entire site into existing Wood Lane EZ designation
23	Askew Road	Designate Buildings D, E, F, G & H as an EZ
24	Jeddo Road	Designate whole area as an EZ
25	Warple Way	Designate whole area as an EZ
30	Turnhall Green to Stamford/Brook/Railway/Arches	Designate whole area as an EZ
31	King Street (West)	Designate site as part of wider allocation
33	Venacourt Place	Designate Buildings A - K as an EZ
34	Kings Street	Designate sites A, B, C, D, F, G, H, I & J as an EZ
35	Ravenscourt Park to Hammersmith Railway Arches	Designate whole Area as an EZ
36	Glenthorne Road	Designate Sites A, B, C, E and vacant sites as an EZ
41	Shepherds Bush Road	No Change
42	Blythe Road	Designate Sites A, B, C, E, F & G as an EZ
43	Hazlitt Road	Extend Olympia Employment Zone to incorporate Area
46	Hammersmith Road	Extend Olympia Employment Zone to incorporate sites A, B, E, F, G, H & I
47	Coret Gardens	Extend Olympia Employment Zone to incorporate Area
48	Fulham Place Road north	Designate sites D, E & F as EZ
52	Rainville Road	Designate Parts A, B & C and E as EZ
53	Greyhound Road	Allocate Parts of Site
55	North End Road North	Designate site G as part of Olympia Employment Zone Designate AB & D as separate EZ
58	North End Road South	Extend town centre boundary to include Area
62	Seagrave Road	Extend adjoining EZ to include sites A, B C, E & F
63	Farm Lane	Designate Sites A - D as an EZ
71	Munster Road (south)	Designate Sites C, D, E , F G, H, I and L, M & N as Employment Zones
75	Putney Bridge	Incorporate site within Putney Bridge EZ
76	New Kings Road west	Incorporate sites C-G within Putney Bridge EZ
79	Parsons Green	Designate whole site apart from sites C & I as an EZ
80	Peterborough Road	Designate whole site as an EZ
84	Chelsea Harbour	Allocate office based element of site tighten boundaries to include only Buildings A-C

Source: Atkins Employment Land & Premises Study (Consultants' recommendations): see Table G-16, Appendix G for further details.

5.54 Where appropriate employment areas, or elements of employment areas should be accommodated into adjoining existing Employment Zones. Where there are no nearby employment zones in may be suitable to designate the area as an employment zone. If each of the proposals illustrated in Table 5.5 are implemented 17 new Employment Zone designations would be created, whilst three existing Employment Zones would be extended, notably the Olympia Employment Zone.

Marketing/viability Test

5.55 With regard to establishing viability criteria, the approach taken in the Adopted UDP provides an appropriate and robust means for assessing the extent to which developers or landowners have tested the suitability of the site or premises for employment-related occupiers. Importantly, current policy highlights the need for applicants to demonstrate the land and rental values being sought through the marketing process. It is important that these are appropriate in light of local and sub-regional market conditions and in relation to the specific characteristics of the site or premises being offered to the market.

5.56 Also of particular importance, the current approach requires developers or landowners to demonstrate that sites have appropriately been offered to the market in terms of potential redevelopment opportunities for employment use. It is critical that the marketing process is not constrained by the current condition and/or specification of the buildings on the site.

5.57 Whilst the current approach to the marketing issues is appropriate for the LDF, it is important to give wider consideration to issues of viability of sites for employment use. This could include the potential intervention of public bodies to ensure viability for key sectors and/or types of businesses (e.g. start-ups).

5.58 Issues of viability should be considered in the light of the recommendations presented to GLA in the latest Industrial and Warehousing Land Demand report. This states that:

- *'An industrial / warehousing site might be deemed viable if it can be developed at normal industrial/warehousing land values as set by benchmark data for the sub-region, adjusted for any abnormal costs or other particular characteristics. This would help distinguish activity that is not competitive in London from activity that is driven out by higher* *value land uses.'* This is an appropriate policy consideration assuming a reasonable and reliable system of benchmarking can be established (see below). In addition, it is reasonable for the policy to include reference to the role of the local authority, the RDA or regeneration partners in facilitating employment related development even where development is not wholly viable on its own. Cross reference should be made to policies and initiatives which promote the provision of affordable workspace which should be identified as a specific local need. The role of the public sector may include direct development, joint ventures or gap funding (subject to State Aid rules).

- *…'if a site needs infrastructure or reclamation which cannot be paid for by industrial and warehousing land values, this might constitute an argument against protecting it for purely industrial/warehousing use'.* This is reasonable unless the site provides the opportunity to bring identified benefits where the public sector can commit to taking a financial role in facilitating employment development.

5.59 In guiding the viability of development proposals, it will be important that applicants have regard to guidance prepared by the local authority. Benchmarks should be established having regarding to variations in:

- Location;
- Size;
- Type / quality of premises (fit for purpose);
- Lease length and conditions;
- Business sector;
- Affordability.

5.60 Critically it will be essential for benchmarks to compare like with like. Moreover, a standard monitoring and review process should be establish to account for changing local, sub-regional and regional market conditions. Partnerships between the property, economic development and planning departments of different local authorities will need to be established as will formal dialogue with local and regional property agents.

5.61 With regard to developing the marketing criteria to be included in the LDF, these should have particular regard to agreed and monitored value benchmarks. Appropriate rental levels will vary for offices, industrial and warehousing premises according to the factors outlined above.

5.62 The marketing criteria should be definitive in terms of the time frame and marketing channels to be explored. In accordance with the draft SPG, the time frame should relate to vacancy for at least two years (para 6.15). Marketing channels should include: a selection of appropriate local and sub-regional agents; local property press; and local authority property database. As highlighted above, it will be critical for the assessment of marketing to examine not only the rental levels at which the property is on offer, but also the quality of the premises and the target occupier type.

Live Work Units

5.63 The current policy in the Adopted UDP provides for the development of live-work schemes in defined but limited circumstances outside the Employment Zones. We consider that this approach is continued in the LDF, subject to the monitoring evidence of local demand and need. Whilst the study provided no explicit evidence of demand for live-work units, the business survey indicated that, of all the businesses considering a relocation of their operations, over 45% highlighted that they would prefer to move to a ‘mixed-use’ area. In additional 10% stated that they preferred to move to a ‘residential’ area.

5.64 It is important that the live-work policy remains focused on the application of clear criteria. Whilst such developments need to be carefully controlled, the live-work concept potentially provides an important role in enabling land-use policies to respond flexibly to changing employment and lifestyle requirements. A geographical perspective may be added to the criteria-based approach to facilitate the potential development of small Areas of live-work units on sites outside the Employment Zones. Such Areas have the potential to offer a range of business types flexible and viable options for their operations. These Areas may perform a role similar to enterprise centre or groups of incubation units.

SUMMARY OF RECOMMENDATIONS

LDF Strategy

5.65 The Council's approach adopted in the existing UDP provides a sound basis for developing the LDF employment strategy. In particular, the UDP provides a robust approach to ensuring that key employment site are safeguarded for that use. We recommend that this approach is continued in order to:

- ensure that LBHF can support the diverse economic role played by the Borough in London's economy; and

- enable sufficient provision to be made for a wide variety of local small businesses which are at the heart of the Borough's indigenous business community.

5.66 In general terms, we recommend that the LDF strategy:

(i) provide a locational emphasis where appropriate;

(ii) include a review of the local and strategic economic priorities to support the employment policies in the Plan;

(iii) define a clear typology of employment sites and premises which reflect the current and future economic roles of Hammersmith and Fulham as well as regeneration and economic development priorities;

(iv) identify clear criteria for defining and justifying the employment allocations contained within the typologies;

(v) introduce an allocation type which promotes employment-led mixed use development (i.e. development that has a higher concentration of employment uses, yet may require a non-B-class component in order to facilitate the development);

(vi) include specific policies which make provision for affordable workspace, small businesses and key sectors;

(vii) identify key mechanisms for implementing the plan;

(viii) provide a framework for reviewing the criteria (including marketing) which establish the only circumstances were non-employment development will be considered on employment sites; and

(ix) develop a comprehensive monitoring system in order to evaluate the impact of policies and to inform the review of policies.

Key Policy Considerations

5.67 We recommend that the LDF employment strategy be guided by three key policy considerations:

(i) The transfer of industrial sites to alternative uses should be carefully managed and strongly restricted. Transfer to other uses should take place only on sites which are inherently unsuitable or unviable for industrial, warehousing or business use.

(ii) The LDF should facilitate the provision of employment land and premises which reflects the diverse nature and roles of the Hammersmith and Fulham economy. This should include balancing the provision for major, high value office occupiers with that for key sectors of local importance and the small business base including start-ups and cost-sensitive activities.

(iii) The Council should take a strongly proactive approach to facilitating the qualitative improvement in the supply of employment land and premises in the Borough. This may involve the redevelopment and/or refurbishment of existing sites and premises; the potential allocation of some new land and/or floorspace for employment purposes; and promoting a new approach to creating employment-led mixed use developments in appropriate locations.

Criteria-Based Policy Designations

5.68 In developing appropriate policies for the LDF, we recommend that the employment land designations be updated to take account of changes to the strategic policy framework and to ensure that they reflect the varied employment role of different locations and sites within the Borough. Described in Table 5.4 of the main report, we recommend the following designations / typologies:

- Strategic Employment Locations (SELs);
- Employment Zones (EZs);
- Town Centre and Main Shopping Areas;
- Other Employment Locations; and
- Site Specific Proposals.

5.69 We also recommend a number of proposed changes to existing boundaries of employment areas in the Borough. These are provided in Table 5.5 of the main report.

Marketing Tests

5.70 We recommend that the existing UDP on marketing vacant employment sites be extended to ensure that developers provide sufficient evidence regarding the viability of sites for employment use. Benchmarks to assist in assessing viability assumptions should be established having regard to variations in location, size, type/quality of premises (fit for purpose); lease length and conditions; business sector and affordability.

Live-Work Units

5.71 We recommend that the approach taken in the existing UDP to live-work accommodation is continued in the LDF, subject to the monitoring of evidence of local demand and need.